County of Monterey

Government Center - Board Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Meeting Agenda - Final-Revised

Tuesday, September 23, 2025

9:00 AM

Join via Zoom at https://montereycty.zoom.us/j/224397747 or in person at the address listed above

Board of Supervisors

Chair Supervisor Chris Lopez - District 3
Vice Chair Supervisor Wendy Root Askew - District 4
Supervisor Kate Daniels- District 5
Supervisor Luis A. Alejo - District 1
Supervisor Glenn Church - District 2

Participation in meetings

While the Board chambers remain open, members of the public may participate in Board meetings in 2 ways:

1. You may attend the meeting in person; or,

2. You may observe the live stream of the Board of Supervisors meetings at https://monterey.legistar.com/Calendar.aspx, http://www.mgtvonline.com/, www.youtube.com/c/MontereyCountyTV or https://www.facebook.com/MontereyCoInfo/

If you choose not to attend the Board of Supervisors meeting but desire to make general public comment, or comment on a specific item on the agenda, you may do so in 2 ways:

a. submit your comment via email by 5:00 p.m. on the Monday prior to the Board meeting. Please submit your comment to the Clerk of the Board at cob@co.monterey.ca.us. In an effort to assist the Clerk in identifying the agenda item relating to your public comment please indicate in the Subject Line, the meeting body (i.e. Board of Supervisors Agenda) and item number (i.e. Item No. 10). Your comment will be placed into the record at the Board meeting.

b. you may participate through ZOOM. For ZOOM participation please join by computer audio at: https://montereycty.zoom.us/j/224397747

OR to participate by phone call any of these numbers below:

+1 669 900 6833 US (San Jose)
+1 346 248 7799 US (Houston)
+1 312 626 6799 US (Chicago)
+1 929 205 6099 US (New York)
+1 253 215 8782 US
+1 301 715 8592 US

Enter this Meeting ID number: 224397747 when prompted. Please note there is no Participant Code, you will just hit # again after the recording prompts you.

You will be placed in the meeting as an attendee; when you are ready to make a public comment if joined by computer audio please Raise your Hand; and by phone please push *9 on your keypad.

PLEASE NOTE: IF ALL BOARD MEMBERS ARE PRESENT IN PERSON, PUBLIC PARTICIPATION BY ZOOM IS FOR CONVENIENCE ONLY AND IS NOT REQUIRED BY LAW. IF THE ZOOM FEED IS LOST FOR ANY REASON, THE MEETING MAY BE PAUSED WHILE A FIX IS ATTEMPTED BUT THE MEETING MAY CONTINUE AT THE DISCRETION OF THE CHAIRPERSON.

Participación en reuniones

Mientras las cámaras de la Junta permanezcan abiertas, los miembros del público pueden participar en las reuniones de la Junta de 2 maneras:

1. Podrá asistir personalmente a la reunión; o,

2. Puede observar la transmisión en vivo de las reuniones de la Junta de Supervisores en https://monterey.legistar.com/Calendar.aspx, http://www.mgtvonline.com/, www.youtube.com/c/MontereyCountyTV o https://www.facebook.com/MontereyCoInfo/

Si elige no asistir a la reunión de la Junta de Supervisores pero desea hacer comentarios del público en general o comentar un tema específico de la agenda, puede hacerlo de 2 maneras:

a. envíe su comentario por correo electrónico antes de las 5:00 p.m. el lunes anterior a la reunión de la Junta. Envíe su comentario al Secretario de la Junta a cob@co.monterey.ca.us. En un esfuerzo por ayudar al secretario a identificar el tema de la agenda relacionado con su comentario público, indique en la línea de asunto el cuerpo de la reunión (es decir, la agenda de la Junta de Supervisores) y el número de artículo (es decir, el artículo n.º 10). Su comentario se colocará en el registro en la reunión de la Junta.

b. puedes participar a través de ZOOM. Para participar en ZOOM, únase por audio de computadora en: https://montereycty.zoom.us/j/224397747

O para participar por teléfono llame a cualquiera de estos números a continuación:

+1 669 900 6833 EE. UU. (San José)
+1 346 248 7799 EE. UU. (Houston)
+1 312 626 6799 EE. UU. (Chicago)
+1 929 205 6099 EE. UU. (Nueva York)
+1 253 215 8782 EE. UU.
+1 301 715 8592 EE. UU.

Ingrese este número de ID de reunión: 224397747 cuando se le solicite. Tenga en cuenta que no hay un código de participante, simplemente presione # nuevamente después de que la grabación lo solicite.

Se le colocará en la reunión como asistente; cuando esté listo para hacer un comentario público si se une al audio de la computadora, levante la mano; y por teléfono, presione *9 en su teclado.

TENGA EN CUENTA: SI TODOS LOS MIEMBROS DE LA JUNTA ESTÁN PRESENTES EN PERSONA, LA PARTICIPACIÓN DEL PÚBLICO POR ZOOM ES ÚNICAMENTE POR CONVENIENCIA Y NO ES REQUERIDA POR LA LEY. SI LA ALIMENTACIÓN DE ZOOM SE PIERDE POR CUALQUIER MOTIVO, LA REUNIÓN PUEDE PAUSARSE MIENTRAS SE

INTENTA UNA SOLUCIÓN, PERO LA REUNIÓN PUEDE CONTINUAR A DISCRECIÓN DEL PRESIDENTE.

The Board of Supervisors welcomes you to its meetings, which are regularly scheduled each Tuesday. Your interest is encouraged and appreciated. Meetings are held in the Board Chambers located on the first floor of the Monterey County Government Center, 168 W. Alisal St., Salinas, CA 93901.
As a courtesy to others, please turn off all cell phones and pagers prior to entering the Board Chambers.

ALTERNATE AGENDA FORMATS: If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 USC Sec. 12132), and the federal rules and regulations adopted in implementation thereof. Individuals with a disability requiring a modification or accommodation, including auxiliary aids or services, in order to participate in the public meeting may make these requests to the Clerk of the Board Office.
CEREMONIAL/APPOINTMENTS/OTHER BOARD MATTERS: These items may include significant financial and administrative actions, and items of special interest, usually approved by majority vote for each program. The regular calendar also includes “Scheduled Items,” which are noticed hearings and public hearings.
CONSENT CALENDAR: These matters include routine financial and administrative actions, appear in the supplemental section by program areas, and are usually approved by majority vote.
TO ADDRESS THE BOARD ON A MATTER ON THE AGENDA: Walk to the podium and wait for recognition by the Chair. In order that all interested parties have an opportunity to speak, please be brief and limit your comments to the specific subject under discussion. Time limitations shall be at the discretion of the Chair, with equal time allocated to opposing sides of an issue insofar as possible. Allocated time may not be reserved or granted to others, except as permitted by the Chair. On matters for which a public hearing is required, please note that a court challenge to the Board’s action may be limited to only those issues raised at the public hearing or in correspondence delivered to the Board at or before the public hearing.
TO ADDRESS THE BOARD DURING PUBLIC COMMENT: Members of the public may address comments to the Board concerning each agenda item and may comment when the Chair calls for general public comment for items that are not on the day's agenda. The timing of public comment shall be at the discretion of the Chair.
DOCUMENT DISTRIBUTION: Documents related to agenda items that are distributed to the Board less than 72 hours prior to the meeting shall be available for public inspection at the Clerk of the Board Office, 168 W. Alisal Street, 1st Floor, Salinas, CA. Documents distributed to the Board at the meeting by County staff will be available at the meeting; documents distributed to the Board by members of the public shall be made available after the meeting.
INTERPRETATION SERVICE POLICY: The Monterey County Board of Supervisors invites and encourages the participation of Monterey County residents at its meetings. If you require the assistance of an interpreter, please contact the Clerk of the Board located in the Monterey County Government Center, 168 W. Alisal St., Salinas - or by phone at (831) 755-5066. The Clerk will make every effort to accommodate requests for interpreter assistance. Requests should be made as soon as possible, and at a minimum 24 hours in advance of any meeting of the Board of Supervisors.
La Cámara de Supervisores del Condado de Monterey invita y apoya la participación de los residentes del Condado de Monterey en sus reuniones. Si usted requiere la asistencia de un interprete, por favor comuníquese con la oficina de la Asistente de la Cámara de Supervisores localizada en el Centro de Gobierno del Condado

de Monterey, (Monterey County Government Center), 168 W. Alisal, Salinas – o por teléfono al (831) 755-5066. La Asistente hará el esfuerzo para acomodar los pedidos de asistencia de un interprete. Los pedidos se deberán hacer lo mas pronto posible, y a lo mínimo 24 horas de anticipo de cualquier reunión de la Cámara de Supervisores.

All documents submitted by the public must have no less than ten (10) copies.
The Clerk of the Board of Supervisors must receive all materials for the agenda packet by noon on the Tuesday one week prior to the Tuesday Board meeting.
Any agenda related writings or documents distributed to members of the County of Monterey Board of Supervisors regarding any open session item on this agenda will be made available for public inspection in the Clerk of the Board's Office located at 168 W. Alisal St., 1st Floor, Salinas, California. during normal business hours and in the Board Chambers on the day of the Board Meeting, pursuant to Government Code §54957.5

HELPFUL INFORMATION/INFORMACION UTIL

Sign Up For Alerts on items you may be interested in to keep informed and up to date on the Monterey County Board of Supervisors

To create an Alert please Sign Up and follow the User Guide to create alerts for calendars, meeting details, agenda items and item details at the following link:

https://monterey.legistar.com/Default.aspx

If assistance is needed please contact our office at the following email: cob@co.monterey.ca.us

Regístrese para recibir alertas sobre artículos que le pueden interesar para mantenerse informado y actualizado sobre la Junta de Supervisores del Condado de Monterey

Para crear una alerta, regístrese y siga la Guía del usuario para crear alertas para calendarios, detalles de reuniones, elementos de agenda y detalles de elementos en el siguiente enlace:

https://monterey.legistar.com/Default.aspx

Si necesita ayuda, comuníquese con nuestra oficina al siguiente correo electrónico: cob@co.monterey.ca.us

NOTE: All agenda titles related to numbered agenda items are live web links. Click on the title to be directed to the corresponding Board Report.

PUBLIC COMMENT: Members of the public may address comments to the Board concerning each agenda item. The timing of public comment shall be at the discretion of the Chair.

9:00 A.M. - Call to Order

Roll Call

Additions and Corrections for Closed Session by County Counsel

County Counsel will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

Closed Session

1. Closed Session under Government Code section 54950, relating to the following items:

a. Pursuant to Government Code section 54956.9(d)(1), the Board will confer with legal counsel regarding existing litigation:
(1) Miguel Ruiz (Worker's Compensation Appeals Board No. ADJ9233391, ADJ9895366, ADJ16148265)
(2) In re: Blue Cross Blue Shield Antitrust Litigation MDL 2406, N.D. Ala., Master File No. 2:13-cv-20000-RDP (United States District Court for the Northern District of Alabama Southern Division) (3)*Jane Doe, et al. v. County of Monterey, et al.*, Monterey County Superior Court Case No. 25CV004526

b. Pursuant to Government Code section 54957.6, the Board will provide direction to negotiators:
(1) Designated representatives: Andreas Pyper, Kim Moore and Ariana Hurtado
Employee Organization(s): Unit L
(2) Designated representatives: Andreas Pyper, Kim Moore and Ariana Hurtado
Employee Organization(s): All Units

c. Pursuant to Government Code section 54957(b)(1), the Board will confer regarding recruitment/appointment to the position of Public Defender.

d. Pursuant to Government Code section 54956.9(d)(2), the Board will confer with legal counsel regarding one matter of significant exposure to litigation.

Public Comments for Closed Session

The Board Recesses for Closed Session Agenda Items

Closed Session may be held at the conclusion of the Board's Regular Agenda, or at any other time during the course of the meeting, before or after the scheduled time, announced by the Chairperson of the Board. The public may comment on Closed Session items prior to the

Board's recess to Closed Session.

10:30 A.M. - Reconvene on Public Agenda Items

Roll Call

Pledge of Allegiance

Additions and Corrections by Clerk

The Clerk of the Board will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

Ceremonial Resolutions

2. Adopt a resolution honoring Cari Herthel the Education and Community Outreach Director for the Esselen Tribe of Monterey County. (Supervisor Daniels)

Attachments: Ceremonial Resolution - Cari Herthel

3. Adopt a resolution to honor the 50th Anniversary of The Marine Mammal Center, and the Opening of its new Monterey Bay Operations location in Castroville, California. (Supervisor Church)

Attachments: Ceremonial Resolution - The Marine Mammal Center

4. Adopt a resolution honoring the Oaxaca By The Sea Festival on its 5th Anniversary in Seaside, California. (Supervisor Root Askew)

Attachments: Ceremonial Resoloution - Oaxaca By the Sea

5. Adopt a resolution honoring Garnett Noble on receiving the 2025 Tolly and Cleo Martin Spirit of Partnership Award from the Monterey County Branch 1049 National Association for the Advancement of Colored People (NAACP), at the 53rd Annual Freedom Fund Banquet. (Supervisor Root Askew)

Attachments: Ceremonial Resolution - Garnet Noble NAACP

6. Adopt a resolution honoring Simeon Brown for receiving the 2025 Chevron Corporation Scholarship Award, presented at the 53rd Annual Freedom Fund Banquet by the Monterey County Branch 1049 National Association for the Advancement of Colored People (NAACP). (Supervisor Root Askew)

Attachments: Ceremonial Resolution - Simeon Brown NAACP

7. Adopt a resolution recognizing Lenore Sherman Bean on receiving the Medgar Evers Legacy Award 2025 from the Monterey County Branch of the National Association for the Advancement of Colored

People (NAACP) at the 53rd Annual Freedom Fund Banquet. (Supervisor Root Askew)

Attachments: Ceremonial Resolution - Lenore Sherman Bean NAACP

8. Adopt a resolution honoring Dr. Bettye Lusk for receiving the President's Award from the Monterey County Branch of the National Association for the Advancement of Colored People (NAACP) at the 53rd Annual Freedom Fund Banquet. (Supervisor Root Askew)

Attachments: Ceremonial Resolution - Dr. Bettye Lusk NAACP

9. Adopt a resolution honoring Colonel Alfred P. Glover (Ret.) on receiving the Tolly and Cleo Martin Spirit of Partnership Award 2025 from the Monterey County Branch of the National Association for the Advancement of Colored People (NAACP) at the 53rd Annual Freedom Fund Banquet. (Supervisor Root Askew)

Attachments: Ceremonial Resolution - Colonel Alfred P. Glover NAACP

10. Adopt a resolution recognizing A. Dean Martin recipient of the 2025 Medgar Evers Legacy Award by the Monterey County Branch 1049 National Association for the Advancement of Colored People (NAACP), at the 53rd Annual Freedom Fund Banquet (Supervisor Root Askew)

Attachments: Ceremonial Resolution - A. Dean Martin NAACP

Appointments

11. Appoint Jason Sullens to the Emergency Medical Care Committee (EMCC) representing Fire Chief's Association Basic Life Support (BLS) Representative with a term expiration date on June 30, 2026. (Nominated by Teresa Rios, Emergency Medical Services (EMS) Agency Bureau Chief)

Attachments: Notification to Clerk of Appt - Jason Sullens
Bio - Jason Sullens
Emergency Medical Care Committee Nomination - Jason Sullens

12. Reappoint Maria Guerrero to the Child Care Planning Council as a Child Care Provider Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

Attachments: Notification to Clerk of Appt - Maria Guerrero
Application - Maria Guerrero

13. Reappoint Laura Dunn to the Child Care Planning Council representing District 5 as a Discretionary Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

Attachments: Notification to Clerk of Appt - Laura Dunn
Application - Laura Dunn

14. Reappoint Shannan Watkins to the Child Care Planning Council as a Child Care Provider Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

Attachments: Notification to Clerk of Appt - Shannan Watkins
Application - Shannan Watkins

15. Appoint Kristina Torres to the Child Care Planning Council as a Child Care Provider Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

Attachments: Notification to Clerk of Appt - Kristina Torres
Application - Kristina Torres

16. Reappoint Francine Rodd to the Child Care Planning Council representing as a Public Agency Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

Attachments: Notification to Clerk of Appt - Francine Rodd
Application - Francine Rodd

17. Reappoint Gelacio Gonzalez to the Child Care Planning Council as a Public Agency Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

Attachments: Notification to Clerk of Appt - Gelacio Gonzalez
Application - Gelacio Gonzalez

18. Appoint Aprielle Anderson to the Child Care Planning Council as a Discretionary Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

Attachments: Notification to Clerk of Appt - Aprielle Anderson
Application - Aprielle Anderson

19. Reappoint Kendra Bobsin to the Child Care Planning Council as a Discretionary Representative with a term end date of June 30, 2028. (Nominated by Monterey County Child Care Planning Council)

Attachments: Notification to Clerk of Appt - Kendra Bobsin
Application - Kendra Bobsin

20. Reappoint Jeanne Hori-Garcia to the Child Care Planning Council as a Community Representative with a term end date of June 30, 2028. (Nominated by Monterey County Child Care Planning Council)

Attachments: Notification to Clerk of Appt - Jeanne Hori-Garcia
Application - Jeanne Hori-Garcia

21. Reappoint Kevin Piearcy to the Agricultural Advisory Committee as a Monterey County Farm Bureau Representative with a term end date of June 30, 2028. (Nominated by Monterey County Farm Bureau)

Attachments: Notification to Clerk of Appt - Kevin Piearcy
Application - Kevin Piearcy

22. Reappoint Kurt Gollnick to Agricultural Advisory Committee representing District 1 with a term expiration date on June 30, 2028. (District Specific - District 1, Supervisor Alejo)

Attachments: Notification to Clerk of Appt - Kurt Gollnick
Bio - Kurt Gollnick

Approval of Consent Calendar – (See Supplemental Sheet)

23. See Supplemental Sheet

Special Presentation

24. Blue Zones Recognition for County of Monterey

General Public Comments

25. General Public Comments

Scheduled Matters

25.1 Consider a position on three pieces of federal legislation that would remove or inhibit the ability of states to redistrict, nationwide, for midterm elections. (ADDED VIA ADDENDA)

Attachments: Board Report
Attachment A

12:00 P.M. - Recess to Lunch

1:30 P.M. - Reconvene

Roll Call

Scheduled Matters

26. Public Hearing to consider adopting an ordinance that amends numerous definitions, amends various zoning districts of Monterey County Code ("MCC") Title 20 (Coastal Zoning Ordinance), and adds Section 20.64.290 to the MCC, to regulate the short-term vacation rental of residential property.

Project Title: REF 130043 - Vacation Rental Ordinances (Coastal)
Proposed Location: Coastal Zone
Proposed California Environmental Quality Act (CEQA) action:
Find the amendments to Title 20 of the MCC consistent with the certified Final Environmental Impact Report (FEIR) (SCH#2022080643).

Attachments:
Board Report
Attachment A - CCC Certified Ordinance Amending Title 20 (clean version)
Attachment B - CCC Certified Ordinance Amending Title 20 (redline version)
Attachment C - Board Resolution of Intent to Adopt Certified Ordinance (Resolution 24-300)
Attachment D - CCC Resolution Approving the Monterey County Local Costal Program (LCP) Amendment No. LCP-3-MCO-24-0039-1 (Vacation Rentals)

27. PLN240104 - NAGAFUJI MAY KITAYAMA

Public hearing to:

a. Consider the appeal by Thomas and Anne Russ of the Zoning Administrator's June 12, 2025 decision to approve a Coastal Administrative Permit and Design Approval; and

b. Consider construction of a 1,200 square foot Accessory Dwelling Unit.

Project Location: 25745 Hatton Rd, Carmel

Proposed California Environmental Quality Act (CEQA) action: Find the project for an Accessory Dwelling Unit qualifies for a Class 3 Categorically Exempt pursuant to CEQA Guidelines section 15303, New Structures, and no exceptions pursuant to section 15300.2 can be made.

Attachments:
Board Report
Attachment A - Draft Resolution
Attachment B - Public Comment
Attachment C - LUAC Minutes
Attachment D - Project Specific Arborist Reports
Attachment E - Vicinity Map
Attachment F - Notice of Appeal
Attachment G - Zoning Administrator Resolution No. 25-021

Other Board Matters

Referral Matrix and New Referrals

28. Referral Matrix and New Referrals

Attachments: Board Referral Matrix

County Administrative Officer Comments

29. County Administrative Officer Comments

Board Comments

30. Board Comments

Read Out from Closed Session by County Counsel

Read out by County Counsel will only occur if there is reportable action(s).

Adjournment

Upcoming Board of Supervisors Meetings for 2025

2025 Board of Supervisors Meeting Schedule

Attachments: 2025 Board of Supervisors Meeting Dates

Supplemental Sheet, Consent Calendar

Natividad Medical Center

31. a. Authorize the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) or his designee to execute the Professional and Call Coverage Services Agreement with Advanced Gastroenterology of Monterey County Medical Corporation to provide gastroenterology services for an amount not to exceed $1,352,000 for the period October 1, 2025 to September 30, 2027; and
b. Authorize the CEO for NMC or his designee to sign up to three (3) future amendments to this Agreement where the total amendments do not significantly change the scope of work, do not exceed 10% ($135,200) of the original contract amount and do not increase the total contract amount above $1,487,200.

Attachments: Board Report
Advanced Gastroenterology Agreement

32. a. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute renewal & amendment No. 8 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one-year period (July 1, 2025 through June 30, 2026) for a revised full agreement term of October 1, 2016 through June 30, 2026 and adding $3,500,000 for a revised total aggregate amount for all contracts not to exceed $16,470,000.
b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than 10% ($240,000) of the original cost of the agreement.

Attachments:
Board Report
Credit Consulting Services Renewal & Amendment 8
Receivable Solutions Renewal & Amendment 8
Credit Consulting Services Amendment 7
Receivable Solutions Amendment 7
Credit Consulting Services Amendment 6
Receivable Solutions Amendment 6
Credit Consulting Services Renewal & Amendment 5
Receivable Solutions Renewal & Amendment 5
Credit Consulting Services Amendment 4
Receivable Solutions Amendment 4
Credit Consulting Services Amendment 3
Receivable Solutions Amendment 3
Credit Consulting Services Amendment 2
Receivable Solutions Amendment 2
Credit Consulting Services Amendment 1
Receivable Solutions Amendment 1
Credit Consulting Services Agreement
Receivable Solutions Agreement

33. a. Authorize the County Counsel to execute an Amendment No. 3 to an Agreement for Specialized Attorney Services ("Agreement") with Foley & Lardner, LLP for independent consulting and legal services with respect to healthcare matters at Natividad Medical Center ("Natividad"), adding two years for a revised full term of July 1, 2021, through June 30, 2028, and adding $300,000 for a revised total agreement amount not to exceed $1,400,000; and
b. Authorize the County Counsel to execute up to three (3) future amendments to this Agreement where the total amendments do not exceed 10% ($80,000) of the agreement amount, for a revise total agreement amount of $1,480,000 and do not significantly change the scope of work.

Attachments:
Board Report
Foley & Lardner LLP Amendment No. 3
Foley & Lardner LLP Amendment No. 2
Foley & Lardner LLP Amendment No. 1
Foley & Lardner LLP Agreement

34. a. Authorize the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) or his designee to execute the Professional and Call Coverage Services Agreement with Mohamed Kerala Serio, M.D. to provide cardiology services for an amount not to exceed $1,268,800 for the period of October 1, 2025 to September 30, 2027; and
b. Authorize the CEO for NMC or his designee to sign up to three (3) future amendments to this Agreement where the total amendments do not significantly change the scope of work, do not exceed 10% ($126,880) of the original contract amount and do not increase the total contract amount above $1,395,680.

Attachments: Board Report
Mohamed Kerala Serio MD Agreement

35. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 2 to the agreement (A-16005) with Experian Health, Inc. for Meditrack Enterprise for access to Medicare Direct Data Entry Screens services adding $300,000 for a revised total agreement amount not to exceed $795,000 with no change to the term of Agreement (July 1, 2021 through June 30, 2026).

Attachments: Board Report
Experian Health Amendment 2
Experian Health Renewal and Amendment 1
Experian Health Agreement

36. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute Amendment No. 6 to the Agreement (A-13995) with AMN Healthcare, Inc. dba AMN Leadership Solutions for interim management-level services at NMC, extending the Agreement for an additional one-year term (January 1, 2026 through December 31, 2026) for a revised full Agreement term of July 18, 2018 through December 31, 2026, and no change to the total not-to-exceed amount of $1,300,000.

Attachments: Board Report
AMN Leadership Solutions Amendment No. 6
B.E. Smith, Inc. Renewal and Amendment No. 5
BE Smith Renewal and Amendment No. 4
BE Smith Renewal and Amendment No. 3
BE Smith Amendment No. 2
BE Smith Amendment No. 1
BE Smith Agreement

Health Department

37. a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and Psynergy Programs, Inc. for the provision of mental health services to adults with severe psychiatric disabilities for a maximum County obligation of $4,704,973 for the term of July 1, 2025 through June 30, 2026; and
b. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($470,497) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over $5,175,470.

Attachments: Board Report
Agreement

Criminal Justice

38. a. Approve and authorize the Public Defender or designee to execute a Non-Standard Agreement with Renie Rondon-Jackson, Licensed Clinical Social Worker, to provide supervision for California State University Monterey Bay student intern, in the amount of $7,500 retroactive date of August 25, 2025 through December 31, 2026;
b. Approve and authorize the Public Defender or designee to execute up to three (3) amendments, extending the agreement by one (1) year each, where total additional costs do not exceed 10% of the contract amount ($750) and the amendments do not alter significantly the scope of work, and do not exceed the maximum amount of $8,250;
c. Accept the risk provisions as recommended by the Public Defender.

Attachments: Board Report
Non-Standard Agreement Renie Rondon-Jackson

39. Receive and accept the Annual Real Estate Fraud Report for Fiscal Year ("FY") 2024-25 submitted by the District Attorney's Office in accordance with California Government Code section 27388, subdivision (d).

Attachments: Board Report

40. a. Approve and authorize the Contracts & Purchasing Officer or designee to execute retroactive Agreement with GEO Reentry Services, LLC, to provide evidence-based reentry services program to incarcerated persons, for the period of July 1, 2025 to June 30, 2030 in an amount not to exceed $2,258,958.

Attachments: Board Report
Standard Agreement
Exhibit A
Exhibit B
Request for Proposals #10582
GEO Reentry Services, LLC Response to RFP

General Government

41. a. Approve the distribution of excess proceeds resulting from the sale of real property at the Treasurer-Tax Collector's public internet auction regarding claims on three identified properties (total distribution $340,815).

Attachments: Board Report
Attachment A - Excess Proceeds

42. Approve the County of Monterey Board of Supervisors Draft Action Meeting Minutes for the following meeting date: Tuesday, August 26, 2025, Tuesday, September 2, 2025 and Tuesday, September 16, 2025.

Attachments: Board Report
DRAFT BOS Minutes 8-26-2025
DRAFT BOS Minutes 9-2-2025
DRAFT BOS Minutes 9-16-2025

43. Adopt the DRAFT Proposed Board of Supervisors' meeting schedule for the calendar year 2026.

Attachments: Board Report
Proposed 2026 BOS Meeting Dates

44. a. Approve and authorize the County Administrative Officer or designee, to accept a maximum award of $1,228,961 from the Central California Alliance for Health in partial support of the construction and site development of the 34-bed low barrier navigation center to be located at 118 First Street, Watsonville, California 95076, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area; and
b. Approval and authorize the County Administrative Officer or designee to execute a non-standard Agreement in the amount of $1,228,961 with the Central California Alliance for Health for partial support of the construction and development a 34-bed low barrier navigation center, for the term effective upon execution and expiring 39 months thereafter; and
c. Approve the recommendation of the County Administrative Officer to accept all non-standard provisions in the Agreement; and
d. Adopt a resolution to authorize and direct the Auditor-Controller to increase appropriations and estimated revenues by $1,228,961, to amend the Fiscal Year 2025-26 Adopted Budget for the County Administrative Office Homelessness Strategies and Initiatives Division (001-1050-CAO004-8598) financed by grant revenues from the Central California Alliance for Health to provide partial payment towards the construction and site development of a 34-bed non-congregate, low barrier navigation center located in Watsonville, California (4/5th vote required).

Attachments: Board Report
Resolution
Agreement
CCAH Award Letter

Housing and Community Development

45. a. Find that the acceptance of the Conservation and Scenic Easement Deed is Categorically Exempt pursuant to California Environmental Quality Act (CEQA) Guidelines section 15317;
b. Accept a Conservation and Scenic Easement Deed to preserve California Condor habitat on

property owned by the Conservancy for the Range of the Condor in Cachagua;
c. Authorize the Chair of the Board of Supervisors to execute the Conservation and Scenic Easement Deed; and
d. Direct the Clerk of the Board to submit the Conservation and Scenic Easement Deed to the County Recorder for recordation.

Conservation and Scenic Easement Deed - PLN250124/Conservancy for the Range of the Condor, located south of Lamberts Flats Road and east of Tassajara Road, Cachagua (Assessor's Parcel Numbers 418-301-087-000 and 418-301-088-000)

Attachments: Board Report
Attachment A - Memorandum to the Clerk of the Board
Attachment B - Conservation and Scenic Easement Deed

46. a. Adopt a resolution to approve an Addendum to the Final Environmental Impact Report for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (REF140048) to amend mitigation measure CUL-9 to construct a berm around historic buildings; and
b. Adopt a resolution revising the Mitigation, Monitoring and Report Plan for the CRFREE Project to incorporate changes to the Final EIR as adopted by the Board of Supervisors on January 28, 2020 to amend mitigation measure CUL-9.

Project: REF140048/Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project
Project Location: Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE), State Highway Route 1, Carmel, CA, 93923, Carmel Area Land Use Plan, Assessor's Parcel Numbers (APNs) 243-071-005-000, 243-071-006-000, 243-071-007-000, 243-021-007-000¸ 157-121-001-000 and 243-081-005-000, 243-071-008-000
Proposed California Environmental Quality Act (CEQA) Action: Pursuant to CEQA California Code of Regulations (CCR) section15164, consider an addendum together with the previously certified Final Environmental Impact Report (FEIR) for the CRFREE Project.

Attachments: Board Report
Attachment A - Draft Resolution
Attachment B - Link to EIR
Attachment C - CUL -9 current and proposed text
Attachment D - Memo from Balance Hydrologics
Attachment E - Addendum to the EIR
Attachment F - SHPO Concurrence letter
Attachment G - Grant Funding overview

Public Works, Facilities and Parks

47. a. Approve and authorize the Contracts and Purchasing Officer or designee to execute a non-Standard Agreement with Axon Enterprises, Inc., for the purchase of Park Ranger equipment and

training, effective September 26, 2025 through September 30, 2035, for an amount not to exceed $130,000; and,
b. Approve and authorize the Contracts and Purchasing Officer or designee to execute up to three future amendments to the Agreement where the total of the amendments does not exceed 10% ($13,000) of the Agreement amount and does not significantly change the scope of work, subject to County Counsel approval, for an aggregate not to exceed maximum of $143,000.

Attachments: Board Report
Attachment A - Standard Agreement

48. a. Approve Amendment No. 4 to Standard Agreement No. A-14553, Multi-Year Agreement #3200*4823, with Cal-West Lighting and Signal Maintenance, Inc. to provide traffic signal and lighting maintenance repair services for various locations within the County of Monterey, under Request for Proposals #10680, with the term of November 6, 2019 to October 31, 2025, and increase not to exceed maximum by $250,000 to a total of $740,150 and
b. Authorize the Contracts & Purchasing Officer or their designee to execute Amendment No. 4 to Standard Agreement No. A-14553 and future amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the approved Agreement amount.

Attachments: Board Report
Attachment A - Proposed Amendment No. 4 to SA
Attachment B - Amendment No. 3 to SA
Attachment C - Amendment No. 2 to SA
Attachment D - Amendment No. 1 to SA
Attachment E - SA
Attachment F - Summary of PSA and Annual Expenditures and Balance

Addenda/Supplemental

49. **Addenda/Supplemental**
Added Item No. 25.1 under Scheduled Matters

Introduced: 9/15/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Closed Session

Closed Session under Government Code section 54950, relating to the following items:

a. Pursuant to Government Code section 54956.9(d)(1), the Board will confer with legal counsel regarding existing litigation:
(1) Miguel Ruiz (Worker's Compensation Appeals Board No. ADJ9233391, ADJ9895366, ADJ16148265)
(2) In re: Blue Cross Blue Shield Antitrust Litigation MDL 2406, N.D. Ala., Master File No. 2:13-cv-20000-RDP (United States District Court for the Northern District of Alabama Southern Division) (3)*Jane Doe, et al. v. County of Monterey, et al.*, Monterey County Superior Court Case No. 25CV004526

b. Pursuant to Government Code section 54957.6, the Board will provide direction to negotiators:
(1) Designated representatives: Andreas Pyper, Kim Moore and Ariana Hurtado
Employee Organization(s): Unit L
(2) Designated representatives: Andreas Pyper, Kim Moore and Ariana Hurtado
Employee Organization(s): All Units

c. Pursuant to Government Code section 54957(b)(1), the Board will confer regarding recruitment/appointment to the position of Public Defender.

d. Pursuant to Government Code section 54956.9(d)(2), the Board will confer with legal counsel regarding one matter of significant exposure to litigation.

County of Monterey

Board Report

Legistar File Number: CR 25-133

Item No.2

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/4/2025
Version: 1

Current Status: Ceremonial Resolution
Matter Type: Ceremonial Resolution

Adopt a resolution honoring Cari Herthel the Education and Community Outreach Director for the Esselen Tribe of Monterey County. (Supervisor Daniels)

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.:

Adopt resolution Honoring **Cari Herthel** the Education and Community Outreach Director for the **Esselen Tribe of Monterey County**)

WHEREAS, the land known today as Monterey County has been home to Indigenous peoples for thousands of years, including the Esselen Tribe, the Rumsen Ohlone, and the Salinan peoples, whose ancestral territories stretch from the rugged Big Sur coastline through the inland valleys and mountains; and

WHEREAS, these Indigenous communities have stewarded, lived sustainably with the land, protected, maintained rich cultural, spiritual, linguistic, and lived in relationship with these lands, waters, and ecosystems since time immemorial, guided by deep cultural knowledge and sustainable practices; and

Whereas, Cari Herthel has exemplified visionary leadership, deep cultural knowledge, and an unwavering commitment to community education, tribal advocacy, and environmental stewardship, uplifting the voices and heritage of the Esselen Tribe and Indigenous peoples throughout Monterey County;

Whereas, through tireless outreach and authentic collaboration, Cari Herthel has built bridges of understanding and respect between tribal communities and local agencies, including impactful partnerships with organizations such as Monterey County Community Action Partnership.

Whereas, Cari Herthel played a pivotal role in a historic event on January 31st at Asilomar State Beach: the signing of a Memorandum of Understanding between the Esselen Tribe and California State Parks to co-steward eighteen ancestral parklands—an agreement rooted in generations of tribal wisdom, ecological knowledge, and sacred responsibility to the land;

Whereas, Cari Herthel has continued to guide the Esselen Tribe in the preservation of natural and cultural resources, advancement of public education, and the revival of traditional land management practices, including the naming of Ishxenta State Park and the honoring of historic Indigenous villages such as Achasta, Chalon, Echilat, Ensen, Excelen, Esslenajan, Ixchenta, Jojopan, Kuchun, Pachepas, Sargenta-Ruc, Soccoronda, and Tucutnut;

Whereas, Cari Herthel's efforts have not only strengthened tribal cultural continuity, but have also inspired intergenerational learning, civic respect, and collaborative action across Monterey County's diverse communities;

NOW, THEREFORE, BE IT RESOLVED, the Board of Supervisors of the County of Monterey hereby recognizes and commends **Cari Herthel** for their extraordinary leadership, advocacy, and profound contributions to cultural preservation, public education, and Indigenous empowerment.

Presented this [Insert Date]
By **Supervisor Kate Daniels**
Monterey County Board of Supervisors, District 5

"With respect for the past and hope for the future, your work ensures both remain strong and enduring."

County of Monterey

Board Report

Legistar File Number: CR 25-154

Item No.3

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/11/2025
Version: 1

Current Status: Ceremonial Resolution
Matter Type: Ceremonial Resolution

Adopt a resolution to honor the 50th Anniversary of The Marine Mammal Center, and the Opening of its new Monterey Bay Operations location in Castroville, California. (Supervisor Church)

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.:
Adopt a resolution to honor the **50th Anniversary of The Marine Mammal Center**, and the **Opening of its new Monterey Bay Operations location** in Castroville, California.

WHEREAS, The Marine Mammal Center leads the field of ocean health through marine mammal rescue, conservation medicine, science, and education; and,

WHEREAS, since its founding in 1975, The Marine Mammal Center has rescued more than 26,000 marine mammals along 600 miles of California coastline and throughout the Hawaiian archipelago; and,

WHEREAS, The Marine Mammal Center has a volunteer force of 1,400 and an engaged public which enables the Center to respond to marine mammals in distress as a result of diseases, entanglements, and boat strikes; and,

WHEREAS, establishing The Marine Mammal Center's Monterey Bay Operations in Castroville lends a new dimension of efficacy to marine mammal rescue along the California coast, as 40% of rescues in the region occur in the Monterey Bay; and,

WHEREAS, the veterinary experts of The Marine Mammal Center continually pursue new clinical techniques to improve marine mammal rehabilitation, investigate causes of marine mammal stranding, and how these factors connect to our ecosystem and human health; and,

WHEREAS, the training and education programs of The Marine Mammal Center have reached thousands of children and adults in support of the next generation of scientists and citizens who can help to ensure the health of our oceans and environment.

NOW, THEREFORE BE IT RESOLVED, that the County of Monterey Board of Supervisors on behalf of all the County and its residents, thereof, hereby recognizes **The Marine Mammal Center** for its 50 years taking action to support a network of scientists and stewards to protect our shared ocean environment for generations to come, and the **Opening of its new Monterey Bay Operations location** in Castroville, California.

PASSED AND ADOPTED on this __ day of ___ 2025, upon motion of Supervisor _____, seconded by Supervisor _____ by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ___ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By_____
Deputy

County of Monterey

Board Report

Legistar File Number: CR 25-146

Item No.4

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/8/2025
Version: 1

Current Status: Ceremonial Resolution
Matter Type: Ceremonial Resolution

Adopt a resolution honoring the Oaxaca By The Sea Festival on its 5th Anniversary in Seaside, California. (Supervisor Root Askew)

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.:
Adopt a resolution honoring the **Oaxaca By The Sea Festival** on its **5th Anniversary** in seaside, California.

WHEREAS, Whereas, in 2022 the City of Seaside formalized its Sister City partnership with Oaxaca de Juárez, Mexico, honoring the deep cultural and familial connections shared by many Seaside residents with Oaxaca and other regions of Mexico; and

WHEREAS, Seaside is home to a vibrant Mexican and Oaxacan community whose traditions, values, and contributions have long enriched the cultural, social, and economic fabric of the city, making the Sister City relationship a reflection of Seaside's own diverse heritage; and

WHEREAS, the **Oaxaca By The Sea Festival** was created to celebrate this partnership and brings together families, students, artists, and visitors to share in the music, dance, art, culinary flavors, and indigenous traditions that distinguish the people of Oaxaca; and

WHEREAS, Oaxaca By The Sea Festival has hosted delegations of Oaxacan performers, artisans, and cultural ambassadors, while Seaside leaders and community members have in turn strengthened international goodwill through reciprocal visits and public safety equipment donations that foster understanding across borders; and

WHEREAS, this enduring partnership reflects Seaside's values of inclusivity, diversity, and global citizenship, reaffirming the city's commitment to honoring its immigrant roots while building bridges of friendship with the people of Oaxaca de Juárez for generations to come; and

WHEREAS, the celebration of the 5th anniversary of **Oaxaca By The Sea** provides an opportunity to recognize the dedicated community leaders, volunteers, performers, and cultural organizations from both Seaside and Oaxaca whose commitment has sustained and enriched this Sister City relationship.

NOW, THEREFORE BE IT RESOLVED, that the County of Monterey Board of Supervisors on behalf of all the County and its residents, thereof, hereby recognizes and celebrate the **5th Anniversary** of **Oaxaca By The Sea Festival** and the Sister City Partnership with Oaxaca de Juárez, Mexico, and expresses its gratitude to all who have contributed to this vibrant cultural exchange, with a renewed commitment to continue strengthening bonds of friendship, unity, and shared celebration between the two communities.

PASSED AND ADOPTED on this __ day of ___ 2025, upon motion of Supervisor _____, seconded by Supervisor _____ by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ___ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By_____
Deputy

County of Monterey

Board Report

Legistar File Number: CR 25-147

Item No.5

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/8/2025
Version: 1

Current Status: Ceremonial Resolution
Matter Type: Ceremonial Resolution

Adopt a resolution honoring Garnett Noble on receiving the 2025 Tolly and Cleo Martin Spirit of Partnership Award from the Monterey County Branch 1049 National Association for the Advancement of Colored People (NAACP), at the 53rd Annual Freedom Fund Banquet. (Supervisor Root Askew)

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.:
Adopt a resolution honoring **Garnett Noble** on receiving the **2025 Tolly and Cleo Martin Spirit of Partnership Award** from the Monterey County Branch 1049 NAACP, at the **53rd Annual Freedom Fund Banquet.**

WHEREAS, the Board of Supervisors of the County of Monterey seeks to recognize outstanding individuals who embody the values of equity, service, and partnership that strengthen the fabric of our community; and

WHEREAS, Garnett Noble has been selected by the Monterey County Branch 1049 NAACP, to receive the prestigious **Tolly and Cleo Martin Spirit of Partnership Award** at the **53rd Annual Freedom Fund Banquet**, held in 2025, in recognition of her remarkable contributions to collaboration and community advancement; and

WHEREAS, this distinguished award, named in honor of **Tolly and Cleo Martin**, pays tribute to leaders who exemplify dedication to justice, unity, and service, and **Garnett Noble** has upheld these principles through her unwavering commitment to building partnerships that elevate opportunities and promote equity for all; and

WHEREAS, through her steadfast leadership, compassion, and advocacy, **Garnett Noble** has inspired colleagues, community members, and organizations alike, demonstrating that meaningful change is achieved through cooperation, inclusion, and respect; and

WHEREAS, the Board of Supervisors commends **Garnett Noble** for her vision, her service to Monterey County, and her embodiment of the enduring spirit of partnership that strengthens civic life and ensures that the values of justice and equality remain central to our shared future;

NOW, THEREFORE BE IT RESOLVED, that the County of Monterey Board of Supervisors on behalf of all the County and its residents, thereof, hereby honor and congratulate **Garnett Noble** on receiving the **2025 Tolly and Cleo Martin Spirit of Partnership Award** from the Monterey County Branch 1049 NAACP at the **53rd Annual Freedom Fund Banquet**, and extends its deepest gratitude for her ongoing service, leadership, and commitment to the people of Monterey County.

PASSED AND ADOPTED on this __ day of ___ 2025, upon motion of Supervisor _____, seconded by Supervisor _____ by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ___ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By_____
Deputy

County of Monterey

Board Report

Legistar File Number: CR 25-148

Item No.6

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/8/2025
Version: 1

Current Status: Ceremonial Resolution
Matter Type: Ceremonial Resolution

Adopt a resolution honoring Simeon Brown for receiving the 2025 Chevron Corporation Scholarship Award, presented at the 53rd Annual Freedom Fund Banquet by the Monterey County Branch 1049 National Association for the Advancement of Colored People (NAACP). (Supervisor Root Askew)

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.:
Adopt a resolution honoring **Simeon Brown** for receiving the **2025 Chevron Corporation Scholarship Award**, presented at the **53rd Annual Freedom Fund Banquet** by the Monterey County Branch 1049 NAACP.

WHEREAS, the County of Monterey Board of Supervisors is proud to recognize and celebrate the achievements of exemplary individuals whose accomplishments reflect the highest ideals of academic excellence, leadership, and community service; and

WHEREAS, Simeon Brown has been honored with the prestigious Chevron Corporation **Scholarship Award 2025**, a distinction bestowed by the Monterey County Branch 1049 NAACP. In recognition of his outstanding academic performance, leadership qualities, and commitment to uplifting his community; and

WHEREAS, this award was presented at the **53rd Annual Freedom Fund Banquet**, an event that stands as a cornerstone for advancing equity, honoring legacy, and empowering the next generation of leaders within Monterey County and beyond; and

WHEREAS, Simeon Brown's achievement represents not only personal dedication and perseverance, but also the collective encouragement of family, educators, mentors, and community members who have nurtured his growth and success; and

WHEREAS, Simeon Brown's recognition by the Monterey County Branch 1049 NAACP, serves as an inspiration to youth across the County, affirming the power of education, opportunity, and civic engagement as cornerstones of progress; and

NOW, THEREFORE BE IT RESOLVED, that the County of Monterey Board of Supervisors on behalf of all the County and its residents, thereof, hereby congratulates **Simeon Brown** for being awarded the **2025 Chevron Corporation Scholarship Award** by the Monterey County Branch 1049 NAACP, at the **53rd Annual Freedom Fund Banquet**, and commends him for his exceptional accomplishments, bright future, and contributions to the betterment of our community.

PASSED AND ADOPTED on this __ day of ___ 2025, upon motion of Supervisor _____, seconded by Supervisor _____ by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ___ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By_____
Deputy

County of Monterey

Board Report

Legistar File Number: CR 25-149

Item No.7

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/8/2025
Version: 1

Current Status: Ceremonial Resolution
Matter Type: Ceremonial Resolution

Adopt a resolution recognizing Lenore Sherman Bean on receiving the Medgar Evers Legacy Award 2025 from the Monterey County Branch of the National Association for the Advancement of Colored People (NAACP) at the 53rd Annual Freedom Fund Banquet. (Supervisor Root Askew)

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.:
Adopt a resolution recognizing **Lenore Sherman Bean** on receiving the **Medgar Evers Legacy Award 2025** from the Monterey County Branch 1049 NAACP, at the **53rd Annual Freedom Fund Banquet.**

WHEREAS, the County of Monterey Board of Supervisors takes great pride in recognizing individuals whose life's work embodies courage, leadership, and unwavering commitment to justice and equality; and

WHEREAS, Lenore Sherman Bean has dedicated decades of service to advancing civil rights, social equity, and community empowerment, leaving a profound legacy of leadership and advocacy throughout Monterey County and beyond; and

WHEREAS, the **Medgar Evers Legacy Award**, bestowed by the Monterey County Branch 1049 NAACP, honors the indelible spirit and sacrifice of civil rights leader Medgar Evers, who gave his life in the pursuit of justice, freedom, and equality for all; and

WHEREAS, in receiving this prestigious award at the **53rd Annual Freedom Fund Banquet**, **Lenore Sherman Bean** is recognized not only for her distinguished contributions to the ongoing fight for justice, but also as an inspiration to current and future generations of leaders, advocates, and community members; and

WHEREAS, her work exemplifies the values of service, resilience, and faith in the promise of democracy, advancing opportunities for marginalized communities and strengthening the fabric of our society;

NOW, THEREFORE BE IT RESOLVED, that the County of Monterey Board of Supervisors on behalf of all the County and its residents, thereof, hereby congratulates and honors **Lenore Sherman Bean** on the occasion of her receiving the **2025 Medgar Evers Legacy Award** from the Monterey County Branch 1049 NAACP, and extends its deep appreciation for her lifelong dedication to justice, equality, and the betterment of our community.

BE IT FURTHER RESOLVED that this resolution be presented on the occasion of the **53rd Annual Freedom Fund Banquet** in celebration of **Lenore Sherman Bean**'s achievements and in recognition of her outstanding contributions to our community.

PASSED AND ADOPTED on this __ day of ___ 2025, upon motion of Supervisor _____, seconded by Supervisor _____ by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ___ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By_____
Deputy

County of Monterey

Board Report

Legistar File Number: CR 25-150

Item No.8

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/8/2025
Version: 1

Current Status: Ceremonial Resolution
Matter Type: Ceremonial Resolution

Adopt a resolution honoring Dr. Bettye Lusk for receiving the President's Award from the Monterey County Branch of the National Association for the Advancement of Colored People (NAACP) at the 53rd Annual Freedom Fund Banquet. (Supervisor Root Askew)

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.:
Adopt a resolution honoring **Dr. Bettye Lusk** for receiving the **2025 President's Award** from the Monterey County Branch 1049 NAACP, at the **53rd Annual Freedom Fund Banquet**.

WHEREAS, Dr. Bettye Lusk's enduring leadership and civic engagement embody the spirit and mission of the National Association for the Advancement of Colored People (NAACP), strengthening the ties of unity, justice, and progress throughout Monterey County; and

WHEREAS, Dr. Bettye Lusk has dedicated her life to uplifting, educating, and empowering the residents of Monterey County through her decades of service as an educator, advocate, and community leader; and

WHEREAS, Dr. Bettye Lusk has long been recognized as a trailblazer in education, mentoring countless students and future leaders while serving in the Monterey Peninsula Unified School District and in higher education; and

WHEREAS, beyond her professional achievements, **Dr. Bettye Lusk** has been a tireless champion for equity, social justice, and civil rights, consistently giving voice to the marginalized and fostering opportunities for underrepresented communities; and

WHEREAS, the Monterey County Branch 1049 NAACP recognizes **Dr. Bettye Lusk**'s outstanding commitment to education, advocacy, and service by presenting her with the **2025 President's Award** at the **53rd Annual Freedom Fund Banquet**, one of the organization's highest honors; and

WHEREAS, the Board of Supervisors of the County of Monterey takes great pride in joining the NAACP and the broader community in acknowledging **Dr. Bettye Lusk**'s extraordinary accomplishments and invaluable contributions to the betterment of Monterey County.

NOW, THEREFORE BE IT RESOLVED, that the County of Monterey Board of Supervisors on behalf of all the County and its residents, thereof, hereby honors and commends **Dr. Bettye Lusk** for receiving the **2025 President's Award** from the Monterey County Branch 1049 NAACP, at the **53rd Annual Freedom Fund Banquet**, and expresses its deepest gratitude for her exemplary service, leadership, and lasting impact on the people of Monterey County.

PASSED AND ADOPTED on this __ day of ___ 2025, upon motion of Supervisor _____, seconded by Supervisor _____ by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ___ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By_____
Deputy

County of Monterey

Board Report

Legistar File Number: CR 25-151

Item No.9

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/8/2025
Version: 1

Current Status: Ceremonial Resolution
Matter Type: Ceremonial Resolution

Adopt a resolution honoring Colonel Alfred P. Glover (Ret.) on receiving the Tolly and Cleo Martin Spirit of Partnership Award 2025 from the Monterey County Branch of the National Association for the Advancement of Colored People (NAACP) at the 53rd Annual Freedom Fund Banquet. (Supervisor Root Askew)

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.:
Adopt a resolution honoring **Colonel Alfred P. Glover (Ret.)** on receiving the **Tolly and Cleo Martin Spirit of Partnership Award 2025** from the Monterey County Branch 1049 NAACP, at the **53rd Annual Freedom Fund Banquet.**

WHEREAS, the County of Monterey Board of Supervisors is proud to recognize outstanding individuals who embody the spirit of service, leadership, and partnership in our community; and

WHEREAS, Colonel Alfred P. Glover has distinguished himself through decades of exemplary military and civic service, demonstrating a steadfast commitment to uplifting others and strengthening the bonds of community throughout Monterey County and beyond; and

WHEREAS, the Monterey County Branch 1049 NAACP, has honored **Colonel Alfred P. Glover** with the prestigious **Tolly and Cleo Martin Spirit of Partnership Award** at its **53rd Annual Freedom Fund Banquet**, held in 2025, in recognition of his enduring contributions to equity, justice, and collaboration; and

WHEREAS, Colonel Alfred P. Glover's leadership reflects the very essence of the Spirit of Partnership, inspiring others to act with courage, integrity, and compassion while advancing the collective good of the community; and

WHEREAS, the Board of Supervisors of the County of Monterey wishes to formally commend **Colonel Alfred P. Glover** for his achievement and extend heartfelt appreciation for his dedication to public service, his advocacy for unity, and his legacy of inspiring future generations.

NOW, THEREFORE BE IT RESOLVED, that the County of Monterey Board of Supervisors on behalf of all the County and its residents, thereof, hereby congratulate and honor **Colonel Alfred P. Glover** for receiving the **Tolly and Cleo Martin Spirit of Partnership Award 2025** from the Monterey County Branch 1049 NAACP, and extends its deepest gratitude for his exemplary service and contributions to the Monterey County community.

BE IT FURTHER RESOLVED, that the Board of Supervisors acknowledges this resolution will be presented on the occasion of the **53rd Annual Freedom Fund Banquet** in celebration of **Colonel Alfred P. Glover**'s achievements and in recognition of his outstanding contributions to our community.

PASSED AND ADOPTED on this __ day of ___ 2025, upon motion of Supervisor _____, seconded by Supervisor _____ by the following vote, to-wit:

AYES:
NOES:

ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ___ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By_____
Deputy

County of Monterey

Board Report

Legistar File Number: CR 25-152

Item No.10

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/8/2025
Version: 1

Current Status: Ceremonial Resolution
Matter Type: Ceremonial Resolution

Adopt a resolution recognizing A. Dean Martin recipient of the 2025 Medgar Evers Legacy Award by the Monterey County Branch 1049 National Association for the Advancement of Colored People (NAACP), at the 53rd Annual Freedom Fund Banquet (Supervisor Root Askew)

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.:
Adopt a resolution recognizing **A. Dean Martin** recipient of the **2025 Medgar Evers Legacy Award** by the Monterey County Branch 1049 NAACP, at the **53rd Annual Freedom Fund Banquet**

WHEREAS, the County of Monterey Board of Supervisors proudly recognizes individuals who have demonstrated exceptional leadership, advocacy, and dedication to advancing civil rights, social justice, and community empowerment; and

WHEREAS, A. Dean Martin has been named the recipient of the prestigious **2025 Medgar Evers Legacy Award** by the Monterey County Branch 1049 NAACP, presented at the **53rd Annual Freedom Fund Banquet**; and

WHEREAS, this award, named in honor of Medgar Wiley Evers—the American civil rights leader, activist, and martyr whose legacy continues to inspire generations—acknowledges individuals whose commitment to justice and equality embodies his indomitable spirit; and

WHEREAS, A. Dean Martin's steadfast contributions to the advancement of equity, fairness, and opportunity for all have left a profound and enduring impact on Monterey County and beyond; and

WHEREAS, through her leadership, service, and advocacy, **A. Dean Martin** has advanced the mission of the NAACP and strengthened the civic and cultural fabric of Monterey County, ensuring that the principles of dignity, respect, and justice are carried forward for generations to come; and

NOW, THEREFORE BE IT RESOLVED, that the County of Monterey Board of Supervisors on behalf of all the County and its residents, thereof, hereby commend and congratulate **A. Dean Martin** on receiving the **2025 Medgar Evers Legacy Award** from the Monterey County Branch 1049 NAACP, and extends its sincere appreciation for his exemplary leadership, tireless dedication, and commitment to advancing equality and justice for all.

BE IT FURTHER RESOLVED that this resolution be presented on the occasion of the **53rd Annual Freedom Fund Banquet** in celebration of **A. Dean Martin**'s achievements and in recognition of her outstanding contributions to our community.

PASSED AND ADOPTED on this __ day of ___ 2025, upon motion of Supervisor _____, seconded by Supervisor _____ by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book ___ for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By_____
Deputy

County of Monterey

Board Report

Legistar File Number: APP 25-135

Item No.11

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/8/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Appoint Jason Sullens to the Emergency Medical Care Committee (EMCC) representing Fire Chief's Association Basic Life Support (BLS) Representative with a term expiration date on June 30, 2026. (Nominated by Teresa Rios, Emergency Medical Services (EMS) Agency Bureau Chief)

MONTEREY COUNTY

CLERK OF THE BOARD OF SUPERVISORS

To: Clerk of the Board's Office

From: Teresa Rios, EMS Agency Bureau Chief

RE: Notification to Clerk of Appointment

Board of Supervisors' Meeting Date: June 20, 2025

Appointment to the Monterey County Emergency Medical Care Committee (EMCC)

Nominated by Teresa Rios, EMS Agency Bureau Chief

Representing Fire Chiefs-BLS departments/districts

Nominated Appointee:

Name: Jason Sullens

Address: [redacted]

Telephone number(s):
Cell
Home
Business [redacted]

Email: [redacted]

Contact preference: ☐ USPS Mail or via ☒ Email

Reason for Nomination:

☒ New Appointment

Replacing Member: Jim Langborg

☐ Reappointment

☐ Filling an Unscheduled/Unexpired Term

Replacing Member:

Reason: ☐ Resignation ☐ Death ☐ Term not completed ☐ Other (explain)

Clerk noticed of Unscheduled/Unexpired Term on:

Earliest Board of Supervisors' meeting date appointment can be set is:

Term:

Start Date: July 2025 Expiration Date: June 30, 2026

Jason Sullens – BLS Representative, EMCC

I have been an EMT since 1991 and a member of the Seaside Fire Department since 1996. Over nearly three decades, I have served in every operational role within the department, from Reserve Firefighter to my current position as Interim Deputy Chief. I also serve as the department's Training Officer and am an active board member of the Monterey County Training Officers Association. For the past three years, I have led Seaside's EMS program as the EMS Chief, where I continue to advocate for high-quality prehospital care and professional development through data collection and training.

Date: August 29, 2025

To: Clerk of the Board

From: Teresa Rios, EMS Director

Regarding: Monterey County Emergency Medical Care Committee Member Appointment

I am recommending the following person for appointment to the Monterey County EMS Agency Emergency Medical Care Committee (EMCC) for a term ending June 30, 2026:

Name: Jason Sullens
Address: [redacted]

Chief Sullens will be representing BLS fire departments and districts as he serves on EMCC as the primary member. He is Assistant Chief for Seaside Fire Department where he has served for many years.

Your assistance is appreciated.



Teresa Rios
EMS Bureau Chief/EMS Director

County of Monterey

Board Report

Legistar File Number: APP 25-139

Item No.12

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/11/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Reappoint Maria Guerrero to the Child Care Planning Council as a Child Care Provider Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

To: Clerk of the Board's Office

From: Marlene Gallegos

RE: Notification to Clerk of Appointment

Board of Supervisors Meeting Date: 09/23/2025

Appointment to the Child Care Planning Council

Nominated Appointee: Maria Guerrero

Nominated by: Monterey County Child Care Planning Cou

Representing: Child Care Provider

Reason for Nomination:

- ○ New Term
- ◉ Reappointment
- ○ Filling an Unscheduled / Unexpired Term

Term:

Start Date: 07/01/2025 Term End Date: 06/30/2028

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
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cob@countyofmonterey.gov

Child Care Planning Council Application

Maria Guerrero

District: 1
Initialed Application: Yes

Applicant

First Name: **Maria**
Middle Initial:
Last Name: **Guerrero**

Employment

Occupation:
Job Title:
Employer: **CAP SLO**

Interests and Experiences

Able to attend meetings regularly and devote the time necessary to fulfill duties as a member?

Yes

Currently serving on a County of Monterey Board, Commission, Committee or other Community Advisory Group?

Yes

Serving as Child Care Council in Monterey County

Has served on an advisory group before?

Yes

The Monterey Child Care Council Member.

Please tell us about yourself and why you want serve:

I would like to advocate for children families needs.

Please state the reason you would like to be a member of this board committee/commission/district:

I have been a member as a Child Care Council Member for a awhile and I like to know the more about the Monterey county the child care needs and services in ihe county.

How did you hear about the position?:

co-worker

Please identify any specialized accommodations needed for equal participation:

N/A

County of Monterey

Board Report

Legistar File Number: APP 25-140

Item No.13

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/11/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Reappoint Laura Dunn to the Child Care Planning Council representing District 5 as a Discretionary Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

To: Clerk of the Board's Office

From: Marlene Gallegos

RE: Notification to Clerk of Appointment

Board of Supervisors Meeting Date: 09/23/2025

Appointment to the Child Care Planning Council

Nominated Appointee: Laura Dunn

Nominated by: Monterey County Child Care Planning Cou

Representing: Discretionary Representative

Reason for Nomination:

- ○ New Term
- ◉ Reappointment
- ○ Filling an Unscheduled / Unexpired Term

Term:

Start Date: 07/01/2025 Term End Date: 06/30/2028

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

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cob@countyofmonterey.gov

Child Care Planning Council Application

Laura Dunn

District: 5
Initialed Application: Yes

Applicant

First Name: **Laura**
Middle Initial:
Last Name: **Dunn**

Employment

Occupation: **School Administrator**
Job Title: **Director of Child Development Programs**
Employer: **Carmel Unified School District**

Interests and Experiences

Able to attend meetings regularly and devote the time necessary to fulfill duties as a member?

Yes

Currently serving on a County of Monterey Board, Commission, Committee or other Community Advisory Group?

Yes

Child Care Planning Council, Monterey Children's Council

Has served on an advisory group before?

Yes

Child Care Planning Council chair

Please tell us about yourself and why you want serve:

life lifelong dedication to young children and their families.

Please state the reason you would like to be a member of this board committee/commission/district:

I would like to continue to serve on this council.

How did you hear about the position?:

current position on the council

County of Monterey

Board Report

Legistar File Number: APP 25-141

Item No.14

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/11/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Reappoint Shannan Watkins to the Child Care Planning Council as a Child Care Provider Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

To: Clerk of the Board's Office

From: Marlene Gallegos

RE: Notification to Clerk of Appointment

Board of Supervisors Meeting Date: 09/23/2025

Appointment to the Child Care Planning Council

Nominated Appointee: Shannan Watkins

Nominated by: Monterey County Child Care Planning Cou

Representing: Child Care Provider Representative

Reason for Nomination:

- ○ New Term
- ◉ Reappointment
- ○ Filling an Unscheduled / Unexpired Term

Term:

Start Date: 07/01/2025 Term End Date: 06/30/2028

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

Child Care Planning Council Application

Shannan Watkins

Initialed Application: Yes

Applicant

First Name: **Shannan**
Middle Initial:
Last Name: **Watkins**

Employment

Occupation: **Executive Director**
Job Title: **Executive Director**
Employer: **Early Development Services**

Interests and Experiences

Able to attend meetings regularly and devote the time necessary to fulfill duties as a member?

Yes

Currently serving on a County of Monterey Board, Commission, Committee or other Community Advisory Group?

Yes

Monterey County Child Care Planning Council

Has served on an advisory group before?

Yes

Monterey County Child Care planning Council

Please tell us about yourself and why you want serve:

I have been on the council since 2008 and maintain a lot of the historical knowledge of Monterey County Childcare landscape back to 1997. Additionally, I have an Associate of Science degree in Child Development from Monterey Peninsula College, Associate of Art degree in Psychology from Monterey Peninsula College, a Bachelor of Arts degree in Human Development with minors in Developmental Education, Early Childhood Education, and Childcare from Pacific Oaks College, a Masters of Arts degree in Human Development with minors in Leadership in Human Services and College Teaching, also from Pacific Oaks College as well as a Master's in Business Administration from Southern New Hampshire University. I

have been President of the local Association for the Education of Young Children as well being elected to California Association for the Education of Young Children State Board. I spent 9 years as the Chair of the Monterey County Child Care Planning Council as well as teaching child development courses at Monterey Peninsula College, Hartnell College, and California State University Monterey Bay specializing in infant & toddler development since 2003. I served as a steering partner for the Monterey County Bright Futures initiative and am currently a United Way Board Member. I am well regarded as a childcare expert by both colleagues and state departments, having provided input and drafting successful legislative bills in the early care and education field.

Please state the reason you would like to be a member of this board committee/commission/district:

Returning

How did you hear about the position?:

Current Member

Please identify any specialized accommodations needed for equal participation:

None

County of Monterey

Board Report

Legistar File Number: APP 25-142

Item No.15

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/11/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Appoint Kristina Torres to the Child Care Planning Council as a Child Care Provider Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

To: Clerk of the Board's Office

From: Marlene Gallegos

RE: Notification to Clerk of Appointment

Board of Supervisors Meeting Date: 09/23/2025

Appointment to the Child Care Planning Council

Nominated Appointee: Kristina Torres

Nominated by: Monterey County Child Care Planning Cou

Representing: Child Care Provider

Reason for Nomination:

- (•) New Term
  Replacing Member: N/A
- ( ) Reappointment
- ( ) Filling an Unscheduled / Unexpired Term

Term:

Start Date: 07/01/2025 Term End Date: 06/30/2028

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

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Salinas, CA 93901
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cob@countyofmonterey.gov

Child Care Planning Council Application

Kristina Torres

District: 2
Initialed Application: Yes

Applicant

First Name: **Kristina**
Middle Initial:
Last Name: **Torres**

Employment

Occupation: **Director**
Job Title: **Director of Early Learning**
Employer: **North Monterey County Unified School District**

Interests and Experiences

Able to attend meetings regularly and devote the time necessary to fulfill duties as a member?

Yes

Currently serving on a County of Monterey Board, Commission, Committee or other Community Advisory Group?

Yes

Child Care Planning Council

Has served on an advisory group before?

No

Please tell us about yourself and why you want serve:

I am a Director of Early Education for NMCUSD and I am passionate about all children receiving a space in a quality child care facility.

Please state the reason you would like to be a member of this board committee/commission/district:

I am committed to being a part of creating a comprehensive, integrated child care delivery system that offers safe, high quality, culturally sensitive, affordable child care to Monterey County families

How did you hear about the position?:

I have been a "friend" of the council attending regularly.

County of Monterey

Board Report

Legistar File Number: APP 25-143

Item No.16

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/11/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Reappoint Francine Rodd to the Child Care Planning Council representing as a Public Agency Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

To: Clerk of the Board's Office

From: Marlene Gallegos

RE: Notification to Clerk of Appointment

Board of Supervisors Meeting Date: 09/23/2025

Appointment to the Child Care Planning Council

Nominated Appointee: Francine Rodd

Nominated by: Monterey County Child Care Planning Cou

Representing: Public Agency Representative

Reason for Nomination:

- ○ New Term
- ◉ Reappointment
- ○ Filling an Unscheduled / Unexpired Term

Term:

Start Date: 07/01/2025 Term End Date: 06/30/2028

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
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cob@countyofmonterey.gov

Child Care Planning Council Application

Francine Rodd

District: 4
Initialed Application: Yes

Applicant

First Name: **Francine**
Middle Initial:
Last Name: **Rodd**

Employment

Occupation: **Agent of Social Change**
Job Title: **Executive Director**
Employer: **First 5 Monterey County**

Interests and Experiences

Able to attend meetings regularly and devote the time necessary to fulfill duties as a member?

Yes

Currently serving on a County of Monterey Board, Commission, Committee or other Community Advisory Group?

Yes

Monterey County Child Care Planning Council for which I'm reapplying and the Monterey County Children's Council

Has served on an advisory group before?

Yes

See above mentions. I have also served on NGO boards such as the Monterey Bay Economic Partnership and the Community Foundation for Monterey County

Please tell us about yourself and why you want serve:

I was raised in the county from the age of 4. My father was in the military -- stationed at Ft. Ord. I have a love for this community and passion for early childhood development, social and racial justice. I have a Master's Degree in Latin American Studies and International Economics and understand root causes for our current inequities. As the Executive Director of First 5 Monterey County since 2004, I have a deep knowledge of the strengths of our community and the challenges we

face.

Please state the reason you would like to be a member of this board committee/commission/district:

I would like to be a member of this board to lend my experience, expertise, and passion for early childhood education to the Child Care Planning Council. My desire to support self-awareness, connection, vision and pace/presence is important for the long term success of all our work and I'd like to support and learn and grow with the other council members. I believe I have honorably served for the past several years and would like to continue to do so.

How did you hear about the position?:

By currently sitting on the board.

County of Monterey

Board Report

Legistar File Number: APP 25-144

Item No.17

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/11/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Reappoint Gelacio Gonzalez to the Child Care Planning Council as a Public Agency Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

To: Clerk of the Board's Office

From: Marlene Gallegos

RE: Notification to Clerk of Appointment

Board of Supervisors Meeting Date: 09/23/2025

Appointment to the Child Care Planning Council

Nominated Appointee: Gelacio Gonzalez

Nominated by: Monterey County Child Care Planning Cou

Representing: Public Agency Representative

Reason for Nomination:

- ○ New Term
- ◉ Reappointment
- ○ Filling an Unscheduled / Unexpired Term

Term:

Start Date: 07/01/2025 Term End Date: 06/30/2028

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
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cob@countyofmonterey.gov

Child Care Planning Council Application

Gelacio Gonzalez

District: 3
Initialed Application: Yes

Applicant

First Name: **Gelacio**
Middle Initial:
Last Name: **Gonzalez**

Employment

Occupation: **Education**
Job Title: **Early Learning Program Specialist**
Employer: **Monterey County Office of Education**

Interests and Experiences

Able to attend meetings regularly and devote the time necessary to fulfill duties as a member?

Yes

Currently serving on a County of Monterey Board, Commission, Committee or other Community Advisory Group?

Yes

I am a current member of the Monterey County Child Care Planning Council.

Has served on an advisory group before?

Yes

I have been serving on the MCCPC since 2011.

Please tell us about yourself and why you want serve:

I firmly believe that every child and family deserves access to exceptional childcare. Early childhood education is not just a stepping stone; it is the vital foundation for a lifetime of success and fulfillment.

Please state the reason you would like to be a member of this board committee/commission/district:

Here’s a concise statement you could use, weaving in your long experience on the

council since 2010: --- **Statement of Qualifications I have proudly served on the Monterey County Child Care Planning Council since 2011, bringing over a decade of experience advocating for high-quality, accessible child care. My work reflects a strong commitment to supporting children, families, and providers across our diverse communities. With a background in early childhood education and community collaboration, I bring both knowledge and lived experience to the council. I am dedicated to ensuring equitable access to child care, strengthening the child care workforce, and shaping policies that support families. My years of service demonstrate reliability, leadership, and an ongoing passion for improving outcomes for children in Monterey County. --- Would you like me to make this **shorter and more direct for an application form** (a few sentences), or keep it as a **slightly longer, polished paragraph** for something like a cover letter?**

How did you hear about the position?:

I was nominated from my previous employer.

County of Monterey

Board Report

Legistar File Number: APP 25-145

Item No.18

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/11/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Appoint Aprielle Anderson to the Child Care Planning Council as a Discretionary Representative with a term end date of June 30, 2028 (Nominated by Monterey County Child Care Planning Council)

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

To: Clerk of the Board's Office

From: Marlene Gallegos

RE: Notification to Clerk of Appointment

Board of Supervisors Meeting Date: 09/23/2025

Appointment to the Child Care Planning Council

Nominated Appointee: Aprielle Anderson

Nominated by: Monterey County Child Care Planning Cou

Representing: Discretionary Representative

Reason for Nomination:

- (•) New Term
  Replacing Member: Mary Rigmaiden
- ( ) Reappointment
- ( ) Filling an Unscheduled / Unexpired Term

Term:

Start Date: 07/01/2025 Term End Date: 06/30/2028

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

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cob@countyofmonterey.gov

Child Care Planning Council Application

Aprielle Anderson

District: 4
Initialed Application: Yes

Applicant

First Name: **Aprielle**
Middle Initial:
Last Name: **Anderson**

Employment

Occupation: **Education**
Job Title: **Director, Early Childhood Education Lab School**
Employer: **Monterey Peninsula College**

Interests and Experiences

Able to attend meetings regularly and devote the time necessary to fulfill duties as a member?

Yes

Currently serving on a County of Monterey Board, Commission, Committee or other Community Advisory Group?

No

Has served on an advisory group before?

Yes

Infant Early Childhood Mental Health, NC 2014 18

Please tell us about yourself and why you want serve:

I am interested in joining the Monterey County Child Care Planning Council because my career has been a living testament to equity, advocacy, and leadership in early childhood education. My academic background—including a PhD in Human Services and advanced degrees in Child Development and Early Childhood Education—combined with active participation as a member of a multicultural sorority focused on social justice, equips me to lead with empathy, insight, and collaboration. My years of hands-on experience serving diverse families that has helped me understand the systemic challenges and opportunities that shape child care access and quality. Throughout my career, I have worked directly with families from all walks of life—supporting parents pursuing education, navigating cultural differences, and overcoming socioeconomic barriers. Joining the council will

further enable me to represent the needs of those I serve by collaborating with others who share my commitment to identifying and implementing inclusive, community-driven solutions to the national challenge of affordable and accessible child care

Please state the reason you would like to be a member of this board committee/commission/district:

I want to join the Monterey County Child Care Planning Council to bring my extensive professional and academic experience in the field of early childhood to the board. I believe that access to child care is a fundamental necessity for families, children, and society as a whole. It's not a luxury, but essential part of life and future society. I believe that every family, regardless of their income, background, or location, should have access to high-quality, affordable, and culturally competent child care. By serving on this board, I will join others who work towards ensuring these beliefs become a reality for families in our area.

How did you hear about the position?:

Mary Rigmaiden, former representative

County of Monterey

Board Report

Legistar File Number: APP 25-146

Item No.19

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/11/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Reappoint Kendra Bobsin to the Child Care Planning Council as a Discretionary Representative with a term end date of June 30, 2028. (Nominated by Monterey County Child Care Planning Council)

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

To: Clerk of the Board's Office

From: Marlene Galelgos

RE: Notification to Clerk of Appointment

Board of Supervisors Meeting Date: 09/23/2025

Appointment to the Child Care Planning Council

Nominated Appointee: kendra bobsin

Nominated by: Monterey County Child Care Planning Cou

Representing: Discretionary Appointee

Reason for Nomination:

- ○ New Term
- ◉ Reappointment
- ○ Filling an Unscheduled / Unexpired Term

Term:

Start Date: 07/01/2025 Term End Date: 06/30/2028

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

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F: (831) 755-5888
cob@countyofmonterey.gov

Child Care Planning Council Application

kendra bobsin

District: 1
Initialed Application: Yes

Applicant

First Name: **kendra**
Middle Initial:
Last Name: **bobsin**

Employment

Occupation: **Non-profit Administration**
Job Title: **CEO**
Employer: **Go Kids, Inc.**

Interests and Experiences

Able to attend meetings regularly and devote the time necessary to fulfill duties as a member?

Yes

Currently serving on a County of Monterey Board, Commission, Committee or other Community Advisory Group?

Yes

Monterey County Child Care Planning Council

Has served on an advisory group before?

Yes

I am a current member of the Monterey County Child Care Planning Council.

Please tell us about yourself and why you want serve:

Go Kids provides childcare subsidies to low-income families in Monterey County, specifically Salinas, Prunedale, Castroville, and Las Lomas. I have worked for Go Kids for over 30 years and have been in my current role as CEO since 2020. As an Agency, I believe we have had a staff member serve on the Monterey County Local Planning Council for over 20 years. I would like to continue this partnership as I have a strong interest in serving the children and families of Monterey County with much needed childcare services.

Please state the reason you would like to be a member of this board

committee/commission/district:

I am a current member of the Council and would like to continue in that role.

How did you hear about the position?:

I am a current member.

County of Monterey

Board Report

Legistar File Number: APP 25-147

Item No.20

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/11/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Reappoint Jeanne Hori-Garcia to the Child Care Planning Council as a Community Representative with a term end date of June 30, 2028. (Nominated by Monterey County Child Care Planning Council)

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

To: Clerk of the Board's Office

From: Marlene Gallegos

RE: Notification to Clerk of Appointment

Board of Supervisors Meeting Date: 09/23/2025

Appointment to the Child Care Planning Council

Nominated Appointee: Jeanne Hori-Garcia

Nominated by: Monterey County Child Care Planning Cou

Representing: Community Representative

Reason for Nomination:

- ○ New Term
- ◉ Reappointment
- ○ Filling an Unscheduled / Unexpired Term

Term:

Start Date: 07/01/2025 Term End Date: 06/30/2028

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

Child Care Planning Council Application

Jeanne Hori-Garcia

Initialed Application: Yes

Applicant

First Name: **Jeanne**
Middle Initial:
Last Name: **Hori-Garcia**

Employment

Occupation: **Child Development Instructor**
Job Title: **Part-time instructor**
Employer: **Gavilan College**

Interests and Experiences

Able to attend meetings regularly and devote the time necessary to fulfill duties as a member?

Yes

Currently serving on a County of Monterey Board, Commission, Committee or other Community Advisory Group?

Yes

Commission on the Status of Women of Monterey County, Domestic Violence Coordination Council

Has served on an advisory group before?

Yes

Commission on the Status of Women serves as an advisory group for the Board of Supervisors of Monterey County.

Please tell us about yourself and why you want serve:

I have been a council member since the inception of the Monterey County Childcare Planning Council since 1991. During my tenure I have worked on different activities to promote workforce training through ECE conferences, seminars, and updates of Hartnell College ECE courses offered each semester. As a former ECE instructor I have been an advocate for affordable quality childcare. After all these years, the ECE community continues to advocate affordable quality childcare and early learning. As a representative of the community, I network with

other professional and service organizations. My colleagues have learned about the challenges that face the childcare/early learning programs and agencies and reasons why childcare is a critical issue in our county.

Please state the reason you would like to be a member of this board committee/commission/district:

Why do I want to serve? The work for affordable quality childcare and early learning. As a commissioner on the status of women in Monterey County, I inform my fellow commissioners and the Board Supervisors of Monterey County about the childcare and early learning issues facing women and their children.

How did you hear about the position?:

Back in 1991, the Hartnell College President assigned me as a member of the council. As a member of the Monterey County Childcare Planning Council, I receive an email about renewing my position.

Please identify any specialized accommodations needed for equal participation:

n/a

County of Monterey

Board Report

Legistar File Number: APP 25-148

Item No.21

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/11/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Reappoint Kevin Piearcy to the Agricultural Advisory Committee as a Monterey County Farm Bureau Representative with a term end date of June 30, 2028. (Nominated by Monterey County Farm Bureau)

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

To: Clerk of the Board's Office

From: Berlina Espinoza, Administrative Secretary

RE: Notification to Clerk of Appointment

Board of Supervisors Meeting Date: 09/23/2025

Appointment to the Agricultural Advisory Committee

Nominated Appointee: Kevin Piearcy

Nominated by: Monterey County Farm Bureau

Representing: Monterey County Farm Bureau

Reason for Nomination:

- ○ New Term
- ◉ Reappointment
- ○ Filling an Unscheduled / Unexpired Term

Term:

Start Date: 09/16/2025 Term End Date: 06/30/2028

County of Monterey
Valerie Ralph
CLERK OF THE BOARD
BOARD OF SUPERVISORS

168 W. Alisal Street 1st Floor
Salinas, CA 93901
O: (831) 755-5066 Option 6
F: (831) 755-5888
cob@countyofmonterey.gov

Agricultural Advisory Committee Application

Kevin Piearcy

District: 3
Initialed Application: Yes

Applicant

First Name: **Kevin**
Middle Initial:
Last Name: **Piearcy**

Employment

Occupation: **Water Wells, Pumps and Water issues**
Job Title: **Supervisor**
Employer: **Industrial Pump Shop, Inc.**

Interests and Experiences

Able to attend meetings regularly and devote the time necessary to fulfill duties as a member?

Yes

Currently serving on a County of Monterey Board, Commission, Committee or other Community Advisory Group?

Yes

Ag. Advisory Committee Salinas Valley Fair Board of Directors

Has served on an advisory group before?

Yes

Ag. Advisory Monterey County Water Resources Agency Basin Management Committee Monterey County Water Resources Agency ResOp Committee

Please tell us about yourself and why you want serve:

I am a Monterey County resident and business owner. I have attended local schools in Monterey and San Luis Obispo counties. Chualar Elem. School Gonzales High School Hartnell College Univ. of California Polytechnic State University, San Luis Obispo I would like to continue being on this committee to offer my decades of knowledge on issues involving agricultural issues.

Please state the reason you would like to be a member of this board committee/commission/district:

I would like to continue my serves on this committee. I believe that I have listened and made decisions on this board in the past based on the information presented and the experience I have to offer.

How did you hear about the position?:

I am currently the Monterey County Farm Bureau Rep.

Please identify any specialized accommodations needed for equal participation:

N/A

County of Monterey

Board Report

Legistar File Number: APP 25-127

Item No.22

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 8/18/2025
Version: 1

Current Status: Appointment
Matter Type: Appointment

Reappoint Kurt Gollnick to Agricultural Advisory Committee representing District 1 with a term expiration date on June 30, 2028. (District Specific - District 1, Supervisor Alejo)

COUNTY OF MONTEREY

CLERK OF THE BOARD OF SUPERVISORS

To: Clerk of the Board's Office

From: Linda Gonzalez, Chief of Staff, Office of Supervisor Luis Alejo, District 1

RE: Notification to Clerk of Appointment

Board of Supervisors' Meeting Date: Tuesday, September 16, 2025

Appointment to the: Agricultural Advisory Committee

Nominated by: District 1

Representing : District 1

Nominated Appointee: Kurt Gollnick

Name: Kurt Gollnick

Address:

Telephone number(s):
Primary Phone:

Email:

Second email:

Contact preference: ☒ USPS Mail or via Email ☒ Please use both methods of contact.

Reason for Nomination:

☐ New Appointment

Replacing Member:

☒ Reappointment

☐ Filling an Unscheduled/Unexpired Term

Replacing Member:

Reason: ☐ Resignation ☐ Death ☐ Term not completed ☐ Other (explain)

Clerk noticed of Unscheduled/Unexpired Term on:

Earliest Board of Supervisors' meeting date appointment can be set is:

Term:

Start Date: September 16, 2025 Expiration Date: **June 30, 2028**

Mr. Gollnick is the co-owner and farmer of Rodnick Farms LLC. Mr. Gollnick served as the Chief Operating Officer prior to his retirement from Scheid Vineyards, Inc., dba Scheid Family Wines, one of the country's largest independent growers of premium wine grapes which produces in excess of two million cases of wine per year. In his role as COO, Mr. Gollnick managed all aspects of the operations including financial planning, land development, farming, wine production and packaging. He was a founding director and former Chairman of 1st Capital Bank Board of Directors which merged with West Coast Community Bank in 2024. Mr. Gollnick completed his undergraduate studies in agriculture business at California Polytechnic State University, San Luis Obispo. Mr. Gollnick is the 2023 recipient of the Hartnell Community College Leadership Award. He also served in leadership roles on State and regional agricultural trade associations and nonprofit boards throughout Monterey County, including holding the titles of President or Chairman. Mr. Gollnick has served on the Monterey County Agricultural Advisory Committee for many years sharing his experience with agriculture land uses and familiarity with the Monterey County General Plan.

September, 2025

County of Monterey

Board Report

Legistar File Number: OBM 25-134

Item No.23

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 8/25/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Other Board Matters

See Supplemental Sheet

County of Monterey

Board Report

Legistar File Number: 25-655

Item No.24

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/16/2025
Version: 1

Current Status: Agenda Ready
Matter Type: General Agenda Item

Blue Zones Recognition for County of Monterey

County of Monterey

Board Report

Legistar File Number: OBM 25-135

Item No.25

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 8/25/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Other Board Matters

General Public Comments

Introduced: 9/19/2025
Version: 1

Current Status: Agenda Ready
Matter Type: General Agenda Item

Consider a position on three pieces of federal legislation that would remove or inhibit the ability of states to redistrict, nationwide, for midterm elections. (ADDED VIA ADDENDA)

RECOMMENDATION:
It is recommended that the Board of Supervisors:
Consider adopting a position on three federal bills: H.R. 5449, S. 2885, and H.R. 4889.

SUMMARY:
Federal bills were introduced recently (September 18, 2025) by Senator Padilla (D-CA), Representative Lofgren (D-CA), and Representative Kiley (D-CA), which would inhibit the ability for midterm/mid-decade redistricting nationwide.

1. H.R. 5449 - To require congressional redistricting conducted by a State per a redistricting plan developed and enacted into law by an independent redistricting commission established by the State, and for other purposes. Introduced by Rep. Lofgren [D-CA].
   (See attachment A for links to the federal bill and the press release)

2. S.2885 - A bill to require congressional redistricting conducted by a State in accordance with a redistricting plan developed and enacted into law by an independent redistricting commission established by the State, and for other purposes. Introduced by Sen. Padilla [D-CA]. (See attachment A for links to the federal bill and the press release)

3. H.R. 4889 - To prohibit States from carrying out more than one Congressional redistricting after a decennial census and apportionment. Introduced by Rep. Kiley [D-CA]. (See attachment A for links to the federal bill and the press release)

If either of these three bills pass, it would negate Texas's, California's, and other states' ability to redistrict before the midterms, thus negating Proposition 50's ability to proceed.

DISCUSSION:
The California legislature passed measures to temporarily require new congressional district maps this legislative session. Proposition 50 authorizes the state to use a new congressional district map, which would be used to elect members of the U.S. House of Representatives from 2026 through 2030.

At the September 19, 2025, Board of Supervisors meeting, the Board voted to support Proposition 50 (4-0-1).

Notably, Proposition 50's purpose is to nullify redistricting in Texas, which is consistent with supporting the three federally proposed bills.

Due to the urgency clauses within the three federal bills and the timeline of the Legislative Committee, these bills have not been discussed at the Legislative Committee. They are being considered at the recommendation of the County Administrative Officer (CAO) for the full board. The chair of the Legislative Committee, Supervisor Church, approved this action. At the September 19, 2025, Rural County Representatives of California (RCRC) meeting, for which Chair Lopez was in attendance, it was recommended by RCRC that counties consider supporting these three federal bills.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:
On September 19, 2025, the Board of Supervisors voted to support Proposition 50 (4-0-1).

FINANCING:
This action has no financial impact on the General Fund.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
Recommendations in this report could potentially impact every area of the Board’s Strategic Goals.

Mark a check to the related Board of Supervisors Strategic Plan Goals:
X Well-Being and Quality of Life
X Sustainable Infrastructure for the Present and Future
X Safe and Resilient Communities
X Diverse and Thriving Economy

If it does not fall under any of the above Board of Supervisors Strategic Plan Goals (Other):
____ Administrative

Prepared by: Nicole Hollingsworth, Legislative Program Manager
Approved by: Nicholas E. Chiulos, Chief Assistant CAO, x5145

A - Links to federal bills and press releases

County of Monterey

Board Report

Legistar File Number: 25-661

Item No.

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/19/2025
Version: 1

Current Status: Agenda Ready
Matter Type: General Agenda Item

Consider a position on three pieces of federal legislation that would remove or inhibit the ability of states to redistrict, nationwide, for midterm elections.

RECOMMENDATION:
It is recommended that the Board of Supervisors:
Consider adopting a position on three federal bills: H.R. 5449, S. 2885, and H.R. 4889.

SUMMARY:
Federal bills were introduced recently (September 18, 2025) by Senator Padilla (D-CA), Representative Lofgren (D-CA), and Representative Kiley (D-CA), which would inhibit the ability for midterm/mid-decade redistricting nationwide.

1. H.R. 5449 - To require congressional redistricting conducted by a State per a redistricting plan developed and enacted into law by an independent redistricting commission established by the State, and for other purposes. Introduced by Rep. Lofgren [D-CA].
   (See attachment A for links to the federal bill and the press release)

2. S.2885 - A bill to require congressional redistricting conducted by a State in accordance with a redistricting plan developed and enacted into law by an independent redistricting commission established by the State, and for other purposes. Introduced by Sen. Padilla [D-CA]. (See attachment A for links to the federal bill and the press release)

3. H.R. 4889 - To prohibit States from carrying out more than one Congressional redistricting after a decennial census and apportionment. Introduced by Rep. Kiley [D-CA]. (See attachment A for links to the federal bill and the press release)

If either of these three bills pass, it would negate Texas's, California's, and other states' ability to redistrict before the midterms, thus negating Proposition 50's ability to proceed.

DISCUSSION:
The California legislature passed measures to temporarily require new congressional district maps this legislative session. Proposition 50 authorizes the state to use a new congressional district map, which would be used to elect members of the U.S. House of Representatives from 2026 through 2030.

At the September 19, 2025, Board of Supervisors meeting, the Board voted to support Proposition 50 (4-0-1).

Notably, Proposition 50's purpose is to nullify redistricting in Texas, which is consistent with supporting the three federally proposed bills.

Due to the urgency clauses within the three federal bills and the timeline of the Legislative Committee, these bills have not been discussed at the Legislative Committee. They are being considered at the recommendation of the County Administrative Officer (CAO) for the full board. The chair of the Legislative Committee, Supervisor Church, approved this action. At the September 19, 2025, Rural County Representatives of California (RCRC) meeting, for which Chair Lopez was in attendance, it was recommended by RCRC that counties consider supporting these three federal bills.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:
On September 19, 2025, the Board of Supervisors voted to support Proposition 50 (4-0-1).

FINANCING:
This action has no financial impact on the General Fund.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
Recommendations in this report could potentially impact every area of the Board’s Strategic Goals.

Mark a check to the related Board of Supervisors Strategic Plan Goals:
X Well-Being and Quality of Life
X Sustainable Infrastructure for the Present and Future
X Safe and Resilient Communities
X Diverse and Thriving Economy

If it does not fall under any of the above Board of Supervisors Strategic Plan Goals (Other):
____ Administrative

Prepared by: Nicole Hollingsworth, Legislative Program Manager
Approved by: Nicholas E. Chiulos, Chief Assistant CAO, x5145

A - Links to federal bills and press releases

1. H.R. 5449 – To require congressional redistricting conducted by a State per a redistricting plan developed and enacted into law by an independent redistricting commission established by the State, and for other purposes. Introduced by Rep. Lofgren [D-CA].
    1. Here is the press release.

1. S. 2885 A bill to require congressional redistricting conducted by a State in accordance with a redistricting plan developed and enacted into law by an independent redistricting commission established by the State, and for other purposes. Introduced by Sen. Padilla [D-CA].
    1. Here is the press release.

1. H.R. 4889 To prohibit States from carrying out more than one Congressional redistricting after a decennial census and apportionment. Introduced by Rep. Kiley [D-CA].
    1. Here is the press release.

County of Monterey

Board Report

Legistar File Number: ORD 25-013

Item No.26

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 8/27/2025
Version: 1

Current Status: Scheduled PM
Matter Type: Ordinance

Public Hearing to consider adopting an ordinance that amends numerous definitions, amends various zoning districts of Monterey County Code ("MCC") Title 20 (Coastal Zoning Ordinance), and adds Section 20.64.290 to the MCC, to regulate the short-term vacation rental of residential property.

Project Title: REF 130043 - Vacation Rental Ordinances (Coastal)
Proposed Location: Coastal Zone
Proposed California Environmental Quality Act (CEQA) action:
Find the amendments to Title 20 of the MCC consistent with the certified Final Environmental Impact Report (FEIR) (SCH#2022080643).

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Find the amendments to Title 20 of the Monterey County Code (MCC) consistent with the certified Final Environmental Impact Report (FEIR) (SCH#2022080643);
b. Acknowledge receipt of the California Coastal Commission resolution approving Monterey County Local Coastal Program Amendment Number LCP-3-MCO-24-0039-1 (Vacation Rentals); and
c. Adopt an ordinance that amends numerous definitions, zoning district use sections of Title 20 (Coastal Zoning Ordinance), and adds Section 20.64.290 to the MCC to regulate the short-term vacation rental of residential property.

SUMMARY:
On August 27, 2024, the Board of Supervisors adopted a resolution of intent to adopt an ordinance establishing regulations for vacation rentals.

On August 13, 2025, the California Coastal Commission (CCC) approved the Monterey County Local Coastal Program (LCP) Amendment Number LCP-3-MCO-24-0039-1 (Vacation Rentals), as submitted by the County. The County currently does not have specific regulations for vacation (or short-term) rental activities in the coastal zone. Staff is returning to the Board for final action. If adopted by the Board, this action would establish regulations for vacation rentals applicable in the coastal zone of unincorporated Monterey County. Staff recommends that the Board adopt the ordinance. In certifying the County's ordinance, the Commission requested that the County provide annual reports to the Coastal Commission on the number and types of vacation rentals permitted under the ordinance. Monterey County staff agreed to provide the reports to the Coastal Commission at the hearing. Staff intends to provide similar reports to the Board before transmitting to the Coastal Commission.

DISCUSSION:

Certified LCP Amendment

The proposed LCP Amendment is returning to the Board of Supervisors to complete the process of adopting vacation rental regulations that are applicable in coastal unincorporated areas of Monterey County. Pursuant to the Coastal Act, the County may amend the certified Local Coastal Program, provided the County follows certain procedures. The procedures include:

- The Planning Commission hold a noticed public hearing and make a recommendation to the Board;
- The Board hold a noticed public hearing, adopt a resolution of intent, and submit the proposed amendment to the CCC for certification;
- The Board take subsequent final action on the ordinance after the CCC acts and officially codify the LCP amendments.

On June 12, 2024, the Planning Commission held a public hearing to make a recommendation to the Board on the proposed vacation rental regulations. The Commission recommended that Board adopt the ordinance establishing regulations for vacation rental activities in the Coastal Zone by a vote of 10 in favor and 0 against.

On August 27, 2024, the Board of Supervisors adopted a Resolution of Intent to adopt an ordinance establishing zoning regulations for vacation (short-term) rental of residential properties in the coastal unincorporated areas (**Attachment C - Resolution No. 24-300**).

Following adoption by the Board, staff forwarded the Resolution of Intent to the CCC for certification. On August 13, 2025, the CCC approved the proposed amendment as submitted by the County (**Attachment D - Adopted LCP-3-MCO-24-0039-1**).

These Title 20 amendments are now returning to the Board for final local action **(Attachment A - CCC Certified Ordinance (clean); Attachment B - CCC Certified Ordinance (redline))**. This action will put into place regulations for vacation (short-term) rental of residential property in the coastal zone.

Next Steps

Following Board adoption of this ordinance, the ordinance will become effective the 31st day following adoption which would be October 24, 2025. For existing, unpermitted vacation rentals in the coastal zone, the operator will have two months, until December 24, 2025, to make an application for permits, licensees, certificates or other entitlements as may be needed, or cease operation. County staff will report vacation rental permits by type, enforcement activity, and tax information to the Board of Supervisors and the California Coastal Commission annually for the next two years following adoption.

CEQA

The Board considered and certified the Final EIR for the Vacation Rental Ordinances on August 27, 2024, which included amendments to Title 20 of the MCC. The County of Monterey filed a Notice of Determination on August 29, 2024, for the Vacation Rental Ordinances Project.

OTHER AGENCY INVOLVEMENT
The Office of County Counsel has reviewed and approved the ordinance as to form. The California Coastal Commission approved the proposed amendment as submitted by the County on August 13, 2025.

FINANCING:
Staff time to bring the LCP amendment forward to the CCC and Board for final adoption is included in the Fiscal Year 2025-26 Adopted Budget for HCD, Appropriation Unit HCD002, Unit 8543.

Prepared by: Melanie Beretti, AICP, Chief of Planning, 831-755-5285
Approved by: Craig Spencer, HCD Director

The following attachments are on file with the Clerk of the Board:
Attachment A - CCC certified ordinance amending Title 20 (clean version)
Attachment B - CCC certified ordinance amending Title 20 (redline version)
Attachment C - Board Resolution of Intent to adopt certified ordinance (Resolution 24-300)
Attachment D - CCC resolution approving the Monterey County Local Costal Program (LCP) Amendment No. LCP-3-MCO-24-0039-1 (Vacation Rentals)

cc: Front Counter Copy; Planning Commission; REF 130043 Public Distribution List; County of Monterey Treasurer-Tax Collector; Monterey County Regional Fire; County of Monterey Health Department Environmental Health Bureau; Coastal Commission; Monterey County Land Watch; Keep Big Sur Wild; Liz Gonzales, Permit Center Manager; Stacey Giles, Permit Technician III; Sarah Wikle, Principal Planner; Jacquelyn Nickerson, Principal Planner; Fionna Jensen, Principal Planner; Karen Riley-Olms, Management Analyst II; Josh Bowling, Chief of Building Services; Evan Nuckles, HCD Building Services Manager; Melanie Beretti, Chief of Planning; Craig Spencer, HCD Director.

County of Monterey

Board Report

Legistar File Number: ORD 25-013

Item No.

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 8/27/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Ordinance

Public Hearing to consider adopting an ordinance that amends numerous definitions, amends various zoning districts of Monterey County Code ("MCC") Title 20 (Coastal Zoning Ordinance), and adds Section 20.64.290 to the MCC, to regulate the short-term vacation rental of residential property.

Project Title: REF 130043 - Vacation Rental Ordinances (Coastal)
Proposed Location: Coastal Zone
Proposed California Environmental Quality Act (CEQA) action:
Find the amendments to Title 20 of the MCC consistent with the certified Final Environmental Impact Report (FEIR) (SCH#2022080643).

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Find the amendments to Title 20 of the Monterey County Code (MCC) consistent with the certified Final Environmental Impact Report (FEIR) (SCH#2022080643);
b. Acknowledge receipt of the California Coastal Commission resolution approving Monterey County Local Coastal Program Amendment Number LCP-3-MCO-24-0039-1 (Vacation Rentals); and
c. Adopt an ordinance that amends numerous definitions, zoning district use sections of Title 20 (Coastal Zoning Ordinance), and adds Section 20.64.290 to the MCC to regulate the short-term vacation rental of residential property.

SUMMARY:
On August 27, 2024, the Board of Supervisors adopted a resolution of intent to adopt an ordinance establishing regulations for vacation rentals.

On August 13, 2025, the California Coastal Commission (CCC) approved the Monterey County Local Coastal Program (LCP) Amendment Number LCP-3-MCO-24-0039-1 (Vacation Rentals), as submitted by the County. The County currently does not have specific regulations for vacation (or short-term) rental activities in the coastal zone. Staff is returning to the Board for final action. If adopted by the Board, this action would establish regulations for vacation rentals applicable in the coastal zone of unincorporated Monterey County. Staff recommends that the Board adopt the ordinance. In certifying the County's ordinance, the Commission requested that the County provide annual reports to the Coastal Commission on the number and types of vacation rentals permitted under the ordinance. Monterey County staff agreed to provide the reports to the Coastal Commission at the hearing. Staff intends to provide similar reports to the Board before transmitting to the Coastal Commission.

DISCUSSION:

Certified LCP Amendment

The proposed LCP Amendment is returning to the Board of Supervisors to complete the process of adopting vacation rental regulations that are applicable in coastal unincorporated areas of Monterey County. Pursuant to the Coastal Act, the County may amend the certified Local Coastal Program, provided the County follows certain procedures. The procedures include:

- The Planning Commission hold a noticed public hearing and make a recommendation to the Board;
- The Board hold a noticed public hearing, adopt a resolution of intent, and submit the proposed amendment to the CCC for certification;
- The Board take subsequent final action on the ordinance after the CCC acts and officially codify the LCP amendments.

On June 12, 2024, the Planning Commission held a public hearing to make a recommendation to the Board on the proposed vacation rental regulations. The Commission recommended that Board adopt the ordinance establishing regulations for vacation rental activities in the Coastal Zone by a vote of 10 in favor and 0 against.

On August 27, 2024, the Board of Supervisors adopted a Resolution of Intent to adopt an ordinance establishing zoning regulations for vacation (short-term) rental of residential properties in the coastal unincorporated areas (**Attachment C - Resolution No. 24-300**).

Following adoption by the Board, staff forwarded the Resolution of Intent to the CCC for certification. On August 13, 2025, the CCC approved the proposed amendment as submitted by the County (**Attachment D - Adopted LCP-3-MCO-24-0039-1**).

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Next Steps

Following Board adoption of this ordinance, the ordinance will become effective the 31st day following adoption which would be October 24, 2025. For existing, unpermitted vacation rentals in the coastal zone, the operator will have two months, until December 24, 2025, to make an application for permits, licensees, certificates or other entitlements as may be needed, or cease operation. County staff will report vacation rental permits by type, enforcement activity, and tax information to the Board of Supervisors and the California Coastal Commission annually for the next two years following adoption.

CEQA

The Board considered and certified the Final EIR for the Vacation Rental Ordinances on August 27, 2024, which included amendments to Title 20 of the MCC. The County of Monterey filed a Notice of Determination on August 29, 2024, for the Vacation Rental Ordinances Project.

OTHER AGENCY INVOLVEMENT
The Office of County Counsel has reviewed and approved the ordinance as to form. The California Coastal Commission approved the proposed amendment as submitted by the County on August 13, 2025.

FINANCING:
Staff time to bring the LCP amendment forward to the CCC and Board for final adoption is included in the Fiscal Year 2025-26 Adopted Budget for HCD, Appropriation Unit HCD002, Unit 8543.

Prepared by: Melanie Beretti, AICP, Chief of Planning, 831-755-5285
Approved by: Craig Spencer, HCD Director

The following attachments are on file with the Clerk of the Board:
Attachment A - CCC certified ordinance amending Title 20 (clean version)
Attachment B - CCC certified ordinance amending Title 20 (redline version)
Attachment C - Board Resolution of Intent to adopt certified ordinance (Resolution 24-300)
Attachment D - CCC resolution approving the Monterey County Local Costal Program (LCP) Amendment No. LCP-3-MCO-24-0039-1 (Vacation Rentals)

cc: Front Counter Copy; Planning Commission; REF 130043 Public Distribution List; County of Monterey Treasurer-Tax Collector; Monterey County Regional Fire; County of Monterey Health Department Environmental Health Bureau; Coastal Commission; Monterey County Land Watch; Keep Big Sur Wild; Liz Gonzales, Permit Center Manager; Stacey Giles, Permit Technician III; Sarah Wikle, Principal Planner; Jacquelyn Nickerson, Principal Planner; Fionna Jensen, Principal Planner; Karen Riley-Olms, Management Analyst II; Josh Bowling, Chief of Building Services; Evan Nuckles, HCD Building Services Manager; Melanie Beretti, Chief of Planning; Craig Spencer, HCD Director.

Attachment A

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ORDINANCE NO. _____

AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, AMENDING TITLE 20 (COASTAL ZONING) OF THE MONTEREY COUNTY CODE RELATING TO VACATION RENTALS

County Counsel Summary

This Ordinance amends numerous definition and zoning district use sections of Title 20 and adds Section 20.64.290 to the Monterey County Code to regulate the short-term vacation rental of residential property. This Ordinance aims to strike a balance, allowing residents of unincorporated Monterey County to benefit from the tourism economy while ensuring that residential neighborhoods are protected from the potential negative social and behavioral impacts of short-term vacation rentals. This Ordinance details which zoning districts allow short-term vacation rentals. This Ordinance requires a coastal development permit for commercial vacation rentals that have similar land use impacts to a visitor/serving use, such as hotels, motels, inns, and lodges. This Ordinance further requires that short-term vacation rentals meet certain operational requirements and safety and health standards that reflect their potential impacts. Lastly, this Ordinance contains the process for phasing out unpermitted commercial short-term vacation rentals.

The Board of Supervisors of the County of Monterey ordains as follows:

SECTION 1. Findings and Declarations.

A. Pursuant to Article XI, Section 7 of the California Constitution, the County of Monterey ("County") may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its residents.

B. This Ordinance is intended to provide regulations, standards, and circumstances under which short-term vacation rentals may be allowed in certain residential unincorporated areas of Monterey County.

C. The intent of this Ordinance is to distinguish between three types of short-term vacation rentals, commercial vacation rentals, limited vacation rentals, and homestays, such that commercial vacation rentals require a discretionary land use entitlement while limited vacation rentals and homestays are defined in a manner to be similar in character, density, and intensity to residential use, are not anticipated to remove long-term housing from the market, and therefore are allowed uses, where applicable, with a vacation rental operation license, business license, and transient occupancy tax certificate.

D. Regulation of commercial vacation rentals is necessary because they have the potential to impact the character and intensity of an otherwise residential use. Impacts include, removing long-term housing from the market, or posing hazards to public health, safety and general welfare in areas known to have infrastructure limitations. Commercial vacation rental uses, therefore, may be allowed, where applicable, only with a discretionary coastal development permit, vacation rental operation license, business license, and transient occupancy tax certificate. This Ordinance recognizes that unique neighborhoods with existing developments were established with the intent of managed short-term rentals, such as Monterey Dunes Colony, and these developments are exempt from the regulations set forth in this Ordinance, including the need to apply for a vacation rental operation license. Such developments are not exempt from compliance with Chapter 5.40, requiring payment of transient occupancy tax, and Chapter 7.02, requiring a business license.

E. Homestays, commercial vacation rentals, and limited vacation rentals do not count towards any visitor-serving units or guestroom caps established by Monterey County Code, Monterey County Coastal Implementation Plan, or Monterey County Land Use Plan.

F. This Ordinance establishes the requirement for a coastal development permit for commercial vacation rental activities to enable evaluation of the impacts of such activities, in recognition that commercial vacation rentals may have similar land use impacts as other recreational/visitor-serving uses such as hotels, motels, and bed and breakfast facilities and deserve similar evaluation as such visitor-serving uses.

G. Because the nature and extent of short-term vacation rentals have been transformed in the last several years due to the advent of online platforms, this Ordinance intends to establish regulations for limited vacation rentals, commercial vacation rentals, and homestays. Accordingly, this ordinance intends to add Section 20.64.290 to the Monterey County Code to establish regulations for vacation rentals.

H. To allow for a reasonable amortization of investment for existing short-term vacation rental operations, this Ordinance provides an initial defined time period during which an unpermitted vacation rental may continue to operate, provided the vacation rental activity was established prior to the effective date of the Ordinance and the operator is pursuing all necessary County permits, licenses, and entitlements pursuant to Section 20.64.290 of the Monterey County Code.

I. The County has reviewed the Final Environmental Impact Report ("EIR") for the project, which consists of the Draft EIR and the responses to comments on the Draft EIR. The County has exercised independent judgment in accordance with Public Resources Code section 21082.1(c)(3) in retaining its own environmental consultant in the preparation of the EIR, as well as reviewing, analyzing, and revising material prepared by the consultant. Having received, reviewed, and considered the information in the Final EIR, as well as all other information in the record, the County hereby makes findings pursuant to and in accordance with Public Resources Code sections 21081, 21081.5, and 21081.6. In accordance with California Environmental Quality Act ("CEQA") and the CEQA Guidelines, the County agrees that no findings of fact is

required because no impacts were identified with the implementation of the proposed regulations. The Final EIR for the Vacation Rental Ordinances project (SCH # 2022080643) has been completed and certified in compliance with CEQA prior to the adoption of this Ordinance and reflects the independent judgment and analysis of the County of Monterey.

J. The County intends to carry out the amendments in a manner fully in conformity with the Coastal Act.

K. This Ordinance amends the Monterey County Coastal Implementation Plan, which is part of the County's Local Coastal Program. Pursuant to the Coastal Act, the County may amend the certified Local Coastal Program provided the County follows certain procedures. The procedures include the following: the County's Planning Commission holds a notice public hearing and make a recommendation to the Board of Supervisors on the proposed amendment; the Board of Supervisors holds a noticed public hearing, adopts a resolution of intent, and submits the proposed amendment to the California Coastal Commission for certification together with materials sufficient for a thorough and complete review; the Coastal Commission certifies the amendment; the Board of Supervisors takes subsequent final action on the ordinance after the Coastal Commission acts; and the Coastal Commission confirms the County's action. Accordingly, this Ordinance will not go into effect until after the Coastal Commission certifies the amendment and confirms the Board's action.

SECTION 2. Section 20.06.620 of the Monterey County Code is amended to read as follows:

"Guesthouse" means an attached or detached living quarters of a permanent type of construction lacking internal circulation with the main dwelling, without kitchen or cooking facilities, clearly subordinate and incidental to the main structure, on the same lot, and not to be separately rented, let, or leased, whether compensation is direct or indirect.

SECTION 3. Section 20.06.985 is added to the Monterey County Code to read as follows:

"Rooming or boarding" means shared living quarters, with or without separate kitchen and bathroom facilities for each room or unit, intended to meet short-term shelter and/or other immediate housing needs for not more than two persons for the purpose of work, school, research, medical care, or employment that requires a person's physical presence in Monterey County, or other similar non recreational activity. Rooming or boarding does not include residential care facilities, day care homes, family day care centers, convalescent hospitals, hotels, motels, bed and breakfast facilities, inns, vacation rentals, labor camps, or single-occupancy housing.

SECTION 4. Section 20.06.990 of the Monterey County Code is amended to read as follows:

"Roominghouse or boardinghouse" means shared living quarters, with or without separate kitchen and bathroom facilities for each room or unit, intended to meet short-term shelter and/or other immediate housing needs for three or more persons for the purpose of work, school, research, medical care, or employment that requires a person's physical presence in the County, or other similar non recreational activity. Roominghouse or boardinghouse does not include residential care facilities, day care homes, family day care centers, convalescent hospitals, hotels, motels, bed and breakfast facilities, inns, vacation rentals, labor camps, or single-occupancy housing.

SECTION 5. Section 20.06.1305 of the Monterey County Code is amended to read as follows:

"Transient" means temporary, limited duration to a period of 30 consecutive calendar days or fewer.

SECTION 6. Subsection (DD) is added to Section 20.10.050 of the Monterey County Code [High Density Residential District] to read as follows:

DD. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 7. Subsection (DD) is added to Section 20.12.050 of the Monterey County Code [Medium Density Residential District] to read as follows:

DD. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 8. Subsection (FF) is added to Section 20.14.050 of the Monterey County Code [Low Density Residential District] to read as follows:

FF. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 9. Subsection (VV) is added to Section 20.16.050 of the Monterey County Code [Rural Density Residential District] to read as follows:

VV. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 10. Subsection (PP) is added to Section 20.17.050 of the Monterey County Code [Watershed And Scenic Conservation District] to read as follows:

PP. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 11. Subsection (RR) is added to Section 20.18.060 of the Monterey County Code [Coastal General Commercial] to read as follows:

RR. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 12. Subsection (X) is added to Section 20.20.060 of the Monterey County Code [Moss Landing Commercial District] to read as follows:

X. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 13. Subsection (BB) is added to Section 20.22.060 of the Monterey County Code [Visitor-Serving Commercial District] to read as follows:

BB. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 14. Subsection (GG) is added to Section 20.30.050 of the Monterey County Code [Coastal Agriculture Preserve] to read as follows:

GG. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 15. Subsection (KK) is added to Section 20.32.050 of the Monterey County Code [Agricultural Conservation] to read as follows:

KK. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 16. Subsection (Q) is added to Section 20.60.090 of the Monterey County Code to read as follows:

Q. Outdoor signs, pursuant to Section 7.120.040.H.

SECTION 17. Section 20.64.290 is added to the Monterey County Code to read as follows:

A. Purpose: It is the purpose of this Section to:

1. Preserve and enhance the residential character of the coastal zoning districts established in Title 20 and the sense of security and safety in stable neighborhoods of residential properties.

2. Provide opportunity for visitors to access public areas of the unincorporated areas of Monterey County through Vacation Rental opportunities, benefiting the local economy while preserving the housing supply and quality of life, and protecting public health, safety, and general welfare.

3. Establish regulations that provide opportunity for homeowners and residents to offer Vacation Rentals for visitors that have the potential to provide financial benefits to offset the high cost of living in Monterey County.

4. Establish that Limited Vacation Rental and Homestay uses are similar in character, density, and intensity to residential use, are not anticipated to convert long-term housing to nonresidential use.

5. Establish regulations to address Commercial Vacation Rental uses that have the potential to impact the character, density, and intensity of residential uses, convert long-term housing to nonresidential use, or pose hazards to public health, safety, and general welfare in areas known to have infrastructure limitations.

B. Definitions: The definitions in Chapter 20.06 shall apply. Unless otherwise expressly stated, whenever used in this Section, the following words shall have the meanings set forth below:

1. "Bedroom" means any habitable room of a dwelling unit which is: 1) 70 square feet or greater in size for the first individual in a bedroom and 50 square feet of space for each additional individual in the room; 2) has an exterior door or window for egress meeting health and safety code standards at the time the dwelling was constructed; and 3) has a closing door that separates the room from other areas of the dwelling. The following shall not be considered a bedroom: Any interior room that must be passed through to access another bedroom; a hallway; bathroom; kitchen; living room; dining room; family room; breakfast nook; pantry; laundry room; or closet/dressing room opening off a bedroom.

2. "Commercial Vacation Rental" means a Vacation Rental that is Non-hosted and rented for more than three times per 12-month period.

3. "County" means County of Monterey.

4. "Effective Date" means the date on which the Ordinance adding this Section 20.64.290 to the Monterey County Code took effect.

5. "Homestay" means a Vacation Rental in which the Owner occupies at least one Bedroom within the Vacation Rental while it is being rented as a Vacation Rental. The Vacation Rental must be the Owner's Primary Residence.

6. "Limited Vacation Rental" means a Vacation Rental that is Non-hosted and rented for not more than three times per 12-month period.

7. "Non-hosted" means that an Operator does not occupy the Vacation Rental while it is being rented.

8. "Operator" means a person who operates the Vacation Rental and, if not the Owner, a person, who has the legal permission of the Owner to operate the Vacation Rental on the subject real property.

9. "Owner" means the person or persons who hold fee title to the real property upon which a Vacation Rental is operated.

10. "Owner's Primary Residence" means a Residential Property lived in by the Owner for at least 183 days, which is documented by at least two of the following: motor vehicle registration, voter registration, homeowner's exemption on their property taxes, or a utility bill.

11. "OWTS" means an onsite wastewater treatment system, also referred to as a septic system, as regulated by Chapter 15.20 of the Monterey County Code.

12. "Property Manager" means the person who is designated by the Operator as being responsible for managing the Vacation Rental operation and it may include the Owner, professional property manager, realtor, other resident, or nonresident owner of the subject property.

13. "Residential Property" means improved property, used or occupied, or intended to be used or occupied, for residential purposes.

14. "Vacation Rental" means the use, by any person, of Residential Property for transient lodging where the term of occupancy, possession, or tenancy of the property by the person entitled to such occupancy, possession, or tenancy for a period of 30 consecutive calendar days or fewer, counting portions of calendar days as full days. "Vacation Rental" includes Commercial Vacation Rentals, Homestays, and Limited Vacation Rentals. "Vacation Rental" does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding.

C. Applicability: This Section applies in the unincorporated coastal zone of the County of Monterey.

D. Regulations for Homestays:

1. Homestays are allowed and exempt from a Coastal Development Permit pursuant to 20.70.120(S), in the following zoning districts, subject to the requirements of this Section:

a. High Density Residential (HDR(CZ));
b. Medium Density Residential (MDR(CZ));
c. Low Density Residential (LDR(CZ));
d. Rural Density Residential (RDR(CZ));
e. Watershed and Scenic Conservation (WSC(CZ));
f. Coastal General Commercial (CGC(CZ));
g. Moss Landing Commercial (MLC(CZ));
h. Visitor-Serving Commercial (VSC(CZ));
i. Coastal Agriculture Preserve (CAP(CZ)); and
j. Agricultural Conservation (AC(CZ)).

2. Homestays shall be prohibited in any other zoning district.

E. Regulations for Limited Vacation Rentals:

1. Limited Vacation Rentals are allowed and exempt from a Coastal Development Permit pursuant to 20.70.120(T), in the following zoning districts, subject to the requirements of this Section:

a. High Density Residential (HDR(CZ));
b. Medium Density Residential (MDR(CZ));
c. Low Density Residential (LDR(CZ));
d. Rural Density Residential (RDR(CZ));
e. Watershed and Scenic Conservation (WSC(CZ));
f. Coastal General Commercial (CGC(CZ));
g. Moss Landing Commercial (MLC(CZ));
h. Visitor-Serving Commercial (VSC(CZ));
i. Coastal Agriculture Preserve (CAP(CZ)); and
j. Agricultural Conservation (AC(CZ)).

2. Limited Vacation Rentals shall be prohibited in any other zoning district.

F. Regulations for Commercial Vacation Rentals:

1. Commercial Vacation Rentals are allowed with a Coastal Development Permit in the following zoning districts, subject to the requirements of this Section:

a. High Density Residential (HDR(CZ));
b. Medium Density Residential (MDR(CZ));
c. Low Density Residential (LDR(CZ));
d. Rural Density Residential (RDR(CZ));
e. Watershed and Scenic Conservation (WSC(CZ));
f. Coastal General Commercial (CGC(CZ));
g. Moss Landing Commercial (MLC(CZ));
h. Visitor-serving Commercial (VSC(CZ));
i. Coastal Agriculture Preserve (CAP(CZ)); and
j. Agricultural Conservation (AC(CZ)).

2. Commercial Vacation Rentals shall be prohibited in any other zoning district.

3. Commercial Vacation Rentals are subject to the following additional limitations based on a maximum allowable limit of permitted Commercial Vacation Rentals not to exceed four percent of the total single family residential dwelling unit count:

a. Big Sur Coast Land Use Plan Area as follows: Commercial Vacation Rentals are prohibited within the Big Sur Coast Land Use Plan area.

b. Carmel Area Land Use Plan Area as follows:

i. Commercial Vacation Rentals are prohibited in LDR(CZ) zoning districts within the Carmel Areal Land Use Plan area.

ii. A total of 118 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Carmel Area Land Use Plan area, excluding LDR(CZ) zoning districts.

c. North County Coastal Land Use Plan Area as follows: A total of 157 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the North County Coastal Land Use Plan area.

d. Del Monte Forest Land Use Plan Area as follows: A total of 57 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Del Monte Forest Land Use Plan area.

e. Moss Landing Community Plan as follows:

i. Commercial Vacation Rentals are prohibited in LDR(CZ) and MDR(CZ) zoning districts within the Moss Landing Community Plan area.

ii. A total of two maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Moss Landing Community Plan area, excluding LDR(CZ) and MDR (CZ) zoning districts.

f. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date of this Chapter will count against their respective Land Use Plan cap. If upon the permit or entitlement expiration date or within seven years of the Effective Date of this Chapter, the Operator does not make an application for all permits, licenses, certificates, or other entitlements required by County regulations; the count will be added back to the Land Use Plan cap.

4. A Commercial Vacation Rental that is not accessible directly from a public road shall be subject to Monterey County Code Chapter 16.80. Upon making an application with the County for Vacation Rental use, the Operator shall be required to

mail notice to all properties with ownership or access rights to the private road to inform them of the proposed Vacation Rental use and shall include the application reference number, location of the vacation rental, name and contact information for the Property Manager; and procedures and contact information for the County.

5. Commercial Vacation Rentals must demonstrate that response times for County emergency services for fire and emergency medical will be adequate. Adequate is defined as 5-8 minutes within Community Areas, Community Plans, and Sphere of Influence, 12 minutes within Rural Centers, and 45 minutes for all other areas. Commercial Vacation Rentals must provide contact information for County emergency services for fire and emergency medical. Notice of emergency services contact information shall be included in rental contracts and posted within the unit in a prominent place within six feet of the front door. The notice shall identify the average response time for emergency services to reach the subject property and describe the onsite fire protection systems (such as fire breaks, alarms and/or water storage tanks) available.

6. Commercial Vacation Rentals shall provide parking as required for the dwelling type by Section 20.58.040, or the applicable parking regulations at the time the dwelling was built.

7. Only one Commercial Vacation Rental shall be allowed per legal lot of record, regardless of the number of dwellings on the legal lot of record, except in the development types and zoning districts specified below. This provision does not apply to other types of developments, such as planned unit developments or similar cluster residential subdivisions. This provision does not apply to Coastal General Commercial (CGC(CZ)), Moss Landing Commercial (MLC(CZ)), and Visitor-Serving Commercial (VSC(CZ)) zoning districts. These districts shall be allowed more than one Commercial Vacation Rental per legal lot of record and shall not exceed the number of residential units per legal lot of record.

8. A Commercial Vacation Rental served by an OWTS shall maintain the system in good working order and ensure it is functioning properly at all times. The OWTS shall comply with Chapter 15.20 of this Code.

9. If the Commercial Vacation Rental is served by an OWTS, the Operator shall submit evidence that the system is in good working order and functioning properly by providing a performance evaluation report completed by a qualified OWTS professional in the form and manner required by the County. Any OWTS component noted to be in unacceptable condition shall be repaired or replaced prior to County approval of a Coastal Development Permit.

10. The Owner of the Vacation Rental shall only have an ownership interest in one Commercial Vacation Rental real property within the unincorporated Monterey County at a time.

11. Required Findings. To grant a Coastal Development Permit for a Commercial Vacation Rental, the Appropriate Authority must find, based on substantial evidence, that the Commercial Vacation Rental complies with all findings required for a Coastal Development Permit pursuant to Chapter 20.70 and complies with all requirements of this Section.

12. Time Limits. All Coastal Development Permits issued for Commercial Vacation Rentals shall be subject to the following time limits on the use authorized by the Coastal Development Permit:

a. The initial Coastal Development Permit shall be issued for a term of no more than seven years.

b. The Operator may apply to extend the Coastal Development Permit prior to the expiration date of the Coastal Development Permit pursuant to Section 20.70.110. The extension application shall be made at least 30 days prior to the expiration of the Coastal Development Permit. The Coastal Development Permit shall be extended by the Appropriate Authority by seven years upon each renewal, unless the Appropriate Authority finds that the operation is subject to revocation or modification accordingly to the criteria set forth in Section 20.70.060.

c. The Operator shall maintain a valid business license pursuant to Chapter 7.02 and a valid Vacation Rental Operation License pursuant to Chapter 7.120 of this Code throughout the permitted term of the Commercial Vacation Rental use.

d. The purpose of the seven-year term limit is to provide adequate ongoing review of the Commercial Vacation Rental to ensure that the use continues to meet the standards of this Section.

G. Phasing Out Unpermitted Operations:

1. To provide time for Operators of Vacation Rentals that were unpermitted prior to the Effective Date to bring the Vacation Rental into compliance with this Section, an Operator who can demonstrate that a Vacation Rental use was established and operating on the subject property prior to the Effective Date may continue the operation for a limited period of time.

2. For unpermitted Vacation Rental uses, the Operator has two months from the Effective Date to make an application for all permits, licenses, certificates, or other entitlements required by this Code. The Operator will be allowed to continue to operate as a Vacation Rental for up to two months from the Effective Date, or until County takes action on the Operator's application for all required permits, licenses, and entitlements made pursuant to this Code, whichever is later, unless County requires earlier termination

of the Vacation Rental use due to a risk to public health, safety and welfare. The Operator must diligently pursue the approval and issuance of the required permits, licenses, and entitlements, or the County can require earlier termination of the Vacation Rental.

3. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

4. Pending applications for transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns), submitted by a qualified applicant to the County, pursuant to Title 20, that have not been approved by the Appropriate Authority prior to the Effective Date shall be required to comply with this Section.

H. Phasing Out Previously Permitted Operations:

1. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date shall be required to comply with this Section upon expiration of their existing permits or entitlements. If the prior use is no longer allowed pursuant to this Section, the Operator must cease operations at the time of the expiration of their permit or entitlement.

2. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date without expiration dates shall be required to comply with this Section within seven years of the Effective Date.

3. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

I. Exemption: The regulations set forth in this Section do not apply to unique neighborhoods with existing developments that were established with the intent of managed Vacation Rentals. The existing permitted unique neighborhoods with managed Vacation Rentals must operate according to the regulations and conditions approved through its original land use entitlement.

SECTION 18. Subsection (S) is added to Section 20.70.120 of the Monterey County Code to read as follows:

S. Homestays, pursuant to Section 20.64.290, are exempt in the following zoning districts: High Density Residential (HDR(CZ)); Medium Density Residential (MDR(CZ)); Low

Density Residential (LDR(CZ)); Rural Density Residential (RDR(CZ)); Watershed and Scenic Conservation (WSC(CZ)); Coastal General Commercial (CGC(CZ)); Moss Landing Commercial (MLC(CZ)); Visitor-Serving Commercial (VSC(CZ)); Coastal Agriculture Preserve (CAP(CZ)); and Agricultural Conservation (AC(CZ)).

SECTION 19. Subsection (T) is added to Section 20.70.120 of the Monterey County Code to read as follows:

T. Limited Vacation Rentals, pursuant to Section 20.64.290, are exempt in the following zoning districts: High Density Residential (HDR(CZ)); Medium Density Residential (MDR(CZ)); Low Density Residential (LDR(CZ)); Rural Density Residential (RDR(CZ)); Watershed and Scenic Conservation (WSC(CZ)); Coastal General Commercial (CGC(CZ)); Moss Landing Commercial (MLC(CZ)); Visitor-Serving Commercial (VSC(CZ)); Coastal Agriculture Preserve (CAP(CZ)); and Agricultural Conservation (AC(CZ)).

SECTION 20. SEVERABILITY. If any Section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each Section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more Sections, subsections sentences, clauses, or phrases are declared invalid.

SECTION 21. EFFECTIVE DATE. This Ordinance shall become effective on the thirty-first day following its adoption by the County if certified by the California Coastal Commission or thereafter upon certification by the California Coastal Commission.

PASSED AND ADOPTED on this ____ day of _____, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Christopher M. Lopez, Chair
Monterey County Board of Supervisors

ATTEST

VALERIE RALPH
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

Kelly L. Donlon

KELLY L. DONLON
Chief Assistant County Counsel

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Attachment B

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ORDINANCE NO. _____

AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, AMENDING TITLE 20 (COASTAL ZONING) OF THE MONTEREY COUNTY CODE RELATING TO VACATION RENTALS

County Counsel Summary

This Ordinance amends numerous definition and zoning district use sections of Title 20 and adds Section 20.64.290 to the Monterey County Code to regulate the short-term vacation rental of residential property. This Ordinance aims to strike a balance, allowing residents of unincorporated Monterey County to benefit from the tourism economy while ensuring that residential neighborhoods are protected from the potential negative social and behavioral impacts of short-term vacation rentals. This Ordinance details which zoning districts allow short-term vacation rentals. This Ordinance requires a coastal development permit for commercial vacation rentals that have similar land use impacts to a visitor/serving use, such as hotels, motels, inns, and lodges. This Ordinance further requires that short-term vacation rentals meet certain operational requirements and safety and health standards that reflect their potential impacts. Lastly, this Ordinance contains the process for phasing out unpermitted commercial short-term vacation rentals.

The Board of Supervisors of the County of Monterey ordains as follows:

SECTION 1. Findings and Declarations.

A. Pursuant to Article XI, Section 7 of the California Constitution, the County of Monterey ("County") may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its residents.

B. This Ordinance is intended to provide regulations, standards, and circumstances under which short-term vacation rentals may be allowed in certain residential unincorporated areas of Monterey County.

C. The intent of this Ordinance is to distinguish between three types of short-term vacation rentals, commercial vacation rentals, limited vacation rentals, and homestays, such that commercial vacation rentals require a discretionary land use entitlement while limited vacation rentals and homestays are defined in a manner to be similar in character, density, and intensity to residential use, are not anticipated to remove long-term housing from the market, and therefore are allowed uses, where applicable, with a vacation rental operation license, business license, and transient occupancy tax certificate.

D. Regulation of commercial vacation rentals is necessary because they have the potential to impact the character and intensity of an otherwise residential use. Impacts include, removing long-term housing from the market, or posing hazards to public health, safety and general welfare in areas known to have infrastructure limitations. Commercial vacation rental uses, therefore, may be allowed, where applicable, only with a discretionary coastal development permit, vacation rental operation license, business license, and transient occupancy tax certificate. This Ordinance recognizes that unique neighborhoods with existing developments were established with the intent of managed short-term rentals, such as Monterey Dunes Colony, and these developments are exempt from the regulations set forth in this Ordinance, including the need to apply for a vacation rental operation license. Such developments are not exempt from compliance with Chapter 5.40, requiring payment of transient occupancy tax, and Chapter 7.02, requiring a business license.

E. Homestays, commercial vacation rentals, and limited vacation rentals do not count towards any visitor-serving units or guestroom caps established by Monterey County Code, Monterey County Coastal Implementation Plan, or Monterey County Land Use Plan.

F. This Ordinance establishes the requirement for a coastal development permit for commercial vacation rental activities to enable evaluation of the impacts of such activities, in recognition that commercial vacation rentals may have similar land use impacts as other recreational/visitor-serving uses such as hotels, motels, and bed and breakfast facilities and deserve similar evaluation as such visitor-serving uses.

G. Because the nature and extent of short-term vacation rentals have been transformed in the last several years due to the advent of online platforms, this Ordinance intends to establish regulations for limited vacation rentals, commercial vacation rentals, and homestays. Accordingly, this ordinance intends to add Section 20.64.290 to the Monterey County Code to establish regulations for vacation rentals.

H. To allow for a reasonable amortization of investment for existing short-term vacation rental operations, this Ordinance provides an initial defined time period during which an unpermitted vacation rental may continue to operate, provided the vacation rental activity was established prior to the effective date of the Ordinance and the operator is pursuing all necessary County permits, licenses, and entitlements pursuant to Section 20.64.290 of the Monterey County Code.

I. The County has reviewed the Final Environmental Impact Report ("EIR") for the project, which consists of the Draft EIR and the responses to comments on the Draft EIR. The County has exercised independent judgment in accordance with Public Resources Code section 21082.1(c)(3) in retaining its own environmental consultant in the preparation of the EIR, as well as reviewing, analyzing, and revising material prepared by the consultant. Having received, reviewed, and considered the information in the Final EIR, as well as all other information in the record, the County hereby makes findings pursuant to and in accordance with Public Resources Code sections 21081, 21081.5, and 21081.6. In accordance with California Environmental Quality Act ("CEQA") and the CEQA Guidelines, the County agrees that no findings of fact is

required because no impacts were identified with the implementation of the proposed regulations. The Final EIR for the Vacation Rental Ordinances project (SCH # 2022080643) has been completed and certified in compliance with CEQA prior to the adoption of this Ordinance and reflects the independent judgment and analysis of the County of Monterey.

J. The County intends to carry out the amendments in a manner fully in conformity with the Coastal Act.

K. This Ordinance amends the Monterey County Coastal Implementation Plan, which is part of the County's Local Coastal Program. Pursuant to the Coastal Act, the County may amend the certified Local Coastal Program provided the County follows certain procedures. The procedures include the following: the County's Planning Commission holds a notice public hearing and make a recommendation to the Board of Supervisors on the proposed amendment; the Board of Supervisors holds a noticed public hearing, adopts a resolution of intent, and submits the proposed amendment to the California Coastal Commission for certification together with materials sufficient for a thorough and complete review; the Coastal Commission certifies the amendment; the Board of Supervisors takes subsequent final action on the ordinance after the Coastal Commission acts; and the Coastal Commission confirms the County's action. Accordingly, this Ordinance will not go into effect until after the Coastal Commission certifies the amendment and confirms the Board's action.

SECTION 2. Section 20.06.620 of the Monterey County Code is amended to read as follows:

"Guesthouse" means an attached or detached living quarters of a permanent type of construction lacking internal circulation with the main dwelling, without kitchen or cooking facilities, clearly subordinate and incidental to the main structure, on the same lot, and not to be separately rented, let, or leased, whether compensation is direct or indirect.

SECTION 3. Section 20.06.985 is added to the Monterey County Code to read as follows:

"Rooming or boarding" means shared living quarters, with or without separate kitchen and bathroom facilities for each room or unit, intended to meet short-term shelter and/or other immediate housing needs for not more than two persons for the purpose of work, school, research, medical care, or employment that requires a person's physical presence in Monterey County, or other similar non recreational activity. Rooming or boarding does not include residential care facilities, day care homes, family day care centers, convalescent hospitals, hotels, motels, bed and breakfast facilities, inns, vacation rentals, labor camps, or single-occupancy housing.

SECTION 4. Section 20.06.990 of the Monterey County Code is amended to read as follows:

"Roominghouse or boardinghouse" means ~~a dwelling other than a hotel where lodging with~~

~~or without meals for three or more persons is provided for compensation.~~ shared living quarters, with or without separate kitchen and bathroom facilities for each room or unit, intended to meet short-term shelter and/or other immediate housing needs for three or more persons for the purpose of work, school, research, medical care, or employment that requires a person's physical presence in the County, or other similar non recreational activity. Roominghouse or boardinghouse does not include residential care facilities, day care homes, family day care centers, convalescent hospitals, hotels, motels, bed and breakfast facilities, inns, vacation rentals, labor camps, or single-occupancy housing.

SECTION 5. Section 20.06.1305 of the Monterey County Code is amended to read as follows:

"Transient" means temporary, limited duration to a period of 30 consecutive calendar days or fewer.~~temporary, limited duration or for a short period of time.~~

SECTION 6. Subsection (DD) is added to Section 20.10.050 of the Monterey County Code [High Density Residential District] to read as follows:

DD. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 7. Subsection (DD) is added to Section 20.12.050 of the Monterey County Code [Medium Density Residential District] to read as follows:

DD. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 8. Subsection (FF) is added to Section 20.14.050 of the Monterey County Code [Low Density Residential District] to read as follows:

FF. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 9. Subsection (VV) is added to Section 20.16.050 of the Monterey County Code [Rural Density Residential District] to read as follows:

VV. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 10. Subsection (PP) is added to Section 20.17.050 of the Monterey County Code [Watershed And Scenic Conservation District] to read as follows:

PP. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 11. Subsection (RR) is added to Section 20.18.060 of the Monterey County Code [Coastal General Commerical] to read as follows:

RR. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 12. Subsection (X) is added to Section 20.20.060 of the Monterey County Code [Moss Landing Commerical District] to read as follows:

X. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 13. Subsection (BB) is added to Section 20.22.060 of the Monterey County Code [Vistor-Serving Commercial District] to read as follows:

BB. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 14. Subsection (GG) is added to Section 20.30.050 of the Monterey County Code [Coastal Agriculture Preserve] to read as follows:

GG. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 15. Subsection (KK) is added to Section 20.32.050 of the Monterey County Code [Agricultural Conservation] to read as follows:

KK. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 16. Subsection (Q) is added to Section 20.60.090 of the Monterey County Code to read as follows:

Q. Outdoor signs, pursuant to Section 7.120.040.H.

SECTION 17. Section 20.64.290 is added to the Monterey County Code to read as follows:

A. Purpose: It is the purpose of this Section to:

1. Preserve and enhance the residential character of the coastal zoning districts established in Title 20 and the sense of security and safety in stable neighborhoods of residential properties.

2. Provide opportunity for visitors to access public areas of the unincorporated areas of Monterey County through Vacation Rental opportunities, benefiting the local economy while preserving the housing supply and quality of life, and protecting public health, safety, and general welfare.

3. Establish regulations that provide opportunity for homeowners and residents to offer Vacation Rentals for visitors that have the potential to provide financial benefits to offset the high cost of living in Monterey County.

4. Establish that Limited Vacation Rental and Homestay uses are similar in character, density, and intensity to residential use, are not anticipated to convert long-term housing to nonresidential use.

5. Establish regulations to address Commercial Vacation Rental uses that have the potential to impact the character, density, and intensity of residential uses, convert long-term housing to nonresidential use, or pose hazards to public health, safety, and general welfare in areas known to have infrastructure limitations.

B. Definitions: The definitions in Chapter 20.06 shall apply. Unless otherwise expressly stated, whenever used in this Section, the following words shall have the meanings set forth below:

1. "Bedroom" means any habitable room of a dwelling unit which is: 1) 70 square feet or greater in size for the first individual in a bedroom and 50 square feet of space for each additional individual in the room; 2) has an exterior door or window for egress meeting health and safety code standards at the time the dwelling was constructed; and 3) has a closing door that separates the room from other areas of the dwelling. The following shall not be considered a bedroom: Any interior room that must be passed through to access another bedroom; a hallway; bathroom; kitchen; living room; dining room; family room; breakfast nook; pantry; laundry room; or closet/dressing room opening off a bedroom.

2. "Commercial Vacation Rental" means a Vacation Rental that is Non-hosted and rented for more than three times per 12-month period.

3. "County" means County of Monterey.

4. "Effective Date" means the date on which Ordinance No. _____ adding this Section 20.64.290 to the Monterey County Code took effect.

5. "Homestay" means a Vacation Rental in which the Owner or principal resident occupies at least one Bedroom within the Vacation Rental while it is being rented as a Vacation Rental. The Vacation Rental must be the Owner's Primary Residence.

6. "Limited Vacation Rental" means a Vacation Rental that is Non-hosted and rented for not more than three times per 12-month period.

7. "Non-hosted" means that an Operator does not occupy the Vacation Rental while it is being rented.

8. "Operator" means a person who operates the Vacation Rental and, if not the Owner, a person, who has the legal permission of the Owner to operate the Vacation Rental on the subject real property.

9. "Owner" means the person or persons who hold fee title to the real property upon which a Vacation Rental is operated.

10. "Owner's Primary Residence" means a Residential Property lived in by the Owner for at least 183 days, which is documented by at least two of the following: motor vehicle registration, voter registration, homeowner's exemption on their property taxes, or a utility bill.

11. "OWTS" means an onsite wastewater treatment system, also referred to as a septic system, as regulated by Chapter 15.20 of the Monterey County Code.

12. "Property Manager" means the person who is designated by the Operator as being responsible for managing the Vacation Rental operation and it may include the Owner, professional property manager, realtor, other resident, or nonresident owner of the subject property.

13. "Residential Property" means improved property, used or occupied, or intended to be used or occupied, for residential purposes.

14. "Vacation Rental" means the use, by any person, of Residential Property for transient lodging where the term of occupancy, possession, or tenancy of the property by the person entitled to such occupancy, possession, or tenancy for a period of 30 consecutive calendar days or fewer, counting portions of calendar days as full days. "Vacation Rental" includes Commercial Vacation Rentals, Homestays, and Limited Vacation Rentals. "Vacation Rental" does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding.

C. Applicability: This Section applies in the unincorporated coastal zone of the County of Monterey.

D. Regulations for Homestays:

1. Homestays are allowed and exempt from a Coastal Development Permit pursuant to 20.70.120(S), in the following zoning districts, subject to the requirements of this Section:

a. High Density Residential (HDR(CZ));
b. Medium Density Residential (MDR(CZ));
c. Low Density Residential (LDR(CZ));
d. Rural Density Residential (RDR(CZ));
e. Watershed and Scenic Conservation (WSC(CZ));
f. Coastal General Commercial (CGC(CZ));
g. Moss Landing Commercial (MLC(CZ));
h. Visitor-Serving Commercial (VSC(CZ));
i. Coastal Agriculture Preserve (CAP(CZ)); and

j. Agricultural Conservation (AC(CZ)).

2. Homestays shall be prohibited in any other zoning district.

E. Regulations for Limited Vacation Rentals:

1. Limited Vacation Rentals are allowed and exempt from a Coastal Development Permit pursuant to 20.70.120(T), in the following zoning districts, subject to the requirements of this Section:

a. High Density Residential (HDR(CZ));
b. Medium Density Residential (MDR(CZ));
c. Low Density Residential (LDR(CZ));
d. Rural Density Residential (RDR(CZ));
e. Watershed and Scenic Conservation (WSC(CZ));
f. Coastal General Commercial (CGC(CZ));
g. Moss Landing Commercial (MLC(CZ));
h. Visitor-Serving Commercial (VSC(CZ));
i. Coastal Agriculture Preserve (CAP(CZ)); and
j. Agricultural Conservation (AC(CZ)).

2. Limited Vacation Rentals shall be prohibited in any other zoning district.

F. Regulations for Commercial Vacation Rentals:

1. Commercial Vacation Rentals are allowed with a Coastal Development Permit in the following zoning districts, subject to the requirements of this Section:

a. High Density Residential (HDR(CZ));
b. Medium Density Residential (MDR(CZ));
c. Low Density Residential (LDR(CZ));
d. Rural Density Residential (RDR(CZ));
e. Watershed and Scenic Conservation (WSC(CZ));
f. Coastal General Commercial (CGC(CZ));
g. Moss Landing Commercial (MLC(CZ));
h. Visitor-serving Commercial (VSC(CZ));
i. Coastal Agriculture Preserve (CAP(CZ)); and
j. Agricultural Conservation (AC(CZ)).

2. Commercial Vacation Rentals shall be prohibited in any other zoning district.

3. Commercial Vacation Rentals are subject to the following additional limitations based on a maximum allowable limit of permitted Commercial Vacation Rentals not to exceed four percent of the total single family residential dwelling unit count:

a. Big Sur Coast Land Use Plan Area as follows: Commercial Vacation Rentals are prohibited within the Big Sur Coast Land Use Plan area.

b. Carmel Area Land Use Plan Area as follows:

i. Commercial Vacation Rentals are prohibited in LDR(CZ) zoning districts within the Carmel Areal Land Use Plan area.

ii. A total of 118 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Carmel Area Land Use Plan area, excluding LDR(CZ) zoning districts.

c. North County Coastal Land Use Plan Area as follows: A total of 157 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the North County Coastal Land Use Plan area.

d. Del Monte Forest Land Use Plan Area as follows: A total of 57 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Del Monte Forest Land Use Plan area.

e. Moss Landing Community Plan as follows:

i. Commercial Vacation Rentals are prohibited in LDR(CZ) and MDR(CZ) zoning districts within the Moss Landing Community Plan area.

ii. A total of two maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Moss Landing Community Plan area, excluding LDR(CZ) and MDR (CZ) zoning districts.

f. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date of this Chapter will count against their respective Land Use Plan cap. If upon the permit or entitlement expiration date or within seven years of the Effective Date of this Chapter, the Operator does not make an application for all permits, licenses, certificates, or other entitlements required by County regulations; the count will be added back to the Land Use Plan cap.

4. A Commercial Vacation Rental that is not accessible directly from a public road shall be subject to Monterey County Code Chapter 16.80. Upon making an application with the County for Vacation Rental use, the Operator shall be required to

mail notice to all properties with ownership or access rights to the private road to inform them of the proposed Vacation Rental use and shall include the application reference number, location of the vacation rental, name and contact information for the Property Manager; and procedures and contact information for the County.

5. Commercial Vacation Rentals must demonstrate that response times for County emergency services for fire and emergency medical will be adequate. Adequate is defined as 5-8 minutes within Community Areas, Community Plans, and Sphere of Influence, 12 minutes within Rural Centers, and 45 minutes for all other areas. Commercial Vacation Rentals must provide contact information for County emergency services for fire and emergency medical. Notice of emergency services contact information shall be included in rental contracts and posted within the unit in a prominent place within six feet of the front door. The notice shall identify the average response time for emergency services to reach the subject property and describe the onsite fire protection systems (such as fire breaks, alarms and/or water storage tanks) available.

6. Commercial Vacation Rentals shall provide parking as required for the dwelling type by Section 20.58.040, or the applicable parking regulations at the time the dwelling was built.

7. Only one Commercial Vacation Rental shall be allowed per legal lot of record, regardless of the number of dwellings on the legal lot of record, except in the development types and zoning districts specified below. This provision does not apply to other types of developments, such as planned unit developments or similar cluster residential subdivisions. This provision does not apply to Coastal General Commercial (CGC(CZ)), Moss Landing Commercial (MLC(CZ)), and Visitor-Serving Commercial (VSC(CZ)) zoning districts. These districts shall be allowed more than one Commercial Vacation Rental per legal lot of record and shall not exceed the number of residential units per legal lot of record.

8. A Commercial Vacation Rental served by an OWTS shall maintain the system in good working order and ensure it is functioning properly at all times. The OWTS shall comply with Chapter 15.20 of this Code.

9. If the Commercial Vacation Rental is served by an OWTS, the Operator shall submit evidence that the system is in good working order and functioning properly by providing a performance evaluation report completed by a qualified OWTS professional in the form and manner required by the County. Any OWTS component noted to be in unacceptable condition shall be repaired or replaced prior to County approval of a Coastal Development Permit.

10. The Owner of the Vacation Rental shall only have an ownership interest in one Commercial Vacation Rental real property within the unincorporated Monterey County at a time.

11. Required Findings. To grant a Coastal Development Permit for a Commercial Vacation Rental, the Appropriate Authority must find, based on substantial evidence, that the Commercial Vacation Rental complies with all findings required for a Coastal Development Permit pursuant to Chapter 20.70 and complies with all requirements of this Section.

12. Time Limits. All Coastal Development Permits issued for Commercial Vacation Rentals shall be subject to the following time limits on the use authorized by the Coastal Development Permit:

a. The initial Coastal Development Permit shall be issued for a term of no more than seven years.

b. The Operator may apply to extend the Coastal Development Permit prior to the expiration date of the Coastal Development Permit pursuant to Section 20.70.110. The extension application shall be made at least 30 days prior to the expiration of the Coastal Development Permit. The Coastal Development Permit shall be extended by the Appropriate Authority by seven years upon each renewal, unless the Appropriate Authority finds that the operation is subject to revocation or modification accordingly to the criteria set forth in Section 20.70.060.

c. The Operator shall maintain a valid business license pursuant to Chapter 7.02 and a valid Vacation Rental Operation License pursuant to Chapter 7.120 of this Code throughout the permitted term of the Commercial Vacation Rental use.

d. The purpose of the seven-year term limit is to provide adequate ongoing review of the Commercial Vacation Rental to ensure that the use continues to meet the standards of this Section.

G. Phasing Out Unpermitted Operations:

1. To provide time for Operators of Vacation Rentals that were unpermitted prior to the Effective Date to bring the Vacation Rental into compliance with this Section, an Operator who can demonstrate that a Vacation Rental use was established and operating on the subject property prior to the Effective Date may continue the operation for a limited period of time.

2. For unpermitted Vacation Rental uses, the Operator has two months from the Effective Date to make an application for all permits, licenses, certificates, or other entitlements required by this Code. The Operator will be allowed to continue to operate as a Vacation Rental for up to two months from the Effective Date, or until County takes action on the Operator's application for all required permits, licenses, and entitlements made pursuant to this Code, whichever is later, unless County requires earlier termination

of the Vacation Rental use due to a risk to public health, safety and welfare. The Operator must diligently pursue the approval and issuance of the required permits, licenses, and entitlements, or the County can require earlier termination of the Vacation Rental.

3. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

4. Pending applications for transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns), submitted by a qualified applicant to the County, pursuant to Title 20, that have not been approved by the Appropriate Authority prior to the Effective Date shall be required to comply with this Section.

H. Phasing Out Previously Permitted Operations:

1. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date shall be required to comply with this Section upon expiration of their existing permits or entitlements. If the prior use is no longer allowed pursuant to this Section, the Operator must cease operations at the time of the expiration of their permit or entitlement.

2. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date without expiration dates shall be required to comply with this Section within seven years of the Effective Date.

3. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

I. Exemption: The regulations set forth in this Section do not apply to unique neighborhoods with existing developments that were established with the intent of managed Vacation Rentals. The existing permitted unique neighborhoods with managed Vacation Rentals must operate according to the regulations and conditions approved through its original land use entitlement.

SECTION 18. Subsection (S) is added to Section 20.70.120 of the Monterey County Code to read as follows:

S. Homestays, pursuant to Section 20.64.290, are exempt in the following zoning districts: High Density Residential (HDR(CZ)); Medium Density Residential (MDR(CZ)); Low

Density Residential (LDR(CZ)); Rural Density Residential (RDR(CZ)); Watershed and Scenic Conservation (WSC(CZ)); Coastal General Commercial (CGC(CZ)); Moss Landing Commercial (MLC(CZ)); Visitor-Serving Commercial (VSC(CZ)); Coastal Agriculture Preserve (CAP(CZ)); and Agricultural Conservation (AC(CZ)).

SECTION 19. Subsection (T) is added to Section 20.70.120 of the Monterey County Code to read as follows:

T. Limited Vacation Rentals, pursuant to Section 20.64.290, are exempt in the following zoning districts: High Density Residential (HDR(CZ)); Medium Density Residential (MDR(CZ)); Low Density Residential (LDR(CZ)); Rural Density Residential (RDR(CZ)); Watershed and Scenic Conservation (WSC(CZ)); Coastal General Commercial (CGC(CZ)); Moss Landing Commercial (MLC(CZ)); Visitor-Serving Commercial (VSC(CZ)); Coastal Agriculture Preserve (CAP(CZ)); and Agricultural Conservation (AC(CZ)).

SECTION 20. SEVERABILITY. If any Section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each Section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more Sections, subsections sentences, clauses, or phrases are declared invalid.

SECTION 21. EFFECTIVE DATE. This Ordinance shall become effective on the thirty-first day following its adoption by the County if certified by the California Coastal Commission or thereafter upon certification by the California Coastal Commission.

PASSED AND ADOPTED on this ____ day of _____, 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Glenn Church, Chair
Monterey County Board of Supervisors

ATTEST

VALERIE RALPH
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

KELLY L. DONLON
Assistant County Counsel

Attachment C

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Before the Board of Supervisors
County of Monterey, State of California

In the matter of the application of:
VACATION RENTAL ORDINANCES (REF130043 [Coastal])

RESOLUTION NO. 24-300

Resolution of intent of the Monterey County Board of Supervisors to adopt an ordinance amending numerous definitions and zoning district use sections to Title 20 and adding Section 20.64.290 to the Monterey County Code (coastal) to regulate the short-term vacation rental of residential property (**Attachment A**); certify that the amendments are intended to be carried out in a manner fully in conformity with the California Coastal Act; and direct staff to transmit the proposed amendments to the California Coastal Commission for certification, together with materials sufficient for a thorough and complete review.

I. RECITALS

1. Pursuant to Article XI, section 7 of the California Constitution, the County of Monterey may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its citizens.

2. Section 30500 of the Public Resources Code requires each county and city to prepare a Local Coastal Program (LCP) for that portion of the coastal zone within its jurisdiction.

2. Monterey County has a certified LCPs pursuant to the California Coastal Act of 1976 that contains land use and development regulations for the coastal areas of the County.

3. All policies of the LCP have been reviewed to ensure that the proposed amendments are consistent with the California Coastal Act, comply with applicable State and Federal Laws, and maintain internal consistency within the County's LCP.

4. The Monterey County LCP includes four Land Use Plan Areas within the County. The Land Use Plan Areas: North County Land Use Plan, Big Sur Coast Land Use Plan, Carmel Area Land Use Plan, and Del Monte Forest Land Use Plan. The proposed ordinance is consistent with each Land Use Plan, which is detailed subsequently.

5. This ordinance will provide regulations, standards, and circumstances under which short-term vacation rentals may be allowed in certain residential unincorporated areas of Monterey County. The intent of this ordinance is to distinguish between three types of short-term vacation rentals: commercial vacation rentals, limited vacation rentals, and homestays, such that commercial vacation rentals require a discretionary land use entitlement while limited vacation rentals and homestays are defined in a manner to be similar in character, density, and intensity to residential use, are not anticipated to remove long-term housing from the market, and therefore are allowed uses, where applicable, with a vacation rental operation license, business license, and transient occupancy tax certificate. This ordinance intends to add definitions and zoning use district sections to Title 20 and adds Section 20.64.290 to the Monterey County Code to establish regulations for vacation rentals. This ordinance provides an initially defined time period during which an unpermitted vacation rental may continue to operate, provided the vacation rental activity was established prior to the effective date of the ordinance and the operator is pursuing all necessary County permits, licenses, and entitlements pursuant to Section 20.64.290 of the Monterey County Code.

6. Homestays, commercial vacation rentals, and limited vacation rentals do not count towards any visitor-serving units or guestroom caps established by the Monterey County Code, Monterey County Coastal Implementation Plan, or Monterey County Land Use Plan.

7. The proposed ordinance is consistent with the Big Sur Coast Land Use Plan (BSLUP) by preserving the rural, wild, and unspoiled nature of the Big Sur Coast Planning Area by prohibiting commercial vacation rentals and allowing limited vacation rentals and homestays with appropriate regulations. Commercial vacation rentals are inconsistent with the BSLUP Policy 5.4.2.G.2, which states that development in rural residential areas shall be limited to residential uses in order to protect residents from unwanted intrusion by other incompatible activities, such as visitor serving uses. Further, BSLUP Policy 5.1.1 states that these residential areas are not well suited for commercial or visitor uses; these areas should continue to be for residential purposes only. As commercial vacation rentals are more akin to a commercial use, commercial vacation rentals operating in residential areas could disturb the existing residents and put a strain on already limited resources (such as potable water, septic systems, and transportation infrastructure). Limited vacation rentals and homestays are allowed in the Big Sur Coast Planning Area as they are more akin to residential uses and would minimize the impact on existing residents. Impacts are minimized further due to the limitations placed on limited vacation rentals and the requirement that the owner or principal resident be on site for the duration of the homestay.

8. The proposed ordinance is consistent with the Carmel Area Land Use Plan (CALUP) in that it allows commercial vacation rentals, limited vacation rentals, and homestays to ensure that public access is maintained but prohibits commercial vacation rentals in the low density residential zoning districts in the CALUP, which consists of the Carmel Highlands, due to the unique resource limitations present in that area. The Carmel Highlands low density residential

neighborhood has challenges with wastewater management due to most residential properties in the area managing wastewater with septic systems. This has created a high density of these types of systems, presenting challenges to the quality of water from onsite domestic water wells. Prohibiting commercial vacation rentals in the Carmel Highlands will minimize the potential impact on water quality in this area. Limited vacation rentals and homestays are still allowed throughout the CALUP. This supports the theme of the CALUP to provide and encourage public recreational use and enjoyment while also limiting the potential impact on coastal resources, which could be damaged or degraded by overuse.

9. The proposed ordinance is consistent with the North County Land Use Plan (NCLUP) in that it allows commercial vacation rentals, limited vacation rentals, and homestays to ensure that public access to and along the coast is maximized and maintained. The NCLUP does not have specific language restricting vacation rentals, nor does the 1982 General Plan. Therefore, the proposed ordinance balances facilitating public access while limiting potential impacts on coastal resources from overuse. Additionally, the cap on commercial vacation rentals serves to protect the residential community's character throughout the NCLUP Area. The NCLUP is less reliant on tourism than other coastal areas of Monterey County and has fewer visitor serving facilities to facilitate public access. Additionally, the NCLUP area has higher poverty rates, lower household incomes, and a greater percentage of households using food stamps than other coastal areas of coastal Monterey County (U.S. Census Bureau, 2022, ACS 5-Year Estimates, Tables S1702, S2001, and S2201). The opportunity to rent a home as a commercial vacation rental and earn additional income by participating in the tourist economy could benefit households and families in the NCLUP. Therefore, currently, there is no appropriate justification for prohibiting commercial vacation rentals in NCLUP.

10. The proposed ordinance is consistent with the Del Monte Forest Land Use Plan (DMFLUP) in that it allows commercial vacation rentals, limited vacation rentals, and homestays to encourage and facilitate public access while placing reasonable limits on commercial vacation rentals to ensure that the residential community of the DMFLUP is not disrupted. The DMFLUP does not have specific language restricting vacation rentals, nor does the 1982 General Plan. While the DMFLUP did not contemplate vacation rentals specifically, DMFLUP Policy 120 does prohibit quasi-residential visitor-serving uses, which supports the proposed ordinance's cap on commercial vacation rentals and careful regulation of vacation rentals. The cap on commercial vacation rentals additionally protects the residential community and ensures that both residential and visitor serving commercial uses can thrive. The proposed ordinance is consistent with the DMFLUP Public Access Key Policy, where the proposed ordinance does not impact visual and physical public access by allowing vacation rentals of all types in the DMFLUP Area while setting limits on commercial vacation rentals to ensure that coastal resources are not marred by overuse.

11. Pursuant to the Coastal Act, the County may amend the certified LCP, provided the County follows certain procedures. The procedures include that the County's Planning Commission hold a notice public hearing and make a recommendation to the Board of Supervisors; that the Board of Supervisors hold a noticed public hearing, adopt a resolution of intent, and submit the proposed amendment to the California Coastal Commission for certification together with materials sufficient for a thorough and complete review; that the Board of Supervisors take subsequent final action on the ordinance after the Coastal Commission

acts; and that the Coastal Commission confirms County's action. Accordingly, the ordinance will not go into effect until after certification by the California Coastal Commission and subsequent formal adoption by the Board of Supervisors at a duly noticed public hearing, and it will not become operative until the California Coastal Commission's certification is final and effective.

12. The County intends to carry out the amendments in a manner fully in conformity with the California Coastal Act. The proposed ordinance is consistent with Coastal Act Public Access Policies (30210, 30213, 30222, and 30252) in that the proposed ordinance protects, provides, and enhances coastal access and recreation opportunities for the general public by creating a clear regulatory framework for vacation rentals. Vacation rentals can provide important visitor serving facilities at a lower cost than traditional hotels, particularly for groups or larger families traveling together. The proposed ordinance prohibits commercial vacation rentals in certain areas of coastal Monterey County with resource constraints (Carmel Highlands), where existing policies limit non-residential uses in residential areas (BSLUP Policy 5.4.2.G.2), or areas with limited housing stock (Moss Landing Community Plan). This prohibition of commercial vacation rentals in certain areas should be weighed against the allowability of homestays and limited vacation rentals in all four of the coastal planning areas of Monterey County. Homestays, in particular, can provide lower-cost visitor serving facilities to the public and are allowed in all coastal areas of Monterey County. The proposed ordinance balances the Coastal Act and the County's LCPs by ensuring that vacation rentals are regulated but also ensuring that the community character is protected consistent with public safety needs and coastal resource protections.

13. The Monterey County Planning Commission held a duly noticed public hearing on the proposed amendments on May 29 and June 12, 2024. The Planning Commission adopted Resolution No. 24-024 recommending that the Board of Supervisors adopt a resolution of intent to approve the proposed LCP amendments by a vote of 10-0.

14. On August 27, 2024, the Board of Supervisors held a duly noticed public hearing to consider the proposed amendments to the LCP. At least 10 days before the hearing date, notice of the hearing was published in the Monterey County Weekly, a newspaper of general circulation.

II.

III. DECISION

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors does adopt this Resolution of Intent to:

a) Adopt an ordinance amending numerous definitions and zoning district use sections of Title 20 and adds Section 20.64.290 to the Monterey County Code (coastal) to regulate the short-term vacation rental of residential property (**Attachment A**);

b) Certify that the amendments are intended to be carried out in a manner fully in conformity with the California Coastal Act; and

c) Direct staff to transmit the proposed amendments to the California Coastal Commission for certification, together with materials sufficient for a thorough and complete review.

PASSED AND ADOPTED on this 27th day of August 2024, by roll call vote:

AYES: Supervisors Church, Askew, and Adams
NOES: Supervisor Alejo & Lopez
ABSENT: None

Motion passes 3 to 2

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting on August 27, 2024.

Dated: September 18, 2024
File ID: ORD 24-027
Agenda Item No. 13

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

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Attachment D

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CALIFORNIA COASTAL COMMISSION
CENTRAL COAST DISTRICT
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
PHONE: (831) 427-4863
EMAIL: CENTRALCOAST@COASTAL.CA.GOV
WEB: WWW.COASTAL.CA.GOV

ADOPTED

W15a

Prepared July 25, 2025 for August 13, 2025 Hearing

To: Commissioners and Interested Persons

From: Dan Carl, Central Coast District Director
Kevin Kahn, Central Coast District Manager
Katie Butler, Central Coast District Supervisor

Subject: **Monterey County LCP Amendment Number LCP-3-MCO-24-0039-1 (Vacation Rentals)**

SUMMARY OF STAFF RECOMMENDATION

Monterey County proposes to amend its Local Coastal Program (LCP) Implementation Plan (IP) to provide regulations for vacation rentals (also known as short-term rentals) within single-family residential dwellings in the County's coastal zone. This amendment would constitute the County's first vacation rental regulations for the coastal zone. That said, although this use has not to date been explicitly regulated by the LCP, the County has in more recent times provided a permitting path under existing LCP rules (as a use akin to bed and breakfasts) while they developed a vacation rental program. This path has been difficult and imperfect, leading to what is probably best considered a somewhat stifled vacation rental market currently, as opposed to what the market might bear under a different regulatory construct. In any case, the County indicates that there are approximately 400 vacation rentals of all types (e.g., hosted and unhosted) currently operating in the County coastal zone, representing about 4% of overall coastal zone single-family residential housing units.

The proposed amendment would add a series of new vacation rental-related definitions, it would include referenced operational requirements (related to annual licensing, transient occupancy taxes, rental contracts, noise, occupancy, trash, parking, hosting platforms, etc.), it would create three distinct vacation rental types (Homestays, Limited Vacation Rentals, and Commercial Vacation Rentals), and it would provide limits on the number of Commercial Vacation Rentals in each of the County's four coastal areas. In terms of the latter, the proposed amendment would allow unlimited Homestays (i.e., room rentals in an occupied residence, also known as hosted rentals) and unlimited Limited Vacation Rentals (i.e., whole house rentals, also known as unhosted rentals, up to three times per year) anywhere in the coastal zone without a CDP, but would cap the number of Commercial Vacation Rentals (i.e., whole house/unhosted rentals with no limit on the number of rentals per year) at four percent (i.e., the current overall percentage of homes used for vacation rentals) of the total single-family residential unit count by area, except in the Big Sur and Carmel Highlands areas where Commercial

Vacation Rentals would be prohibited. Thus, although more limited forms of vacation rental would be unlimited, unhosted rentals, which appear to be the predominant rental type in the County's coastal zone currently, would be curtailed significantly, especially south of Carmel. The number of allowed unhosted rentals would be a reduction from the current number overall to 334 throughout the coastal zone, and essentially limited to the North County, Del Monte Forest, and Carmel areas of the County, representing a growth compared to current numbers of allowed unhosted rentals in North County (over 150% more) and a reduction in Carmel (nearly 50% less), the Del Monte Forest (over 30% less), and Big Sur (100% less).

The Commission has historically recognized that vacation rentals can provide a unique and important source of visitor-serving accommodations in the coastal zone, especially for families and groups, and has typically found that undue restrictions on this type of lodging are inconsistent with Coastal Act and/or LCP provisions prioritizing public access and visitor-serving uses. At the same time, the Commission has also recognized a need to restrict vacation rentals in some coastal communities where evidence showed that the vacation rental market was having impacts on coastal resources or significantly impacting the availability of housing. In that sense, the Commission has sought to accommodate a balance between these sometimes competing interests, where the appropriate balance is typically driven by the community context. Further, in all cases, the Commission has always supported 'good neighbor' operational standards, which are proposed here, and are important tools to address use concerns while maintaining such a balance.

Here, although the proposal provides straightforward standards designed to ensure vacation rentals are appropriately operated and regulated (including through a process for licensing and compliance), the Commercial Vacation Rental bans in Big Sur and the Carmel Highlands raise some concerns as they would decrease public recreational access opportunities in these prime visitor destinations associated with vacation rental options. In Big Sur, in particular, which is a rugged coastline that is both not easily accessible and is also a world-famous visitor destination with already fairly overtapped 'standard' overnight accommodation options, such a decrease in overnight opportunities can only make public access more difficult in these areas. The same can be said for the Carmel and Del Monte Forest areas, albeit to a lesser degree given the number of overnight accommodation options for these areas, although much of these accommodations are at the higher cost end of the accommodation spectrum. And while a primary impetus for the proposed regulations is to open up longer term housing opportunities, these areas have some of the highest priced housing in the entire County, and a high proportion of second (or third or more) homes, and it is not clear that homes that are being used for unhosted rentals will instead be used for longer-term housing under these proposed rules.

Conversely, the North County area, which is the site of the County's most affordable coastal zone housing, and an area that has not to date been the type of visitor destination that southern portions of the County's coastal zone have been, is being slated for a significant increase in allowed vacation rentals as compared to the number that are currently present in this area. At a fundamental level, this type of vacation rental increase in a more affordable housing market area would seem to be at odds with the

housing objectives of the proposed amendment, but it would at the same time allow for the area to attempt to capitalize on visitors as well, including where vacation rentals can offset some of the costs of property ownership there. And the North County area is a beautiful stretch of the coast that is in some ways yet to be discovered by visitors.

Both County and Commission staff have heard from the various interested parties on this matter, and there are stakeholders on all sides of the argument. For example, the Monterey County Vacation Rental Alliance, which has already sued the County over its implementation of the regulations in the County's non-coastal zone areas, argues that the ordinance is inconsistent with Coastal Act and LCP provisions that require that public recreational opportunities be maximized and that prioritize visitor-serving over private residential use, and argues that this amendment will not actually lead to an increase in longer term housing. Similarly opposed, although focused on Del Monte Forest issues, is the Pebble Beach Company, which is the predominant landowner, including of all the roads, and the predominant hospitality entity in the Del Monte Forest, including the only source of standard hotel overnight accommodations. The Pebble Beach Company has commented that some amount of vacation rentals in the Del Monte Forest area may be appropriate, but that 4%, or about 57 homes, is too many. It would also like to see more limits on when such rentals could take place (for example, limited to when large events take place in the Forest to help satisfy overnight stay demand). On the other side of the spectrum, the Big Sur Local Coastal Program Defense Committee supports the ban on Commercial Vacation Rentals (which would eliminate them from the current number of 37 in Big Sur), opining that Big Sur is a rural area with severe housing shortages where existing housing needs to be prioritized for long-term use.

However, while recognizing such concerns, the County also found that the ban on Commercial Vacation Rentals in Big Sur and the Carmel Highlands (and the caps in all other areas) is an important means to minimize the commercialization of these traditionally residential areas and safeguard longer term housing opportunities (which are also LUP requirements). And while one approach to address housing shortages is simply to build more housing, the reality is that building housing in certain parts of Monterey County's coastal zone is quite difficult. North County, for example, has vast areas of protected agricultural lands with an overtapped groundwater basin as its sole water supply, and Big Sur is mountainous, remote, and full of sensitive habitats. In cases where development potential is limited, the Commission has in past cases recognized that more stringent limits on vacation rentals may be appropriate to retain existing housing stock given the difficulties in increasing supply. And this loss of some vacation rentals is tempered by the fact that the overall package, including the allowance for unlimited Homestays and Limited Vacation Rentals in all areas, would still allow for these types of rentals to serve as important visitor serving facilities for groups of visitors or families, and for homeowners to benefit from the tourist economy while protecting against the potential loss of longer term housing from the market.

The relationship between vacation rentals, housing stock, the visitor-serving economy, and healthy functioning coastal communities is complex and complicated with few clear answers. What is clear is that the different proposed prescriptions across the County's coastal areas originated from many years of input, discussions, and ultimately, an EIR

and Socioeconomic Analysis that explored in depth the issues associated with and impacts of vacation rentals. With respect to Big Sur, the County received extensive feedback from the Big Sur community over many years regarding vacation rentals, ranging from concerns about very limited workforce housing stock, wildfire risks, and overuse of limited resources. The County ultimately found that whole house (unhosted) rentals with no limits on the number or frequency of rentals were having an outsized impact on the wild, rural, and unspoiled nature of Big Sur, and that a prohibition on such rentals is consistent with the Big Sur LUP. As such, they found it appropriate to prohibit all Commercial Vacation Rentals on the basis that this was a more intensive visitor use that was not appropriate outside of Big Sur's established visitor-serving developments, and that the Homestays and Limited Vacation Rentals would still allow for this use in a more protective manner.

With respect to the Carmel Highlands (which encompasses the Low Density Residential-zoned portion of the Carmel area), the County found that the unique resource limitations of the area dictated a prohibition on Commercial Vacation Rentals. And if such limitations are combined with allowing for all three vacation rental types in the other areas of Carmel, this limitation can be found consistent with the Carmel Area LUP direction to provide and encourage public recreational and visitor use while also limiting the potential impact on coastal resources.

In the Del Monte Forest coastal area, the County found that the proposed 4 percent cap on Commercial Vacation Rentals (or 57 total) along with unlimited Homestays and Limited Vacation Rentals represented a mix that would encourage and facilitate public access and visitor-serving use while ensuring that the residential community is not significantly disrupted. Similarly in North County, the County found that the mix (Commercial Vacation rentals capped at 4 percent (or 157 plus 2 in the Moss Landing sub-area), and unlimited Homestays and Limited Vacation Rentals) would ensure that public access in this area is maximized and maintained and that coastal resource overuse is limited. In addition, for North County, the County noted that the cap on Commercial Vacation Rentals is low enough that residential community character is protected, while at the same time it provides for adequate visitor accommodations, since this area is less reliant on tourism than other coastal areas of Monterey County and has fewer commercial visitor-serving facilities such as hotels.

Thus, the County did not just arbitrarily develop this IP amendment; it spent considerable time and energy engaging the public on potential solutions. Indeed, the County spent over a decade exploring myriad options and permutations. But such permutations highlight and exemplify the point that it has been the Commission's experience that there are multiple ways to achieve a balanced regulatory framework and program for vacation rentals in coastal communities. And depending on how one views vacation rentals and their effects on community character, resource protection, housing, and their interplay with protection of residential neighborhoods, and how the mix of LUP policies are interpreted and weighed, multiple LUP consistent outcomes are certainly possible.

The County has chosen specific caps and limitations based on its years of outreach and study and based on its findings that these regulations are consistent with and adequate

to carry out its LUP. There is a high level of discretion and a wide range of what can be considered reasonable to meet the objectives of providing overnight accommodations and protecting other coastal resources. And as the Commission has found in other cases, there is no 'one size fits all' vacation rental solution in coastal California. The County spent nearly a decade on an inclusive public process to arrive at this proposal, where there were and are many supporters and opponents of vacation rentals and the County's chosen approach at regulating them. The County carved out a middle ground that appears to not be wholly supported by either side, but that represents a balance based on the unique attributes of the built and natural environment of its coastal areas and the various policies of its LUPs. Both County staff and decisionmakers acknowledge that the proposed vacation rental regulations will likely need to be updated as implementation progresses and lessons are learned. But they also need to begin implementation of the program in order to determine what refinements may be necessary, based on empirical evidence of its successes and failures.

The Commission's standard of review is whether the proposed IP provisions adequately carry out and conform with the LUP. Given the County's broad LUP provisions, Commission staff recommends that the Commission find that the proposal represents an adequate balance and is LUP consistent. It also strongly encourages the County to stay abreast of implementation, and to make changes and refinements as necessary over time as the vacation rental program is established.

In sum, while the proposed amendment may impact the availability of visitor serving accommodations in some part of the County's coastal zone, it allows for unlimited Homestays and Limited Vacation Rentals throughout the coastal zone and allows additional Commercial Vacation Rentals in other areas, for a total of 334 Commercial Vacation Rentals (again, whole house, unhosted, more than 3 times per year) overall out of over 9,000 single-family residential units in the coastal zone. This is not an inconsequential amount of vacation rentals and would still represent a healthy vacation rental market. Vacation rental regulation is not an all or nothing proposition, and the key is finding a balance that makes sense for both communities and visitors. Finding that balance can be an incredibly difficult process, including as it played out here in Monterey County, where the County crafted an LUP-consistent compromise between what can be truly competing objectives. In this case, a meaningful vacation rental market would be maintained in the County's coastal areas, while also addressing coastal resource protection and community needs and objectives. In conclusion, staff recommends that the Commission find that the proposed IP amendment conforms with and is adequate to carry out the Land Use Plans, and that the Commission certify it as submitted. There is one motion to implement the staff recommendation, and it is found on page 6 below.

Staff Note: LCP Amendment Action Deadline
This proposed LCP amendment was filed as complete on November 25, 2024. The proposed amendment affects the LCP's IP only, and the 60-working day deadline for the Commission to take action on it was February 25, 2025. On February 5, 2025, the Commission extended the deadline for final action one year to February 25, 2026. Therefore, the Commission has until February 25, 2026 to take a final action on this LCP amendment.

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EXHIBITS
Exhibit 1: LCP Planning Areas
Exhibit 2: Proposed LCP Amendment

CORRESPONDENCE

1. MOTION AND RESOLUTION

Staff recommends that the Commission, after public hearing, **certify the proposed LCP amendment as submitted** by Monterey County. The Commission needs to make one motion in order to act on this recommendation, and staff recommends a **NO** vote on the motion below. Failure of this motion will result in certification of the Implementation Plan amendment as submitted and the adoption of the following resolution and findings. The motion passes only by an affirmative vote of a majority of the Commissioners present.

> ***Motion to Certify:*** *I move that the Commission reject Implementation Plan Amendment Number LCP-3-MCO-24-0039-1 as submitted by Monterey County, and I recommend a* ***no*** *vote.*
>
> ***Resolution to Certify:*** *The Commission hereby certifies Implementation Plan Amendment Number LCP-3-MCO-24-0039-1 as submitted by Monterey County and adopts the findings set forth below on the grounds that the amendment conforms with, and is adequate to carry out, the provisions of the certified Land Use Plan. Certification of the amended Implementation Plan complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the amended Implementation Plan on the environment, or 2) there are no further feasible alternatives or mitigation measures that would substantially lessen any significant adverse impacts of the amended Implementation Plan on the environment.*

2. FINDINGS AND DECLARATIONS

A. LCP Amendment Background

Monterey County's coastal zone stretches from the Pajaro River at its northern border with Santa Cruz County to near Ragged Point in southern Big Sur at the San Luis Obispo County border to the south, extending along approximately 136 miles of coastline that is also punctuated by the incorporated coastal cities of Marina, Sand City, Seaside, Monterey, Pacific Grove, and Carmel-by-the-Sea. The coastal zone portion of the unincorporated County encompasses a wide range of landscapes, from the rural agricultural North County, to the hospitality and single-family residential built environment within Del Monte Forest and Carmel, to the largely undeveloped and mountainous Big Sur. Given this vast coastal zone with distinct geographical characteristics and development patterns, the Monterey County Local Coastal Program (LCP) is broken out into four separate area plans, one each for North County, Del Monte Forest, Carmel Area, and the Big Sur Coast (see Exhibit 1), the latter of which is the largest LCP planning area at some 150,000 acres. As explained subsequently, each area has its own LCP Land Use Plan (LUP) and Implementation Plan (IP), and those LUPs/IPs, along with a zoning code that applies to all such areas, constitute the certified LCP.

In the 1990s, Monterey County began to regulate transient or short-term rental (STR) use of residential property in inland areas of the County and intended to pursue similar

regulation in the coastal zone. Despite multiple Commission and County staff conversations about what a coastal zone STR program might look like, however, no agreements were reached at that time, and the County deprioritized these LCP amendment efforts. Since that time, and similar to what transpired in other coastal communities as visitation increased and online STR booking platforms proliferated, the number of residential properties in the County being used for short-term rentals continued to grow. By 2015, the County had established a Short-term Rental Workgroup that met a total of nine times between 2015 and 2016. However, the Workgroup ultimately did not reach consensus on whether or not STRs should be allowed, or where, although they did agree that an ordinance should be developed to address STRs.[1]

Subsequently, in late 2016, the County released guidelines to the public to clarify and explain which County code sections applied to STRs,[2] advising that STRs could be permitted with a CDP based on either the LCP's bed and breakfast facility regulations (for hosted STRs) or based on a project- and site-specific determination that the proposed unhosted STR was of a similar character, density, and intensity to the types of uses allowed in the applicable zoning district. The guidelines also stated that registration with the County Tax Collector and payment of transient occupancy tax (TOT) was required for such rentals, and that owners found to be renting homes without proper permits, regardless of whether TOT was paid, would be subject to penalties and fines.[3] The County acknowledged this construct was imperfect and served as an interim 'band aid' of sorts while more targeted regulations directly addressing specific STRs issues could be developed. Importantly, it was also confusing and costly to pursue such STRs, including where potential outcomes (e.g., approval or denial) were quite uncertain. In any event, the County identifies there are currently about 400 STRs across the its vast coastal zone. Either way, the County's guidance was not and is not actually part of the LCP.

County staff also conducted outreach to its Land Use Advisory Committees between 2016 and 2018, and collaborated with members of the public and the County Planning

[1] Including, per the Workgroup, to address potential problems resulting from STRs in residential areas; provide opportunity to access public areas of the County; preserve the residential character of neighborhoods; protect public health, safety, resource, and general welfare; and integrate economic opportunity with the preservation of quality of life for residents.

[2] Where STRs were referred to as "the transient use of residential property for 30 days or less"; see *Current Regulations Relative to the Transient Use of Residential Property (Short-term Rental of Residential Property) (30 Days of Less)*, by Mike Novo, AICP, RMA Director of Planning and Carl Holm, AICP, RMA Director (September 20, 2016).

[3] County enforcement staff have conducted various enforcement efforts against unpermitted short-term rentals over the years, but have indicated that County resources are limited for enforcing this type of violation unless it poses an immediate threat to life and safety. Given available resources, the County classifies and pursues code violations by priority on a scale of one to three, with one being the highest and three as the lowest. STRs are typically classified as priority three, and handled as time allows relative to higher priority cases. The exception would be in a case where an STR has other violations that may threaten life, health and safety (e.g., unpermitted or unsafe structures, inadequate water or sewage capabilities, etc.), where these would be considered priority one and actively pursued. The County has stated that typically less than 10% of the vacation rental complaints received are priority one violations.

Commission to develop multiple iterations of draft STR ordinances between 2016 and 2024. During the outreach process, County staff also met with various industry groups and community organizations, including Monterey County Hospitality Association (MCHA), Monterey County Vacation rental Alliance (MCVRA), Big Sur Local Coastal Program Defense Committee, and the Pebble Beach Company (PBC). County staff have also coordinated with Coastal Commission staff over the years, and Commission staff has provided feedback and guidance acknowledging the tension between visitor/public access needs and residents, and recommending a balanced approach that takes into consideration Coastal Act priorities. Ultimately, in 2023 and 2024, the County prepared a Socioeconomic Analysis Report[4] and Environmental Impact Report for the newly-titled Vacation Rental Ordinance, and held multiple Planning Commission and Board of Supervisors hearings and workshops, leading to Board approval of the proposed LCP amendment in late 2024.

In sum, the now proposed vacation rental regulations are the result of over a decade of robust and active policy outreach, analysis, and discussions with interested stakeholders, decision makers, and members of the public. According to the County, the regulations are meant to provide a comprehensive program to address the need to ensure that vacation rentals provide their important visitor serving function while remaining compatible with residential uses and protecting coastal resources, all the while capturing the varying and disparate opinions on vacation rentals, and ultimately providing clear regulations intended to protect the health, safety, and welfare of visitors and residents alike.

B. Proposed LCP Amendment

The proposed amendment would add new Section 20.64.290 to the LCP's Implementation Plan (IP) and make various other conforming IP changes to definitions and zoning district sections to formally regulate vacation rentals[5] in the four areas of the County's coastal zone (i.e., North County, Del Monte Forest, Carmel, and Big Sur; again, see Exhibit 1). The County's stated purpose of the proposed amendment is fivefold:

> *(1) to preserve and enhance the residential character of the coastal zoning districts…and the sense of security and safety in stable neighborhoods…; (2) provide opportunity for visitors to access public areas of the unincorporated areas of Monterey County through vacation rental opportunities, benefitting the local economy while preserving the housing supply and quality of life, and protecting public health, safety, and general welfare; (3) establish regulations that provide opportunity for homeowners and residents to offer vacation rentals for visitors that have the potential to provide financial benefits to offset the high cost of living in Monterey County; (4) establish that Limited Vacation Rental and Homestay uses are similar in character, density, and intensity to residential use,*

[4] *Monterey County Vacation Rental Ordinance Socioeconomic Analysis*, prepared December 5, 2023, by Economic & Planning Systems, Inc. (EPS)

[5] Monterey County uses the term "vacation rental" rather than "short-term rental" or STR, which is the Commission's more typical terminology for this use, but the terms are in all respects talking about the same thing.

> *and not anticipated to convert long-term housing to nonresidential use; and (5) establish regulations to address Commercial Vacation Rental uses that have the potential to impact…residential uses, convert long-term housing…or pose hazards.*

The proposed amendment would add a series of new vacation rental-related definitions, it would create three distinct vacation rental types (Homestays, Limited Vacation Rentals, and Commercial Vacation Rentals), and it would provide limits on the number of Commercial Vacation Rentals in each of the County's four coastal areas. The bulk of the County's new vacation rental operational standards and regulations would be referenced in the LCP but located in a new vacation rental operation license chapter in the County's non-LCP Municipal Code (in Title 7 - Business Taxes, Licenses, and Regulations) that includes various requirements (related to annual licensing, transient occupancy taxes, rental contracts, noise, occupancy, trash, parking, hosting platforms, etc.). The proposed amendment would establish common terminology, including, among other things, definitions for "vacation rental",[6] "owner", "non-hosted", "commercial vacation rental", "limited vacation rental", "homestay", and "owner's primary residence". The proposed LCP defines "owner" as "the person or persons who hold fee title to the real property upon which a Vacation Rental is operated," which is further clarified by the referenced non-LCP sections.[7] A "commercial vacation rental" would be defined as "a vacation rental that is non-hosted and rented more than three times per 12-month period," where non-hosted means that "an operator does not occupy the vacation rental while it is being rented." A "limited vacation rental" would be one that is "non-hosted and rented for not more than three times in a 12-month period," while a "homestay" is defined as "a vacation rental in which the owner occupies at least one bedroom…while it is being rented…and must be the owner's primary residence."

The amendment proposes to allow unlimited Homestays and Limited Vacation Rentals in all zoning districts that allow residential use throughout the coastal zone,[8] all without

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[6] Similar to other vacation rental or STR ordinances considered by the Commission, the County proposes to define a vacation rental as the transient use of residential property for a period not to exceed 30 days: *"the use, by any person, of Residential Property for transient lodging where the term of occupancy, possession, or tenancy of the property by the person entitled to such occupancy, possession, or tenancy for a period of 30 consecutive calendar days or fewer, counting portions of calendar days as full days. "Vacation Rental" includes Commercial Vacation Rentals, Homestays, and Limited Vacation Rentals. "Vacation Rental" does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding."*

[7] Clarifying definitions were adopted by the County in the non-LCP Municipal Code section related to vacation rental licensing, including as related to ownership and residency requirements. For example, such non-LCP section states that "The Owner of the Vacation rental must be an Individual, except if the Vacation Rental is held in a trust, in which case the trustee may apply for a License and operate the Vacation Rental on behalf of the trust beneficiaries," including where this section defines an "individual" as a "natural person" to avoid over commercialization of vacation rentals where a company owns, manages, and runs multiple vacation rentals.

[8] Specifically, the zoning districts where vacation rentals would be allowed include: High Density Residential, Medium Density Residential, Low Density Residential, Rural Density Residential, Watershed and Scenic Conservation, Coastal General Commercial, Moss Landing Commercial, Visitor-Serving Commercial, Coastal Agriculture Preserve, and Agricultural Conservation. Vacation rentals would not be

a CDP. Commercial Vacation Rentals would also be allowed as conditional uses in all coastal zone zoning districts that allow residential use (with certain exceptions described below) but would be subject to specific caps in three of the County's four coastal zone areas, and would be limited to one per legal lot of record with specific exceptions.[9]

Notably, the amendment proposes to cap the total number of allowable Commercial Vacation Rentals at four percent of the total single-family residential dwelling unit count each in North County, Del Monte Forest, and the Carmel Area (for a max of 159 in North County,[10] 57 in Del Monte Forest, and 118 in the Carmel Area).[11] In Big Sur and in the Carmel Highlands area of Carmel, Commercial Vacation Rentals would be prohibited altogether. In summary, the proposed amendment proposes three types of vacation rentals:

- **Homestays**, which provide for rental of a room or rooms in a residence provided the owner of the residence is present and occupies at least one bedroom when the property is being rented. Homestays would be allowed unlimited in most zoning districts, and would not require a CDP, only a business license (pursuant to the referenced vacation rental section in the County's Municipal Code).

- **Limited Vacation Rentals**, where the owner/operator[12] is not present while the residence or portions of it are being rented, and is limited to three rental stays (again, not more than 30 days each) per 12-month period. Limited Vacation Rentals would be unlimited in most zoning districts, and would not require a CDP, only a business license (pursuant to the referenced vacation rental section in the County's Municipal Code).

- **Commercial Vacation Rentals,** where the owner/operator is not present while the residence or portions of it are being rented, and there is no limit to the number of stays. Commercial Vacation Rentals would be limited by a cap that applies to each LCP planning area, with up to 159 allowed in North County, 57 in the Del Monte Forest, and 118 in the Carmel Area, for a total of up to 334 total of this type of

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allowed in Agricultural Industrial, Light Industrial, Heavy Industrial, Institutional Commercial, Open Space/Recreation, Resource Conservation, and Public/Quasi-Public zoning districts.

[9] Neither planned unit developments or similar cluster residential subdivisions nor Commercial Vacation Rentals in the Coastal General Commercial, Moss Landing Commercial, or Visitor Serving Commercial zoning districts are not subject to the one per legal lot of record limitation.

[10] Where two such rentals are specifically prescribed to the Moss Landing Community Plan sub-area, except in the Low and Medium Density Residential districts where they would be prohibited.

[11] Given that vacation rentals are only allowed in single-family settings, that means that the percentage in each planning area would actually be somewhat less than 4% of overall housing units (i.e., because the County only applies the percentage to single-family units when there are also other housing types (multifamily units, ADUs, etc.) in each case, meaning that total housing units would be higher, and the percentages lower), although the County has not provided that number in its submittal.

[12] Where an "operator" is defined as "a person who operates the Vacation Rental and, if not the Owner, a person, was has the legal permission of the Owner to operate the Vacation Rental on the subject real property."

vacation rental in the County's coastal zone. Each such vacation rental would be considered a conditional use, and would require a CDP that would be appealable to the Commission.[13] Commercial Vacation Rentals would be prohibited in the Carmel Highlands area of the Carmel planning area, and in all of the Big Sur planning area.

With respect to the CDP requirement for Commercial Vacation Rentals, the proposed amendment does not provide STR-specific findings that would need to be made, rather a CDP could be approved if the LCP's general CDP approval findings can be made (in Chapter 20.70).[14] The amendment proposes to limit any initial vacation rental CDP term to no more than seven years, with the ability to extend or renew in up to additional seven-year terms.

The amendment also requires that owners of Commercial Vacation Rentals only have an ownership interest in one Commercial Vacation Rental within the unincorporated County at a time. It would also require that all Commercial Vacation Rentals demonstrate adequate response times for County emergency services; provide parking as required for the dwelling type in question; and maintain onsite wastewater treatment systems in good working order in compliance with County code. For Commercial Vacation Rentals that are not directly accessible from a public road, the amendment would require compliance with a referenced non-LCP Municipal Code chapter related to private roads (Chapter 16.80), including to provide notice to all properties with rights to the private road.[15]

The amendment also provides a process for phasing out unpermitted vacation rentals and previously permitted vacation rentals (that were permitted as a similar use to B&B or other visitor-serving use like a hotel or inn) over a two-month period, and allowing those that are eligible to apply for CDPs. Finally, the amendment provides an exemption for "unique neighborhoods with existing developments that were established with the intent of managed Vacation Rentals." These neighborhoods would be allowed to operate according to the regulations and conditions approved through their original land use entitlement. Although not specifically identified in the proposed text, the County's findings indicate that one such "unique neighborhood" is the Monterey Dunes Colony, a

[13] Specifically, IP Section 20.86.080.A provides that CDP applications involving "any approved project involving development that is permitted in the underlying zone as a conditional use" are appealable to the Coastal Commission (as a use that is not the principally permitted one for the respective zoning district per Coastal Act Section 30603(a)(4)).

[14] These required findings, specifically listed in IP Section 20.70.050.B, are wide-ranging and intended to apply to all types of development, and include determinations that: the operation of the use will not be detrimental to health, safety, peace morals, comfort, and general welfare of persons residing in the neighborhood, or to the general welfare of the County, and the project is in conformance with the LCP and (if between the first public road and the sea) Coastal Act public access policies.

[15] Chapter 16.80 requires project applicants for development that is served by a private road to provide notice to all users/owners of that road, and to abide by the rules of any private road maintenance agreement, or for the County to resolve disputes amongst the parties via conditions of approval. The Commission's understanding is that the proposed amendment would require compliance with this private road ordinance for just Commercial Vacation Rental CDP actions.

beachfront complex just north of the Salinas River in North County, but it is unknown to which others this exemption might be intended to apply.

Importantly, as noted above, other vacation rental regulations are specified in a new vacation rental operation license chapter in the Municipal Code (in the Business Taxes and Licenses section) that addresses all of the various operational and 'good neighbor' requirements that are typical for vacation rentals, including related to annual licensing, TOT, rental contracts, noise, occupancy, trash, water, hosting platforms, etc. These referenced non-LCP regulations also specify other notable details, including that all vacation rental types are only allowed in single-family dwellings and not allowed in accessory dwelling units (ADUs) or junior ADUs, other detached structures, or within deed-restricted affordable housing.[16] These vacation rental standards and licensing regulations apply to all areas of the unincorporated County (inland and coastal), and the proposed amendment is clear that the vacation rental license and compliance with these operational standards is required in order to operate a vacation rental in the coastal zone. As such, the LCP amendment as proposed incorporates these Title 7 (and other referenced non-LCP section) requirements as they exist today by referencing them in the IP. Thus any changes to these requirements as they relate to vacation rentals would need to be included/accounted for in a future LCP amendment.

Please see **Exhibit 1** for the full text of the proposed IP amendment.

C. Land Use Plan Consistency Determination

Standard of Review

The proposed amendment affects the IP component of the Monterey County LCP only, and the standard of review for IP amendments is that they must be consistent with and adequate to carry out the LCP Land Use Plan (LUP).

Applicable Land Use Plan Provisions

The Monterey County LCP's four LUPs (North County, Del Monte Forest, Carmel Area, and Big Sur Coast) contain provisions designed to protect and provide for maximized public recreational access opportunities, as well as to protect and encourage lower cost visitor and recreational facilities. In addition, LUP policies prioritize developments providing visitor-serving and public recreational opportunities over other types of development. Similarly, policies related to public services, such as water and highway capacity, prioritize visitor-serving and public access uses over private residential development and use.

At the same time, the County's LUP policies also speak to the need to balance the needs of the public with those of private residences, and also to prioritize affordable and employee housing that supports Coastal Act and LUP-priority uses such as agriculture and visitor-serving amenities. The North County LUP provisions state:

[16] Section 7.120.040(U) prohibits Vacation Rentals in duplex dwellings, condominiums, multiple-family dwellings, structures intended for temporary occupancy, and in dwellings subject to recorded covenants for affordable housing units, agricultural employee units, and farmworker housing. Guesthouses can also not be rented separately from a single-family dwelling as a vacation rental.

Policy 3.1.3.1. *Due to the limited capacity of Highway 1 until the time it is expanded, development of coastal dependent industrial, agricultural, commercial, and recreational uses shall be given priority over non-coastal-dependent development in areas where Highway 1 provides the major transportation access.*

Policy 3.2.2.1. *Capacity for a wastewater management service area shall be reserved according to the following ranking of priorities, especially in areas where the capacity of wastewater collection and treatment facilities are limited: (1) Existing uses within the service area; (2) New or expanded coastal-dependent industries within the service area; (3) New or expanded essential public services, basic industries and recreational uses, or minimum other uses on vacant parcels within the service area; (4) all other uses. …*

Policy 4.3.5.1. *The rural character of the coastal area of North County with its predominant agricultural, low-density residential and open space land uses shall be retained. Prime and productive agricultural soils shall be protected for agricultural use.*

Policy 4.3.5.4. *Where there is limited land, water, or public facilities to support development, coastal-dependent agriculture, recreation, commercial and industrial uses shall have priority over residential and other non-coastal-dependent uses.*

Low and Moderate Income Housing – Policy 1: *The County shall protect existing affordable housing opportunities in the North County coastal area from loss due to deterioration, conversion, or any other reason. …*

Low and Moderate Income Housing – Policy 2: *The County shall encourage the expansion of housing opportunities for low and moderate income households.*

Policy 5.2.1.E: 4. *Recreation and Visitor-Serving Commercial and General Commercial uses shall be developed in the Moss Landing Community Plan area in accordance with the following policies and guidelines and with Section 5.2.1.B: …*

- *Encourage the expansion and improvement of existing recreation and visitor-serving facilities. …*
- *Encourage the development of low and moderate-cost commercial recreation and visitor-serving facilities in preference to high cost facilities.*
- *Encourage mixed use commercial development that includes housing units.*
- *Encourage development of commercial uses proving necessary service to coastal-dependent industries such as commercial fishing, aquaculture, and energy production, and commercial facilities providing goods and services related to the use of local recreational opportunities.*

Moss Landing Community Plan Policy 5.2.1.C: *Very little residential development exists in Moss Landing. Although a significant market exists for lower priced rental*

units, available locations without environmental or topographical constraints are limited.

Key Public Access Policy 6.2: *Public access to the shoreline and along the coast shall be protected and provided, and opportunities for recreational hiking access shall be enhanced. The provision of all future access and improvements to existing access areas must be consistent with the overriding objective of protecting coastal agriculture, environmentally sensitive habitats and other sensitive coastal resource areas. …*

The Del Monte Forest LUP provisions state:

Policy 70. *New coastal-dependent land use, public and commercial recreation, and visitor-serving land uses shall have priority over other uses where public service capacities are limited.*

Policy 76. *Accessory dwelling units shall be encouraged as an appropriate means of providing affordable housing for caretakers, convalescent help, domestic employees, and others. New accessory dwelling units shall comply with all LUP development standards. Subdivisions shall not be permitted to divide a principal residence from an accessory dwelling unit.*

Policy 88. *Where existing or planned water and wastewater facilities can accommodate only a limited amount of development, water and wastewater services shall be assured for coastal-priority visitor-serving and public recreational uses (e.g., The Inn at Spanish Bay and The Lodge at Pebble Beach resort and golf facilities, the Poppy Hills golf course facility, the Spyglass Hill golf course facility, shoreline access areas, etc.) before new residential uses are permitted.*

Policy 89. *New visitor-serving and commercial recreation facilities shall be designed to maximize opportunities for public use and offer a range of visitor serving facilities. Low, no, and moderate cost facilities shall be provided as feasible (e.g., trails, picnic facilities, moderately-priced food and beverage service, viewing areas, etc.). Up to 700 total (existing and new) visitor-serving units/guestrooms may be allowed within the Del Monte Forest.*

Water and Wastewater Key Policy: *Development shall only be approved if it can be served by adequate, long-term public water supplies and wastewater treatment capacities. Priority for use of scarce water and wastewater treatment capacity shall be for coastal priority land uses. …*

Housing Key Policy: *Housing opportunities for persons and families of low to moderate income should be protected and provided, both within the Forest and in outlying areas, as a function of new development within the Forest.*

Policy 119. *The County shall encourage the expansion of housing opportunities for low and moderate-income households, including a requirement that all new residential subdivisions contribute to the provision of low and moderate-income housing. The allowance of accessory dwelling units may also serve to further this*

objective in the Del Monte Forest.

Policy 120. *Timeshare residential uses and quasi-residential visitor-serving uses (including condominium hotels, private unit ownership, fractional ownership, and similar use and ownership structures) shall be prohibited.*

Public Access Key Policy: *Visual and physical public access to and along the shoreline and the enjoyment of public recreational values throughout the Del Monte Forest, consistent with the basic purpose of the California Coastal Act, shall be maximized. This LUP shall also seek to ensure that the beauty of the Del Monte Forest Area coast, its tranquility, and the health of its environment will not be marred by public overuse or neglect.*

The Carmel Area LUP provisions state:

Policy 3.1.3.1. *To conform to the Coastal Act, most remaining highway capacity should be reserved for coastal priority uses: recreation and visitor-serving facilities, agriculture, and coastal-dependent industry…*

Key Water Supply Policy 3.2.2. *The County should reserve from its allotted water supply a sufficient quantity to accommodate coastal priority land uses proposed in this plan.*

Policy 3.2.3.1. *The County shall reserve adequate water supply from its fair share allotment of Cal-Am water as approved by the Monterey Peninsula Water Management District to supply expansion of existing and development of new visitor-serving facilities permitted by the plan. Water must first be assured for coastal-priority visitor-serving facilities before allowing any new residential development other than infilling of existing vacant lots…*

Objective 4.3.1. *Objectives for Different Planning Units of Carmel Area. …Existing Developed Areas: … Existing recreational and visitor-serving facilities located within the residential communities are considered desirable uses and should be continued where potential or existing conflicts with the surrounding residential community can be adequately mitigated.*

Policy 4.4.2.4. *Because there is limited suitable land or water to support new development and because the capacity of public facilities is limited, coastal-dependent recreation and visitor-serving uses shall have priority over residential and other non-coastal dependent uses.*

Policy 4.4.3.D.2. *Where feasible, retention of existing moderate-cost recreation and visitor-serving facilities should be encouraged.*

Policy 4.4.3.H.2. *The County shall encourage the expansion of housing opportunities in the Carmel area for low and moderate income households.*

Key Public Access Policy 5.3.1. *Public access shall be protected and provided where consistent with public safety needs and the need to protect the rights of private property owners and natural resource areas from overuse.*

Policy 5.3.2.8. *In encouraging public access the County desires to ensure that the privacy, safety, health and property of residents are protected…*

And the Big Sur Coast LUP provisions state:

Policy 4.1.2.4. *To conform to the Coastal Act, most remaining capacity on Highway 1 shall be reserved for coastal priority uses: recreation and visitor-serving facilities, the military, agriculture and other coastal-dependent uses.*

Policy 4.1.3.C.1. *Traffic Regulation and Coastal Priority Uses – To comply to Coastal Act policies concerning the allocation of limited highway capacity to coastal priority uses, 85 percent of the capacity of Highway 1 under improved road conditions and managed traffic shall be reserved to serve recreational travel, service trips to public and private recreation and visitor-serving facilities, use by military vehicles, and coastal-dependent agriculture. To implement this policy, the land use regulations of this plan limit future residential development to a level that will utilize not more than 15 percent of highway capacity at buildout.*

5.1.1. Residential Land Use *…The significance of the residential areas for planning purposes is that they have the capacity, to some extent, to accommodate additional residential demand. Unlike the larger properties or commercial centers, they are not well suited for commercial agriculture, commercial, or visitor uses; use of these areas, to the extent consistent with resource protection, should continue to be for residential purposes. … Residential areas include: Otter Cove, Garrapata Ridge/Rocky Point, Garrapata and Palo Colorado Canyon, Bixby Canyon, Pfeiffer Ridge, Sycamore Canyon, Coastlands, Partington Ridge, and Buck Creek to Lime Creek. The Big Sur Valley, Lucia and Gorda also have significant residential use, although the primary function of these areas are community service and visitor-serving commercial facilities.*

5.1.2. Housing*… A serious housing shortage exists for employees in Big Sur, particularly in the visitor industry. Because there is little housing available, employees have at times been forced to camp-out, live in cars, or move in with friends. The shortage of affordable housing has also made recruitment of skilled employees difficult. Several factors affect solutions to the housing problems: the costs of land and housing precludes the use of traditional housing assistance programs; and year-round employment is not at a high enough level to support traditional single and multiple family housing projects. Employee housing provided by an employer must be a primary source of affordable housing in the area. Accessory dwelling unit housing, which has traditionally provided shelter for many long-time residents and employees, will also continue to be an important element of the affordable housing supply.*

Policy 5.4.3.C.1. *Development of recreation and visitor-serving facilities at locations suitable for such use is preferred over other types of development in Big Sur because of Big Sur's national significance as a recreation area.*

Policy 5.4.3.C.5. *The County encourages expansion and development of public and private recreation and visitor-serving facilities within existing areas of development. …*

Policy 5.4.3.C.11. *Existing and permitted visitor-serving uses will be protected from encroachment by incompatible uses (such as residences) which might hamper their future ability to expand or improve… Conversion of existing low cost overnight accommodations to other uses, unless replaced with comparable facilities, will not be permitted.*

Policy 5.4.3.G.2. *Development in designated rural residential areas shall continue to be limited to residential uses in order to protect residents from unwanted intrusion by other incompatible activities and because neither available vacant land, water, nor roads area adequate to support more intensive uses.*

Policy 5.4.3.I.1. *The County shall protect existing affordable housing in the Big Sur coastal area from loss due to deterioration, conversion or any other reason…*

Policy 5.4.3.I.2. *The County shall encourage the expansion of housing opportunities for low and moderate income households. … c) Encourage the use of accessory dwelling units as an appropriate means of providing affordable housing for caretakers, ranch hands, convalescent help, and domestic employees.*

Key Public Access Policy 6.1.3. *The rights of access to the shoreline, public lands, and along the coast, and opportunities for recreational hiking access, shall be protected, encouraged and enhanced. …*

Consistency Analysis

The four Monterey County area LUPs require protection and maximization of public recreational access opportunities, where such opportunities in this case are both the overnight accommodations provided to visitors via vacation rentals, as well as the directly related opportunities that such an overnight stay can facilitate and engender (e.g., hikes, beach trips, sightseeing, etc.). In addition, the LUPs give preference and priority to such public recreational access use/development over other types of use/development when the choice is between private use and facilities capable of enhancing public recreational opportunities (such as vacation rentals). Also, LUP policies speak to reserving scarce resources (such as water and wastewater capacity) for Coastal Act priorities, such as visitor-serving uses. At the same time, however, the LUPs speak to the preservation of existing housing as well as encouraging housing opportunities for employees and persons of low and moderate income and requires protection of these areas as popular visitor destinations.

The relationship between vacation rentals, housing stock, the visitor-serving economy, and healthy functioning coastal communities is complex. There is little evidence to

suggest that all housing that might be used for vacation rentals of some type in Monterey County's coastal zone would provide the type of longer term and/or affordable housing opportunities required to be protected by the LUPs if such housing were not used for vacation rental use. Such a question is complicated, not only by the costs associated with such housing (whether rental or purchase), but also by the general lack of evidence to suggest that housing used for vacation rentals would be put to longer-term rental or other housing uses if vacation rentals were not allowed.[17] Nevertheless, one of the reasons that the County's coastal areas are popular visitor destinations is the visitor-serving economies (and the related businesses, facilities, etc.) associated with them. Those visitor-serving economies are dependent on workers, who are dependent on reasonably affordable and available workforce housing. Oftentimes such workers are contributors to the communities in other ways and reflect a part of its fabric and character in that sense, as well. Thus, protecting those areas as visitor destinations implicitly requires that workforce housing also be appropriately accommodated. In addition, the public recreational opportunities that are required to be protected and enhanced by other LUP provisions can themselves necessarily only be achieved with adequate workforce housing.

The County's LUPs require protection of both visitor-serving facilities and residential uses, particularly affordable housing. And the ability of communities to accommodate and attract visitors requires both workers to serve the visitor economy, where such workers require viable workforce housing, and residents that contribute to and can be a part of the character of the place. The question of when, where, and how to accommodate vacation rentals raises intertwined LUP public visitor-serving/recreational access and housing issues that must be harmonized and balanced for LUP consistency.

The Commission recognizes that vacation rentals provide a unique and important source of visitor-serving accommodations in the coastal zone, especially for larger families and groups, and has found that outright bans or undue restrictions on this type of lodging are inconsistent with Coastal Act and LUP policies prioritizing public access and visitor-serving uses. At the same time, the Commission has also recognized a need to restrict vacation rentals in some coastal communities where evidence showed that the vacation rental market was having impacts on coastal resources or even impacting the availability of housing, such as workforce housing of the type described above. Past Coastal Commission guidance to local governments has emphasized the need to allow, but regulate, vacation rentals in a manner that balances the important public access and visitor-serving benefits of such rentals with reasonable regulations to limit adverse impacts on coastal communities.[18] This balanced approach has been reflected in past Commission actions, where although each case has its own unique vacation rental, housing, community character, coastal resource, and proposed policy context (and thus different outcomes due to such unique context), the Commission has consistently

[17] Including related to second (or more) homes, which is most certainly a phenomenon in some of the more expensive parts of the County (e.g., the Del Monte Forest), where owners may choose to leave them vacant if vacation rentals are not possible.

[18] See, for example, the Commission's 2016 guidance to local governments available at: https://documents.coastal.ca.gov/assets/la/Short_Term_Vacation_Rental_to_Coastal_Planning_&_Devt_Directors_120616.pdf.

pushed for and arrived at what it has considered an appropriate balance, including a recognition of the heated debates and tough choices that are often part of local deliberations when crafting such vacation rental regulations.[19]

Much of the County's proposed vacation rental amendment (and referenced non-LCP measures) provides straightforward requirements designed to ensure that this use is appropriately operated and regulated (including through a process for licensing and compliance). In addition to the relatively universally agreed upon good neighbor operational provisions (e.g., no vacation rentals in affordable housing, noise/trash/parking requirements, natural person requirements, etc.), the proposed Homestay and Limited Vacation Rental allowances provide for unlimited numbers of these types of rentals in the coastal zone. The County determined that these types of uses were relatively benign to residential character and housing stock, thereby offering the visitor-serving/public recreational benefits without undue housing or neighborhood harm. On the other hand, the County found that Commercial Vacation Rentals, which could operate as vacation rentals more than 3 times per year (and potentially even year-round), represented something more impactful from the housing and neighborhood compatibility perspectives and required more limitations, including a higher regulatory review lens. And after years of deliberation and discussion, the County landed at the proposed prescription, namely prohibiting Commercial Vacation Rentals in Big Sur and Carmel Highlands (both existing and future rentals), while allowing them subject to numeric caps of four percent of all single-family residences in the County's other coastal areas (North County, Del Monte Forest, and the non-Highlands areas of Carmel). In these areas, the proposed changes would have a mixed effect over the current situation, or if no cap were in place.

[19] Commission actions on vacation or short-term rental LCP amendments have varied considerably in policy and other outcomes due to unique circumstances in each case but have all included the premise of balancing at their core. See, for example: the 2018 rejection of a Santa Barbara County proposal that would have significantly restricted STRs without meaningful benefits to community character or housing (LCP-4-STB-17-0086); the 2018 approval of a City of Santa Cruz ordinance that significantly restricted STRs to facilitate greater housing opportunities (LCP 3-STC-17-0073-2-Part B); the 2022 approval of City of Dana Point STR provisions with conditions to allow for a "cap" on unhosted STRs in the coastal zone based on the approximate number of STR permits in existence when the City stopped issuing STR permits (A-5-DPT-22-0038); the 2022 approval of City of San Diego provisions that capped whole home (unhosted) rentals at various levels for varying neighborhoods and created a "lottery" for issuing STR permits (LCP-6-SAN-21-0046-2); the 2022 approval of a City of Trinidad ordinance that capped unhosted (called "full time") STRs citywide at around 15% of the city's housing stock in order to protect housing (LCP-1-TRN-22-0034-1); the 2022 rejection of the City of Malibu's STR provisions because the proposed ban on non-hosted STRs would have eliminated lower-cost overnight accommodations in the City when alternative approaches existed that could both protect such visitor-serving opportunities and affordable housing stock (LCP-4-MAL-20-0083-2); the 2023 approval of the City of Half Moon Bay's proposal that included significant restrictions on the types of allowable STRs and the number of nights allowed for hosted versus unhosted STR usage (LCP-2-HMB-21-0078-2); and the 2024 approval of the Marin County proposal that capped the number of STRs specific to each individual township at varying percentages of single-family housing stock (LCP-3-MAR-24-0002-1).

The County compiled data on the existing number of single-family dwelling units and the existing number of vacation rentals, as of June 2023.[20] Figure 1 below lists these numbers, alongside the proposed numbers of Commercial Vacation Rentals, and how the numbers would change under the proposed amendment.

Figure 1: Vacation Rentals in Monterey County Coastal Zone Areas[21]

Coastal Area	Single-family residential (SFR) units	Vacation rentals (VRs)	Current Percent of SFRs used as VRs	Proposed Commercial VR cap (4% of SFR units unless not allowed)	VR change (existing number versus proposed max allowed)
North County[22]	3,977	63	2%	159	+96
Del Monte Forest	1,432	83	6%	57	-26
Carmel[23]	2,948	218	7%	118	-100
Big Sur	925	37	4%	0	-37
Total	**9,282**	**401**	**4%**	**334**	**-67**

As can be seen in Figure 1, there are a total of 9,282 single-family residential housing units in the unincorporated County's coastal zone, of which 401 were providing vacation rental services of one type or another for at least some part of the year as of 2023. The County (as well as opponents of the proposed amendment) have stated that most existing advertised vacation rentals would qualify under the proposed definition of a Commercial Vacation Rental; that is, unhosted (or 'whole house') with no limit on the number of times they can be rented per year. Overall, the percentage of vacation rental use as of 2023 was 4% of single-family housing stock in the County's coastal areas.[24]

[20] Advertised vacation rental data identified by AirDNA, which includes data from AirBnB, VRBO, and Homeaway (Monterey County, *Draft Environmental Impact Report, Monterey County Vacation Rental Ordinances Project*, December 2023).

[21] The data did not distinguish whether the operation qualifies as a Homestay, Limited Vacation Rental, or Commercial Vacation Rental, as those are defined in the proposed amendment. However, the County assumed that most if not all are used more than three times per year, which would qualify them as Commercial Vacation Rentals. And this is corroborated by the Monterey County Vacation Rental Alliance who estimates that the vast majority of all current vacation rentals in the County's coastal zone operate in a form that would meet the criteria of a Commercial Vacation Rental.

[22] Where 61 such SFR units are in the Moss Landing area, which has 11 of the overall vacation rentals in all of North County (or nearly 20% of the total in North County), which would be reduced to maximum of two such rentals in that area as proposed.

[23] The data did not distinguish between the Low Density Residential (Carmel Highlands) area and other areas of Carmel.

[24] Greater interest by the County Board of Supervisors in enforcement efforts against unpermitted vacation rentals began around 2021 (combined with the release of a Civil Grand Jury report), and this combined with ongoing discussions in public forums about reducing or prohibiting vacation rentals through the LCP amendment process, and the difficulties in properly permitting such rentals as described earlier, has almost assuredly had a somewhat chilling effect on the vacation rental market overall. So it is difficult to know with certainty how many rentals would have been available in 2023 or today absent these types of barriers to entry. Put another way, these numbers show the current market, but they should likely be considered the low end of what the market might normally bear absent such hurdles. This is noted

The proposed amendment's Commercial Vacation Rental restrictions would thus reduce their overall number compared to existing from 401 to 334 (or a roughly 17% reduction overall), although the change would not be uniformly geographically distributed. As shown in Figure 1, it would both reduce the number of Commercial Vacation Rentals in some areas (Del Monte Forest, Carmel, and Big Sur) and increase them in one area (North County). In the Carmel area, allowed unhosted vacation rentals would drop almost in half, and they would be reduced in the Del Monte Forest by nearly one-third. In Big Sur, all 37 current such rentals would be prohibited, and phased out completely; a 100% reduction. Conversely, the North County area could see a substantial increase, up to 96 more such rentals than now, or an over 150% increase. To be clear, however, these are caps and not affirmative requirements to have this many active rentals in the various areas. In fact, market factors could dictate fewer rentals than are allowed (e.g., in North County, where the market to date has been quite limited, with just 16% of the overall number of vacation rentals despite having 43% of coastal zone housing stock), and some have opined that the requirement to obtain a CDP for a Commercial Vacation Rental could have the effect of reducing the number of such rentals further because the cost of CDP applications could be prohibitive for some would-be applicants.[25] In addition, the discretionary nature of the CDP process, including the general CDP findings that must be made for approval as opposed to vacation rental-specific findings,[26] means that such applications could ultimately be denied. And, in any case, a CDP process brings in the potential costs associated with delays, including due to unsupportive neighbors, as well as from appeals of CDP approvals (from the Zoning Administrator to the Planning Commission to the Board of Supervisors, and, if ultimately approved by the Board, a potential appeal to the Coastal Commission). All of these factors are quite likely to act as deterrents for would-be vacation rentals, which would suggest that while the reductions are likely to be realized (everywhere but North County), the increases in North County are more hypothetical at this juncture. If those increases were not to be realized, then the proposed program would represent an overall decrease in unhosted rentals that is closer to 25% for the County coastal zone-wide.

Much of the feedback received by the County from opponents of the proposed vacation rental regulations, and the prohibitions and caps on Commercial Vacation Rentals

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only inasmuch as the Commission has in many past cases tried to emulate some version of the existing market at the time that the STR regulation is proposed.

[25] According to the County's fee schedule, the current (as of July 2025) initial cost to apply for a CDP is $11,000, where that amount can go up for complicated cases.

[26] Where the concern is that the required CDP findings, which are geared at their core towards identifying and avoiding coastal resource impacts, don't speak directly to the types of issues that may be determinative in a vacation rental application context, and where the issues are almost assuredly not going to be core coastal resource issues of the type envisioned (e.g., related to the protection of habitat, landforms, coastal views, etc.). In fact, although it is difficult to see a scenario where a vacation rental CDP doesn't meet such core coastal resource requirements, including as a vacation rental will provide for overnight visitor accommodations that will help to maximize public access to the coast, the required findings also speak more broadly to ensuring 'the health, safety, peace, morals, comfort, and general welfare of persons residing in the neighborhood, and the general welfare of the County', which can be read a number of ways, and would be subject to the discretion of the decision making body in any particular case.

specifically, focused on the way in which the prohibitions and caps would reduce the ability of homeowners who have existing rentals or would like to opt in to the vacation rental market to provide such accommodations going forward. Such opponents also pointed to economic realities where vacation rental operations fund mortgages and property upkeep that allow for such property owners to retain their homes, where they may be forced to sell otherwise, and where there is no guarantee that a unit so purchased would be made available for longer-term housing by the new owner (and instead would be kept vacant when not used as a second home, for example). Many opponents of the proposed amendment have also observed that the majority of homes traditionally used as vacation rentals would never be considered or rented as long-term housing, let alone affordable housing (e.g., in the Del Monte Forest which has some of the most expensive housing stock in the County, and in some sub-areas the world). In addition, many opponents have pointed out that the primary form of vacation rental (whole house, or 'unhosted') is the primary type of rental desired by visitors, and that they cannot be replaced by homestays where visitors must share a home with the owner. Finally, a common theme in opposition to the proposal is that the prohibitions and caps will harm the value coastal Monterey County provides as a vacation destination and as a draw for tourists to the coastal areas Monterey has to offer, including in areas nearest to the shoreline, to the detriment of coastal visitors not fortunate enough to live in coastal Monterey County. With respect to Big Sur specifically, opponents of the ban on Commercial Vacation Rentals observed that such rentals play a vital role in making remote Big Sur accessible to a broad range of visitors, and that the loss of these accommodations will lead to increase in day visitors and more daily traffic.

The Monterey County Vacation Rental Alliance provided a report, prepared by Ceto Consulting,[27] that finds that vacation rentals in Monterey County provide a significant amount of lower-cost overnight accommodations. The Alliance argues that the proposed amendment would eliminate this important supply of such accommodations, and thus would run afoul of Coastal Act and LUP provisions that protect existing lower-cost overnight accommodations from conversion or elimination.[28]

Specifically, the report asserts that vacation rentals average about $321 per night while hotels average about $342 per night in the County's coastal zone. The report then breaks that cost down on a per person basis by assuming that a vacation rental can comfortably accommodate four persons (thus about $81 per person per night), and assuming that a hotel room can accommodate 2.6 people[29] (thus about $132 per person per night). The report then describes using the Commission's typical methodology to identify a lower-cost hotel room (i.e., 75% of the peak summer statewide average for a standard, one to two AAA-starred, double occupancy hotel

[27] *Monterey County Overnight Accommodations Market Analysis*, prepared by Ceto Consulting, LLC, dated June 12, 2025. See the correspondence packet for this report.

[28] For example, Big Sur LUP Policy 5.4.3.E.11 states: "Conversion of existing low cost overnight accommodations to other uses, unless replaced with comparable facilities, will not be permitted."

[29] Which the report states is a national standard and identified by the Monterey County Visitor Profile.

room; which, as of 2024, would be about $146)[30] and a per person rate for that room (again applying the 2.6 guests per room figure) to arrive at a lower cost threshold of about $56 per guest per room.[31] The report concludes that "41% of STRs located within the coastal area meet the 'lower-cost' threshold on a per person basis."

However, there are numerous issues and problems with this analysis. As a preliminary matter, while the Commission has in some cases found vacation rentals to be a more economical option for families and large groups, this is not a uniform determination. In fact, the Commission notes that some vacation rentals are quite expensive, including when other fees and charges typical of vacation rental bookings are included (cleaning fees, booking fees, etc.). The fact is that vacation rentals vary significantly from one another, where even a 4 bedroom vacation rental right next to another 4 bedroom vacation rental may be of wildly different quality, and/or may have wildly different amenities and costs, all of which means that they are not easily comparable. Put another way, vacation rentals are not homogenous – at all – which makes trying to categorize them on a cost basis difficult. The Commission has faced the same types of challenges in estimating lower costs in the hotel/motel market as well, but at least for hotels/motels there are more similarities among products, and the Commission can compare standard double-occupancy hotel rooms of a particular type (AAA-rated) at a particular time (July/August). While the Commission believes that that kind of hotel/motel room comparison provides an appropriate comparison against other hotel/motel rooms, it appears to be a much more apples and oranges comparison to rooms in private homes, which may vary substantially (depending on their nature, their amenities, their sizes, etc.). Ultimately, the Commission has not to date developed or applied a protocol for what constitutes a lower-cost vacation rental versus a higher cost vacation rental, particularly given the broad spectrum of home types and vacation rental costs. Thus, while vacation rentals are certainly a form of visitor-serving accommodation, it is speculative to classify them as a lower-cost form.

As for the data presented by the Monterey County Vacation Rental Alliance, there are numerous assumptions made that warrant some discussion. For one thing, the rationale and evidence supporting the claim that 41% of the total vacation rentals meet the lower-cost threshold are not clear. If anything, the data presented would appear to show a different conclusion, in that if the average per person vacation rental stay is $81 per night, then that is above the $56 per night lower-cost threshold the report identifies (and elsewhere the report states the average per person cost of all vacation rentals in the coastal zone is $97, and the average per person cost of small one-bedroom vacation rentals is $95, so there are competing numbers in their analysis). So, even using the report's $56 per person metric as lower cost, the report isn't clear how 41% of Monterey County vacation rentals are indeed lower-cost.

And, to be clear, this $56 per night lower-cost threshold is something the report's authors developed on their own as part of this analysis. It is not a Commission-vetted or understood analytical metric for how to define a low-, moderate-, or high-cost vacation

[30] According to Visit California and Smith Travel Research, the 2024 statewide average daily rate for July and August was $195. Seventy-five percent of that comes out to $146.25.

[31] $146.25 divided by 2.6 = $56.25.

rental, because, as discussed above, such metrics do not exist. And, in fact, the Commission has been reticent in past actions to apply the type of metric the authors propose, namely applying a numeric hotel metric (size, cost, occupancy, amenities, etc.) to other different types of accommodations. For example, in the American Tin Cannery Hotel Resort project in the City of Pacific Grove in Monterey County,[32] the Applicant sought a 2:1 'credit' for the number of proposed hostel beds, arguing that the size of a hostel unit was half that of a hotel unit, and so two hostel beds would be equivalent to one hotel room. The Commission disagreed, finding: "While square footage and occupancy may lead to the 2:1 conclusion, based on other metrics, like privacy, bathrooms, and price per unit/bed, these are analytical apples and oranges that do not lend themselves to a clean 2:1 conversion." As noted there and as noted here, these are different accommodation types that do not lend themselves to simple numeric comparisons. Thus, the Commission does not find that there is adequate support for the report's overall premise that $56 per person is the correct threshold for what constitutes a lower-cost vacation rental, and it finds that there is inadequate evidence and analysis to support the claim that 41% of the existing vacation rental stock is lower-cost.

And finally, it should also be noted that these are all snapshots in time of what a particular vacation rental might charge. They are subject to general market forces and can fluctuate significantly (by day, week, month, year, season, special event nearby, etc.). Absent a deed restriction, permit condition, or some other legal instrument to cap rates to a certain defined price point, which, to the Commission's understanding, has never been done in Monterey County, there is not sufficient evidence to conclude that vacation rentals – or even 41% of vacation rentals as the Alliance argues – constitute a lower-cost accommodation type in Monterey County. The Commission finds that some vacation rentals can provide a lower cost alternative for families and larger groups, but it is difficult to assign a number to those units with any sort of precision, including in light of the lack of a homogenous vacation rental market.

This does not suggest that vacation rentals do not provide an important accommodations type. They certainly do. And the report's other statements about why they are important are valid, including providing kitchens and yards and privacy. It is actually <u>because</u> of this unique mix of attributes that the Commission seeks to retain some amount of vacation rentals in the coastal zone, including to augment the other accommodations types available to the general public, including hotels, campsites, hostel beds, room rentals, and whole house vacation rentals. The end result is a healthy mix of accommodations that can meet various travelers' needs.

Finally, and to be clear, the County's proposal isn't eliminating vacation rentals, rather, it is regulating them in a different way than it does now. 'Whole house' vacation rentals with an owner present would be allowed on an unlimited basis, essentially everywhere in the coastal zone that residential uses are allowed, including Big Sur and the Carmel Highlands, as would room rentals with an owner present. And even whole house vacation rentals <u>without</u> an owner present would be allowed up to three times a year per vacation rental, with stays each time of up to 30 days, also essentially everywhere in the coastal zone that residential uses are allowed, and again including Big Sur and the

[32] CDP Application A-3-PGR-22-0004, approved by the Commission in April 2024.

Carmel Highlands. It is only unhosted vacation rentals more than three times per year that would be capped, and in the Big Sur and the Carmel Highlands areas eliminated. While, it is clear that this form of regulation will limit unhosted whole house rentals in the coastal zone, and thus by extension decrease overnight accommodation opportunities for the visiting public, as is discussed in this report, it is also unclear how the market will respond to the new regulations, and what type of vacation rental opportunities will be pursued and where. All of which is to say that the Alliance paints the regulation with too broad a brush when it says that vacation rentals, and affordable vacation rentals, are all being eliminated, and that that is inconsistent with Coastal Act and LUP mandates to maximize public recreational opportunities and protect lower cost visitor facilities. That is simply not the case. Rather, a balance is being struck, a balance that reflects the LUP support for vacation rentals with the LUP support for protecting housing, including housing that is fundamental for the proper functioning of the visitor-serving opportunities and businesses that visitors are attracted to in the first place.

Further, some of the members of the Board of Supervisors raised additional concerns, including the loss of transient occupancy tax money from having potentially fewer vacation rentals overall; a quite limited allowance for retaining existing vacation rentals of only two months, including a limited grace period to cease in areas where Commercial Vacation Rentals are proposed to be prohibited; percentage caps and prohibitions that seem arbitrary; and that the proposed regulations should also include allowances and regulations specific to farmstays to better promote agritourism.

These are all valid points, and the County found that the proposed approach would reduce whole house/unhosted vacation rentals (Commercial Vacation Rentals) in some of the popular visitor areas of the County coastal zone, but the County also found that this reduction is balanced by the unlimited allowance for Homestays and Limited Vacation Rentals in all four areas. The County also recognized that there may be circumstances when these regulations go into effect that may adversely impact individual property owners personally, and that some visitors would no longer be able to visit the County coast in the way they had in the past.

However, while recognizing such concerns, the County also found that the ban on Commercial Vacation Rentals in Big Sur and the Carmel Highlands (and the caps in all other areas) is an important means to minimize the commercialization of these traditionally residential areas and safeguard longer term housing opportunities, consistent with the LUPs, particularly Big Sur LUP policies 5.1.1 and 5.1.2, which apply in the only LUP areas in which Commercial Vacation Rentals will be prohibited. The County relied on its Socioeconomic Analysis, where one of its primary conclusions was that “limiting the number of vacation rentals in the unincorporated County may curb speculative investment activity, limiting the number of vacation rental conversions and preserving owner- and renter-occupied housing units for long-term use.”[33] The amendment does so by, among other things, directly ensuring that deed restricted affordable housing and more naturally occurring affordable housing such as ADUs are not used for vacation rental purposes. And while the Socioeconomic Analysis did not identify a specific amount of new housing opportunities or changes in price/affordability

[33] Page 13.

as a result of the proposed amendment, the report did find that, based on a literature review of other communities, "vacation rentals can have moderate to significant impacts on housing supply and pricing, especially in communities already facing affordability issues." The reasons cited for this conclusion were: "Vacation rentals may increase for-sale housing prices by allowing vacation rental investors to outbid purchasers who seek to occupy a unit full-time and by increasing neighborhood attractiveness (and property values) through higher maintenance standards. Vacation rentals primarily impact rental prices through the conversion of long-term rental units to vacation rentals, decreasing the number of long-term rental units in an area and increasing competition and rents."[34]

And while one potential solution to address housing shortages is simply to build more housing, the reality is that building housing in certain parts of Monterey County's coastal zone is quite difficult. North County, for example, has vast areas of protected agricultural lands with an overtapped groundwater basin as its sole water supply, and Big Sur is mountainous, remote, and full of sensitive habitats. In cases where development potential is limited, the Commission has in past cases recognized that more stringent limits on vacation rentals may be appropriate to retain existing housing stock given the difficulties in increasing supply.[35] And this loss is tempered by the fact that the IP amendment, including the allowance for unlimited Homestays and Limited Vacation Rentals in all areas, would still allow for these types of rentals to serve as important visitor serving facilities for groups of visitors or families, and for homeowners to benefit from the tourist economy while protecting against the loss of long-term housing from the market.

As has been the case in other coastal zone communities, there is no clear evidence that can pinpoint the number of new housing opportunities that might be created by these proposed vacation rental LCP rules, especially in terms of affordable housing. While it might be presumed that less Commercial Vacation Rentals would lead to more such housing opportunities, the County cannot mandate that property owners rent or sell their properties if Commercial Vacation Rentals are not allowed there. In addition, the housing stock in question is expensive.[36] Even if the law of supply and demand would suggest that making more housing stock available for longer term housing would correspondingly lead to lower costs for such housing, the actual mechanisms by which that might happen are complicated, especially given that the extreme desirability to live on the California coast substantially increases demand, and are further complicated by individual property owner circumstances that may or may not suggest that a property would be offered for rent or sale if a Commercial Vacation Rental is not possible there. The County's data does not identify expectations for such property owners when confronted with such circumstances. Thus, while it is reasonable to expect that some number of existing residences that are currently primarily used for vacation rental

[34] Page 10.

[35] For example, in Los Osos in San Luis Obispo County. See LCP Amendment No. LCP-3-SLO-21-0027-1 Part F (Los Osos Vacation Rentals).

[36] For example, the median home price in the Del Monte Forest is almost $3 million, and the average rental price in the community is nearly $7,000 per month (but with huge fluctuations depending on the type of rental, from as low as $2,000 for a 1-bedroom apartment, to as high as $70,000 per month for some of the more luxurious mansions), as of May 2025 (via Redfin.com and Zillow.com).

purposes will now be reserved solely for longer term housing purposes, it is not entirely clear to what extent the proposed caps and bans will lead to additional longer term housing opportunities.[37]

The County's proposed amendment, however, is based on many years of input, discussions, and ultimately, an EIR and Socioeconomic Analysis that explored in depth the issues associated with and impacts of vacation rentals. With respect to Big Sur, the County received extensive feedback from the Big Sur community over many years regarding vacation rentals, ranging from concerns about very limited workforce housing stock, wildfire risks, and overuse of limited resources. The County ultimately found that whole house (unhosted) rentals with no limits on the number or frequency of rentals were having an outsized impact on the wild, rural, and unspoiled nature of Big Sur, and that the Big Sur LUP specifically protects residents from "unwanted intrusion by other incompatible activities, such as visitor serving uses." The County also found a prohibition on such rentals consistent with Big Sur LUP Policy 5.1.1 which states that residential areas are not well-suited for commercial or visitor uses and should be for residential purposes only. The County also found that Homestays and Limited Term Vacation Rentals provide visitor serving amenities without significantly impacting housing or the natural environment and resources, including through the requirement that the owner or principal resident be on site for Homestays. As such, the County found it LUP-consistent to prohibit all Commercial Vacation Rentals on the basis that this intensive visitor use was not appropriate outside of Big Sur's established visitor-serving

[37] On this point it is noted that Dr. David Wachsmuth from McGill University in Montreal presented the conclusions of some of his research regarding the impact of short-term rentals on housing availability in the City of Los Angeles (prepared for Better Neighbors LA) and in other large urban/metropolitan areas of the United States to the Commission in December 2023, framing his presentation as "how best to regulate STRs from a pro-housing perspective." At that time, Dr. Wachsmuth suggested that the proliferation of STRs in Los Angeles and other dense urban areas of the U.S. has taken homes there off the long-term rental market and raised rents in housing not used for STRs. It is worth noting, however, that Dr. Wachsmuth's research focused on exploring the relationship between STRs and housing stock in large urbanized metropolitan areas (and thus the references to Los Angeles) and does not appear to consider potentially significant distinctions between observed trends in those dense urban areas and trends that may be present in dissimilar built environments (such as more rural and sparsely developed Big Sur in this case). It would appear that additional research is needed to explore the extent to which the conclusions of such STR research focused on urban areas (e.g., Dr. Wachsmuth indicated that the foundational research that has been done to date was based on the "100 largest metro areas in the United States") are transferable and applicable to areas that do not share that same context. It would also appear that distinctions need to be more fully explored between such STR markets (related to primary residency requirements, hosted versus unhosted STRs, limitations on allowed STRs nights per year, etc.) and the type of housing markets in question (whether predominantly single-family residential or units in multi-family settings, owned versus rented, etc.) to be as useful as possible in the Commission's STR regulation efforts, as well as distinctions emanating from the Coastal Act itself that are relevant (e.g. requirements to maximize public access). In any case, as applicable here, given the very different housing characteristics of Monterey County's coastal zone as compared to Los Angeles and other significant U.S. metropolitan areas, it is not clear that the data is transferable for that reason alone. In light of these issues and questions, and as a means of fleshing out points made and their relevance to individual STR regulation cases like this one, Commission staff reached out to Dr. Wachsmuth multiple times since his December 2023 presentation in order to try to better understand his research and its potential implications in the coastal zone, but to date Dr. Wachsmuth has not yet responded to these inquiries.

developments, and that the Homestays and Limited Vacation Rentals would still allow for this use in a more protective manner.

With respect to the Carmel Highlands (which encompasses the Low Density Residential-zoned portion of the Carmel area), the County found that the unique resource limitations of the area dictated a prohibition on Commercial Vacation Rentals. Specifically, most of the residential properties in the Highlands utilize septic systems for wastewater disposal, which has led to contamination problems over the years with individual residential domestic water wells as a result of the area's fractured bedrock geology. The County found that prohibiting Commercial Vacation Rentals in the Highlands but allowing Homestays and Limited Vacation Rentals would minimize potential impacts from overuse of existing septic systems, along with allowing for all three vacation rental types in the other areas of Carmel, is consistent with the Carmel Area LUP direction to provide and encourage public recreational and visitor use while also limiting the potential impact on coastal resources.

In the Del Monte Forest area, the County found that the proposed 4 percent cap on Commercial Vacation Rentals (or 57 total) along with unlimited Homestays and Limited Vacation Rentals represented a mix that would encourage and facilitate public access and visitor-serving use while ensuring that the residential community is not significantly disrupted. Similarly in North County, the County found that the mix (Commercial Vacation rentals capped at 4 percent (or 157 plus 2 specifically attributed to the Moss Landing sub-area), and unlimited Homestays and Limited Vacation Rentals) would ensure that public access in this area is maximized and maintained and that coastal resource overuse is limited. In addition, for North County, the County noted that the cap on Commercial Vacation Rentals serves to protect residential community character while at the same time provides for adequate visitor accommodations, since this area is less reliant on tourism than other coastal areas of Monterey County and has fewer commercial visitor-serving facilities such as hotels. Finally, the County also noted that the North County area has higher poverty rates, lower household incomes, and a greater percentage of households using food stamps than other coastal areas of the County, and that the opportunity to rent a home as a Commercial Vacation Rental and earn additional income by participating in the tourist economy could benefit households and families in this area.

Thus, the County did not just arbitrarily develop its IP amendment, but spent considerable time and energy to seek public engagement on potential solutions and found its amendment to be in conformity with the applicable LUPs. Indeed, the County spent over a decade exploring myriad options and permutations. But such permutations highlight and exemplify the point that it has been the Commission's experience that there are multiple ways to achieve a balanced regulatory framework and program for vacation rentals in coastal communities. And depending on how one views vacation rentals and their effects on community character, resource protection, and their interplay with protection of residential neighborhoods, and how the mix of LUP policies are interpreted and weighed, multiple LUP consistent outcomes are certainly possible.

On one hand, Commercial Vacation Rentals in the North County area raises consistency issues with LUP policies that require protection of the rural residential

character (LUP Policy 4.3.5.1), affordable and moderate housing opportunities (LUP Policy 1 and 2 – Low and Moderate Income Housing), and the agricultural economy. And the County's socioeconomic data bears out that this predominantly rural agricultural area of the County's coastal zone is the least affluent where full-time longer term housing can be argued is most needed and important to preserve. Thus, one alternative that could be justified under the LUP would be to reduce (perhaps capped at its current level of 52 such rentals, down from the proposed 4% total of 157) Commercial Vacation Rentals in North County.[38]

Conversely, the County's data shows that its most affluent coastal areas (Del Monte Forest, Carmel, and Big Sur) with the least affordable housing are also the most popular visitor destinations. The County's Socioeconomic Analysis found that "the planning areas with less affordable housing that are considered more tourism based (Big Sur, Carmel, and Del Monte Forest) have higher residential vacancy rates compared to other planning areas largely because of the inventory of seasonal, recreational, or occasional-use housing units" (including housing defined as "current residence elsewhere"). And as of 2023, those areas with the higher costs of living, including Carmel and Del Monte Forest, were home to 48 percent of vacation rental inventory. Arguably then, these areas could accommodate a certain amount of Commercial Vacation Rentals to both meet existing visitor demand and take advantage of available residential inventory that may not be offered as long-term (and not affordable) housing. In that vein, providing some limited amount of Commercial Vacation Rental (e.g., at 4% like what is proposed in other areas, or capped at the 2023 amount of 37 such rentals in Big Sur[39]), along with more targeted standards to address the unique issues associated with these communities, could be found LUP consistent.

That said, the County has chosen the proposed caps and limitations based on its years of outreach and study and based on its findings that these regulations are consistent with and adequate to carry out its LUPs. There is a high level of discretion and a wide range of what can be considered reasonable to meet the objectives of providing overnight accommodations and protecting other coastal resources.[40] And as the Commission has found in other cases, there is no 'one size fits all' vacation rental solution in coastal California. The County carved out a middle ground that appears to not be wholly supported by either side, but that represents a balance based on the unique attributes of the built and natural environment of its coastal areas and the various policies of its LUPs. Both County staff and decisionmakers acknowledge that the proposed vacation rental regulations will likely need to be updated as implementation progresses and lessons are learned. But they also need to begin

[38] And perhaps replaced/augmented with a more robust farmstay program to more directly support the local agricultural economy.

[39] Capping at the existing amounts could also address concerns about the abrupt compliance requirements for existing rentals by offering a pathway for them to remain, rather than their elimination after two months.

[40] Indeed, a 6% Commercial Vacation Rental cap was initially proposed, but the Board of Supervisors lowered it to 4% during their final deliberations on the proposed LCP amendment in 2024.

implementation of the program in order to determine what refinements may be necessary, based on empirical evidence of its successes and failures.

The Commission agrees. While there clearly may be other permutations that could address identified concerns, the Commission must evaluate whether this proposal is consistent with and adequate to carry out the County's LUPs. It finds that this amendment does so. Given the broad LUP provisions, and the broad ways in which various policy proposals can be found consistent with those provisions, this IP amendment can be found consistent with and adequate to carry out those LUP requirements. As such, and in light of the legal, technical, and policy considerations at hand, the Commission finds that the proposal represents an adequate balance and can be found LUP consistent. It also strongly encourages the County to stay abreast of implementation, and to make changes and refinements as necessary over time as the vacation rental program is established.

The County's IP amendment also clarifies that a CDP is required to establish a Commercial Vacation Rental, which it defines as the threshold of the conversion of a residential use to a commercial use. The County ultimately determined that requiring this procedural pathway for Commercial Vacation Rentals via CDPs was appropriate because these types of rentals are a more intensive use akin to commercial businesses in otherwise lower intensity residential areas, and because of that a discretionary process that allows for individualized consideration and opportunities for public review and community vetting is important. The standard of review for such CDPs is the County's LCP, including LUP policies and objectives that protect public access and visitor-serving uses, as well as residential use and neighborhoods. Although this type of construct where a CDP is required is the exception and not the rule as it relates to STR regulation in the coastal zone up and down the state, in this case providing for a CDP process would appear to help carry out the LUPs, and can be found consistent in that respect.

In sum, the proposed amendment limits visitor-serving overnight accommodations in some of the least developed and most environmentally sensitive parts of coastal Monterey County, while still allowing unlimited Homestays and Limited Vacation Rentals in all four coastal areas. The amendment also allows up to 4% of existing residential housing stock (or 334 Commercial Vacation Rentals overall out of over 9,000 single-family residential units in the coastal zone) to be used for unhosted vacation rentals more than three time per year. This overall mix is not an inconsequential number of vacation rentals and still allows hundreds of visitor serving overnight accommodations that can accommodate thousands of visitors. Vacation rental regulation is not an all or nothing proposition, and the key is finding a balance that makes sense for both communities and visitors. The Commission finds that in this case, a meaningful vacation rental market would be maintained in the County's coastal areas, while also protecting coastal resources and housing and community needs and objectives. In conclusion, the Commission finds that the proposed LCP amendment conforms with and is adequate to carry out the Land Use Plans, and can be certified as submitted.

D. California Environmental Quality Act (CEQA)

CEQA Section 21080.5(d)(2)(A) prohibits a proposed LCP or LCP amendment from being approved if there are feasible alternatives and/or feasible mitigation measures available that would substantially lessen any significant adverse effect that the LCP or LCP amendment may have on the environment. Although local governments are not required to satisfy CEQA in terms of local preparation and adoption of LCPs and LCP amendments, many local governments use the CEQA process to develop information about proposed LCPs and LCP amendments, including to help facilitate Coastal Act review. In this case, the County prepared and adopted an environmental impact report (EIR) for the proposed amendment (SCH No. 2022080643).

The Coastal Commission is not exempt from satisfying CEQA requirements with respect to LCPs and LCP amendments, but the Commission's LCP/LCP amendment review, approval, and certification process has been certified by the Secretary of the Natural Resources Agency as being the functional equivalent of the environmental review required by CEQA (CCR Section 15251(f)). Accordingly, in fulfilling that review, this report has discussed the relevant coastal resource issues with the proposal, has addressed all comments received, and has concluded that the proposed LCP amendment is not expected to result in significant environmental effects, including as those terms are understood in CEQA.

Accordingly, it is unnecessary for the Commission to suggest modifications (including through alternatives and/or mitigation measures) as there are no significant adverse environmental effects that approval of the proposed amendment would necessitate. Thus, the proposed amendment will not result in any significant adverse environmental effects for which feasible mitigation measures have not been employed, consistent with CEQA Section 21080.5(d)(2)(A).

3. APPENDICES

A. Substantive File Documents

- LCP Amendment File for LCP-3-MCO-24-0039-1

B. Staff Contact with Agencies and Groups

- Monterey County Housing and Community Development Department
- Monterey County Vacation Rental Alliance
- Pebble Beach Company

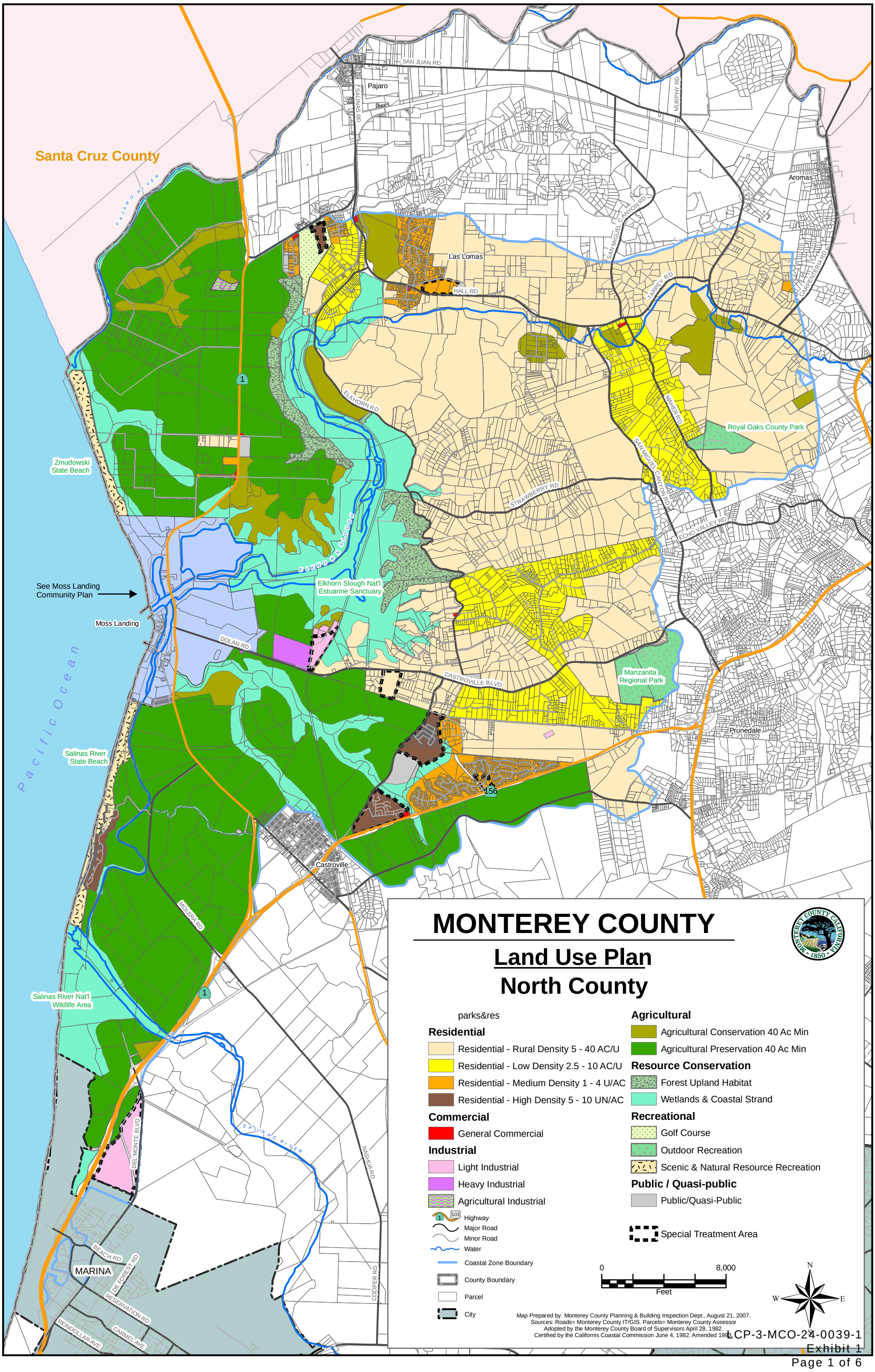
CALIFORNIA COASTAL COMMISSION
CENTRAL COAST DISTRICT
725 FRONT STREET, SUITE 300
SANTA CRUZ, CA 95060
PHONE: (831) 427-4863
WEB: WWW.COASTAL.CA.GOV

W15a

LCP-3-MCO-24-0039-1 (VACATION RENTALS)
AUGUST 13, 2025 HEARING
EXHIBITS

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Santa Cruz County
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PAJARO RIVER
SAN MIGUEL CANYON RD
Las Lomas
HALL RD
TARPEY RD
CARPENTERIA RD
ELKHORN RD
MAHER RD
Royal Oaks County Park
SAN MIGUEL CANYON RD
Zmudowski State Beach
STRAWBERRY RD
ECHO VALLEY RD
ELKHORN SLOUGH
Elkhorn Slough Nat'l Estuarine Sanctuary
See Moss Landing Community Plan
Moss Landing
DOLAN RD
CASTROVILLE BLVD
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DEL MONTE BLVD
SALINAS RIVER
NASHUA RD
COOPER RD
BEACH RD
MARINA
DE FOREST RD
RESERVATION RD
REINDOLLAR AVE
CARMEL AVE
MONTEREY COUNTY
Land Use Plan
North County
parks&res
Residential
Residential - Rural Density 5 - 40 AC/U
Residential - Low Density 2.5 - 10 AC/U
Residential - Medium Density 1 - 4 U/AC
Residential - High Density 5 - 10 UN/AC
Commercial
General Commercial
Industrial
Light Industrial
Heavy Industrial
Agricultural Industrial
Highway
Major Road
Minor Road
Water
Coastal Zone Boundary
County Boundary
Parcel
City
Agricultural
Agricultural Conservation 40 Ac Min
Agricultural Preservation 40 Ac Min
Resource Conservation
Forest Upland Habitat
Wetlands & Coastal Strand
Recreational
Golf Course
Outdoor Recreation
Scenic & Natural Resource Recreation
Public / Quasi-public
Public/Quasi-Public
Special Treatment Area
0
8,000
Feet
N
W
E
Map Prepared by: Monterey County Planning & Building Inspection Dept., August 21, 2007.
Sources: Roads= Monterey County IT/GIS. Parcels= Monterey County Assessor
Adopted by the Monterey County Board of Supervisors April 28, 1982.
Certified by the California Coastal Commission June 4, 1982. Amended 1992

DEL MONTE FOREST

Land Use Plan

Refer to the Greater Monterey Peninsula Area Plan for land use within this area.

Area of Scientific and Biological Significance and Carmel Bay Ecological Reserve boundary

Entrance Gate
Highway
Del Monte Forest Boundary
Coastal Zone Boundary
Stream
PLANNING AREA
CITY LIMITS
Planning Unit
Parcel

Residential
Residential - Low Density
Residential - Medium Density
Residential - High Density

Commercial
General Commercial
Institutional
Visitor Serving

Open Space
Forest
Recreational
Shoreline

S.F.B. Morse Preserve
Huckleberry Hill Natural Habitat Area

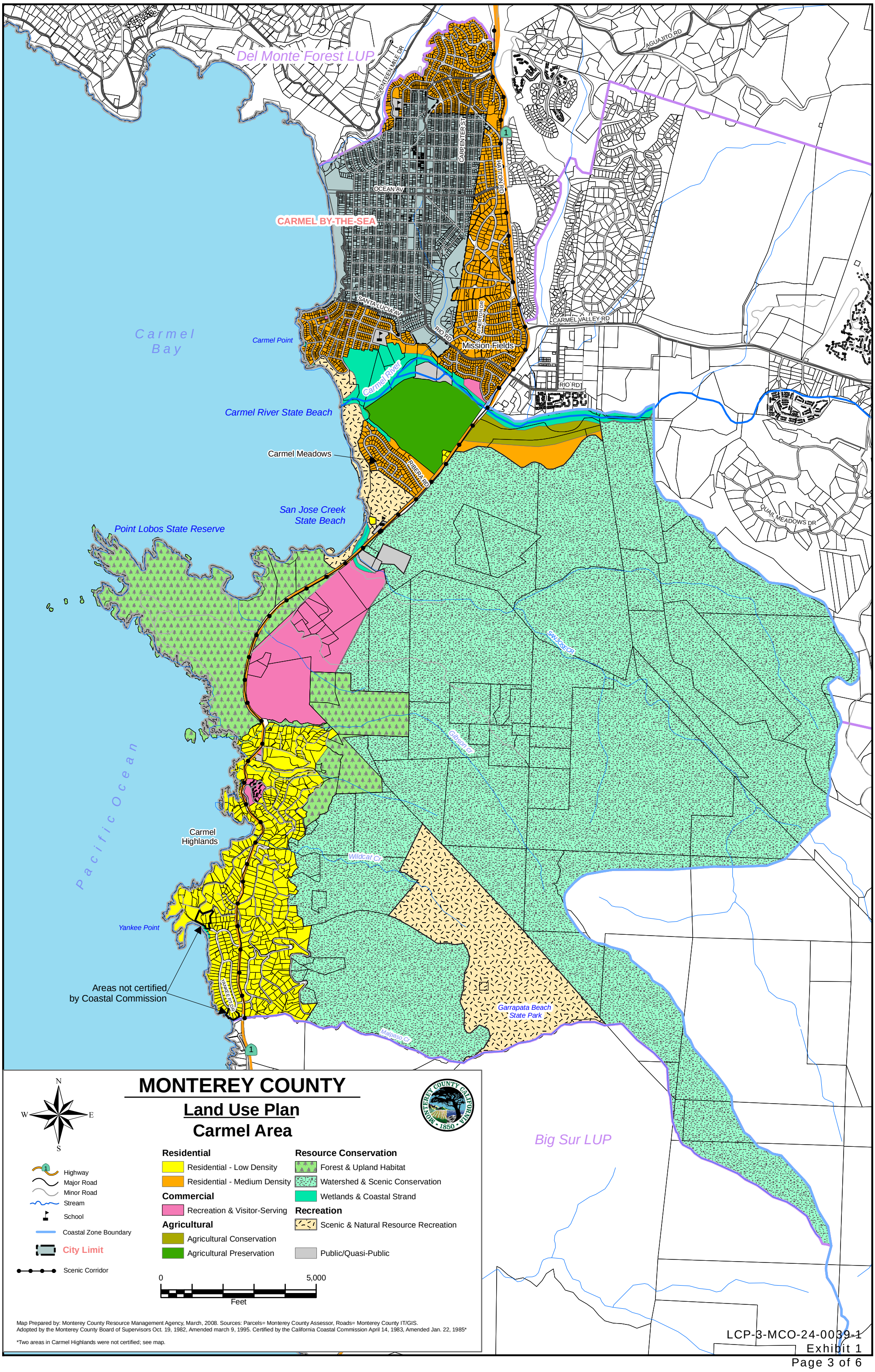
See LUP text for map sources.

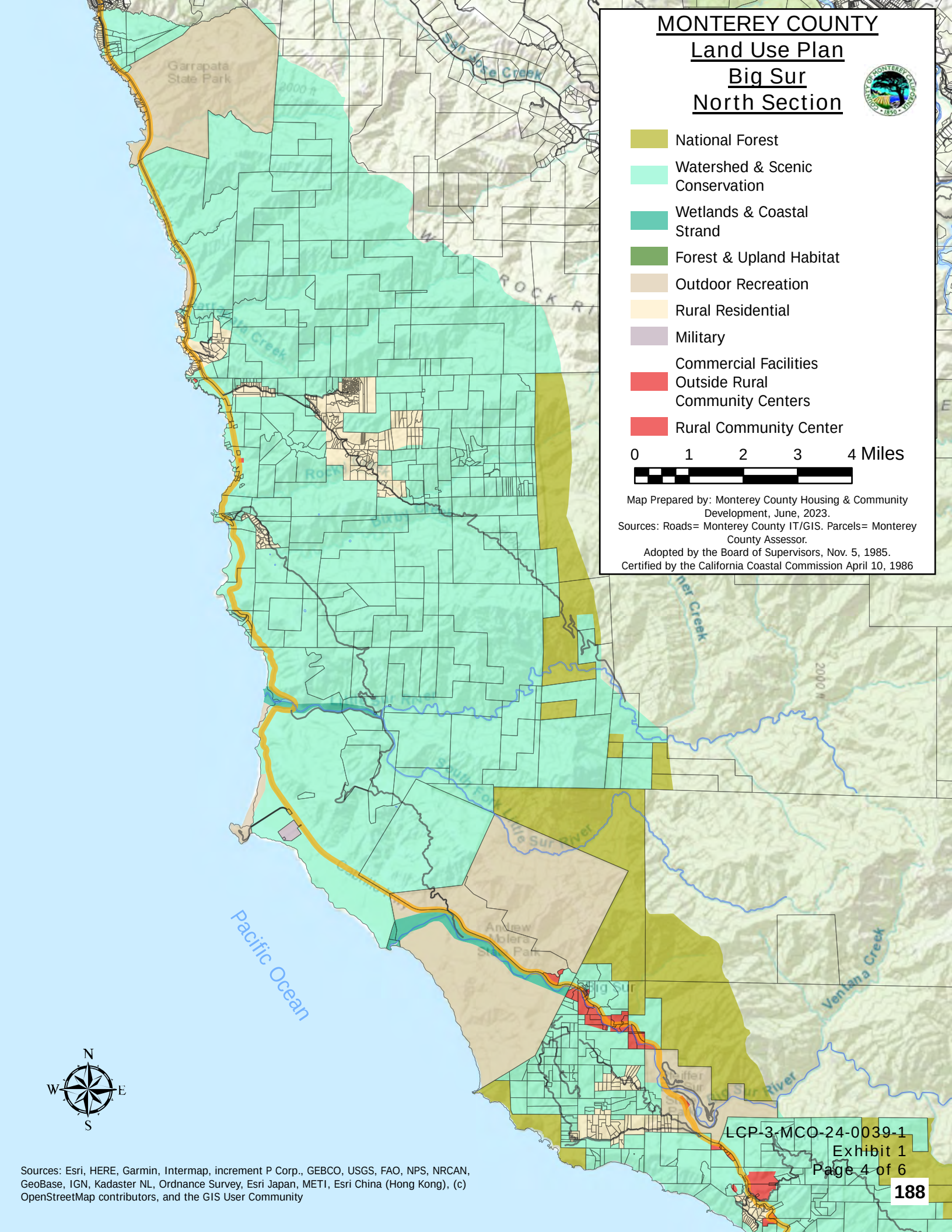
0 1,000 2,000 4,000
Feet

N W E S

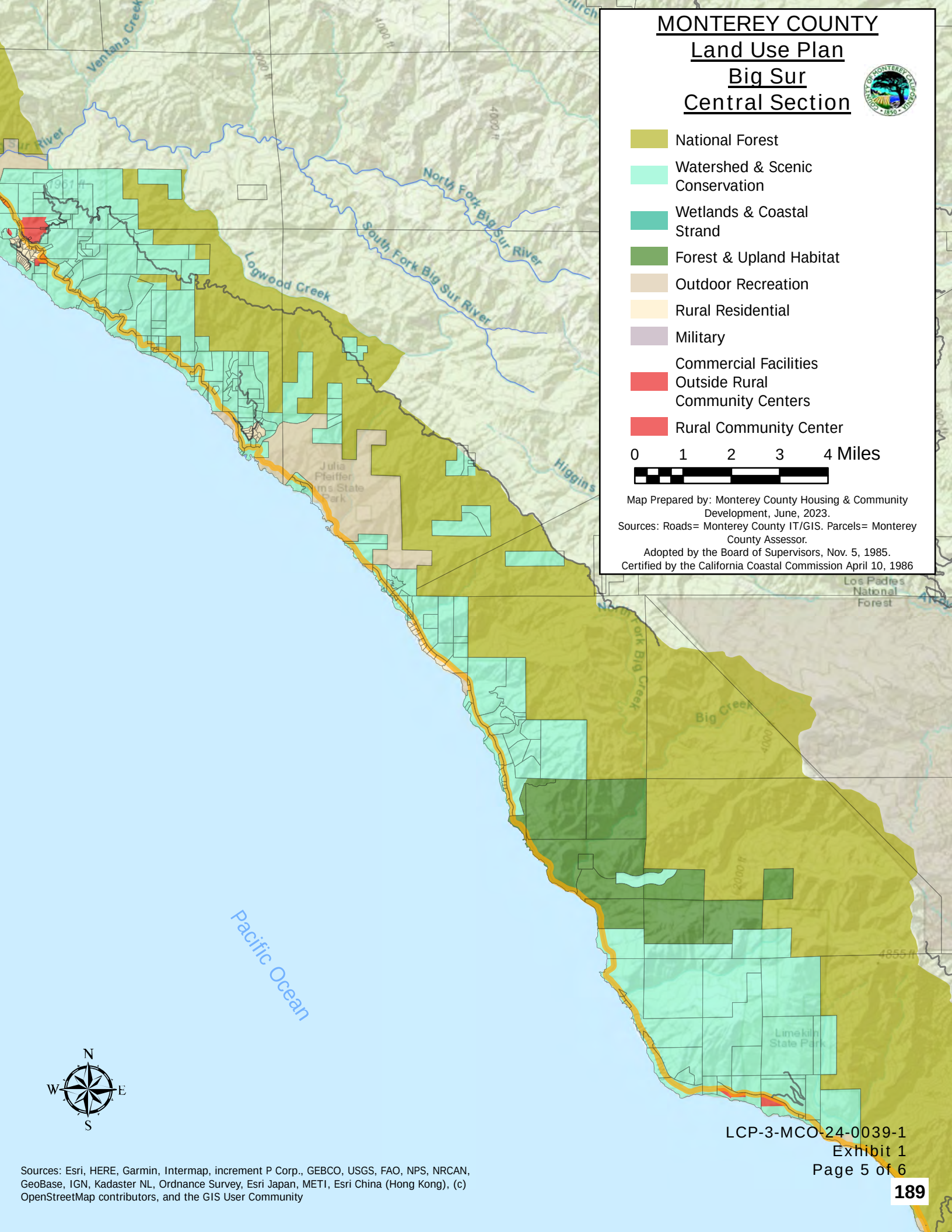
Figure 5

LCP-3-MCO-24-0039-1
Exhibit 1
Page 2 of 6

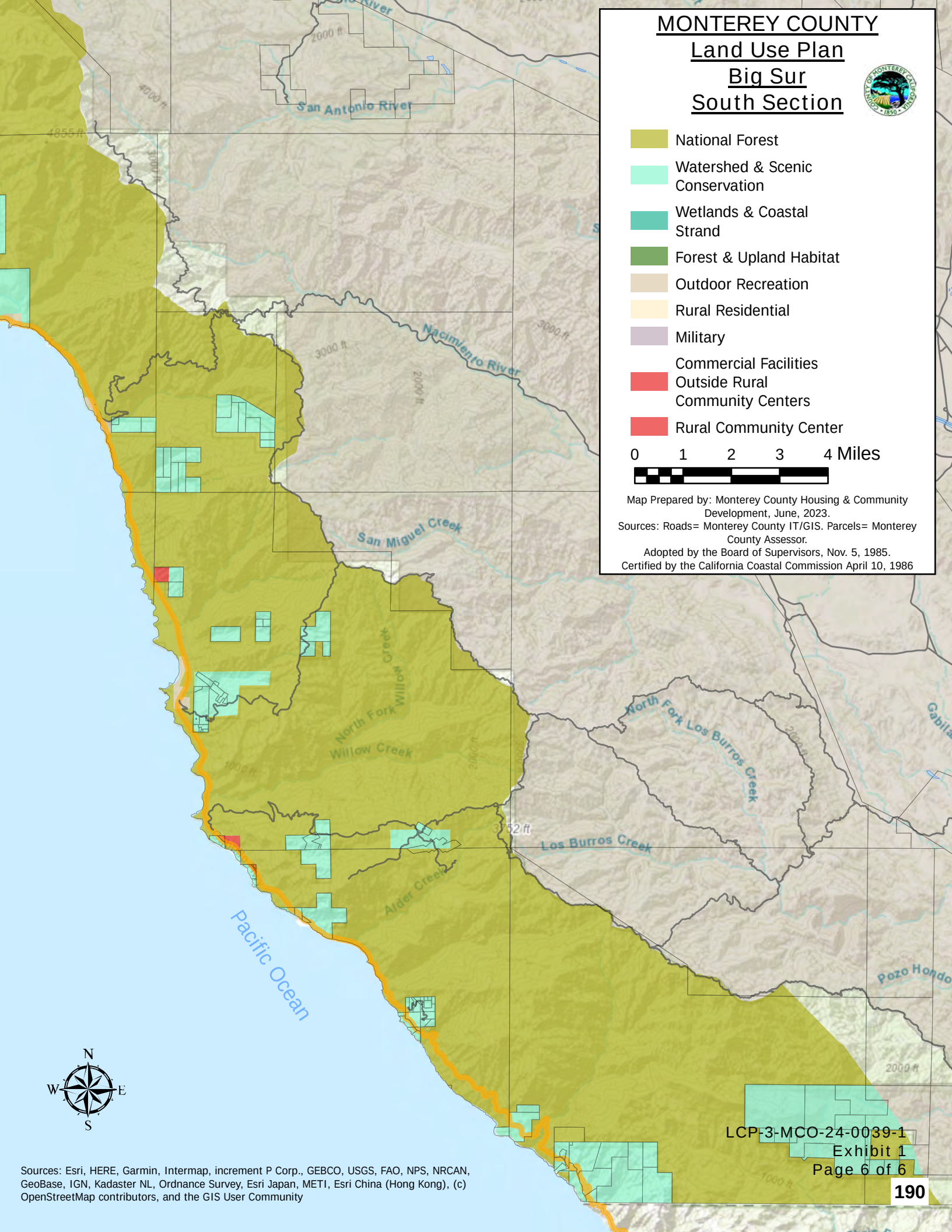

Del Monte Forest LUP
SEVENTEEN MILE DR
AGUAJITO RD
CARPENTER ST
HATTON RD
OCEAN AV
CARMEL BY-THE-SEA
SANTA LUCIA AV
ATHERTON DR
RIO RD
CARMEL VALLEY RD
Mission Fields
Carmel Point
Carmel River
Carmel River State Beach
Carmel Meadows
RIBERA RD
San Jose Creek
State Beach
Point Lobos State Reserve
Carmel
Bay
Pacific Ocean
SAN JOSE CR
Gibson Cr
Wildcat Cr
Carmel
Highlands
Yankee Point
YANKEE POINT DR
Areas not certified
by Coastal Commission
Garrapata Beach
State Park
Malpaso Cr
QUAIL MEADOWS DR
Big Sur LUP
MONTEREY COUNTY
Land Use Plan
Carmel Area
N
S
E
W
Residential
Residential - Low Density
Residential - Medium Density
Commercial
Recreation & Visitor-Serving
Agricultural
Agricultural Conservation
Agricultural Preservation
Resource Conservation
Forest & Upland Habitat
Watershed & Scenic Conservation
Wetlands & Coastal Strand
Recreation
Scenic & Natural Resource Recreation
Public/Quasi-Public
Highway
Major Road
Minor Road
Stream
School
Coastal Zone Boundary
City Limit
Scenic Corridor
0
5,000
Feet
Map Prepared by: Monterey County Resource Management Agency, March, 2008. Sources: Parcels= Monterey County Assessor, Roads= Monterey County IT/GIS.
Adopted by the Monterey County Board of Supervisors Oct. 19, 1982, Amended march 9, 1995. Certified by the California Coastal Commission April 14, 1983, Amended Jan. 22, 1985*
*Two areas in Carmel Highlands were not certified; see map.



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

ORDINANCE NO. _____

AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, AMENDING TITLE 20 (COASTAL ZONING) OF THE MONTEREY COUNTY CODE RELATING TO VACATION RENTALS

County Counsel Summary

This Ordinance amends numerous definition and zoning district use sections of Title 20 and adds Section 20.64.290 to the Monterey County Code to regulate the short-term vacation rental of residential property. This Ordinance aims to strike a balance, allowing residents of unincorporated Monterey County to benefit from the tourism economy while ensuring that residential neighborhoods are protected from the potential negative social and behavioral impacts of short-term vacation rentals. This Ordinance details which zoning districts allow short-term vacation rentals. This Ordinance requires a coastal development permit for commercial vacation rentals that have similar land use impacts to a visitor/serving use, such as hotels, motels, inns, and lodges. This Ordinance further requires that short-term vacation rentals meet certain operational requirements and safety and health standards that reflect their potential impacts. Lastly, this Ordinance contains the process for phasing out unpermitted commercial short-term vacation rentals.

The Board of Supervisors of the County of Monterey ordains as follows:

SECTION 1. Findings and Declarations.

A. Pursuant to Article XI, Section 7 of the California Constitution, the County of Monterey ("County") may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its residents.

B. This Ordinance is intended to provide regulations, standards, and circumstances under which short-term vacation rentals may be allowed in certain residential unincorporated areas of Monterey County.

C. The intent of this Ordinance is to distinguish between three types of short-term vacation rentals, commercial vacation rentals, limited vacation rentals, and homestays, such that commercial vacation rentals require a discretionary land use entitlement while limited vacation rentals and homestays are defined in a manner to be similar in character, density, and intensity to residential use, are not anticipated to remove long-term housing from the market, and therefore are allowed uses, where applicable, with a vacation rental operation license, business license, and transient occupancy tax certificate.

D. Regulation of commercial vacation rentals is necessary because they have the potential to impact the character and intensity of an otherwise residential use. Impacts include, removing long-term housing from the market, or posing hazards to public health, safety and general welfare in areas known to have infrastructure limitations. Commercial vacation rental uses, therefore, may be allowed, where applicable, only with a discretionary coastal development permit, vacation rental operation license, business license, and transient occupancy tax certificate. This Ordinance recognizes that unique neighborhoods with existing developments were established with the intent of managed short-term rentals, such as Monterey Dunes Colony, and these developments are exempt from the regulations set forth in this Ordinance, including the need to apply for a vacation rental operation license. Such developments are not exempt from compliance with Chapter 5.40, requiring payment of transient occupancy tax, and Chapter 7.02, requiring a business license.

E. Homestays, commercial vacation rentals, and limited vacation rentals do not count towards any visitor-serving units or guestroom caps established by Monterey County Code, Monterey County Coastal Implementation Plan, or Monterey County Land Use Plan.

F. This Ordinance establishes the requirement for a coastal development permit for commercial vacation rental activities to enable evaluation of the impacts of such activities, in recognition that commercial vacation rentals may have similar land use impacts as other recreational/visitor-serving uses such as hotels, motels, and bed and breakfast facilities and deserve similar evaluation as such visitor-serving uses.

G. Because the nature and extent of short-term vacation rentals have been transformed in the last several years due to the advent of online platforms, this Ordinance intends to establish regulations for limited vacation rentals, commercial vacation rentals, and homestays. Accordingly, this ordinance intends to add Section 20.64.290 to the Monterey County Code to establish regulations for vacation rentals.

H. To allow for a reasonable amortization of investment for existing short-term vacation rental operations, this Ordinance provides an initial defined time period during which an unpermitted vacation rental may continue to operate, provided the vacation rental activity was established prior to the effective date of the Ordinance and the operator is pursuing all necessary County permits, licenses, and entitlements pursuant to Section 20.64.290 of the Monterey County Code.

I. The County has reviewed the Final Environmental Impact Report ("EIR") for the project, which consists of the Draft EIR and the responses to comments on the Draft EIR. The County has exercised independent judgment in accordance with Public Resources Code section 21082.1(c)(3) in retaining its own environmental consultant in the preparation of the EIR, as well as reviewing, analyzing, and revising material prepared by the consultant. Having received, reviewed, and considered the information in the Final EIR, as well as all other information in the record, the County hereby makes findings pursuant to and in accordance with Public Resources Code sections 21081, 21081.5, and 21081.6. In accordance with California Environmental Quality Act ("CEQA") and the CEQA Guidelines, the County agrees that no findings of fact is

required because no impacts were identified with the implementation of the proposed regulations. The Final EIR for the Vacation Rental Ordinances project (SCH # 2022080643) has been completed and certified in compliance with CEQA prior to the adoption of this Ordinance and reflects the independent judgment and analysis of the County of Monterey.

J. The County intends to carry out the amendments in a manner fully in conformity with the Coastal Act.

K. This Ordinance amends the Monterey County Coastal Implementation Plan, which is part of the County's Local Coastal Program. Pursuant to the Coastal Act, the County may amend the certified Local Coastal Program provided the County follows certain procedures. The procedures include the following: the County's Planning Commission holds a notice public hearing and make a recommendation to the Board of Supervisors on the proposed amendment; the Board of Supervisors holds a noticed public hearing, adopts a resolution of intent, and submits the proposed amendment to the California Coastal Commission for certification together with materials sufficient for a thorough and complete review; the Coastal Commission certifies the amendment; the Board of Supervisors takes subsequent final action on the ordinance after the Coastal Commission acts; and the Coastal Commission confirms the County's action. Accordingly, this Ordinance will not go into effect until after the Coastal Commission certifies the amendment and confirms the Board's action.

SECTION 2. Section 20.06.620 of the Monterey County Code is amended to read as follows:

"Guesthouse" means an attached or detached living quarters of a permanent type of construction lacking internal circulation with the main dwelling, without kitchen or cooking facilities, clearly subordinate and incidental to the main structure, on the same lot, and not to be separately rented, let, or leased, whether compensation is direct or indirect.

SECTION 3. Section 20.06.985 is added to the Monterey County Code to read as follows:

"Rooming or boarding" means shared living quarters, with or without separate kitchen and bathroom facilities for each room or unit, intended to meet short-term shelter and/or other immediate housing needs for not more than two persons for the purpose of work, school, research, medical care, or employment that requires a person's physical presence in Monterey County, or other similar non recreational activity. Rooming or boarding does not include residential care facilities, day care homes, family day care centers, convalescent hospitals, hotels, motels, bed and breakfast facilities, inns, vacation rentals, labor camps, or single-occupancy housing.

SECTION 4. Section 20.06.990 of the Monterey County Code is amended to read as follows:

"Roominghouse or boardinghouse" means shared living quarters, with or without separate kitchen and bathroom facilities for each room or unit, intended to meet short-term shelter and/or other immediate housing needs for three or more persons for the purpose of work, school, research, medical care, or employment that requires a person's physical presence in the County, or other similar non recreational activity. Roominghouse or boardinghouse does not include residential care facilities, day care homes, family day care centers, convalescent hospitals, hotels, motels, bed and breakfast facilities, inns, vacation rentals, labor camps, or single-occupancy housing.

SECTION 5. Section 20.06.1305 of the Monterey County Code is amended to read as follows:

"Transient" means temporary, limited duration to a period of 30 consecutive calendar days or fewer.

SECTION 6. Subsection (DD) is added to Section 20.10.050 of the Monterey County Code [High Density Residential District] to read as follows:

DD. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 7. Subsection (DD) is added to Section 20.12.050 of the Monterey County Code [Medium Density Residential District] to read as follows:

DD. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 8. Subsection (FF) is added to Section 20.14.050 of the Monterey County Code [Low Density Residential District] to read as follows:

FF. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 9. Subsection (VV) is added to Section 20.16.050 of the Monterey County Code [Rural Density Residential District] to read as follows:

VV. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 10. Subsection (PP) is added to Section 20.17.050 of the Monterey County Code [Watershed And Scenic Conservation District] to read as follows:

PP. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 11. Subsection (RR) is added to Section 20.18.060 of the Monterey County Code [Coastal General Commercial] to read as follows:

RR. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 12. Subsection (X) is added to Section 20.20.060 of the Monterey County Code [Moss Landing Commercial District] to read as follows:

X. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 13. Subsection (BB) is added to Section 20.22.060 of the Monterey County Code [Visitor-Serving Commercial District] to read as follows:

BB. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 14. Subsection (GG) is added to Section 20.30.050 of the Monterey County Code [Coastal Agriculture Preserve] to read as follows:

GG. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 15. Subsection (KK) is added to Section 20.32.050 of the Monterey County Code [Agricultural Conservation] to read as follows:

KK. Commercial Vacation Rentals, pursuant to Section 20.64.290 (ZA).

SECTION 16. Subsection (Q) is added to Section 20.60.090 of the Monterey County Code to read as follows:

Q. Outdoor signs, pursuant to Section 7.120.040.H.

SECTION 17. Section 20.64.290 is added to the Monterey County Code to read as follows:

A. Purpose: It is the purpose of this Section to:

1. Preserve and enhance the residential character of the coastal zoning districts established in Title 20 and the sense of security and safety in stable neighborhoods of residential properties.

2. Provide opportunity for visitors to access public areas of the unincorporated areas of Monterey County through Vacation Rental opportunities, benefiting the local economy while preserving the housing supply and quality of life, and protecting public health, safety, and general welfare.

3. Establish regulations that provide opportunity for homeowners and residents to offer Vacation Rentals for visitors that have the potential to provide financial benefits to offset the high cost of living in Monterey County.

4. Establish that Limited Vacation Rental and Homestay uses are similar in character, density, and intensity to residential use, are not anticipated to convert long-term housing to nonresidential use.

5. Establish regulations to address Commercial Vacation Rental uses that have the potential to impact the character, density, and intensity of residential uses, convert long-term housing to nonresidential use, or pose hazards to public health, safety, and general welfare in areas known to have infrastructure limitations.

B. Definitions: The definitions in Chapter 20.06 shall apply. Unless otherwise expressly stated, whenever used in this Section, the following words shall have the meanings set forth below:

1. "Bedroom" means any habitable room of a dwelling unit which is: 1) 70 square feet or greater in size for the first individual in a bedroom and 50 square feet of space for each additional individual in the room; 2) has an exterior door or window for egress meeting health and safety code standards at the time the dwelling was constructed; and 3) has a closing door that separates the room from other areas of the dwelling. The following shall not be considered a bedroom: Any interior room that must be passed through to access another bedroom; a hallway; bathroom; kitchen; living room; dining room; family room; breakfast nook; pantry; laundry room; or closet/dressing room opening off a bedroom.

2. "Commercial Vacation Rental" means a Vacation Rental that is Non-hosted and rented for more than three times per 12-month period.

3. "County" means County of Monterey.

4. "Effective Date" means the date on which the Ordinance adding this Section 20.64.290 to the Monterey County Code took effect.

5. "Homestay" means a Vacation Rental in which the Owner occupies at least one Bedroom within the Vacation Rental while it is being rented as a Vacation Rental. The Vacation Rental must be the Owner's Primary Residence.

6. "Limited Vacation Rental" means a Vacation Rental that is Non-hosted and rented for not more than three times per 12-month period.

7. "Non-hosted" means that an Operator does not occupy the Vacation Rental while it is being rented.

8. "Operator" means a person who operates the Vacation Rental and, if not the Owner, a person, who has the legal permission of the Owner to operate the Vacation Rental on the subject real property.

9. "Owner" means the person or persons who hold fee title to the real property upon which a Vacation Rental is operated.

10. "Owner's Primary Residence" means a Residential Property lived in by the Owner for at least 183 days, which is documented by at least two of the following: motor vehicle registration, voter registration, homeowner's exemption on their property taxes, or a utility bill.

11. "OWTS" means an onsite wastewater treatment system, also referred to as a septic system, as regulated by Chapter 15.20 of the Monterey County Code.

12. "Property Manager" means the person who is designated by the Operator as being responsible for managing the Vacation Rental operation and it may include the Owner, professional property manager, realtor, other resident, or nonresident owner of the subject property.

13. "Residential Property" means improved property, used or occupied, or intended to be used or occupied, for residential purposes.

14. "Vacation Rental" means the use, by any person, of Residential Property for transient lodging where the term of occupancy, possession, or tenancy of the property by the person entitled to such occupancy, possession, or tenancy for a period of 30 consecutive calendar days or fewer, counting portions of calendar days as full days. "Vacation Rental" includes Commercial Vacation Rentals, Homestays, and Limited Vacation Rentals. "Vacation Rental" does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding.

C. Applicability: This Section applies in the unincorporated coastal zone of the County of Monterey.

D. Regulations for Homestays:

1. Homestays are allowed and exempt from a Coastal Development Permit pursuant to 20.70.120(S), in the following zoning districts, subject to the requirements of this Section:

a. High Density Residential (HDR(CZ));
b. Medium Density Residential (MDR(CZ));
c. Low Density Residential (LDR(CZ));
d. Rural Density Residential (RDR(CZ));
e. Watershed and Scenic Conservation (WSC(CZ));
f. Coastal General Commercial (CGC(CZ));
g. Moss Landing Commercial (MLC(CZ));
h. Visitor-Serving Commercial (VSC(CZ));
i. Coastal Agriculture Preserve (CAP(CZ)); and
j. Agricultural Conservation (AC(CZ)).

2. Homestays shall be prohibited in any other zoning district.

E. Regulations for Limited Vacation Rentals:

1. Limited Vacation Rentals are allowed and exempt from a Coastal Development Permit pursuant to 20.70.120(T), in the following zoning districts, subject to the requirements of this Section:

a. High Density Residential (HDR(CZ));
b. Medium Density Residential (MDR(CZ));
c. Low Density Residential (LDR(CZ));
d. Rural Density Residential (RDR(CZ));
e. Watershed and Scenic Conservation (WSC(CZ));
f. Coastal General Commercial (CGC(CZ));
g. Moss Landing Commercial (MLC(CZ));
h. Visitor-Serving Commercial (VSC(CZ));
i. Coastal Agriculture Preserve (CAP(CZ)); and
j. Agricultural Conservation (AC(CZ)).

2. Limited Vacation Rentals shall be prohibited in any other zoning district.

F. Regulations for Commercial Vacation Rentals:

1. Commercial Vacation Rentals are allowed with a Coastal Development Permit in the following zoning districts, subject to the requirements of this Section:

a. High Density Residential (HDR(CZ));
b. Medium Density Residential (MDR(CZ));
c. Low Density Residential (LDR(CZ));
d. Rural Density Residential (RDR(CZ));
e. Watershed and Scenic Conservation (WSC(CZ));
f. Coastal General Commercial (CGC(CZ));
g. Moss Landing Commercial (MLC(CZ));
h. Visitor-serving Commercial (VSC(CZ));
i. Coastal Agriculture Preserve (CAP(CZ)); and
j. Agricultural Conservation (AC(CZ)).

2. Commercial Vacation Rentals shall be prohibited in any other zoning district.

3. Commercial Vacation Rentals are subject to the following additional limitations based on a maximum allowable limit of permitted Commercial Vacation Rentals not to exceed four percent of the total single family residential dwelling unit count:

a. Big Sur Coast Land Use Plan Area as follows: Commercial Vacation Rentals are prohibited within the Big Sur Coast Land Use Plan area.

b. Carmel Area Land Use Plan Area as follows:

i. Commercial Vacation Rentals are prohibited in LDR(CZ) zoning districts within the Carmel Areal Land Use Plan area.

ii. A total of 118 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Carmel Area Land Use Plan area, excluding LDR(CZ) zoning districts.

c. North County Coastal Land Use Plan Area as follows: A total of 157 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the North County Coastal Land Use Plan area.

d. Del Monte Forest Land Use Plan Area as follows: A total of 57 maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Del Monte Forest Land Use Plan area.

e. Moss Landing Community Plan as follows:

i. Commercial Vacation Rentals are prohibited in LDR(CZ) and MDR(CZ) zoning districts within the Moss Landing Community Plan area.

ii. A total of two maximum Coastal Development Permits shall be issued at any given time for Commercial Vacation Rental uses within the Moss Landing Community Plan area, excluding LDR(CZ) and MDR (CZ) zoning districts.

f. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date of this Chapter will count against their respective Land Use Plan cap. If upon the permit or entitlement expiration date or within seven years of the Effective Date of this Chapter, the Operator does not make an application for all permits, licenses, certificates, or other entitlements required by County regulations; the count will be added back to the Land Use Plan cap.

4. A Commercial Vacation Rental that is not accessible directly from a public road shall be subject to Monterey County Code Chapter 16.80. Upon making an application with the County for Vacation Rental use, the Operator shall be required to

mail notice to all properties with ownership or access rights to the private road to inform them of the proposed Vacation Rental use and shall include the application reference number, location of the vacation rental, name and contact information for the Property Manager; and procedures and contact information for the County.

5. Commercial Vacation Rentals must demonstrate that response times for County emergency services for fire and emergency medical will be adequate. Adequate is defined as 5-8 minutes within Community Areas, Community Plans, and Sphere of Influence, 12 minutes within Rural Centers, and 45 minutes for all other areas. Commercial Vacation Rentals must provide contact information for County emergency services for fire and emergency medical. Notice of emergency services contact information shall be included in rental contracts and posted within the unit in a prominent place within six feet of the front door. The notice shall identify the average response time for emergency services to reach the subject property and describe the onsite fire protection systems (such as fire breaks, alarms and/or water storage tanks) available.

6. Commercial Vacation Rentals shall provide parking as required for the dwelling type by Section 20.58.040, or the applicable parking regulations at the time the dwelling was built.

7. Only one Commercial Vacation Rental shall be allowed per legal lot of record, regardless of the number of dwellings on the legal lot of record, except in the development types and zoning districts specified below. This provision does not apply to other types of developments, such as planned unit developments or similar cluster residential subdivisions. This provision does not apply to Coastal General Commercial (CGC(CZ)), Moss Landing Commercial (MLC(CZ)), and Visitor-Serving Commercial (VSC(CZ)) zoning districts. These districts shall be allowed more than one Commercial Vacation Rental per legal lot of record and shall not exceed the number of residential units per legal lot of record.

8. A Commercial Vacation Rental served by an OWTS shall maintain the system in good working order and ensure it is functioning properly at all times. The OWTS shall comply with Chapter 15.20 of this Code.

9. If the Commercial Vacation Rental is served by an OWTS, the Operator shall submit evidence that the system is in good working order and functioning properly by providing a performance evaluation report completed by a qualified OWTS professional in the form and manner required by the County. Any OWTS component noted to be in unacceptable condition shall be repaired or replaced prior to County approval of a Coastal Development Permit.

10. The Owner of the Vacation Rental shall only have an ownership interest in one Commercial Vacation Rental real property within the unincorporated Monterey County at a time.

11. Required Findings. To grant a Coastal Development Permit for a Commercial Vacation Rental, the Appropriate Authority must find, based on substantial evidence, that the Commercial Vacation Rental complies with all findings required for a Coastal Development Permit pursuant to Chapter 20.70 and complies with all requirements of this Section.

12. Time Limits. All Coastal Development Permits issued for Commercial Vacation Rentals shall be subject to the following time limits on the use authorized by the Coastal Development Permit:

a. The initial Coastal Development Permit shall be issued for a term of no more than seven years.

b. The Operator may apply to extend the Coastal Development Permit prior to the expiration date of the Coastal Development Permit pursuant to Section 20.70.110. The extension application shall be made at least 30 days prior to the expiration of the Coastal Development Permit. The Coastal Development Permit shall be extended by the Appropriate Authority by seven years upon each renewal, unless the Appropriate Authority finds that the operation is subject to revocation or modification accordingly to the criteria set forth in Section 20.70.060.

c. The Operator shall maintain a valid business license pursuant to Chapter 7.02 and a valid Vacation Rental Operation License pursuant to Chapter 7.120 of this Code throughout the permitted term of the Commercial Vacation Rental use.

d. The purpose of the seven-year term limit is to provide adequate ongoing review of the Commercial Vacation Rental to ensure that the use continues to meet the standards of this Section.

G. Phasing Out Unpermitted Operations:

1. To provide time for Operators of Vacation Rentals that were unpermitted prior to the Effective Date to bring the Vacation Rental into compliance with this Section, an Operator who can demonstrate that a Vacation Rental use was established and operating on the subject property prior to the Effective Date may continue the operation for a limited period of time.

2. For unpermitted Vacation Rental uses, the Operator has two months from the Effective Date to make an application for all permits, licenses, certificates, or other entitlements required by this Code. The Operator will be allowed to continue to operate as a Vacation Rental for up to two months from the Effective Date, or until County takes action on the Operator's application for all required permits, licenses, and entitlements made pursuant to this Code, whichever is later, unless County requires earlier termination

of the Vacation Rental use due to a risk to public health, safety and welfare. The Operator must diligently pursue the approval and issuance of the required permits, licenses, and entitlements, or the County can require earlier termination of the Vacation Rental.

3. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

4. Pending applications for transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns), submitted by a qualified applicant to the County, pursuant to Title 20, that have not been approved by the Appropriate Authority prior to the Effective Date shall be required to comply with this Section.

H. Phasing Out Previously Permitted Operations:

1. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date shall be required to comply with this Section upon expiration of their existing permits or entitlements. If the prior use is no longer allowed pursuant to this Section, the Operator must cease operations at the time of the expiration of their permit or entitlement.

2. All existing transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns) permits or entitlements issued prior to the Effective Date without expiration dates shall be required to comply with this Section within seven years of the Effective Date.

3. Nothing in this Section prohibits the County from taking enforcement action, which may lead to shutting down a Vacation Rental operation during the phasing out period if the Vacation Rental creates an immediate or imminent threat to life, public health, or safety.

I. Exemption: The regulations set forth in this Section do not apply to unique neighborhoods with existing developments that were established with the intent of managed Vacation Rentals. The existing permitted unique neighborhoods with managed Vacation Rentals must operate according to the regulations and conditions approved through its original land use entitlement.

SECTION 18. Subsection (S) is added to Section 20.70.120 of the Monterey County Code to read as follows:

S. Homestays, pursuant to Section 20.64.290, are exempt in the following zoning districts: High Density Residential (HDR(CZ)); Medium Density Residential (MDR(CZ)); Low

Density Residential (LDR(CZ)); Rural Density Residential (RDR(CZ)); Watershed and Scenic Conservation (WSC(CZ)); Coastal General Commercial (CGC(CZ)); Moss Landing Commercial (MLC(CZ)); Visitor-Serving Commercial (VSC(CZ)); Coastal Agriculture Preserve (CAP(CZ)); and Agricultural Conservation (AC(CZ)).

SECTION 19. Subsection (T) is added to Section 20.70.120 of the Monterey County Code to read as follows:

T. Limited Vacation Rentals, pursuant to Section 20.64.290, are exempt in the following zoning districts: High Density Residential (HDR(CZ)); Medium Density Residential (MDR(CZ)); Low Density Residential (LDR(CZ)); Rural Density Residential (RDR(CZ)); Watershed and Scenic Conservation (WSC(CZ)); Coastal General Commercial (CGC(CZ)); Moss Landing Commercial (MLC(CZ)); Visitor-Serving Commercial (VSC(CZ)); Coastal Agriculture Preserve (CAP(CZ)); and Agricultural Conservation (AC(CZ)).

SECTION 20. SEVERABILITY. If any Section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each Section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more Sections, subsections sentences, clauses, or phrases are declared invalid.

SECTION 21. EFFECTIVE DATE. This Ordinance shall become effective on the thirty-first day following its adoption by the County if certified by the California Coastal Commission or thereafter upon certification by the California Coastal Commission.

PASSED AND ADOPTED on this ____ day of _____, 2024, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Glenn Church, Chair
Monterey County Board of Supervisors

ATTEST

VALERIE RALPH
Clerk of the Board of Supervisors

By: _____
Deputy

APPROVED AS TO FORM:

Kelly L. Donlon

KELLY L. DONLON
Assistant County Counsel

ORDINANCE NO. 5424

AN ORDINANCE OF THE COUNTY OF MONTEREY, STATE OF CALIFORNIA, AMENDING SECTION 7.02.060 AND ADDING CHAPTER 7.120 TO THE MONTEREY COUNTY CODE RELATING TO VACATION RENTAL ACTIVITIES

County Counsel Summary

This ordinance amends Section 7.02.060 and adds Chapter 7.120 to the Monterey County Code to regulate the short-term vacation rental of residential property. This ordinance aims to strike a balance, allowing residents of unincorporated Monterey County to benefit from the tourism economy, while also ensuring that residential neighborhoods are protected from the potential negative social and behavioral impacts of short-term vacation rentals. This ordinance requires a business license and a vacation rental operation license for any short-term vacation rental operations in the unincorporated Monterey County. This ordinance further requires that short-term vacation rentals meet certain operational requirements and safety and health standards. This ordinance details the vacation rental operation license application requirements, the criteria for granting the license, and the fees. This ordinance also includes requirements that online short-term vacation rental platforms are required to satisfy to ensure unlicensed short-term vacation rentals are not advertised or rented. Lastly, this ordinance contains the process for revocation and enforcement against short-term vacation rental operations that are violating their licenses.

The Board of Supervisors of the County of Monterey ordains as follows:

SECTION 1. Findings and Declarations

A. Pursuant to Article XI, Section 7 of the California Constitution, the County of Monterey ("County") may adopt and enforce ordinances and regulations not in conflict with general laws to protect and promote the public health, safety, and welfare of its residents.

B. If not properly regulated, short-term vacation rental operations have the potential to be a nuisance and disrupt the sense of safety, security, and peaceful enjoyment of residences in residential neighborhoods.

C. Tourism is a top economic driver of the regional economy, and Monterey County is recognized globally as a premier tourist destination. To help safeguard the reputation of Monterey County and the economic benefits tourism provides the region, regulations and standards for the operation of short-term vacation rentals are necessary to protect the health, safety, and welfare of visitors staying in short-term vacation rental accommodations and residents of Monterey County.

D. Regulation of short-term vacation rentals is necessary because they potentially could create impacts that are different than residential uses, including but not limited to: different

character, density, and intensity than residential uses; removal of long-term housing from the market; and hazards to the public health, safety and general welfare in areas known to have infrastructure limitations.

E. This Ordinance aims to strike a balance, allowing residents of unincorporated Monterey County to benefit from the tourism economy while also ensuring that residential neighborhoods are protected from the potential negative social and behavioral impacts of short-term vacation rentals.

F. Homestays, commercial vacation rentals, and limited vacation rentals do not count towards any visitor-serving units or guestroom caps established by Monterey County Code, Monterey County Coastal Implementation Plan, Monterey County Land Use Plan, 2010 County of Monterey General Plan, or any associated Area Plan established by the 2010 County of Monterey General Plan.

G. This Ordinance requires licenses for any short-term vacation rental operations in the unincorporated Monterey County, and requires that short-term vacation rentals meet certain operational requirements and safety and health standards. This Ordinance details the vacation rental operation license application requirements, the criteria for granting the license, and the fees. Lastly, this Ordinance contains the process for revocation and enforcement against short-term vacation rental operations that are violating their licenses.

H. This Ordinance recognizes that the Transient Occupancy Tax Certificate is a one-time issuance provided to operators prior to the commencement of business. A transient occupancy tax certificate does not expire and does not indicate to the public whether an operator is in good standing with the County of Monterey. Accordingly, this Ordinance requires a business license for all hotels, commercial vacation rentals, homestays, and limited vacation rentals.

I. This Ordinance recognizes that unique neighborhoods with existing developments were established with the intent of managed short-term rentals, such as Monterey Dunes Colony and these developments are exempt from the regulations set forth in this Ordinance. Such developments are not exempt from compliance with Chapter 5.40, requiring payment of transient occupancy tax, and Chapter 7.02, requiring a business license.

J. The County of Monterey has reviewed the Final Environmental Impact Report ("EIR") for the project, which consists of the Draft EIR and the responses to comments on the Draft EIR. The County has exercised independent judgment in accordance with Public Resources Code section 21082.1(c)(3) in retaining its own environmental consultant in the preparation of the EIR, as well as reviewing, analyzing, and revising material prepared by the consultant. Having received, reviewed, and considered the information in the Final EIR, as well as all other information in the record, the County hereby makes findings pursuant to and in accordance with Public Resources Code sections 21081, 21081.5, and 21081.6. In accordance with California Environmental Quality Act ("CEQA") and the CEQA Guidelines, the County agrees that no findings of fact is required because no impacts were identified with the implementation of this Ordinance. The Final EIR for the Vacation Rental Ordinances project

(SCH # 2022080643) has been completed and certified in compliance with CEQA prior to the adoption of this Ordinance and reflects the independent judgment and analysis of the County.

SECTION 2. Subsection (B) is added to Section 7.02.060 of the Monterey County Code to read as follows:

B. All Hotels, as defined by Section 5.40.020(A) of the Monterey County Code, as may be amended from time to time.

SECTION 3. Subsection (C) is added to Section 7.02.060 of the Monterey County Code to read as follows:

C. All Commercial Vacation Rentals, Homestays, and Limited Vacation Rentals as defined respectively by Section 7.120.020(E), (J), and (N) of the Monterey County Code, as may be amended from time to time.

SECTION 4. Chapter 7.120 is added to the Monterey County Code to read as follows:

Chapter 7.120
VACATION RENTAL OPERATION LICENSE

Sections:

7.120.010 Purpose.
7.120.020 Definitions.
7.120.030 Applicability.
7.120.040 Regulations for Vacation Rentals.
7.120.050 Regulations for Homestays.
7.120.060 Regulations for Limited Vacation Rentals.
7.120.070 Regulations for Commercial Vacation Rentals.
7.120.080 Regulations for Hosting Platforms.
7.120.090 License Application Process.
7.120.100 Criteria for Grant of License.
7.120.110 License Renewal Process and Grounds for Denial.
7.120.120 Fees.
7.120.130 Grounds for Revocation.
7.120.140 Process for Hearing by Hearing Officer.
7.120.150 Service Requirements.
7.120.160 Enforcement.
7.120.170 Operative Date.

7.120.010 Purpose.

A. The purpose of this Chapter, includes but is not limited to the following:

1. Ensure that vacation rentals are operated in a manner that complies with all rules and regulations, and are not detrimental to the health, safety, and welfare of residential neighborhoods in which vacation rentals are operating.

2. Preserve and enhance the residential character of the zoning districts established in Titles 20 and 21 of the Monterey County Code.

3. Preserve the sense of security and safety in stable residential neighborhoods.

4. Integrate economic opportunity with the preservation of quality of life.

B. This Chapter seeks to restrict the following inharmonious and injurious outcomes associated with unregulated and uncontrolled residential vacation rentals, including but not limited to:

1. Public nuisances such as litter, parking congestion, and noise.

2. Risk to economic well-being associated with the reputation of Monterey County as a premier tourism destination.

7.120.020 Definitions.

Except as otherwise defined or where the context otherwise indicates, the following words shall have the following meaning in this Chapter:

A. "Advertised Rental Rate" means the range of advertised nightly rates. The Advertised Rental Rate shall not include deposits or ancillary fees.

B. "Appropriate Authority" means the County of Monterey Housing and Community Development Department Director or their designee.

C. "Bedroom" means any habitable room of a dwelling unit which is: 1) 70 square feet or greater in size for the first individual in the room and 50 square feet of space for each additional individual in the room; 2) has an exterior door or window for egress meeting Health and Safety Code standards at the time the dwelling was constructed; and 3) has a closing door that separates the room from other areas of the dwelling. The following shall not be considered a bedroom: Any interior room that must be passed through to access another bedroom; a hallway; bathroom; kitchen; living room; dining room; family room; breakfast nook; pantry; laundry room; or closet/dressing room opening off a bedroom.

D. "Booking Service" means any reservation and/or payment service provided by a Person who facilitates Vacation Rental transactions between the Operator and the Occupant for which the Hosting Platform collects or receives, directly or indirectly through an agent or intermediary, a fee in connection with the reservation and/or payment service provided for the transaction.

E. "Commercial Vacation Rental" means a Vacation Rental that is Non-hosted and rented for more than three times per 12-month period.

F. "Common public viewing area" means a public area such as a public street, road, designated vista point, or public park from which the general public ordinarily views the surrounding viewshed.

G. "County" means County of Monterey.

H. "Guesthouse" means an attached or detached living quarters of a permanent type of construction lacking internal circulation with the main dwelling, without kitchen or cooking facilities, clearly subordinate and incidental to the main structure, on the same lot, and not to be separately rented, let, or leased, whether compensation is direct or indirect.

I. "Hearing Officer" means a person appointed by the County to conduct an administrative hearing under this Chapter. The appointed Hearing Officer shall be an impartial decision-maker selected by a process that eliminates risk of bias, such as:

1. An administrative law judge provided by the State of California Office of Administrative Hearings to function as the County Hearing Officer pursuant to Chapter 14 of Part 3 of Division 2 of Title 3 of the California Government Code;

2. A person selected randomly from a panel of attorneys willing to serve as a Hearing Officer; or

3. An independent contractor assigned by an organization or entity which provides hearing officers.

J. "Homestay" means a Vacation Rental in which the Owner occupies at least one Bedroom within the Vacation Rental while it is being rented as a Vacation Rental. The Vacation Rental must be the Owner's Primary Residence.

K. "Hosting Platform" means a Person who advertises Vacation Rentals through an agent or intermediary that conducts a Booking Service transaction using any medium of facilitation.

L. "Individual" means a natural person.

M. "License" means a Vacation Rental Operation License issued by the County to an Operator to operate a Vacation Rental under this Chapter.

N. "Limited Vacation Rental" means a Vacation Rental that is Non-hosted and rented for not more than three times per 12-month period.

O. "Non-hosted" means that an Operator does not occupy the Vacation Rental while it is being rented.

P. "Occupant" means a person who occupies a Vacation Rental by reason of concession, permit, rent, right of access, license, or other agreement for a period of 30 consecutive calendar days or less.

Q. "Operator" means a person who operates the Vacation Rental and, if not the Owner, a person who has the legal permission of the Owner to operate the Vacation Rental on the subject real property.

R. "Owner" means the person or persons who hold fee title to the real property upon which a Vacation Rental is operated.

S. "Owner's Primary Residence" means a Residential Property lived in by the Owner for at least 183 days, which is documented by at least two of the following: motor vehicle registration, voter registration, homeowner's exemption on their property taxes, or a utility bill.

T. "OWTS" means an onsite wastewater treatment system, also referred to as a septic system, as regulated by Chapter 15.20 of the Monterey County Code.

U. "Person" means any individual, corporation, partnership, firm, business or similar entity, public or private agency, municipality, city, state or federal agency.

V. "Property Manager" means the person who is designated by the Operator as being responsible for managing the Vacation Rental operation, and it may include the Owner, professional property manager, realtor, other resident, or nonresident owner of the subject property.

W. "Residential Property" means improved property, used or occupied, or intended to be used or occupied, for residential purposes.

X. "Single Family Dwelling" means a detached structure, including a mobilehome or manufactured dwelling unit, containing only one kitchen and used to house not more than one family.

Y. "Vacation Rental" means the use, by any person, of Residential Property for transient lodging where the term of occupancy, possession, or tenancy of the property by the person entitled to such occupancy, possession, or tenancy for a period of 30 consecutive calendar days or fewer, counting portions of calendar days as full days. "Vacation Rental" includes Commercial Vacation Rentals, Homestays, and Limited Vacation Rentals. "Vacation Rental"

does not include a bed and breakfast facility, hotel, motel, hostel, inn, roominghouse, boardinghouse, rooming or boarding.

Z. "Visitor" means an invitee of a Vacation Rental Occupant, who is not an Occupant and not staying overnight at the Vacation Rental.

7.120.030 Applicability.

A. This Chapter shall apply in the unincorporated area of Monterey County.

B. This Chapter shall not apply to:

1. Administrative Permits issued pursuant to Section 21.64.280 of the Monterey County Code for the transient use of residential property.

2. Permits or entitlements issued for the transient use of a property for remuneration as a similar use to a Bed and Breakfast facility or other visitor-serving uses (such as hotels, motels, and inns), pursuant to Title 20 of the Monterey County Code.

3. Unique neighborhoods with existing developments that were established with the intent of managed Vacation Rentals. The existing permitted unique neighborhoods with managed Vacation Rentals must operate according to the regulations and conditions approved through its original land use entitlement.

7.120.040 Regulations for Vacation Rentals.

A. The Operator who intends to operate a Vacation Rental shall obtain a License that is renewable annually for the fixed location and dwelling in which the Vacation Rental is to occur.

B. The Operator of the subject property must obtain all necessary land use entitlements as required by Section 20.64.290 or Section 21.64.290 of the Monterey County Code before the Operator commences the Vacation Rental operations.

C. The Operator shall register the Vacation Rental with the County and obtain a Transient Occupancy Tax Certificate in accordance with the provisions of Chapter 5.40 of the Monterey County Code.

D. The Operator shall obtain a business license from the County pursuant to Chapter 7.02 of the Monterey County Code before commencing the Vacation Rental use and must keep a valid business license throughout the Vacation Rental use.

E. Upon receipt of an approved License, the Operator shall mail an informational letter to neighboring properties within a 300-foot radius of the property; and if applicable, to all properties with ownership or access rights to any shared private road utilized to access the Vacation Rental. At a minimum, the informational letter shall include: License Number; address of the Vacation Rental; identification if the Vacation Rental is Commercial, Homestay, or

Limited; name and contact information for the Property Manager; and procedures and contact information for the County.

F. Vacation Rentals are prohibited from housing any animal that creates a habitual nuisance, and shall comply with Chapter 8.36 of the Monterey County Code.

G. Vacation Rentals are prohibited at all times of day and night from making, assisting in making, allowing, creating, or causing to be made outside amplified sound. Vacation Rentals shall also comply with Chapter 10.60 of the Monterey County Code, specifically including adherence to nighttime noise and quiet time requirements set forth in Section 10.60.040.

H. Vacation Rentals shall post one outdoor sign no larger than one square foot, which shall be posted in a visible place on a wall, fence, or post immediately inside or on the front boundary of the property where it is easy to see from the Common public viewing area or private road. This outdoor sign shall only include the Vacation Rental Operation License number, the Property Manager's contact information, and the property's address. No other signs shall be allowed, and there shall be no direct illumination of the required sign.

I. All Vacation Rentals must have a Property Manager who is available 24 hours per day, during all times that the property is rented as a Vacation Rental. The Property Manager must be able to respond to complaints and arrive at the site within 30 minutes. The Operator shall provide the name of the Property Manager and their contact information to the County prior to County issuance of the License and shall notify the County, in writing, of any change of Property Manager.

J. Vacation Rentals shall require a rental contract signed by the Operator and the Occupant, who is responsible for compliance with the contract. The rental contract shall be in writing and identify thereon the name, address, telephone number, and e-mail contact information of the Operator, the Property Manager, and at least one responsible Occupant who is 18 years or older who shall be responsible for compliance with all the regulations in this Chapter.

K. All rental contracts, advertisements, and listings for the Vacation Rental shall include all of the following:

1. License number for that particular Vacation Rental;

2. Maximum occupancy – overnight and daytime occupancy limits;

3. Notification of quiet hours; and

4. Advertised Rental Rate.

L. Vacation Rentals shall have a clearly visible and legible written notice posted within the unit in a prominent place within six feet of the front door of the unit and shall include all of the following information:

1. License number for that particular Vacation Rental;

2. Maximum occupancy – overnight and daytime occupancy limits;

3. Notification of quiet hours;

4. Minimum and Maximum Advertised Rental Rate per 12 month period;

5. A copy of the business license;

6. A copy of their Transient Occupancy Tax Certificate;

7. The name and contact information of the Property Manager;

8. Notification that occupants may be cited and fined for creating amplified noise;

9. Notification to limit excessive water usage; and

10. Notification of evacuation routes in the event of an emergency, with a clear map detailing the routes.

M. The Operator shall maintain precise records and documentation of the Vacation Rental operation, that shall, at a minimum, make record of the following information for each Vacation Rental occupancy: name, address, telephone and e-mail contact of at least one responsible Occupant; number of Occupants; motor vehicle license number of each motor vehicle used by the Occupants of the site; and dates of the Vacation Rental. The County shall have the right to examine, monitor, and audit such records and documentation, which shall be made available to the County upon request. The Operator shall retain the written rental contracts and other records of all of the Vacation Rentals during the term of the License plus two years.

N. No Person, including but not limited to the Operator, shall maintain any advertisements of a Vacation Rental if the Vacation Rental is prohibited by this Chapter.

O. Vacation Rentals shall comply with Monterey County Code Chapter 10.41. All solid waste and recycling must be contained within appropriate receptacles with lids. Waste receptacles must be stored out of sight unless in conformity with neighborhood standards.

P. Vacation Rentals shall comply with the water quality standards specified in Monterey County Code Section 15.04.110 and relevant state and federal law to demonstrate that they meet bacteriological and/or acute inorganic primary drinking water standards, to the satisfaction of the County, at the time of License issuance and prior to each annual renewal. The drinking water is presumed to meet water quality standards if the Vacation Rental provides evidence that it is served by a water system, as defined by California Health and Safety Code Section 116275, that has 200 or more service connections.

Q. If the Vacation Rental is found to be part of an unpermitted water system or if the Vacation Rental results in the need for a permit for a water system, the Operator must obtain a water system permit pursuant to Monterey County Code Chapter 15.04 before commencing the Vacation Rental use and must keep the water system permit in good standing throughout the Vacation Rental use.

R. If the Vacation Rental is served by OWTS, it must comply with Monterey County Code Chapter 15.20. Occupants shall be advised that excessive water use and/or disposal of unsuitable materials through a sink or toilet may negatively impact the OWTS. The rental contract shall include an OWTS disclosure notice and appropriate advisory signs shall be posted at the kitchen sink(s) and at each toilet in the unit.

S. Outdoor fire areas, including approved recreational fire containers and portable fireplace containers, shall be prohibited at all Vacation Rentals.

T. Vacation Rentals shall be allowed only in Residential Property and are prohibited in structures intended for temporary occupancy or non-habitable structures.

U. Vacation Rentals shall be allowed only in a Single Family Dwelling. Vacation Rentals are prohibited in all of the following structures: duplex dwellings; condominiums; multiple-family dwellings; accessory dwelling units; junior accessory dwelling units; structures intended for temporary occupancy; and in dwellings subject to a recorded governmental restriction, including, covenants or agreements for an affordable housing unit, agricultural employee unit, and farmworker housing. Guesthouses cannot be rented separately from the Single Family Dwelling as a Vacation Rental.

V. If there is an active agricultural operation on the property, the Owner, Operator or Property Manager shall concurrently reside on the property while the Vacation Rental is rented.

W. The Owner of the Vacation Rental must be an Individual, except if the Vacation Rental is held in a trust, in which case the trustee may apply for a License and operate the Vacation Rental on behalf of the trust beneficiaries.

7.120.050 Regulations for Homestays.

A. Homestays are an allowable use in designated zoning districts, pursuant to Titles 20 and 21 of the Monterey County Code, and shall meet all the requirements for Homestays in Section 20.64.290 or Section 21.64.290.

B. Homestays are limited to only one rental contract at any given time and only one rental contract per seven day period.

C. The maximum occupancy limits for Homestays are as follows:

1. The maximum number of overnight Occupants shall be calculated and limited to a not-to-exceed count of two persons per Bedroom plus one and not counting infants (0 – 12 months) and shall not exceed a total count of ten persons per unit, no matter how many Bedrooms.

2. The maximum daytime occupancy of Occupants and Visitors shall be calculated and limited to a not-to-exceed count of 1.5 times the maximum overnight occupancy and shall not exceed a total count of fifteen persons per unit, no matter how many Bedrooms.

7.120.060 Regulations for Limited Vacation Rentals.

A. Limited Vacation Rentals are an allowable use in designated zoning districts, pursuant to Titles 20 and 21 of the Monterey County Code, and shall meet all the requirements for Limited Vacation Rentals in Section 20.64.290 or Section 21.64.290.

B. Limited Vacation Rentals are limited to only one rental contract at any given time and only one rental contract per seven day period.

C. The maximum occupancy limits for Limited Vacation Rentals are as follows:

1. The maximum number of overnight Occupants shall be calculated and limited to a not-to-exceed count of two persons per Bedroom plus one and not counting infants (0 – 12 months) and shall not exceed a total count of ten persons per unit, no matter how many Bedrooms.

2. The maximum daytime occupancy of Occupants and Visitors shall be calculated and limited to a not-to-exceed count of 1.5 times the maximum overnight occupancy and shall not exceed a total count of fifteen persons per unit, no matter how many Bedrooms.

7.120.070 Regulations for Commercial Vacation Rentals.

A. Commercial Vacation Rentals are an allowable use in designated zoning districts, pursuant to Titles 20 and 21 of the Monterey County Code, and shall meet all the requirements for Commercial Vacation Rentals in Section 20.64.290 or Section 21.64.290.

B. Commercial Vacation Rentals are limited to only one rental contract at any given time.

C. The maximum occupancy limits for Commercial Vacation Rentals are as follows:

1. The maximum number of overnight Occupants shall be calculated and limited to a not-to-exceed count of two persons per Bedroom plus one and not counting infants (0 – 12 months) and shall not exceed a total count of ten persons per unit, no matter how many Bedrooms.

2. The maximum daytime occupancy of Occupants and Visitors shall be calculated and limited to a not-to-exceed count of 1.5 times the maximum overnight occupancy and shall not exceed a total count of fifteen persons per unit, no matter how many Bedrooms.

7.120.080 Regulations for Hosting Platforms.

A. The Hosting Platform shall require the Operator for each listing to include the License number in the advertisement on the Hosting Platform in unincorporated Monterey County.

B. Hosting Platforms with listings shall provide the County with contact information for an employee or representative responsible for responding to requests for information on behalf of the Hosting Platform, including requests related to possible violations of this Chapter.

C. All Hosting Platforms shall provide the following information in a notice to any user listing a Vacation Rental: Monterey County Code Chapter 7.120, Sections 20.64.290 and 21.64.290 regulate Vacation Rentals; violation of the Monterey County Code may result in penalties.

D. Subject to applicable laws, commencing three months after October 14, 2024 and no later than the fifteenth day of every month thereafter, the Hosting Platform shall provide in a form acceptable to the County each applicable Vacation Rental listing, the License number of each listing, the name of the Operator for each listing, the street address for each listing, and the length of stay for each listing within the reporting period.

E. The County shall, upon completion of a Hosting Platform review or the discovery of a potentially non-compliant listing, immediately provide notice to the Hosting Platform by electronic mail of all listings that do not have a valid License or are otherwise not in compliance with the Monterey County Code.

F. Hosting Platforms, within 10 calendar days of receiving notice from the County of non-compliant listings, shall remove those listings from their Hosting Platform.

G. The County may fine a Hosting Platform an amount not to exceed $1,000 per offense, for each violation of this Section. Each and every violation of this Section shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Monterey County Code or otherwise authorized by law.

7.120.090 License Application Process.

A. Each application for a License shall be submitted to the County in the manner prescribed by the Appropriate Authority.

B. In all cases, the application for a License for a Vacation Rental shall contain, without limitation, the following:

1. Owner, Operator, and/or Property Manager contact information, including name, address, telephone number, and e-mail address.

2. Plans drawn to scale and labeled, in the form and manner required by the Appropriate Authority, including but not limited to: site plans illustrating locations and dimensions of all property lines; rights-of-way; vehicular easements; edge of pavement; driveways; on-site parking areas and all structures; and floor plans showing all rooms, including windows and doors, with clear designation of which bedrooms are intended for rental. For Homestays, the Owner must indicate on the floor plans which bedroom(s) the Owner will occupy when rented.

3. An operations plan including, at a minimum, the following information:

a. Indicate if it will be a Homestay and/or Non-hosted and the number of Non-hosted rentals per calendar year;

b. Safety and emergency plan, including a list of local emergency numbers and addresses for nearest fire, police, emergency room, and 24-hour clinics, evacuation maps;

c. Number of employees anticipated;

d. Provide an on-site parking plan;

e. Evidence of solid waste collection; and

f. Such other information as the Appropriate Authority, or his or her designee may require.

4. An inspection report from a home inspector certified by the California Real Estate Inspection Association, American Society of Home Inspectors, International Code Council, International Association of Certified Home Inspectors, or a similar certification that provides and verifies the following information, to ensure the property is safe and habitable for its intended use, including but not limited to: verification of adequate egress from sleeping quarters and common areas; verification that the Residential Property conforms with applicable state building and fire codes at the time the building was constructed; installation of accessible fire extinguishers; fire alarms; and a carbon monoxide alarm on each level.

5. Evidence that the source of water that serves the proposed Vacation Rental meets bacteriological and acute inorganic primary drinking water standards.

6. Certification, under penalty of perjury, that all the information contained in the application is true and correct.

7. Such other information as the Appropriate Authority deems necessary to process the application.

C. Unpermitted Vacation Rental operations have six months from October 14, 2024 to make an application for all permits, licenses, certificates, or other entitlements required by the County. The Operator will be allowed to continue to operate as a Vacation Rental for up to six months from October 14, 2024 or until County takes action on the Operator's application for all required permits, licenses, and entitlements made pursuant to this Chapter, Chapter 7.02, and Sections 20.64.290, and 21.64.290 of the Monterey County Code, whichever is later, unless County requires earlier termination of the Vacation Rental use due to a risk to public health, safety and welfare.

7.120.100 Criteria for Grant of License.

A. The Appropriate Authority shall deem the application complete if it contains all required information and documents, and all required application fees have been paid.

B. Upon review of a complete application, the Appropriate Authority shall grant the License ministerially to the Operator if all of the following requirements are met:

1. The proposed Vacation Rental complies with a checklist, in the form prescribed by the Appropriate Authority, enumerating the requirements for a License as set forth in this Chapter.

2. The Operator, if applicable, has received all necessary land use entitlements as required by Section 20.64.290 or Section 21.64.290 of the Monterey County Code.

C. A License is issued to the Operator and covers only the Operator identified on the License solely with respect to the premises identified on the License. The License does not run with the land and is not transferable.

D. Each License issued pursuant to this Chapter shall require that the Operator indemnify, defend, and hold harmless the County and its officers, agents, and employees from actions or claims of approval of the License and from actions or claims of any description brought on account of any injury or damages sustained, including death, by any person or property resulting from the issuance of the License and the conduct of the activities under said License. This requirement shall remain operative and in effect notwithstanding any proceeding or litigation which may result in invalidation or rescission of the License.

E. The initial License shall be issued for a one-year term and may be renewed annually.

7.120.110 License Renewal Process and Grounds for Denial.

A. The Operator shall notify the County at least 30 calendar days before the expiration of the License that the Operator wishes to renew their License together with a renewal application submittal and renewal fees. If the County does not receive the notice of renewal and, as applicable, updated information at least 30 days prior to the expiration date, the License shall expire, and the Operator must apply for a new License.

B. Any application for renewal shall be denied if:

1. The application is filed fewer than 30 calendar days before the License's expiration;

2. The Operator fails to conform to the criteria set forth in this Chapter;

3. The Operator does not have a valid business license pursuant to Chapter 7.02 or has not paid their Transient Occupancy Tax pursuant to Chapter 5.40 of the Monterey County Code;

4. The License has active code enforcement action;

5. The License has two or more substantiated code enforcement violations within the past year; or

6. The License is revoked at the time of the application.

C. If a renewal application is denied, an Operator may file a new application pursuant to this Chapter, provided the reasons for denial have been addressed.

7.120.120 Fees.

Fees, fines, and costs specified by this Chapter shall be established by the Board of Supervisors and as set forth in the Monterey County Fee Resolution, pursuant to Chapter 1.40 of the Monterey County Code, as periodically amended.

7.120.130 Grounds for Revocation.

A. Any of the following shall be grounds for revocation of a License:

1. Any act or omission by an Operator in contravention of federal law, state law, or the Monterey County Code;

2. If such License was granted on the basis of false material information, written or oral, given willfully or negligently by the Operator;

3. Operating a Vacation Rental in an unlawful manner or in such a manner as to be a nuisance to the health, safety, or welfare of the public; and

4. Failure to pay all applicable taxes, fees, and penalties required by the County.

B. If the Appropriate Authority determines that grounds for revocation of the License exist pursuant to this Section, the Appropriate Authority shall issue a written notice of intention to revoke the License. The notice of intention shall be served on the Owner and Operator in accordance with the requirements set forth in Section 7.120.140 of this Chapter. The notice of intention shall describe the property, the intention to revoke the License, the grounds for revocation, the action necessary to abate the violation, the time limit for compliance, and the right to a hearing. The notice of intention shall notify the Owner and Operator of the opportunity to request a hearing before a Hearing Officer to present evidence as to why the License should not be revoked, and shall notify them of the 10-day deadline to submit a written request for a hearing.

C. No Person may secure any License if that Person has had any License issued under this Chapter revoked within the preceding twelve months.

7.120.140 Process for Hearing by Hearing Officer.

A. The Owner or Operator shall have 10 calendar days from the service of the notice of intention to submit a written request for a hearing before the Hearing Officer. Failure to submit the written request for a hearing shall be deemed a waiver of the right to challenge the revocation of the License and a failure to exhaust administrative remedies. If the hearing is not timely requested, the Appropriate Authority may revoke the License in accordance with the notice of intention.

B. Upon receipt of a timely written request for a hearing, the Appropriate Authority shall set a date for a hearing to be held within 60 days of receipt of the request, unless an immediate threat to the public health, safety and welfare necessitates an earlier hearing date. Notice of the hearing, including the time, date, and location of the hearing, shall be served in accordance with the requirements set forth in this Section.

C. Hearing by the Hearing Officer.

1. The Hearing Officer is authorized to conduct hearings, issue subpoenas, receive evidence, administer oaths, rule on questions of law and the admissibility of evidence, prepare a record of the proceedings, and render decisions on the revocation of the License.

2. In any proceeding before a Hearing Officer, oral testimony offered as evidence shall be taken only on oath or affirmation, and the Hearing Officer, his/her clerk, or other designee shall have the power to administer oaths and affirmations and to certify to official acts.

3. All parties to the hearing shall have the opportunity to testify, introduce exhibits, call and examine witnesses, and cross examine opposing witnesses on any matter relevant to the issues.

4. The Hearing Officer may postpone the hearing date upon good cause shown, continue the hearing during the course of the hearing, and make such other procedural orders and rulings as he or she deems appropriate during the course of the hearing.

5. Within 30 calendar days after the close of the hearing, the Hearing Officer shall issue a written decision, including a statement of the basis for the decision. The Hearing Officer's written decision shall constitute the final administrative decision of the County.

D. In the event a civil action is initiated to obtain enforcement of the decision of the Hearing Officer, and judgment is entered to enforce the decision, the Person against whom the order of enforcement has been entered shall be liable to pay the County's total costs of enforcement, including reasonable attorney fees.

E. If neither Owner nor Operator, nor their authorized representatives, appear at the noticed hearing, such failure to appear shall constitute an abandonment of the hearing request and a failure to exhaust administrative remedies.

7.120.150 Service Requirements.

Wherever this Chapter requires the County to serve notice to an Owner, Operator, or Property Manager such notice shall be given in writing, and shall be delivered either by personal delivery or by certified U.S. mail, postage prepaid, return receipt requested. In addition, any such notice may be posted at the physical address of the premises on the date of the mailing of notice.

7.120.160 Enforcement.

A. The remedies provided by this Chapter are cumulative and in addition to any other remedies available in law or in equity.

B. It shall be unlawful for any person to violate any provision, or to fail to comply with any of the requirements of this Chapter.

C. Any condition caused or allowed to exist in violation of any of the provisions of this Chapter shall be deemed a public nuisance and shall, at the discretion of County, create a

cause of action pursuant to Chapter 1.20 or cause of action for penalty pursuant to Chapter 1.22 of the Monterey County Code, and any other action authorized by law.

D. The Enforcement Officer, as defined by Monterey County Code Chapter 1.22, is authorized and empowered to enforce the provisions of this Chapter. The Enforcement Officer may issue an administrative citation for the violation of this Chapter as a civil penalty as follows:

1. A civil penalty not exceeding 175% of the Maximum Advertised Rental Rate per day, or part thereof, or $1,000 per day, or part thereof, for Vacation Rentals without an Advertised Rental Rate, for a first violation;

2. A civil penalty not exceeding 275% of the Maximum Advertised Rental Rate per day, or part thereof, or $2,500 per day, or part thereof, for Vacation Rentals without an Advertised Rental Rate, for a second violation of this Chapter within one year; and

3. A civil penalty not exceeding 375% of the Maximum Advertised Rental Rate per day, or part thereof, or $5,000 per day, or part thereof, for Vacation Rentals without an Advertised Rental Rate, for a third violation of this Chapter within one year.

E. Each and every violation of this Chapter shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Monterey County Code or otherwise authorized by law. Each and every day a violation continues it shall constitute a separate violation and shall be subject to all remedies and enforcement measures authorized by the Monterey County Code or otherwise authorized by law. Additionally, as a public nuisance, any violation of this Chapter may be subject to injunctive relief, disgorgement, and payment to the County of any and all monies unlawfully obtained, costs of abatement, costs of restoration, costs of investigation, attorneys fees, and any other relief or remedy available in law or in equity.

7.120.170 Operative Date.

This Chapter shall become operative on October 14, 2024.

SECTION 5. SEVERABILITY. If any section, subsection, sentence, clause, or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance. The Board of Supervisors hereby declares that it would have passed this Ordinance and each section, subsection, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases are declared invalid.

SECTION 6. EFFECTIVE DATE. This Ordinance shall become effective on the thirty-first day following its adoption.

PASSED AND ADOPTED on this 10th day of September 2024 by the following vote:

AYES	Supervisors Church, Root Askew, and Adams
NOES	None
ABSENT	Supervisor Alejo & Lopez
ASTAIN	None

Motion Passed 3 to 2

Glenn Church, Chair
Monterey County Board of Supervisors

ATTEST

VALERIE RALPH
Clerk of the Board of Supervisors

By: Emmanuel H. Santos
Deputy Emmanuel H. Santos

APPROVED AS TO FORM:

Kelly L. Donlon

KELLY L. DONLON
Assistant County Counsel

Chapter 15.20 SEWAGE DISPOSAL[1]

15.20.005 Derivation of regulatory authority.

On June 19, 2012, pursuant to California Water Code section 13290 et seq., the California Water Resources Control Board (State Water Board) adopted Resolution No. 2012-0032, adopting the Water Quality Control Policy for Siting, Design, Operation, and Maintenance of Onsite Wastewater Treatment Systems ("OWTS Policy"). The OWTS Policy establishes a statewide, tiered approach for regulation and management of onsite wastewater treatment systems (OWTS). The OWTS Policy authorizes local implementation of the OWTS Policy. In accordance with Tier 2 of the OWTS Policy, on April 3, 2018, the County of Monterey adopted the County's Local Agency Management Program for Onsite Wastewater Treatment Systems ("LAMP"). On May 10-11, 2018, the Central Coast Regional Water Quality Control Board approved the County's LAMP. (Central Coast Regional Water Quality Control Board Resolution No. R3-2018-0004). The LAMP establishes standards for all new, replacement and expansion OWTS and for OWTS demolition within Monterey County. The standards and specifications of the LAMP became effective on May 11, 2018. This Chapter 15.20 implements the LAMP and replaces the prior regulations in Chapter 15.20.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.010 Purpose.

The purpose of this Chapter is to allow the continued use of onsite wastewater treatment systems while protecting water quality and public health through the proper design, placement, installation, maintenance, and evaluation of individual onsite wastewater treatment systems in Monterey County. These regulations are intended to implement the County's LAMP and update Chapter 15.20 of the County Code to be consistent with the LAMP.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.020 Applicability.

A. This Chapter applies in the unincorporated area of Monterey County. The LAMP and this Chapter may also apply to a city or other jurisdictional area by written agreement approved by the County and the subject jurisdiction.

B. The standards of this Chapter and the LAMP shall be applicable to all Onsite Wastewater Treatment Systems (OWTS) with subsurface dispersal that discharge ten thousand (10,000) gallons per day or less of domestic wastewater and to OWTS over which the County has delegated authority, as provided below.

   1. An OWTS installation permit from the County is required when the total discharge is ten thousand (10,000) gallons per day or less of domestic wastewater.

[1]Ord. No. 5403, adopted June 13, 2023, repealed and readopted Ch. 15.20 to read as set out herein. Former Ch. 15.20, §§ 15.20.005—15.20.180 pertained to similar subject matter and derived from Ord. 2731, 1981; Ord. 2945, adopted in 1983; Ord. 3000 § 3, 1984; Ord. 3256 §§ 1, 2; Ord. 3380 § 1, adopted in 1989; Ord. 3659 § 8, adopted in 1993; and Ord. 4055, adopted in 2000.

2. An OWTS installation permit from the County is required when the total discharge of domestic wastewater is greater than ten thousand (10,000) gallons per day or any volume of non-domestic wastewater when the Central Coast Regional Water Quality Control Board (RWQCB) has delegated, in writing, permit authority for the OWTS to the County.

3. An OWTS operating permit from the County is required when the County has determined that routine monitoring or maintenance is necessary to ensure the system is operating in an acceptable manner and as designed.

C. Notwithstanding Subsection B, the County may also require OWTS with discharges of ten thousand (10,000) gallons per day or less to obtain a discharge permit from the RWQCB, in addition to an installation permit from the County, when the proposed wastewater treatment system has not been tested to meet NSF/ANSI standards.

D. The standards of this Chapter shall also be applicable to all Onsite Treated Nonpotable Water Systems (OTNWS) that require a plumbing permit from the County.

E. It is unlawful and a violation of the County Code to construct, replace, modify or abandon an OWTS or OTNWS without obtaining all required permits.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.030 Definitions.

As used in this Chapter, unless otherwise apparent from the context:

A. "Accessory Structure" means a subordinate structure, the use of which is incidental to that of a main structure on the same building site. For the purposes of this Chapter, an accessory structure shall be considered a detached bedroom when:

1. The structure is classified with a Residential Group (i.e. "R" occupancy), as determined by the California Building Standards Code (Title 24 of the California Code of Regulations); and

2. The restroom includes a shower and/or bathtub.

B. "Aerobic" means an environment providing readily available molecular oxygen to aerobic bacteria metabolizing wastewater.

C. "Alternative OWTS" means a type of onsite wastewater treatment system (OWTS) that utilizes either supplemental treatment and/or a method of wastewater dispersal other than a conventional leachfield for the purpose of producing a higher quality wastewater effluent and improved performance of and siting options for effluent dispersal.

D. "Anaerobic" means an environment with an absence of molecular oxygen. Anaerobic bacteria obtain their oxygen to metabolize wastewater from organic compounds and water.

F. "At grade system" means a type of alternative OWTS dispersal system consisting of a gravel distribution bed placed on top of a tilled, in situ soil absorption area, which is then covered by a minimum of twelve inches (12") of suitable soil that will support vegetative growth. Wastewater effluent is applied to the gravel distribution bed using pressure distribution.

G. "Bedrock" means the rock, usually solid, that underlies soil or other unconsolidated, surficial material.

H. "Bedroom" means any room in the conditioned (heated) area of a dwelling unit which:

1. Is seventy square feet (70 ft^2) or greater in size; and

2. Is not less than seven feet (7') in any horizonal dimension; and

3. Includes an exterior door or window for egress that meets the most current edition of the California Building Standards Code (California Code of Regulations, Title 24); and

4. Includes a closing door that separates the room from other features of the dwelling.

The following shall not be considered a bedroom: Any interior room that must be passed through to access another bedroom; a hallway; bathroom; kitchen; dining room; breakfast nook; pantry; laundry room; closet/dressing room opening from a bedroom. Living rooms, family rooms, dens, and other interior rooms that lack a door and have an opening five feet (5') or wider shall not be considered a bedroom.

I. "Beneficial uses" means those qualities in waters of the State of California that may be protected against quality degradation that include, but are not necessarily limited to, the following uses: domestic, municipal, agricultural and industrial supply; power generation; recreation; aesthetic enjoyment; navigation; and preservation and enhancement of fish, wildlife and other aquatic resources or preserves.

J. "Biochemical oxygen demand" (BOD) measures the oxygen required for biochemical degradation of organic and inorganic material. High BOD causes an increased biological demand on downstream OWTS components and may shorten the life of the system. BOD5 expresses milligrams of oxygen consumed per liter of sample during five days of incubation at twenty degrees Celsius (20 °C.)

K. "Biomat" means the layer of biological growth and inorganic matter that forms at the wastewater-soil interface or infiltrative surface and may extend as far as one inch into the soil matrix. It provides physical, chemical, and biological treatment of the OWTS effluent as effluent migrates toward groundwater.

L. "Central Coast Regional Water Quality Control Board" (RWQCB) means the Regional Water Quality Control Board for the Central Coast region of California as designated by Water Code Section 13200. Any reference to an action of the Regional Water Board in this Chapter and in the LAMP also refers to an action of its Executive Officer, including the conducting of public hearings, pursuant to any general or specific delegation under Water Code Section 13223.

M. "Cesspool" means an excavation in the ground receiving domestic wastewater, designed to retain the organic matter and solids, while allowing the liquids to seep into the soil. Cesspools differ from seepage pits because cesspool systems are not preceded by a septic tank and are not authorized under the LAMP. The term cesspool does not include pit-privies and out- houses which are not regulated under this Chapter.

N. "Clay" is a kind of soil particle; the term also refers to a type of soil texture. As a soil particle, clay consists of individual rock or mineral particles in soils having diameters less than two-thousandths of a millimeter (<0.002 mm.) As a soil texture, clay is the soil material that is comprised of forty percent (40%) or more clay particles, not more than forty five percent (45%) sand and not more than forty percent (40%) silt particles using the USDA soil classification system.

O. "Cobbles" means rock fragments seventy six millimeters (76 mm) or larger using the USDA soil classification systems.

P. "Conforming dispersal system" means an existing dispersal system that meets all water-related horizontal and vertical setback requirements, pursuant to Tables 3, 4 and 5 of this Chapter, is not covered by an impermeable surface, and is less than ten feet (10') total depth.

Q. "Contour loading rate" also known as "linear loading rate", means the amount of effluent loaded to the soil per the length of the dispersal unit or units along the single hillslope along the contour. The contour loading rate is determined on the relationship between the vertical and horizontal water movement in the soil and is based on: 1) the permeability difference between the absorption area and

any deeper horizons; 2) the depth between the absorption area and the change in permeability; and 3) the land slope.

R. "Conventional OWTS" means an OWTS consisting of a septic tank with the effluent discharging into a subsurface leachfield.

S. "Curtain drain" means a lined, rock-filled trench with a pipe in the bottom of the trench for the purpose of intercepting and diverting subsurface water.

T. "Director" means the Director of the Monterey County Health Department, or the Director's authorized deputies, assistants, or designees.

U. "Dispersal system" means a leachfield, seepage pit, mound, at-grade, subsurface drip field, evapotranspiration and infiltration bed, or other type of system for final wastewater treatment and subsurface discharge.

V. "Domestic wastewater" means wastewater normally discharged from, or similar to, that discharged from plumbing fixtures, appliances, and other household devices including, but not limited to toilets, bathtubs, showers, laundry facilities, dishwashing facilities, and garbage disposals and is defined as having average concentration of the following constituents:

1. BOD5 less than or equal to two hundred eighty six milligrams per liter (286 mg/L); or

2. TSS less than or equal to three hundred thirty milligrams per liter (330 mg/L); or

3. FOG less than or equal to one hundred five milligrams per liter (105 mg/L); or

4. Total Nitrogen (TN) less than seventy-five milligrams per liter (75 mg/L.)

Domestic wastewater may include wastewater from commercial buildings such as office buildings, retail stores, and restaurants or industrial facilities where the domestic wastewater remains separate from the wastewater generated from commercial or industrial processes. Domestic wastewater may include incidental dumping of holding tanks from a personal recreational vehicle (RV) (e.g. no more than one (1) time per month), but does not include wastewater consisting of a significant portion of RV holding tank wastewater such as at RV dump stations. Domestic wastewater does not include wastewater generated from commercial or industrial processing.

W. "Downhill embankment" means an embankment that has a slope of thirty percent (30%) or greater or one that interrupts the soil strata of the natural slope of the land. The slope is measured by taking into consideration the entire slope of the hillside. The embankment can either be humanmade or created by natural processes. Examples: humanmade (e.g., road cuts, pool/spa excavations etc.); natural (e.g., thirty percent (30%) slope, erosion gully, cliff face, etc.).

X. "Drainageway" means a natural or artificial channel that is not a watercourse as defined by the LAMP and this Chapter. Examples of a drainageway include irrigation and drainage ditches that flow only for hours or days following rainfall, grass-lined swales, concrete-lined canals, and storm water runoff devices.

Y. "Dwelling unit" means a place of human habitation that is self-sufficient (i.e., bedroom/s; kitchen with sink, oven/stove, refrigerator, and storage of food; bathroom/s) and conforms with the edition of the Uniform Building Code and the Uniform Housing Code in place at the time of construction. For the purposes of this Chapter, this definition shall also apply to Accessory Dwelling Unit's (ADU's). A guesthouse, as defined in Titles 20 and 21 of this Code, is not considered a dwelling unit.

Z. "Effective depth" means the depth of the useable, permeable layers of soil below the bottom of the distribution pipe in a dispersal system.

AA. "Effluent" means sewage, water, or other liquid, partially or completely treated or in its natural state, flowing out of a septic tank, supplemental treatment unit, dispersal system, or other OWTS component.

BB. "Environmental Health Bureau" (EHB) means Monterey County Health Department, Environmental Health Bureau.

CC. "Existing OWTS" means an OWTS that has been installed and is in operation. References in this Chapter to "existing OWTS" may include conventional or alternative OWTS.

DD. "Expansion OWTS" means installation of a larger capacity septic tank or installation of additional dispersal system area to increase the capacity of an existing OWTS. Expansion OWTS shall also include the installation of a supplemental treatment unit to improve the quality of treated wastewater effluent to support additional development on the property.

EE. "Fats, oils and grease" (FOG) means biological lipids and mineral hydrocarbons. High amounts of FOG result in significantly increased biological demand on downstream OWTS components, such as the dispersal area, and may drastically shorten the life of the system.

FF. "Future dispersal system area" means the area of land on a property that is set aside and protected from all uses except future OWTS dispersal system replacement. A future dispersal system that will be installed after the primary and secondary dispersal systems is sometimes referred to as a "tertiary" or "third" dispersal system.

GG. "Gleying" means a soil condition that occurs in soils that have been waterlogged for prolonged periods of time. It is a technical term that describes the gray, blue, purple, or green soil colors that occur in soils when anaerobic microbes flourish in the absence of air, reducing iron and manganese minerals. Gleying is distinguishable from mottling due to its uniform coloration while mottling exhibits splotchy coloration.

HH. "Gray water" or "graywater" means untreated wastewater that has not been contaminated by any toilet discharge, has not been affected by infectious, contaminated, or unhealthy bodily wastes, and does not present a threat from contamination by unhealthful processing, manufacturing, or operating wastes (as defined by Health and Safety Code section 17922.12, as may be periodically amended). Gray water includes wastewater from bathtubs, showers, bathroom washbasins, clothes washing machines, and laundry tubs. Gray water does not include wastewater from kitchen sinks or dishwashers.

II. "Gray water system" means a system that disposes of or reuses exclusively gray water and conforms with the latest edition of the California Plumbing Code and Title 18 of this Code, as each may be amended from time to time.

JJ. "Groundwater" means water below the land surface and includes perched water or subsurface sheeting water.

KK. "Guesthouse" means the same as defined by Titles 20 or 21 of this Code and is considered a detached bedroom for purposes of sizing the OWTS.

LL. "Hardpan" means a hardened impervious layer, typically of clay, occurring in or below the soil and impairing drainage. There are different types of hardpan, all sharing the general characteristic of being a distinct soil layer that is largely impervious to water.

MM. "Haul away system" means a wastewater management system that does not include onsite dispersal and consists of wastewater being stored in a tank until it is pumped out by a registered liquid waste hauler and hauled to an approved wastewater treatment facility for disposal.

NN. "Health Department" means the Monterey County Health Department.

OO. "High strength wastewater" means wastewater with a measured strength greater than domestic wastewater, based on seven (7) day composite sampling of untreated wastewater prior to the septic tank or a supplemental treatment component. Sources of high strength wastewater may include but are not limited to recreational vehicle (RV) dump stations, wineries, commercial centers, and rest stops.

PP. "Infiltrative Area" means the surface area of the sidewalls below the effluent distribution pipe where the dispersal field media makes direct contact with the soil or permeable rock. The surface area of the bottom of the dispersal system can be included in specific circumstances.

QQ. "International Association of Plumbing and Mechanical Officials" (IAPMO) is a service organization, providing code development assistance, industry-leading education, plumbing and mechanical product testing and certification, building product evaluation, and a manufacturer-preferred quality assurance program.

RR. "Impervious layer or material" means a layer or material within the soil column that is characterized as having a percolation rate slower than one hundred twenty minutes per inch (120 MPI) or having clay content of sixty percent (60%) or greater.

SS. "Junior accessory dwelling unit" (JADU) means a dwelling unit that is created fully within the walls of a proposed or existing single-family dwelling and that is no more than five hundred square feet (500 ft^2). For the purposes of this Chapter, a JADU shall not be evaluated as a separate dwelling unit, and instead, OWTS requirements shall be applied in consideration of the number of bedrooms proposed within the JADU.

TT. "Local Agency Management Program for Onsite Wastewater Treatment Systems" (LAMP) means the regulatory document adopted by the Board of Supervisors of the County of Monterey on April 3, 2018 and approved by the Central Coast Regional Water Quality Control Board on May 10-11, 2018, which conforms to all of the applicable Tier 2 criteria listed in the Water Quality Control Policy for Siting, Design, Operation, and Maintenance of Onsite Wastewater Treatment Systems as adopted by the State Water Resources Control Board on June 19, 2012 (OWTS Policy), including adherence to the prohibitions specified in the OWTS Policy.

UU. "Leachfield" means a system of trenches or beds filled with drain rock, or other approved aggregate material, and overlain by a perforated pipe that distributes treated sewage effluent for subsurface dispersal into the soil. A leachfield is also known as a "drainfield" or a "soil absorption system."

VV. "Mottling" means a soil condition that results from oxidizing or reducing minerals due to the change of soil moisture from saturated to unsaturated over time. Mottling is characterized by spots or blotches of different colors or shades of color (grays and reds) interspersed within the dominant color. This soil condition can be indicative of historic seasonal high groundwater level, but the lack of this condition does not preclude the presence of groundwater.

WW. "Mound system" means a type of alternative OWTS dispersal system consisting of an aboveground, covered sand bed with effluent leachfield elevated above original ground surface inside, used to enhance soil treatment, dispersal, and absorption of effluent discharged from an OWTS treatment unit such as a septic tank. Mound systems have a subsurface discharge.

XX. "National Sanitation Foundation" ("NSF", also known as NSF International) is a not for profit, non-governmental organization that develops health standards that help protect water and the environment and performs product certification.

YY. "New OWTS" means any OWTS proposed to be installed or for which a permit has been issued that will serve a new building with plumbing.

ZZ. "Nitrogen" means a chemical or forms of chemical compounds which act as a potentially limiting nutrient for photosynthetic autotrophs in surface water and are a potential health risk in groundwater. The principal forms of nitrogen found in wastewater are organic nitrogen (Organic-N), ammonia nitrogen (NH3-N), ammonium nitrogen (NH4-N), nitrite nitrogen (NO2-N), and nitrate nitrogen (NO3-N). Total Nitrogen (TN) is the sum of TKN, NO2- N and NO3-N.

AAA. "Nitrogen loading limit" means the maximum mass of Total Nitrogen, measured in grams, allowed in wastewater that is or will be discharged into the ground through an OWTS during a specified period. For the purposes of this Chapter, no new or expanded development shall be approved when the OWTS discharge will exceed forty grams (40 g) of Total Nitrogen per acre of land per day. For example: 0.5 acre parcel is limited to 20 grams Total Nitrogen discharge per day; 1-acre parcel is limited to 40 grams Total Nitrogen discharge per day; and a 2-acre parcel is limited to 80 grams Total Nitrogen discharge per day.

BBB. "Oil/Grease interceptor" means a passive interceptor that has a rate of flow exceeding fifty (50) gallons-per-minute and collecting oil and grease from wastewater.

CCC. "Onsite Wastewater Treatment System" (OWTS) means any of the following that use subsurface dispersal: individual wastewater systems, community collection systems, and alternative collection systems. The short form of the term may be singular or plural. OWTS do not include graywater systems. OWTS do not require a Certified Wastewater Operator to control the performance or outcome of one or more wastewater treatment processes.

DDD. "Onsite Treated Nonpotable Water Systems" (OTNWS) means a system that collects and treats nonpotable water that is intended to be used onsite and is suitable for direct beneficial use (as defined by California Plumbing Code (CPC) Section 217.0, as may be periodically amended). For the purposes of this Chapter, onsite treated nonpotable water systems shall include both gray water and rainwater systems.

EEE. "OWTS Policy" means the Water Quality Control Policy for Siting, Design, Operation, and Maintenance of Onsite Wastewater Treatment Systems as adopted by the State Water Resources Control Board on June 19, 2012, as may be amended from time to time.

FFF. "Pathogens" means disease-causing microorganisms whose presence is indicated by sampling wastewater for coliform bacteria.

GGG. "Percolation rate" means a unit to indicate the speed at which water moves through soil, usually reported in minutes per inch.

HHH. "Percolation test" means a subsurface test conducted to measure the absorption rate of water in soil strata. The test is conducted with clean water after an initial presaturation period, and test results are usually expressed in minutes per inch.

III. "Permeable rock" means decomposed granite, shale or other weathered bedrock formations. For the purposes of the LAMP and this Chapter, permeable rock may be considered a viable substrate to accommodate a dispersal system, provided stabilized percolation rates and vertical separation requirements to groundwater, pursuant to Table 4 of this Chapter, and an impervious layer, pursuant to Table 13 of this Chapter, have been met.

JJJ. "Person" means any individual, firm, association, organization, partnership, business, trust, corporation, company, State agency or department, or unit of local government who is, or that is, subject to this Chapter or the OWTS Policy.

KKK. "Primary dispersal system" means the first of two dispersal systems designed and installed as part of a new OWTS. A diversion valve is used to alternate the flow of wastewater effluent between a primary dispersal system and the secondary dispersal system, or other future dispersal systems.

LLL. "Primary treatment" means temporary holding of wastewater in a septic tank where heavy solids can settle to the bottom while oil, grease, and lighter solids float to the surface.

MMM. "Privy" means a structure (portable or fixed) and excavation used for the disposal of human wastes without the aid of water, or chemical toilets (portable or fixed) which are subsequently pumped and disposed of in an approved facility.

NNN. "Proprietary non-rock dispersal media products" means plastic leaching chambers, polystyrene bundles, subsurface drip dispersal piping, and other dispersal media alternatives to traditional pipe and gravel leachfield systems.

OOO. "Qualified professional" means an individual or business that is licensed or registered by the State of California to design, install, maintain and/or replace OWTS in Monterey County and to practice as a professional for other associated reports, as allowed under their license or registration. Qualified professionals must obtain an annual registration from the Health Department. "Qualified professionals" are more particularly described as and include the following:

1. "Qualified consultants": qualified consultants conduct site evaluations, soil investigations and percolation testing. A qualified consultant shall be a registered California professional, including Civil Engineer, Registered Environmental Health Specialist, Professional Geologist, or Certified Engineering Geologist. At the discretion of EHB, a qualified installer with demonstrated experience with site evaluation and soil investigation may perform the duties of a qualified consultant for replacement OWTS only.

2. "Qualified designers": qualified designers design an OWTS using information prepared by a qualified consultant. A qualified designer shall be a registered California professional, including Civil Engineer, Registered Environmental Health Specialist, Professional Geologist, or Certified Engineering Geologist. At the discretion of EHB, a qualified installer with demonstrated experience in OWTS design may perform the duties of a qualified designer for replacement OWTS only.

3. "Qualified installers": qualified installers construct, modify, repair, replace, abandon, or demolish an OWTS. A qualified installer shall be a contractor duly licensed by the California State Contractor's Board to install OWTS, such as an A, C-36, C-42 or B license holder (provided the B-license holder is installing the OWTS in conjunction with a new construction project as appropriate under applicable State contractor's law).

4. "Qualified service providers": qualified service providers operate, maintain, and service alternative OWTS. A qualified service provider shall be an individual or business certified by an alternative OWTS manufacturer or proprietor to conduct operation, maintenance, and service activities for each type of supplemental treatment or alternative dispersal system they service, or other qualified service provider as approved by the EHB.

PPP. "Repair" means either: (1) repairs to an existing OWTS dispersal system that are installed in a "like-for-like" configuration to maintain the design specifications and location of the dispersal field; or (2) patching cracks in a septic tank in a manner that does not degrade the structural integrity of the tank and does not allow wastewater to exfiltrate or allow groundwater to infiltrate the tank.

QQQ. "Replacement OWTS" means either a conventional or alternative OWTS that is installed to replace an existing OWTS that serves an existing building with plumbing because the system is no longer capable of receiving, treating, or dispersing wastewater as designed.

RRR. "Reserve area" means an accessible area that shall be available to accommodate a minimum of one replacement dispersal system without utilization or disruption of the initial installation(s).

SSS. "Reservoir" means a pond, lake, basin, or other space, either natural or created in whole or in part by the building of engineering structures, which is used for storage, regulation and control of water, recreation, power, flood control, or drinking. A detention pond designed to meter runoff water during a storm event is not considered a reservoir.

TTT. "Sand" means a type of soil particle or soil texture. As a soil particle, sand consists of individual rock or mineral particles in soils having diameters ranging from five-hundredths to two millimeters (0.05 - 2.0 mm). As a soil texture, sand is soil that is comprised of eighty-five percent (85%) or more sand particles, with the percentage of silt plus one and a half (1.5) times the percentage of clay particles comprising less than fifteen percent (15%).

UUU. "Sanitary sewer" means a system for collecting residential or municipal wastewater and directing the collected wastewater to a wastewater treatment facility prior to dispersal or reuse.

VVV. "Secondary dispersal system" means the second of two dispersal systems designed and installed as part of a new OWTS. A diversion valve is used to alternate the flow of wastewater effluent between a primary dispersal system and the secondary dispersal system, or other future dispersal systems.

WWW. "Secondary treatment" means wastewater treatment which removes dissolved and suspended biological matter. Secondary treatment is typically performed by indigenous, water-borne microorganisms in a septic tank or treatment tank. Secondary treated wastewater effluent shall meet five-day average concentration limits of thirty milligrams per liter (30 mg/L) for biological oxygen demand and thirty milligrams per liter (30 mg/L) for total suspended solids.

XXX. "Seepage pit" means a drilled or dug excavation, usually three to six feet in diameter and gravel filled, that receives the effluent discharge from a septic tank or other OWTS treatment unit for dispersal.

YYY. "Septage" means solid residue with low water content from septic tanks, privies, or wastewater treatment facilities.

ZZZ. "Septic tank" means a watertight, covered receptacle designed for primary treatment of wastewater and constructed to:

1. Receive wastewater discharged from a building;
2. Separate settleable and floating solids from the liquid;
3. Digest organic matter by anaerobic bacterial action;
4. Store digested solids; and
5. Clarify wastewater for further treatment with final subsurface discharge.

AAAA. "Shallow pressure-distribution trench" means a type of OWTS dispersal field, similar to a conventional gravity leachfield except that it uses a pump and small-diameter pressure piping to achieve broad, uniform distribution of wastewater in the shallow soil zones for improved soil absorption and enhanced treatment of percolating effluent.

BBBB. "Silt" means a type of soil particle or texture. As a soil particle, silt consists of individual rock or mineral particles in soils having diameters ranging from between five-hundredths to two-thousandths of a millimeter (0.05 - 0.002 mm). As a soil texture, silt is soil that is comprised as approximately eighty percent (80%) or more silt particles and not more than twelve percent (12%) percent clay particles using the USDA soil classification system.

CCCC. "Soil" means the naturally occurring body of porous mineral and organic materials on the land surface, which is composed of unconsolidated materials, including but not limited to sand-sized, silt-sized, and clay-sized particles mixed with varying amounts of larger fragments and organic material. The various combinations of particles differentiate specific

soil textures identified in the soil textural triangle developed by the United States Department of Agriculture (USDA). For the purposes of this Chapter and the LAMP, soil shall contain earthen material of particles smaller than eight-hundredths (0.08) of an inch (2 mm) in size.

DDDD. "Soil structure" means the arrangement of primary soil particles into compound particles, peds, or clusters that are separated by natural planes of weakness from adjoining aggregates.

EEEE. "Soil texture" means the soil class that describes the relative amount of sand, clay, silt and combinations thereof as defined by the classes of the soil textural triangle developed by the United States Department of Agriculture (USDA).

FFFF. "Steep slope" means an area of land that inclines or declines six (6) vertical inches or more per one horizontal foot, also referred to as fifty percent (50%) slope or greater.

GGGG. "Subsurface drip dispersal" means a type of alternative OWTS dispersal system consisting of small diameter flexible plastic tubing manufactured with emitters spaced uniformly along its length that releases treated wastewater to the soil for final treatment and dispersal; the drip field is designed and installed such that the drip tubing is installed in the shallow surface soils, typically eight (8) to twelve (12) inches below finished grade.

HHHH. "Subsurface perched water" means subsurface drainage or groundwater that has stagnated above or flows in a relatively thin sheet upon an impervious or low-permeability material, such as clay.

IIII. "Supplemental treatment" means a proprietary wastewater treatment device or system that has been designed and tested for use as an OWTS component to perform additional wastewater treatment functions, beyond primary treatment, and is capable of reliably producing wastewater effluent of secondary treatment quality or better, prior to discharge to the dispersal system.

JJJJ. "Tanks" means septic tank, supplemental treatment tank, or pump chamber tank.

KKKK. "Telemetric monitoring system" means a system with the capability to automatically measure and transmit OWTS data by wire, radio, or other means.

LLLL. "Total suspended solids (TSS)" means a constituent of total solids. TSS is residue retained on a filter after drying the sample and is a measure of the level of treatment being achieved. In wastewater with high TSS, inorganics are less easily broken down and can accelerate mechanical clogging of the infiltrative surface of the dispersal system.

MMMM. "United States Department of Agriculture (USDA)" is a federal agency that develops and implements federal law related to agriculture and economic development. The USDA is also responsible for providing technical assistance for agricultural lands and has developed techniques for soil classification.

NNNN. "United States Geological Survey (USGS)" is a federal agency for natural sciences, including earth science and biology and maintains topographic maps of blue-line streams.

OOOO. "Wastewater" means sewage, gray water, and contaminated liquid waste substances associated with human habitation, including but not limited to sewage and/or gray water.

PPPP. "Wastewater Treatment Plant" means a facility that accepts wastewater from one or more sources and is designed to produce effluent that meets discharge standards set forth by the Regional Water Quality Control Board in Waste Discharge Requirements or a General Order. A wastewater treatment plant is sometimes referred to as a Sewage Treatment and

Reclamation Facility, as in Chapter 15.23 of this Code. When a wastewater treatment plant includes subsurface dispersal, the dispersal system shall be subject to the standards of this Chapter.

QQQQ. "Watercourse" means either:

1. A stream or surface water feature as mapped by the United States Geological Survey (USGS); or
2. Any channel with a bed, banks, or sides throughout substantially all its length that is not mapped by the USGS that consistently conveys water for more than three months out of the year, or is used by fish.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.040 Flush toilets required.

A. Except as provided by this Section, no person(s) shall use or maintain any building, structure, or place where people reside, congregate, or are employed unless it is equipped with an adequate number of flush toilets, as determined by the California Plumbing Code, supplied by a source of water. The source of water shall be plumbed in accordance with the standards of the California Plumbing Code and Title 18 of this Code, as each may be amended from time to time. The water source shall not include water which is transported by any manner of vehicle or container to the distribution system. The flush toilet shall be connected either to an OWTS complying with the standards specified in this Chapter or, when required by this Chapter, to an approved sanitary sewer system.

B. When the EHB has determined that installation of flush toilets with a connection to an approved sanitary sewer system or OWTS is not feasible, flush toilets shall not be required. In that case, unless otherwise determined by the Director to be detrimental to the environment or public health, the following alternatives to flush toilets may be used under the circumstances described below:

1. Haul away system:
    a. For remote public restrooms (e.g. remote trailheads) maintained by a public agency, where there is no existing infrastructure to supply water, and it would be prohibitive to construct flush toilets; or
    b. On a privately owned, existing lot of record where recycled water irrigation is in place and existing potable water infrastructure is not available within one thousand feet (1,000'); or
    c. On a privately owned, existing lot of record, when a qualified professional has determined, with concurrence from the EHB and the Monterey County Building Official, that severe constraints have left no viable area to accommodate an adequate OWTS to serve an existing, legally established building with plumbing, and when all options for subsurface dispersal, including alternative dispersal systems, have been exhausted.
2. Privies or chemical toilets:
    a. For construction sites pursuant to Health and Safety Code Section 5416, as may be amended from time to time; or
    b. For a mobile workplace (i.e. work crews that move from one worksite to another worksite) when the EHB has determined that a portable toilet is necessary to remain with the mobile work crews to protect the health and safety of the employees and/or the public pursuant to California Code of Regulations, Title 8, Sections 3360-3376, as may be amended from time to time; or

c. For sites where food crop growing and harvesting is occurring pursuant to Health and Safety Code Sections 113310-113360 and California Code of Regulations, Title 8, Section 3457, as may be amended from time to time; or

d. For publicly owned and operated facilities, such as buildings, parks, beaches, and recreation areas; or

e. For workplaces to provide an adequate number of toilets and handwashing facilities for temporary employees, privies or chemical toilets may be used for up to thirty (30) days per calendar year; or

f. For activities involving the assemblage of people, including but not limited to circuses, carnivals, festivals, picnics, barbecues, or races, privies or chemical toilets may be used for up to thirty (30) days per calendar year. The following requirements shall also apply to such activities:

i. If food will be available for consumption or sale, the following standards apply:

1. Hand washing facilities with soap, water, and paper towels shall be provided at a ratio of one hand washing facility per ten (10) chemical toilets.

2. Chemical toilets shall be pumped at least once per day, or more often if necessary.

ii. If food will not be available for consumption or sale, chemical toilets shall be pumped as often as necessary to maintain them in a clean, sanitary and serviceable condition.

3. For the purposes of Subsection 2 of this Section, the following standards shall apply:

a. No less than one chemical toilet per forty (40) persons. When flush toilets are also provided, the facility shall follow the standards specified by Section 422.1 of the California Plumbing Code and Title 18 of this Code, as each may be amended from time to time.

i. If toilets are pumped and emptied twice a day, one chemical toilet per eighty (80) persons shall be adequate.

ii. If toilets are pumped and emptied three times a day, one chemical toilet per one hundred twenty (120) persons shall be adequate.

b. All toilets must be clean, sanitary, and serviceable at all times. Toilet paper must be provided at all times.

c. Chemical toilets shall be pumped by a liquid waste hauler registered to operate in Monterey County. Disposal of pumped waste must be at a site approved by the EHB. Except as specified above, pumping shall occur as often as necessary to maintain the chemical toilets in a clean, sanitary and serviceable condition.

15.20.050 Connection to public sewers required.

A. Any structure, containing plumbing, where people reside, congregate, or are employed shall be connected to an approved sanitary sewer when a sewer main is located within three hundred feet (300') of the structure and when the parcel on which the structure is located abuts the road, street, or alley where the sewer main has been installed. This requirement shall not apply, and the structure shall be connected to an approved OWTS or implement an alternative specified in Section 15.20.040 of this Chapter when:

1. Such building or structure is connected to an OWTS which is functioning in a lawful manner. A system that requires the contents of the septic tank to be pumped three times per year or more frequently to prevent overflow or other malfunction shall be conclusively presumed to be not functioning in a lawful manner; or

2. The owner of the sewer refuses to permit such connection and/or the Monterey County Local Agency Formation Commission does not approve annexation into the service area; or

3. The owner of the property is unable after the exercise of all diligence to obtain any easement necessary for the connection pipe; or

4. For replacement OWTS only, when the connection fees and installation cost are greater than two times the total estimated cost of the replacement OWTS, be it a conventional or alternative OWTS, whichever type of system is deemed necessary by a qualified professional to comply with the minimum standards of this Chapter, and the continued use of OWTS on the property will not impact groundwater or surface water to a degree that makes it unfit for drinking or other uses as determined by EHB.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.060 Application requirements for OWTS installation permits.

A. Except when a privy is permitted by this Chapter, no person shall do any of the following without first obtaining an OWTS installation permit from the EHB:

1. Commence the construction, installation, or emplacement of any building or structure or mobile home where people reside, congregate, or are employed, unless the structure will be connected to a sanitary sewer system.

2. Excavate for, construct, or otherwise install or emplace an OWTS tank, dispersal system, or any part thereof.

3. Repairs, as defined by this Chapter, shall be exempt from requiring an OWTS installation permit but will require written notification to EHB prior to starting work. Such notification shall be completed on an approved form and submitted for EHB review and acceptance at least forty-eight (48) hours before moving equipment on site. EHB reserves the right to inspect the work in progress and determine compliance with this Chapter.

B. An application for a new, expansion, or replacement OWTS shall be in writing, on an EHB-approved form. The application shall be signed by the owner of the property, or his or her authorized agent together with written agent authorization, and shall be accompanied by payment of applicable fees as adopted by the Board of Supervisors. An OWTS Feasibility Report shall be submitted with the application and shall contain the following information:

1. Subject property's street address and Assessor's Parcel Number;

2. Copy of most recent grant deed with the property's legal description;

3. Associated project number from the County of Monterey Housing and Community Development Department (HCD), if applicable;

4. Acreage of the subject property;

5. Water source(s) for subject property;

6. Description of the proposed project, or for replacement OWTS, description of existing conditions;

7. Qualified professionals associated with the OWTS project;

8. Estimated daily volume of wastewater generation;

9. A determination, by a qualified professional, that nitrogen loading meets minimum standards, or a Nitrogen Loading Assessment that determines the proportionate quantity of nitrogen loading for the property and verifies that the proposed OWTS will not exceed the that determined value;

10. Information as to whether the subject property is located within a Potential Aquifer Recharge Area, as identified in the LAMP and County GIS Data;

11. Summary of site evaluation activities, including:

    a. The name of the person performing test and their license or registration number;

    b. Date or period of testing;

    c. A summary of soil profile analysis, including but not limited to:

        i. Thickness, depth and texture of soil layers encountered;

        ii. Depth to bedrock, hardpan or impervious layer;

        iii. Evidence of soil mottling or gleying;

    d. Summary of absorptive characteristics of soil, either by direct inspection or percolation testing, with raw data and/or field logs included as exhibit;

    e. Depth to groundwater as determined by direct observation and/or the highest extent of soil mottling;

    f. Other conditions affecting the potential use of the soil for sewage disposal, including but not limited to the evidence of roots, fissures, and dampness;

    g. Conclusions and recommendations that specifically state whether the proposed OWTS (or proposed lots of record, in the case of new subdivisions of land) meet(s) the standards in this Chapter and the LAMP. Specific recommendations shall be made about the location and design of the OWTS(s), including soil application rate for each dispersal system area.

12. A summary of conformance or non-conformance with horizontal and vertical setback requirements for conventional OWTS;

13. An elevation of house sewer outlet and proposed elevation of septic tank and dispersal system(s);

14. A site plan scaled no less than one inch (1") equals forty feet (40'), showing the location of:

    a. Property lines and all recorded easements; and

    b. All existing and proposed structures and hard surfaces, such as patios, driveways, walkways, etc.; and

    c. Existing wells or wells proposed as part of the project, whether domestic or irrigation, and whether in use or abandoned, either on the property or within one hundred feet (100') of the property lines of the property; and

    d. Existing trees within twenty feet (20') of septic system with a note indicating whether they are proposed to be removed or remain in place; and

    e. Existing or proposed embankments with slopes exceeding thirty percent (30%) or any existing or proposed downhill cuts whether natural or humanmade. Any proposed humanmade cuts or excavations depicting height, length and/or area must also be shown (e.g. road cuts, pool/spa excavations, basements, pad cuts, etc.); and

    f. Surface water bodies on the property and within two hundred feet (200') of the property lines of the property; and

    g. Ten-year flooding elevation, determined or estimated from published flood maps or on the basis of historical evidence acceptable to the Director; and

    h. Existing OWTS on the property; and

i. Proposed OWTS; and

j. All applicable horizontal setbacks.

15. Such other information as the Director determines is necessary to process the application.

C. Application for a septic tank demolition permit does not require a comprehensive OWTS feasibility report but shall be submitted with a site plan scaled at one inch (1") equals forty feet (40') or larger.

D. Applications for alternative OWTS with a supplemental treatment unit and/or alternative dispersal system shall also include engineered plans for the system prepared and signed by a qualified designer. Engineered plans will be reviewed by the EHB. When a proposed alternative OWTS does not meet one or more of the standards specified by Tables 8, 11, 12 and 13 of this Chapter (Max Slope of Dispersal Systems, Effluent Limitations, Vertical GW for Alt OWTS, Minimum Soil Depth), the EHB may refer the plans to the Central Coast Regional Water Quality Control Board staff and/or an external third-party consultant(s) for additional review, at the applicant's expense.

E. Applications for OWTS shall remain valid for one year from the date the OWTS application was received. When the applicant demonstrates that the applicant has actively pursued the permit application (e.g., submission of revised or outstanding information) and requests an extension of the application, EHB shall extend the application for one additional year.

F. EHB shall approve an OWTS installation permit when EHB has received a complete application, the applicant has paid all application fees, and EHB has determined that the design complies with all applicable standards of this Chapter. If a discretionary permit is required by Titles 20 or 21 of this Code for proposed development and that development is proposed to be served by OWTS, then the applicant shall obtain the necessary permit from the County prior to EHB issuance of an OWTS installation permit.

G. An OWTS installation permit shall expire and become null and void if any work authorized thereby is not installed or completed within two years from the date of issuance. Upon expiration of the permit, no further work shall be done until a new OWTS permit has been obtained or the EHB has reinstated the OWTS installation permit. This requirement shall not apply when an OWTS permit is issued concurrently with a construction permit from the County. Such an OWTS permit shall not expire so long as the associated construction permit remains valid in an active, issued status. In the event the corresponding construction permit expires and the OWTS installation permit was approved more than two years prior to the expiration of the construction permit, the OWTS permit shall expire and become null and void.

H. An application to reinstate an expired OWTS installation permit shall be filed in writing, on an EHB-approved form signed by the owner of the property or his or her authorized agent, accompanied by payment of applicable fees as adopted by the Board of Supervisors, together with such other information as the Director determines is necessary to process the application.

I. Prior to reinstatement of an expired OWTS installation permit, the EHB shall determine if additional OWTS feasibility analysis and/or an updated design is required for the system to conform with this Chapter and the LAMP.

J. Reinstated OWTS installation permits shall remain valid for a period of one additional year from the date of reissuance.

K. Installation permits approved for alternative OWTS are subject to the same expiration and renewal time frames for conventional systems as specified in this Chapter for conventional OWTS.

L. When an OWTS installation permit is issued concurrent with a construction permit from the County, the applicant shall notify the EHB, in writing, of any proposed subsequent revision to construction permit plans, including changes to floor plan, footprint or location, or a change of use that will increase wastewater generation. The EHB shall determine if the approved OWTS design is sufficient or if the OWTS installation permit requires an amendment to meet the minimum standards of this Chapter and the LAMP.

M. An OWTS installation permit amendment is required when an applicant intends to alter any of the following design criteria of a previously issued OWTS installation permit:

a. Wastewater volume;

b. Wastewater strength;

c. Method of wastewater dispersal; or

d. Dispersal system location.

N. An application to amend an approved OWTS installation permit shall be filed in writing, on an EHB-approved form signed by the owner of the property or his or her authorized agent, together with such other information as the Director determines is necessary to process the application. The application fee will be based on staff hours required to complete the review of the application materials and conduct a site inspection, charged at the current hourly rate as adopted by the Board of Supervisors.

O. In the case of obtaining a retroactive OWTS installation permit under this Chapter when an OWTS has been installed without permits:

1. The applicant must submit to the EHB for review and acceptance the following information, including but not limited to:

a. OWTS Feasibility Report, meeting the standards of this Chapter;

b. Receipts for components and/or materials;

c. Unearthing the OWTS component(s) and distribution piping;

d. Video-televising the system (also referred to as a "snake and locate");

e. Performance Evaluation of the installed OWTS, with such evaluation to be prepared by a third party, registered qualified professional;

f. Diagram of the installed OWTS prepared by a third party, registered qualified professional;

g. Written acknowledgement, signed by the property owner, indicating that the OWTS was installed without a permit and was not subject to inspection by EHB; and

h. Such other information as the Director may require to evaluate the application.

2. The EHB shall evaluate the application and the evidence to determine if the OWTS requires modification, is eligible to remain in use as installed, or must be partially or completely abandoned.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.070 Application requirements for OTNWS installation permits.

A. All new onsite treated nonpotable water systems (OTNWS), or any part thereof, and all repairs to existing systems, or any part thereof, shall comply with the standards and design specifications set forth by the California Plumbing Code and Title 18 of this Code, as each may be amended from time to time.

B. A plumbing permit shall be obtained from the County prior to installation of the system unless said system meets the definition of a clothes washer system, as defined by Chapter 15 of the California Plumbing Code, as may be amended from time to time. EHB shall review the OTNWS design prior to issuance of the plumbing permit and determine if an operating permit will be required based on the features of the system and proposed use of the treated nonpotable water.

C. Installation of a OTNWS shall be completed in accordance with Section 15.20.120 of this Chapter.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.080 Site evaluation standards.

A. Site evaluation means an assessment of a property's soil characteristics, including soil profile analysis and absorptive characteristics, topography, and groundwater level. A comprehensive site evaluation shall be completed by a qualified professional that provides sufficient information to identify suitable locations to accommodate the primary, secondary, and future dispersal systems.

B. Site evaluation is required for proposed subdivisions that propose use of OWTS for wastewater disposal and for proposed new OWTS on existing lots of record. The site evaluation must meet the standards listed below:

1. Soil profile analysis shall be completed for the primary, secondary, and future dispersal areas in accordance with methods approved by the Director.

2. Percolation testing shall be completed for the primary, secondary, and future dispersal areas to assess the absorptive characteristics of the soil in accordance with methods approved by the Director.

3. A minimum of one deep monitoring boring or excavation is required to demonstrate the minimum vertical distance to groundwater and an impervious layer as specified by Tables 4 and 13 of this Chapter, respectively.

a. When the deep boring will remain in place for more than seventy-two (72) hours to provide for monitoring of the groundwater level over time, a monitoring well permit shall first be obtained from the County and the boring shall be constructed in accordance with the standards of that permit and Chapter 15.08 of this Code.

4. EHB may reduce the requirements for soil profile analysis and percolation testing when the qualified professional demonstrates that conformity to a given soil type can be established to the satisfaction of the EHB.

a. For proposed subdivisions, at least one soil profile excavation or boring and percolation test shall be completed for each proposed lot to identify suitable dispersal system locations and future dispersal system areas on each parcel. Alternative OWTS or gravel-filled seepage pits shall not be used to demonstrate OWTS feasibility for new subdivisions. The site evaluation shall be completed prior to approval of the tentative map or tentative parcel map.

In order for the County to approve OWTS for wastewater disposal for the proposed subdivision, the site evaluation must demonstrate that the use and installation of OWTS meeting the standards of this Chapter are feasible.

C. Site evaluation for replacement or expansion OWTS that serve existing building(s) with permitted plumbing must meet the standards listed below.

1. Soil profile analysis for the proposed dispersal area shall be completed in accordance with methods approved by the Director.

2. Assessment of absorptive characteristics shall be completed using either direct inspection or percolation testing for the proposed dispersal area in accordance with methods approved by the Director.

3. A minimum of one deep monitoring boring or excavation is required to demonstrate that the minimum vertical distance to groundwater and an impervious layer can be met as specified by Tables 4 and 13 of this Chapter.

a. When a groundwater monitoring boring of any depth is proposed to be installed to observe groundwater levels over time and will remain in place for more than seventy-two (72) hours, a

separate monitoring well permit shall first be obtained from the County, and the boring shall be constructed in accordance with the standards of the permit and Chapter 15.08 of this Code.

D. When seasonally high groundwater or subsurface perched water is suspected by the EHB based on the installation and use of alternative OWTS to overcome high groundwater on a property located within one thousand (1,000) feet of the subject property, wet-weather testing shall be performed. These tests shall be performed during the time when perched water or when high groundwater levels would be expected. Wet weather testing must be performed in accordance with methods approved by the Director.

1. When wet-weather borings will remain in place for an extended period, such as the duration of wet weather testing, a monitoring well permit shall first be obtained from the County.

2. The qualified professional shall perform all work in a safe and skillful manner in compliance will all applicable laws and regulations. All work that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

E. A site evaluation summary report shall be submitted to the EHB upon completion of testing. Such report shall include the site plan scaled no less than one inch (1") = forty (40') feet, updated to reflect the actual location of all borings, excavations and/or monitoring wells. The Assessor's Parcel Number(s) shall be placed on both the map and the reports. The report shall contain the following information:

1. Assessor's Parcel Number(s);

2. Associated Housing and Community Development (HCD) - Planning or Building Project Number;

3. Date or period of testing;

4. Soil logs, and when applicable, percolation test results;

5. The name of the person performing the test and their license and registration number; and

6. Conclusions and recommendations which specifically state whether the lot(s) meet(s) the standards found in this Chapter and the LAMP. Specific recommendations shall be made about the location and design of the OWTS(s), including soil application rate.

F. To determine if minimum vertical setbacks to groundwater will be maintained for the proposed OWTS, monitoring for a stabilized groundwater elevation shall be required during the site evaluation. The minimum depth of a groundwater monitoring boring or excavation is dependent on the absorptive characteristics of the soil.

1. Because soil moisture and groundwater do not always immediately flow into a test boring, EHB may require a minimum of twenty-four (24) hours to pass before an accurate groundwater measurement is taken. If groundwater is immediately observed after drilling or digging, the EHB shall be notified, and the groundwater measurement shall be taken no sooner than twenty-four (24) hours later. All holes shall be adequately covered to preclude any safety hazard.

2. When an existing alternative OWTS, with supplemental treatment, has been installed within five hundred feet (500') of the project property to overcome an insufficient vertical groundwater separation, EHB may require wet weather monitoring during the site evaluation for the proposed OWTS, with such monitoring to be performed in accordance with the methods approved by the Director.

G. Site evaluations shall include slope stability analysis when required by this Chapter. The slope stability analysis shall be completed by a California registered professional engineer or geologist, in conformance with California Division of Mines and Geology standards. The report shall specify all formulas, methods, and assumptions used by the geologist or engineer and include the following:

1. Certification that installation of the proposed OWTS will not contribute to failure of the slope causing earth movement or landslide and will not adversely affect water determination of the maximum contour loading rate;
2. Analysis of impact to slope stability due to effluent and irrigation water;
3. Assessment of stability of any structures on the project parcel(s) and any adjoining parcels at a lower elevation than the proposed OWTS;
4. Proof to the satisfaction of the EHB that leachate will remain subsurface;
5. A detailed grading map, including stabilization or mitigation plans during the development of the slope;
6. Cross sections of slopes, including stabilization or mitigation plans (generalized sections will not be accepted). These cross sections must represent the entire slope, width, height, and length;
7. Results of soil sampling and percolation testing that provide data representative of the entire disposal area and proof to the satisfaction of the EHB that conditions are uniform below the entire disposal area. The minimum testing requirements are:
    i. Two soil profile borings that extend five feet (5') beyond the proposed trench depth;
    ii. Two percolation tests at a depth equal to the proposed trench depth;
    iii. Two percolation tests five feet (5') below the proposed trench depth; and
    iv. Percolation testing must show rates of ninety (90) minutes per inch or less.

H. The qualified professional shall submit a workplan to the EHB for review and acceptance by EHB prior to the qualified professional starting site evaluation activities when the proposed subsurface disposal or OWTS will be associated with the following:
1. A commercial operation or congregate housing facility that will generate more than one thousand (1,000) gallons of domestic wastewater per day; or
2. A new or expanded dispersal system for a wastewater treatment facility; or
3. A proposed subdivision of land; or
4. Installation on slopes greater than fifty percent (50%).

I. The EHB shall notify the qualified professional in writing of any required changes, and the qualified professional shall revise and resubmit the workplan as necessary. When the workplan is acceptable, the EHB shall notify the qualified professional in writing that the workplan is acceptable and confirm the date that site evaluation activities may commence.

J. For projects that require Report of Waste Discharge, as described in the OWTS Policy, the EHB will confer with Central Coast RWQCB to determine if the workplan is acceptable and to establish which agency will have authority to issue permits for the proposed wastewater discharge and notify the applicant accordingly in writing.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.090 Design specifications for OWTS.

A. OWTS for single family dwellings and accessory dwelling units shall be designed in accordance with Table 6 of this Chapter.

B. OWTS that will receive domestic wastewater associated with commercial, multi-unit residential, industrial, or institutional uses shall be estimated in accordance with Table 7 of this Chapter. Alternatively, if acceptable to

EHB, the qualified professional may use estimates based on empirical data from existing, similar uses, or from standards of accepted good practice recognized by state and federal authorities. When empirical data are utilized, the average daily flow shall be doubled to provide a safety factor of two. All OWTS shall be designed in consideration of maximum daily volume of wastewater, not the average.

1. The liquid capacity of septic tanks proposed to serve structures that include multi- unit residential occupancies (such as multi-unit housing, congregate housing, or mixed-used development) shall be at least three times the maximum anticipated daily volume of wastewater. The liquid capacity of septic tanks for commercial, industrial, and institutional buildings shall be a minimum of one thousand (1,000) gallons and at least two times the maximum anticipated daily volume of wastewater.

C. OWTS tanks (including septic tanks, supplemental treatment units, and pump chambers) shall be designed and located to meet the following requirements:

1. Tanks shall be located on a site so that the lids will remain accessible for pumping.

2. When a tank is proposed to be installed beneath an area that will be subject to vehicular traffic, either the tank must be rated to withstand such conditions, or the installation must be engineered to support the additional weight.

3. A two-way sewer line cleanout, with riser to the surface, located two feet (2') in front of the inlet end of the septic tank will be required to be installed on all OWTS, unless manhole risers are otherwise provided for. The clean-out riser must extend at least six inches (6") above the ground and be capped to be gas-tight unless another means of effectively locating the septic tank is approved by the EHB.

4. An inline effluent filter, capable of at least one sixteenth inch (1/16") filtration, shall be installed in the outlet tee of any septic tank associated with a new, replacement, or expansion OWTS, including dispersal system-only replacements.

5. Tanks shall be installed as shallow as practical and be covered by at least six inches (6") of soil. When a septic tank or pump chamber must be placed deeper than six inches (6") below finished grade, then each compartment shall be fitted with watertight risers that extend to within six inches (6") of finished grade.

a. Manhole risers shall be watertight and of a size sufficient for removal of the tank lids.

b. Regardless of the depth of the tank, manhole risers are required to be installed under either of the following circumstances:

i. When a tank is proposed to be installed beneath an impermeable surface, then each compartment shall be fitted with watertight risers that extend to finished grade. Traffic-rated lids shall be required in areas subject to vehicular traffic; or

ii. When the OWTS will serve commercial, multi-unit residential, industrial, or institutional uses, watertight risers that extend to finished grade shall be installed on each compartment of the tank(s).

D. The following standards shall apply when a pump will convey untreated wastewater from a structure to a septic tank or supplemental treatment tank, or to convey effluent to a dispersal system:

1. A pump shall not be installed in the outlet compartment of a septic tank and shall require a separate chamber (compartment). This requirement shall not apply to:

a. A supplemental treatment system that has been designed and tested to meet performance standards with the pump incorporated within the unit; or

b. A pump system that will be telemetrically monitored.

2. The capacity of a pump chamber shall be no less than three hundred (300) gallons and shall have surge capacity above the high-water float level equal to at least one hundred percent (100%) of the estimated daily wastewater generation volume.

    a. The qualified professional may propose a reduced pump chamber capacity for review and approval by the EHB when the system will be telemetrically monitored and subject to an annual operating permit from the EHB.

3. All pump chambers shall be equipped with an audible and visual alarm to alert when the high-water level in the pump chamber is reached.

4. In areas subject to interruption of power, the pump chamber shall be sized to allow for a holding capacity equivalent to a minimum of three days flow or an emergency disposal field must be installed.

5. Macerating (grinder) pumps shall not be allowed.

6. Any pump chamber (e.g., lift station, ejection basin) preceding a septic tank shall require a construction permit from the County and shall meet the specifications of the California Plumbing Code, Section 710.3, Sewage Ejector and Pumps, and Title 18 of this Code, as each may be amended from time to time.

7. When pumping of raw sewage cannot be avoided, the qualified professional shall incorporate additional design measures if reviewed and approved by the EHB to mitigate negative effects (e.g. surging and turbulence) on overall treatment system performance. Options that may be considered include but are not limited to:

    a. Pumping to a gravity feed sewer some minimum distance upstream of the septic tank instead of directly into the septic tank;

    b. Installation of an inlet baffle in the septic tank to deflect the inlet discharge;

    c. Installation of a septic tank with greater capacity;

    d. Installation of a surge tank prior to the septic tank; and

    e. Installation of multiple septic tanks in series, or compartmented septic tanks.

E. No permit shall be approved for a new or expansion OWTS, unless, in addition to the other requirements of this Chapter, it complies with all of the following provisions:

1. The infiltrative capacity of the dispersal system shall not be less than the number of square feet calculated using the following formula:

$$\text{Infiltrative Capacity} = \frac{\text{Estimated Wastewater Generation (in gallons, pursuant to Table 6 or 7)}}{\text{Soil Application Rate (gallons per square foot of dispersal system per day)}}$$

2. The infiltrative area of the sidewall and/or bottom of a dispersal system shall be limited to four square feet (4 ft^2) per linear foot.

    a. When a qualified professional demonstrates that an existing lot of record is constrained by existing conditions (e.g. structures, steep slopes, or trees), a replacement dispersal system may be eligible for up to ten square feet (10 ft^2) of infiltrative area per linear foot of trench.

    b. No limit on infiltrative area shall apply, as calculated using sidewall area only, when an OWTS includes supplemental treatment that meets the standards specified by Table 11 of this Chapter.

3. The infiltrative capacity of a dispersal system shall be calculated using sidewall area only, except:

    a. When a trench is thirty-six inches (36") inches wide, the bottom of the trench may also be included as an infiltrative surface.

    b. For bed systems, the sidewall areas and bottom of the bed may both be included as an infiltrative surface.

    c. For gravel-less chambers, the chamber open area width and louvered sidewall height shall both be included as infiltrative surface.

4. Leach fields shall be designed to meet the following standards:

    a. The bottom of a leach field dispersal trench shall be between eighteen inches (18") and thirty-six inches (36") wide.

    b. The depth of rock below the perforated distribution pipe (infiltrative depth) shall be at least one foot (1').

    c. Total trench depth shall not exceed ten feet (10') unless a supplemental treatment system, including nitrogen reduction, has been incorporated into the OWTS.

    d. Separation between leachfield dispersal systems and individual trenches within a dispersal system shall be measured sidewall to sidewall and be at least equal to the trench width or two times the effective depth of the trench, whichever is greater.

        i. An additional one foot (1') of separation between dispersal system trenches is required for each five percent (5%) increase in slope when the average slope of the dispersal system area exceeds thirty percent (30%).

5. Shallow pressure distribution trench systems, including bed dispersal systems, shall also be designed to meet the following standards:

    a. Bed dispersal systems shall be pressurized to ensure even distribution throughout the dispersal system.

    b. Separation between bed dispersal systems shall be measured sidewall to sidewall and be at least eight feet (8').

6. The excavation for conventional dispersal systems (rock-filled leachfields or beds) shall be filled with clean rock of an average diameter not less than one and one-half inches (1 ½") nor more than two and one-half inches (2 ½"), added to a depth of two inches (2") above the drain line. No rock with a high percentage of fines shall be used (i.e. greater than fifty percent (50%) percent passing a Number 200 sieve). Untreated building paper, or a suitable substitute that meets the approval of the EHB (e.g. filter fabric), shall be used to cover the rock, and there shall be a minimum backfill of one foot (1') of earth over the building paper.

7. Pipe in the dispersal system shall have a slope of not more than two inches (2") per one hundred feet (100') and shall be carefully placed to ensure even distribution of effluent along the leachfield trench or bed.

8. Plastic leaching chambers are a conventional method of OWTS dispersal and shall be designed in accordance with the manufacturer's recommendations.

    a. The qualified professional may specify a reduction in minimum infiltrative area required when plastic leaching chambers will be utilized, in accordance with the infiltrative capacity reduction approved by the EHB.

9. Individual wastewater dispersal lines shall not exceed one-hundred feet (100') in length and shall be capped at the end.

    a. Each individual trench in a dispersal system shall be constructed with a permanent inspection port at the terminal end of the trench which allows for monitoring of the effluent level for the full depth of the system. Each riser must extend from the bottom of the dispersal field to at least one foot (1') above the surface of the ground and be capped, or the riser may be terminated within six inches (6") below grade provided a valve box is installed to allow permanent access to the riser.

    b. Tracer wire shall be laid along the length of each individual trench or around the perimeter of a bed system.

        i. When a dispersal system consists of trenches that do not curve or bend and inspection ports have been installed at the beginning and end of each trench, respectively, this requirement shall not apply.

10. When a dispersal system is comprised of multiple trenches, a properly constructed distribution box or equalization device shall be installed to maintain equal flow to each trench. The distribution box or equalization device must be approved by the EHB and shall be placed outside the leaching area to ensure that settling does not occur.

    a. A concrete pad may be required to be installed under the distribution box or equalization device when soil conditions could cause uneven settling of backfilled soil. The EHB may require the applicant to submit plans and specifications prepared and signed by a California licensed civil engineer for such a pad.

    b. Distribution boxes and equalization devices shall be accessible and constructed with watertight risers brought to or within six inches (6") of finished grade.

11. Minimum cover over wastewater dispersal pipelines in conventional OWTS is fourteen inches (14"), consisting of two inches (2") of rock/gravel and untreated building paper/straw/geotextile fabric and at least twelve inches (12") of soil backfill.

    a. Soil cover requirements must also conform to those allowed by the manufacturer of any gravel-less/chamber design.

12. When conventional dispersal systems are used on sloping ground, the following additional design and installation procedures shall be followed:

    a. The bottom of the leach field trenches and the field disposal line shall have a slope of not more than two inches (2") per one hundred feet (100').

    b. The trenches shall follow the surface contours of the ground to minimize variations in trench depth.

    c. Backfill may be increased to accommodate the slope of the ground and provide for adequate fall in the distribution and dispersal system piping, if approved by the EHB and provided that the total depth of the trench conforms with the requirements of this Chapter.

13. OWTS dispersal systems are prohibited in areas where the natural ground slope exceeds the value identified in Table 8 of this Chapter unless a slope stability analysis report demonstrates, to the satisfaction of the EHB, that the installation and ongoing use of the dispersal system(s) will not contribute to failure of the slope causing earth movement or landslide.

    a. A slope stability analysis including additional soil testing shall be required under this Section when a dispersal system is proposed to be:

i. Installed in an area where the slope is thirty percent (30%) percent or more, and the minimum setback to an impervious layer pursuant to Table 13 of this Chapter cannot be met; or

ii. Installed in an area where the slope does not conform to Table 8 of this Chapter; or

iii. Located closer to a steep slope than the minimum setback specified by Table 3 of this Chapter.

b. EHB may require third party review of the slope stability analysis report, subject to applicable review fees at the expense of the applicant.

14. If the dispersal field is to be installed in an area subject to vehicular traffic, the septic system shall be reinforced to assure that components of the system will not be damaged by vehicular traffic and the components of the OWTS will not adversely affect the structural integrity of the vehicle traffic area. Site-specific engineering that considers the anticipated vehicle load and traffic distribution shall be required.

a. For residential OWTS, a qualified professional may elect to incorporate measures that will protect the OWTS and the vehicle traffic area in lieu of site-specific engineering. Use of these proposed measures will be subject to review and approval by the EHB.

15. New, expansion, or replacement OWTS dispersal systems shall not be covered by an impervious surface unless supplemental treatment is incorporated into the system to meet the effluent quality standards specified in Table 11 of this Chapter. Permeable concrete (e.g., porous concrete, no fines concrete, or porous pavement) shall be allowed to cover a dispersal system.

16. When an existing dispersal system that is covered by an impervious surface is proposed to accept additional wastewater due to a change in the structure or use of property (e.g. building remodel or addition, or a commercial change of use), a qualified professional shall first verify that the dispersal system is eligible to remain in use per Table 10 of this Chapter. If the dispersal system will remain in use, then the qualified professional shall recommend an appropriate supplemental treatment unit to reduce TSS, BOD and TN as required for the specific site conditions.

17. When the distance between the building with permitted plumbing and the tank, or the tank and the dispersal system, exceeds fifty feet (50'), a two-way cleanout shall be installed, and one additional two-way cleanout shall be installed per one- hundred feet (100') of unperforated distribution piping.

18. A dispersal system shall be installed in native soil or engineered fill, as recommended by the qualified designer.

F. No permit shall be approved for the replacement of an OWTS dispersal system for an existing OWTS, unless it also complies with the standards of this Chapter with the following exception:

1. A replacement OWTS that is proposed to serve existing development that lacks sufficient area for an appropriately sized system to be installed and where the qualified professional has demonstrated, to the satisfaction of the EHB, that there will be no anticipated groundwater or surface water contamination or otherwise be detrimental to public health or safety, shall be authorized to install a dispersal system of the maximum practicable square footage that is otherwise consistent with the standards of this Chapter. The EHB will require a deed restriction that describes the limitations of the OWTS to be recorded on the property on a form approved by the EHB and at the property owner's expense, prior to final approval of the OWTS installation. Future development that will result in an increase in the anticipated volume or strength of wastewater generated will be prohibited unless the OWTS is concurrently expanded or replaced to meet the current standards.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.100 Additional design specifications for alternative OWTS.

A. An alternative OWTS shall be required for the replacement or expansion of any existing OWTS and to support new development on an existing lot of record when conventional OWTS cannot dispose of sewage in a sanitary manner compliant with the standards of this Chapter. When use of a conventional OWTS is feasible, the property owner may elect to utilize an alternative OWTS. The alternative OWTS shall be designed to provide equal or greater protection to public health and the environment than a conventional OWTS.

B. Supplemental treatment is required to be incorporated into an OWTS design when the conventional OWTS standards of this Chapter cannot be met or when an alternative dispersal system necessitates clarified effluent to prevent clogging of the system. Alternative OWTS must comply with the specific requirements set forth in this Chapter and the LAMP.

C. Supplemental treatment systems shall be capable of meeting the effluent constituent limitations specified by Table 11 of this Chapter.

D. All proprietary treatment units shall be tested and certified by an independent testing organization such as the NSF, to provide secondary or better effluent quality. Part of the testing must include an evaluation of the system's effectiveness in reducing TSS, BOD, and TN. Any supplemental treatment system shall be listed by the testing organization and under the appropriate material testing standard before being considered for permitting. Applicable standards for supplemental treatment system performance include, but are not limited to:

   1. NSF Standard 40 - Residential: Onsite Systems.

   2. NSF Standard 245 - Nitrogen Reduction.

E. The tank of a supplemental treatment system shall include a sample tap on the dosing discharge line, or other suitable location as agreed upon by the EHB, for effluent sampling.

F. Alternative dispersal systems. The alternative dispersal systems listed below may be approved for use subject to compliance with the siting and design criteria specified by this Chapter.

   1. At-grade;

   2. Mound;

   3. Raised sand filter bed;

   4. Seepage pit;

   5. Subsurface drip dispersal; or

   6. Other alternative dispersal systems approved by the Director and Central Coast Regional Water Quality Control Board.

G. Alternative OWTS shall be subject to the same siting criteria, design and installation requirements specified in this Chapter for conventional OWTS, except as specified below.

   1. Horizontal setbacks. Horizontal setback distances for alternative dispersal systems should be the same as those specified for conventional septic tanks and dispersal systems in Table 3 of this Chapter to the greatest extent feasible. The qualified professional designing the alternative OWTS shall indicate how the proposed alternative OWTS component(s) will allow for a horizontal setback reduction without compromising water quality and/or public health, and the proposal shall be subject to review and approval by the EHB.

2. The vertical distance between the bottom of the dispersal system of an alternative OWTS and bedrock or an impervious layer shall conform with the minimum separation specified by Table 13 of this Chapter.

    a. Additional soil depth requirements may be imposed by EHB based on system size (i.e., volume of wastewater flow) or site conditions or geographic locations to prevent groundwater mounding or surfacing effluent.

3. The vertical distance between the bottom of the dispersal system of an alternative OWTS and groundwater may be reduced from the requirements that apply to conventional OWTS as specified by Table 12 of this Chapter. The reduction of this vertical setback to groundwater is subject to review and approval by EHB.

    a. In all cases where the vertical groundwater setback for an OWTS specified by Tables 4 and 5 of this Chapter cannot be met, the owner shall be required to install a permanent monitoring well and will be subject to all permit and construction requirements specified by Chapter 15.08 of this Code. A separate monitoring well permit is required to be obtained from the County, subject to applicable fees. The monitoring well shall be covered with an appropriate cap to prevent infiltration of surface water.

H. Areas of flooding. New or expansion alternative OWTS shall not be located in areas subject to flooding as defined by the limits of the 10-year floodplain, determined or estimated from published flood maps or based on historical evidence acceptable to the EHB. On existing, developed lots of record, a replacement alternative OWTS with supplemental treatment for nitrogen reduction may be installed in areas known to be below the ten-year floodplain only when no other viable area exists on the property. The system shall be located and designed to avoid contamination of or damage from inundation by floodwaters during a ten-year flood event to the extent feasible. Mitigation measures shall include but are not limited to the following:

1. Protecting OWTS supplemental treatment, pressure distribution and/or drip dispersal components from flood damage using structural tie-downs and/or elevating any component that is susceptible to water damage above the ten-year flood level;

2. Preventing discharge of wastewater into flooded dispersal areas from pump systems (e.g., using flood-activated float switches to override/disable pump operation during high water conditions); and

3. Providing additional emergency storage capacity for flood periods.

I. Ground slope. The maximum ground slope for different types of alternative wastewater dispersal systems shall be as specified by Table 8 of this Chapter.

J. All wastewater discharged to a subsurface drip system shall receive supplemental treatment. Subsurface drip dispersal systems are subject to the same siting, design and installation requirements as specified in this Chapter for conventional OWTS, except as specified below:

1. Horizontal setbacks for subsurface drip systems shall be the same as for conventional dispersal fields except that they may be reduced to two feet (2') from structures and property lines.

2. Drip fields shall not be placed in fill material unless the fill material has been specifically engineered for that purpose. The drip fields shall also be installed as level as possible and parallel to elevation contours.

3. Soil cover shall be at least six inches (6"). Fill material may be placed over the drip lines in order to meet the minimum cover requirements, provided that the slope of dispersal area is not more than twenty percent (20%).

4. The area of the drip dispersal system shall be designed, located, and maintained to prevent vehicular traffic over it and shall be planted with appropriate vegetation upon installation to allow for uptake of nutrients from the wastewater.

5. Head loss calculations shall be provided to ensure proper hydraulic pressure at the emitter.

6. Emitter lines shall be designed as a continuous loop circuit with no dead-ends.

7. Vacuum release valves shall be installed at the highpoint of the emitter lines.

8. All drip dispersal systems shall incorporate an automatic mechanism for backwashing or flushing the drip lines and filters.

9. The maximum emitter longitudinal spacing on an emitter line shall be two feet (2'). The maximum spacing between adjacent emitter lines in an absorption bed configuration shall be two feet (2').

10. Drip dispersal systems shall be time dosed over a twenty-four (24) hour period. Demand control dosing shall override timed dosing in periods of flow where timed dosing cannot accommodate the excessive flow.

11. Drip dispersal systems shall be designed, installed, operated, and maintained in accordance with the manufacturer's recommendations, in addition to the requirements specified above.

K. All wastewater discharged to a new, expansion, or replacement seepage pit system shall receive supplemental treatment. Seepage pits shall not be utilized on existing lots of record, unless the following criteria are met:

1. The qualified professional has demonstrated to the satisfaction of the EHB that there is no other area on the lot that will accommodate a conventional leach field or drip dispersal with supplemental treatment; and

2. The qualified professional incorporates supplemental treatment, including reduction of total nitrogen, into the OWTS design that meets or exceeds the effluent standards specified in Table 11 of this Chapter, including total nitrogen reduction. When the separation to groundwater is less than ten feet (10'), bacterial disinfection shall also be required. The distance between a seepage pit and groundwater shall not be less than five feet (5'), even when the alternative OWTS utilizes supplemental treatment and disinfection.

3. The qualified professional shall submit a report to the EHB demonstrating that the installation and ongoing use of a seepage pits system(s) will be adequate to accommodate wastewater dispersal from the existing or proposed development. Soil evaluation requirements are different for vacant lots and lots that have not previously utilized seepage pits compared to lots that have successfully utilized seepage pits for onsite wastewater dispersal; however, the design specifications are the same for all proposed seepage pits.

    a. When a seepage pit(s) has not previously been utilized on the site or when a seepage pit(s) has been used on the site but there is evidence that deep soil conditions preclude the continued use of seepage pits (e.g. premature failure), an exploratory boring that extends at least ten feet (10') past the proposed total depth of the seepage pit shall be required prior to EHB approval of the OWTS installation permit.

        i. The boring shall be conducted and logged by a certified geologist or other qualified professional as approved by the EHB.

        ii. The qualified professional shall determine the appropriate soil application rate in accordance with Table 5 of this Chapter.

b. When a seepage pit(s) has been previously utilized on the site and there is no evidence that deep soil conditions preclude the continued use of seepage pits, an exploratory boring shall not be required prior to EHB approval of the OWTS installation permit. However, the permit shall be conditioned to require at least one of the seepage pit excavations be over-drilled by ten feet (10') at the time of installation.

c. In the event groundwater is encountered during the installation of the seepage pits, the boring or excavation shall remain open for as long as necessary to allow the groundwater level to stabilize. The property owner maintains full responsibility for protecting the public from any hazards related to the test borings or excavations.

i. Once the qualified professional has determined the stabilized groundwater level, the boring or excavation shall be backfilled and compacted to the extent feasible to at least ten feet (10') above stabilized groundwater, or five feet (5') when an approved disinfection unit is incorporated into the alternative OWTS with supplemental treatment. A six inch (6") layer of bentonite pellets, cement slurry, or other impermeable material as approved by the EHB shall be deposited into the boring to reestablish an impervious layer. The perforated pipe shall be placed in the center of the boring on top of the layer of impermeable material and backfilled with drain rock or other approved material to the depth of the distribution pipe.

4. Seepage pit design specifications.

a. The minimum diameter of the pit shall be three feet (3').

b. The infiltrative capacity of a seepage pit shall be calculated based on the sidewall area below the inlet of the distribution pipe, exclusive of any hardpan, rock or clay formation, or fill material, i.e. the effective depth.

Infiltrative Capacity = Diameter of Pit (feet) x 3.14 x Effective Depth of Pit (feet)

c. The distance between adjacent pits shall be at least twenty feet (20'), measured between side walls of the pits.

d. The pit shall be filled with clean rock of a diameter not less than one and one-half inches (1 ½") and not more than two and one-half inches (2 ½") to a depth of two inches (2") above the drain line, and covered with untreated building paper, or other material and earth backfill as approved by the EHB.

e. The drain line in the pit shall be perforated pipe three inches (3") or more in diameter that extends to the bottom of the pit, positioned in the center of the pit.

f. Seepage pits shall have the wastewater distributed evenly between the pits by means of a distribution box or equalization device.

L. Alternative OWTS dosing methods. Pressurized dispersal systems shall be controlled by means of a programmable timer (time dosing) when the OWTS is designed to receive one thousand (1,000) gallons per day or more.

1. Demand control dosing shall override timed dosing in periods of flow where timed dosing cannot accommodate the excessive flow.

2. Time dosing is strongly encouraged for pressurized dispersal systems designed to receive less than one thousand (1,000) gallons per day; however, demand dosing may be utilized when the qualified professional deems it to be the most appropriate method of dosing in consideration of the wastewater generating use.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.110 Standards for OWTS installation permits.

A. All new, replacement or expansion OWTS, or any part thereof, and all replacement of existing OWTS, or any part thereof, shall comply with the standards, specifications, and regulations set forth in this Chapter. This section applies to the installation of both conventional and alternative OWTS.

B. If the proposed OWTS is associated with construction of a proposed structure that will generate domestic wastewater, no OWTS installation permit shall be approved until the construction permit for the proposed structure has been approved by all appropriate governmental agencies. In the case of existing development, the structure being served by the proposed OWTS shall have been permitted for the existing and/or proposed use by the appropriate governmental agencies before EHB will issue an OWTS installation permit. The EHB may request evidence of such permits and approvals from other governmental agencies as part of the application for the new, replacement, or expansion OWTS.

C. No OWTS permit shall be approved in any area where continued onsite domestic wastewater discharge would constitute a public health hazard, or where an existing or threatened condition of water pollution, contamination, or nuisance exists.

D. No OWTS permit shall be approved when any part of the system is proposed to be located on or within any lot other than the lot where the plumbed building or structure exists, unless an easement or other legally binding written recorded document provides permanent rights to the specific area of land for OWTS related use. Right of access for the landowner with the building or structure served by the proposed OWTS shall be demonstrated to the satisfaction of the EHB.

E. Domestic wastewater discharge from an OWTS shall be limited to the equivalent of forty (40) grams per gross acre per day of total Nitrogen.

    1. A qualified professional shall prepare a technical report, at the property owner's expense, which determines the proportionate quantity of nitrogen loading allowable based on acreage as prescribed by Table 2 of this Chapter, and which verifies that the proposed OWTS, alternative OWTS with supplemental treatment, or alternative dispersal system will sufficiently treat the wastewater so that it does not exceed that determined value.

        a. Domestic wastewater from commercial or industrial operations shall be evaluated as high strength wastewater. The qualified professional may utilize empirical data from existing, similar uses to estimate wastewater characteristics. The qualified professional shall specify the maximum volume of daily onsite wastewater dispersal allowed that will conform with nitrogen loading limits for the site in consideration of lot size.

        b. When the use of conventional OWTS to serve new or expanded development would exceed the nitrogen loading limit for the property, a supplemental treatment system, including nitrogen reduction, shall be incorporated into the OWTS design to conform with the forty (40) grams per gross acre per day limit.

F. A cumulative impact analysis shall be completed by a qualified professional in accordance with the method approved by the Director, prior to approval of any OWTS installation permit for systems proposed to accept wastewater from non-domestic sources, such as restaurants or commercial/industrial operations, or that are designed to receive more than two thousand five hundred (2,500) gallons of wastewater per day. The OWTS shall be subject to additional restrictions on permissible groundwater separation distances as determined appropriate by the qualified professional in the cumulative impact analysis and as approved by EHB.

G. All new OWTS shall include two dispersal systems that meet the minimum specifications of this Chapter. The systems shall be separated by a diversion valve. Area for a future (third) dispersal system on the property that is equal to or greater than the land area necessary to accommodate the larger of the first or second

dispersal systems shall be required for all new OWTS, unless the qualified professional recommends reduced land area based on site-specific soil evaluation. Suitable area for a future (third) dispersal system shall be set aside and protected through a written instrument recorded on the property that limits the area from all uses except future dispersal system replacement.

1. When proposed construction on the property will make the future (third) dispersal area inaccessible to installation equipment, the dispersal system shall be specified as part of the design to be installed at initial installation of the OWTS.

2. When a qualified professional determines that sufficient land area for a future (third) dispersal system is unavailable, a deed restriction shall be recorded at the owner's expense to notify the current and future property owners that an alternative OWTS with supplemental treatment may be required to accommodate any future replacement of OWTS or expansion of OWTS.

H. No OWTS permit shall be approved when subsurface conditions are comprised of permeable rock, as defined by this Chapter, unless the dispersal system area is shown by a qualified professional to yield percolation test results within the acceptable range specified in Table 4 of this Chapter and unless vertical separation requirements to groundwater, consolidated bedrock or another impervious layer are met in accordance with Table 13 of this Chapter.

I. No OWTS permit shall be issued unless the system conforms with the minimum horizontal setback distances specified by Table 3 of this Chapter.

1. When the minimum horizontal setback to a water source, watercourse, or body of water specified by this Chapter cannot be met, an alternative OWTS, which may include a supplemental treatment unit and/or an alternative dispersal system, shall be required. The qualified professional shall demonstrate that the proposed alternative OWTS is adequate to protect the water source, watercourse, or body of water from the OWTS discharge. For water sources that serve public water systems, the alternative OWTS shall also include a supplemental treatment unit with disinfection.

2. When the minimum horizontal setback distance to a structure cannot be met, a professional engineer shall verify that the proposed distance will not jeopardize the structural integrity of the OWTS or the structure itself.

3. When a qualified professional proposes to install an OWTS component within the minimum horizontal setback to a tree protected by Title 20 or 21 of this Code, an arborist report shall be required to confirm that the installation and ongoing use of the OWTS will not detrimentally impact the tree(s).

4. The minimum horizontal setback distance to a property line may be reduced for replacement OWTS only when the adjacent property is determined to be at the same or similar elevation or higher elevation than the invert of the OWTS dispersal system. The qualified professional shall demonstrate, to the satisfaction of the EHB, that no other suitable area is available for the OWTS and that the maximum practicable setback is maintained. In no case shall the minimum horizontal setback to a structure on an adjacent property be reduced.

J. No OWTS permit for new or expansion OWTS permit shall be approved for a conventional OWTS in an area subject to ten (10) year flood events, as determined or estimated from published floodplain maps, or based on historical evidence acceptable to the Director.

K. No OWTS permit shall be approved when the system will accept high strength wastewater from commercial food service buildings unless the wastewater does not exceed nine hundred milligrams per liter (900 mg/L) BOD and there is a properly sized and functioning oil/grease interceptor.

L. Grease interceptors or other devices, approved as part of a construction permit from the County, which remove grease from the waste stream, must be installed in food facilities with food preparation. Grease

traps under pot sinks are generally not acceptable but may be approved when the proposed operation is not anticipated to generate significant volumes of grease, such as yogurt or smoothie shops.

M. Where a line carrying potable water must cross a dispersal field, the line shall be at least one foot (1') above the top of the dispersal field, and no joint in the pipeline shall be closer than eight feet (8') to the field dispersal line.

N. Any OWTS proposed within four hundred feet (400') of a watercourse with year-round flow or that has been designated as a beneficial use for domestic water supply shall comply with the following requirements:

1. No OWTS permit shall be issued when a conventional dispersal system is proposed to be located at any point having less than a minimum distance of one hundred feet (100') from the watercourse.

2. The piping of any part of the OWTS, including the pipe from the house to the septic tank, is prohibited if the pipe runs across or under any watercourse designated as a beneficial use for domestic water supply. Site specific engineering may be approved at the discretion of the EHB to overcome the obstacle if no other suitable area is available on the property.

3. Prior to approval of a permit that includes an OWTS dispersal system proposed to be located between one hundred feet (100') to one-hundred and forty-nine feet (149') away from the watercourse, percolation testing shall be required, and the qualified professional shall make a determination, subject to EHB review and acceptance, as to whether a nitrate-contaminant study is required. A supplemental treatment system, including nitrogen reduction and disinfection, shall be incorporated into the OWTS if the percolation rate is found to be less than or equal to five minutes per inch.

    a. If a nitrate-contaminant study is required, the location and number of samples shall be specified in a workplan, submitted to the EHB for review and acceptance prior to initiating work. The analysis must meet the minimum standards specified for a nitrate contaminant study, in accordance with the methods approved by the Director.

O. Wastewater effluent shall not be piped across a drainageway or watercourse that does not have year-round flow unless the effluent has first passed through a septic tank or supplemental treatment unit. The wastewater piping shall be sleeved for at least eight feet (8') beyond the high-water mark on each side of the watercourse with as few joints in the sleeve as practical, preferably none.

P. The distance between the bottom of a dispersal system and bedrock or an impervious layer shall conform with the minimum vertical separation specified by Table 13 of this Chapter.

Q. When a dispersal system is proposed to be situated fifty feet (50') or closer to or within a cut bank or downhill slopes that exceed thirty percent (30%), a minimum vertical distance of five feet (5') between the bottom of the dispersal system and bedrock or other impervious layer shall be required. This vertical separation may be reduced at the discretion of a qualified professional when a linear loading evaluation has been completed to demonstrate that sufficient soil is available below the dispersal system to ensure that wastewater effluent will not surface or mound below ground.

R. The minimum vertical separation between the bottom of a conventional OWTS dispersal field and seasonal high groundwater shall be determined by Table 4 or 5 of this Chapter as appropriate.

1. When groundwater is encountered, the qualified professional shall determine if the construction of subsurface drainage improvements would be sufficient to divert the water away from the dispersal system area and protect against comingling of the wastewater effluent and groundwater. The qualified professional's determination is subject to EHB's consideration and acceptance.

2. When the minimum vertical separation between the bottom of the dispersal field and groundwater cannot be met and construction of subsurface drainage improvements would not be sufficient to divert the water away from the dispersal area, an alternative OWTS with supplemental treatment, including nitrogen reduction, shall be required.

3. In all cases where the vertical groundwater setback for an OWTS specified by this Chapter cannot be met, a permanent monitoring well shall be required and will be subject to all permit and construction requirements specified by Chapter 15.08 of this Code.

4. Community dispersal systems shall demonstrate that at least fifteen feet (15') of vertical separation will exist between the bottom of the proposed dispersal system and groundwater, including perched water, regardless of the minimum separation specified in this Chapter.

S. Stormwater and subsurface sheeting water shall be diverted away from the dispersal area. This may require site grading and installation of a diversion ditch or berm on the upslope side of the dispersal area. Subsurface sheeting water may be intercepted by a curtain drain and diverted around the dispersal system provided the following conditions exist:

1. Natural ground slope is greater than or equal to five percent (5%);

2. Site investigation by a qualified professional shows groundwater to be perched on a clearly definable layer of bedrock or impervious soil; and

3. The curtain drain(s) is designed by a qualified engineer or geologist.

T. The qualified professional shall determine the appropriate soil application rate for each dispersal system in consideration of the soil profile, percolation testing and/or direct inspection pursuant to Tables 4 or 5 of this Chapter, as applicable.

1. When percolation testing is utilized to assess the absorptive characteristics of the soil, the following criteria must be utilized:

a. The qualified designer shall use the final, stabilized percolation rate obtained for each boring to determine the soil application rate.

b. Percolation rates of more than one hundred and twenty (120) minutes per inch (less than one-half inch per hour) are unsuitable for any kind of sewage disposal field. Where there are areas of percolation rates that have conflicting results (e.g. some passing and some failing), there must be a statistical preponderance of passing percolation rates, as determined by the EHB, for that area to be considered suitable for subsurface disposal of septic tank effluent.

c. Percolation rates more than ninety (90) but less than one hundred and twenty (120) minutes per inch are considered marginal. The qualified professional shall consider other constraints on the property that may make the property unsuitable for OWTS, such as total lot size, depth to groundwater, topography, well site location, and streams. The EHB shall not approve an OWTS permit based on marginal percolation rates when a consideration of the above criteria indicates that ground water, surface water, or public health will be put at risk.

2. When both percolation testing and direct inspection are utilized to assess absorptive characteristics of the soil, the qualified professional shall make a recommendation of the appropriate soil application rate for review and approval by the EHB.

U. When a water treatment system will be installed to treat water from a domestic water source (including but not limited to a spring, private well, or a connection on a water system) to meet drinking water standards, the discharge of water treatment wastewater into the OWTS may be authorized by the EHB in the following situations:

1. A Point-of-Use (POU) water treatment device is installed within the structure just prior to the tap, so that only water from the affected tap is treated. The OWTS design volume does not need to be increased to accept POU wastewater unless multiple POU water treatment devices are approved for use by the EHB and installed throughout a structure.

2. A Point-of-Entry (POE) water treatment device treats all of the domestic water before it enters the structure. The qualified professional shall determine the wastewater generation rate of the approved water treatment system and revise the OWTS design to accommodate the additional wastewater .

3. If a water treatment system supplies water for human consumption to more than one service connection on the same property, then wastewater from that system may be discharged into an OWTS, provided the OWTS has sufficient capacity to accept the additional volume. When the service connections are located on more than one property, a separate disposal trench shall be installed pursuant to the specifications of the water system permit. For the purposes of this Chapter, if a separate disposal trench will be utilized for drinking water treatment waste, the trench shall meet the OTNWS design standards.

4. If a water treatment system relies on resin filter media, the resin filter backwash may be discharged to the OWTS. Portable exchange of resin filter media tanks is preferred, but if the backwash is intended to be discharged into the OWTS, the design volume shall be increased to include recurring filter backwash wastewater when the anticipated backwash volume is more than five percent (5%) of the estimated domestic wastewater volume over a given time period (e.g., one week).

5. Water treatment devices are prohibited if their use would result in the disposal of additional salts or binding agents into an OWTS. This prohibition does not include disinfection devices such as chlorinators.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.120 Installation requirements for OWTS and OTNWS.

A. The qualified installer shall notify the EHB in writing at least forty-eight (48) hours before moving equipment on site to commence installation of an OWTS or OTNWS, Monday through Friday. The EHB will not accept notice on Saturdays, Sundays, or County holidays. The notice shall include the address of the subject property and installation permit number, in addition to the contact and license information of the installer.

B. A copy of the approved installation permit shall be on site throughout the duration of installation or replacement. For OWTS installations, the EHB shall be notified at least forty-eight (48) hours prior to commencing installation if the applicant elects to change the designated qualified installer.

C. All connections from buildings with permitted plumbing to a tank, including the grade of the pipe from the building to the tank, shall be made in accordance with the most recent edition of the California Plumbing Code and Title 18 of this Code, as each may be amended from time to time.

D. Tanks shall be installed in accordance with the manufacturer's specifications. Unless otherwise specified by the manufacturer's recommendations, soil around tanks shall be hard- compacted. All new, replacement, and expansion tanks shall be certified to be watertight in accordance with one of the methods approved by the Director of EHB, prior to final approval of any OWTS permit.

E. All work for which a permit is required by this Chapter shall be subject to inspection by the EHB. A final inspection of a completed system must be obtained before any piping or component is covered with earth. EHB reserves the right to waive a final inspection, in which case the qualified installer shall provide written confirmation that the system has been installed in substantial conformance with the EHB-approved plan and reflects any changes approved by the EHB during the process of installation. No OWTS or OTNWS system shall be used until EHB has granted final approval of the installation.

F. Whenever an OWTS is designed or engineered to overcome site-specific constraints or includes a supplemental treatment system or alternative dispersal system, the qualified professional that designed or engineered the system shall conduct inspections throughout the installation in order to certify that it has

been installed in substantial conformance with the EHB- approved plan and any changes approved by the EHB during the process of installation. Documentation of these inspections shall be provided to the EHB upon request. In the event that the qualified professional who designed the system is no longer available, the owner shall obtain approval from the EHB to substitute a different qualified professional to perform inspections during the installation process.

G. Prior to EHB's final approval of OWTS installation, the qualified professional shall submit an as-built diagram, including but not limited to any changes approved by the EHB during the process of installation, and show the exact dimensions, geometry, and location of all elements of the OWTS.

H. It is the responsibility of the qualified installer or property owner to request such final inspection, and any other inspections which the EHB may have required in the permit, and to ensure that the work is ready for such inspection. Request for inspection shall be made not less than forty-eight (48) hours in advance of any required inspection. The EHB will not conduct inspections on Saturdays, Sundays and County holidays, unless determined necessary at the discretion of the EHB.

I. EHB shall provide final approval of the installation in writing. EHB approval shall be withheld until the owner or his or her authorized agent has paid all associated fees and completed and submitted documentation to the EHB which demonstrates, to the satisfaction of EHB, that all special conditions identified on the permit have been addressed and that the installation conforms to the approved plans or any subsequent approved revisions to the plans.

J. Failure to provide notice to EHB of any required inspections is a violation of this Chapter. If additional inspections are necessary because the OWTS was not ready during a requested inspection, EHB may charge the owner for the additional staff time required to complete inspection(s) at the current hourly rate as adopted by the Board of Supervisors, in addition to any OWTS application fee.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.130 Additional installation requirements for alternative OWTS.

A. All alternative OWTS shall be installed by a qualified professional in accordance with the specifications for location, components, size, and depth as designed by the qualified professional and approved by the EHB. When the installation includes a supplemental treatment unit, the installer shall also provide to the EHB any required manufacturer certification, if applicable.

B. The qualified professional shall also be responsible for inspection of system installation to assure conformance with approved plans and shall provide an as-built drawing of the installation to the Director and property owner. The installation inspection by the qualified professional designer shall be in addition to standard County inspection work carried out in accordance with this Chapter.

C. The qualified professional shall prepare an Owner's Manual for the alternative OWTS and provide a copy to the EHB and to the property owner, which includes the following:

1. License and contact information for the certified designer, installer, and service provider;
2. As-built drawing with installation and system start-up dates;
3. Treatment process and performance expectations;
4. Lists of typical materials, tools, equipment, and spare parts;
5. Routine cleaning and maintenance procedures;
6. Effluent testing procedures; and
7. Troubleshooting tips.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.140 Application requirements for OWTS operating permit.

A. An application for an OWTS operating permit shall be in writing, on an EHB-approved form. The application shall be signed by the owner of the property, or his or her authorized agent, and accompanied by payment of applicable fees as adopted by the Board of Supervisors. The application submittal shall include the following:

   1. Property information, to include Assessor's Parcel Number and, if available, the subject property's street address;

   2. Copy of most recent grant deed with the property's legal description;

   3. Physical and mailing address and email of property owner and, if owner has authorized an agent, the mailing address and email of the agent;

   4. If the application is signed by an agent, written agent authorization signed by the property owner;

   5. Copy of current, executed O&M Service Agreement; and

   6. Such other information as the Director determines is necessary to process the application.

B. Renewal of the operating permit shall be required annually, unless otherwise specified in the permit by EHB.

C. An application for renewal of a previously issued operating permit shall be in writing on an EHB-approved form. The application shall be signed by the owner of the property, or his or her authorized agent, and accompanied by payment of applicable fees as adopted by the Board of Supervisors. In addition to the requirements of this Section, the submittal shall also include the following:

   1. An operating permit report summarizing all monitoring, inspection and service activities during the interval specified in the operating permit (e.g. one year);

   2. If the application is signed by an agent, written agent authorization signed by the property owner; and

   3. Such other information as the Director determines is necessary to process the application.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.150 Operating permit requirements for OWTS and OTNWS.

A. Operating permits are intended to serve as the basis for verifying the adequacy of OWTS and OTNWS performance and to ensure on-going activities are completed, such as maintenance and/or water quality monitoring. The owner of real property served by a new or existing OWTS or OTNWS shall be required to apply for an operating permit in each of the following circumstances:

   1. At the time of application for an alternative OWTS or OTNWS;

   2. Within thirty (30) days of transfer of title of property on which an OWTS or OTNWS subject to an existing operating permit exists;

   3. Within thirty (30) days of receiving written notification from the EHB that an alternative OWTS or OTNWS exists on the property;

   4. Prior to issuance of permit to install a haul away system; and

   5. At the time of application for conventional OWTS or OTNWS that will necessitate water quality analysis pursuant this Chapter.

B. An operating permit may also be required for circumstances other than alternative OWTS, such as for larger flow OWTS (e.g. >2,500 gpd), or where the Director determines that the type, size, location or other aspects of a particular OWTS installation warrant the additional level of oversight provided by an operating permit. In such cases, the issuance and scope of operating permits will be governed by the general requirements of this Chapter and subject to the monitoring and inspection requirements specified by the Director and in consideration of recommendations by the qualified professional.

C. Performance monitoring and reporting. EHB will establish a monitoring and reporting schedule for each operating permit at the time of permit issuance and may amend the schedule at the time of permit renewal. Said monitoring shall be performed to ensure that the system is functioning satisfactorily to protect water quality and public health and safety.

1. Monitoring requirements, including frequency of monitoring, will vary depending upon the specific type of system and will be based on upon the manufacturer's specifications and methods approved by the Director. Permanent groundwater monitoring wells installed as a condition of an alternative OWTS permit shall be measured annually in accordance with methods approved by the Director.

2. Monitoring of OWTS shall be conducted by or under the supervision of a registered qualified service provider in accordance with methods approved by the Director.

3. The performance objectives for an OWTS may be amended from time to time by EHB when water quality monitoring indicates that the ongoing use of the OWTS is contributing to a decline in groundwater quality.

4. Monitoring reports shall be prepared and signed by the registered qualified professional who completed the service and shall also be signed by the property owner or authorized agent.

5. The property owner or authorized agent shall submit an operating permit report to the EHB on an EHB-approved form. Notwithstanding septic tank pumper reports or operating permit reports, the owner or owner's authorized agent shall notify EHB immediately of any system problems observed during inspection and/or monitoring of the wastewater system that threaten public health or water quality.

6. The EHB will review the operating permit report for conformance with requirements of the operating permit and may require corrective action or general changes in monitoring and inspection requirements in order to protect public health and safety.

7. In addition to regular inspection and monitoring activities, inspection and evaluation of OWTS or OTNWS will be required at the discretion of the EHB in the event of significant flooding or an earthquake causing significant ground shaking in the region. The EHB will issue appropriate notices when such inspections are required and will specify how the registered qualified service provider conducting the inspection and evaluation will be required to report their findings to the EHB. The purpose of such inspections will be to assess and document any damage to the OWTS or OTNWS and to require the property owner to implement corrective measures, as needed, in a timely manner.

8. Any component, control system, or monitoring device subject to an operating permit from the EHB shall be maintained in good working order, and operated as efficiently as possible, to meet requirements specified by the operating permit.

The property owner shall be responsible to arrange for corrective actions to be completed when monitoring or inspection activities indicate that the system is not operating in accordance with the standards of this Chapter, the conditions of the permit, or policies approved by the Director, or is not meeting performance objectives.

9. A deed restriction recorded on title shall be required to notify current and future owners that an OWTS or OTNWS is installed and requires on-going operation and maintenance to be completed by a qualified professional and that an operating permit shall be maintained in perpetuity or so long as the OWTS and/or OTNWS is to be utilized.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.160 Water quality monitoring required.

A. As part of an operating permit, EHB may require the owner to conduct on-going water quality monitoring. The EHB will analyze routine water quality monitoring of onsite water wells or surface water to identify problem areas throughout Monterey County that are served by OWTS to determine if an area-specific groundwater or surface water quality monitoring program is warranted. Monitoring of an onsite well, surface water, or other source shall be required in any of the following circumstances:

1. When a conventional OWTS dispersal system will be located one hundred feet (100') or more, but less than one hundred fifty feet (150') away, from a watercourse with year round flow or that has been designated as a beneficial use for domestic water supply, the watercourse shall be sampled in accordance with the methods approved by the Director.

2. When an insufficient horizontal setback to an onsite water well or surface water, as described in this Chapter, prompts the requirement for an alternative OWTS with supplemental treatment, the onsite water well or surface water shall be sampled in accordance with the methods approved by the Director.

3. When an OWTS dispersal system will be installed within two hundred fifty feet (250') of an onsite water well or surface water supply, the onsite water well or surface water supply shall be sampled in accordance with the methods approved by the Director.

B. Baseline sampling shall be completed prior to issuance of an OWTS installation permit when water quality monitoring is required by this Section. Ongoing, routine monitoring shall be completed in accordance with the frequency prescribed by the operating permit.

C. Water quality analysis shall be completed by a California Environmental Laboratory Accreditation Program (ELAP) certified laboratory and shall include all of the following constituents:

1. Total nitrogen;

2. Chloride;

3. Sodium;

4. Total dissolved solids;

5. Bacteria by enumeration (total coliform, *E. coli* and enterococcus); and

6. Other pollutants of concern as determined by the Director.

D. When water quality analysis results of two consecutive sampling events indicate that the level of a monitored constituent has increased by more than ten percent (10%) compared to the previous sample, a qualified professional shall determine if the ongoing use of the OWTS is contributing to the decline in water quality by conducting a site-specific water quality monitoring program that meets the standards approved by the Director or the qualified professional may propose improvements to the OWTS to mitigate the impact to water quality.

1. The proposed water quality monitoring program or improvements shall be submitted to the EHB for review and approval. As required by this Code, a permit shall be obtained prior to modification of the OWTS or installation of a monitoring well(s).

(Ord. No. 5403, § 1, 6-13-2023)

15.20.170 Standards and specifications for existing OWTS.

A. When an existing OWTS installed under permit from the EHB does not comply with the nitrogen loading standards specified by Table 2 of this Chapter or is discovered to encroach upon the horizontal setback requirements specified by Table 3 of this Chapter, the OWTS shall be allowed to remain in place until such time that it is proposed to be replaced or expanded unless continued use of the OWTS is likely to cause negative impacts to groundwater, surface water, or public health.

B. To protect an existing OWTS from new or expanded development on a parcel, such new or expanded development must be sited in a manner that ensures that the minimum horizontal setback requirements specified by Table 3 of this Chapter can be met.

C. Prior to approval of a discretionary land use permit or, if no discretionary permit required, a construction permit, for an addition, remodel, tenant improvement, or change of use on a property that is served by OWTS:

1. The applicant shall demonstrate that adequate land area is available on the property to accommodate a future dispersal system replacement when the proposed development will increase the structural footprint (i.e. lot coverage) or will increase the estimated daily volume of wastewater generation. The approximate size for a future dispersal system area shall be based on the estimated daily volume of wastewater generation and soil application rate specified by Table 4 or 5 of this Chapter, as applicable. When site specific soil information is unavailable to identify the soil application rate, a soil application rate of two-tenths (0.2) gallons per square foot per day shall be utilized.

    a. If it is determined that sufficient land area for a future (third) dispersal system is unavailable, a deed restriction shall be recorded at the owner's expense to notify the current and future property owners that an alternative OWTS with supplemental treatment may be required to accommodate any future replacement or expansion of the OWTS.

2. The applicant shall provide documentation to the satisfaction of the EHB that the existing OWTS will conform to the OWTS design volumes as specified by this Chapter when the proposed addition, remodel, tenant improvement or change of use will increase wastewater generation on the property.

    a. When the design volume of existing OWTS is inadequate, the OWTS shall be expanded under permit from EHB to meet the standards set forth in this Chapter. All necessary improvements to the OWTS shall be completed prior to final inspection conducted for the construction permit. Examples of changes that would indicate an increased flow to the system include the addition of a bedroom(s) or, for commercial systems, increased occupancy and/or fixture units.

    b. Expansion of an existing OWTS shall be required to meet the same standards set forth by this Chapter for new OWTS and must be protective of human health and the environment, including but not limited to nitrogen loading limitations prescribed by Table 2 of this Chapter.

    c. The structural and operational condition of an existing OWTS shall be determined by a qualified professional and confirmed by EHB prior to EHB approval of a construction permit, when required by Table 9 of this Chapter, by way of an OWTS Performance Evaluation completed in accordance with the methods approved by the Director.

    d. Any OWTS component that is deemed to be in unacceptable condition (failed) shall be repaired or replaced in accordance with the minimum standards of this Chapter prior to the final inspection for the construction permit that prompted the requirement for a performance evaluation.

    e. A redwood or a poured-in-place concrete tank that maintains acceptable structural integrity and is operating as designed shall not be construed to be in unacceptable condition.

D. For the purposes of this Section and Table 10 of this Chapter, a conforming dispersal system is one that meets all water-related horizontal or vertical setback requirements, is not covered by an impermeable surface. and is less than ten feet (10') total depth. A non-conforming dispersal system is one that does not meet all minimum water-related horizontal or vertical setback requirements, is covered by an impermeable surface, or is greater than ten feet (10') total depth, including but not limited to seepage pits.

1. When a construction permit for an addition, remodel, tenant improvement or change of use will result in increased volume, a conforming dispersal system is eligible to remain in use and expanded as necessary. Installation of a supplemental treatment unit shall be required when a change in wastewater strength will exceed the nitrogen loading limit for the property.

2. When a construction permit for an addition, remodel, tenant improvement or change of use will result in increased wastewater strength or volume, a non-conforming dispersal system shall be allowed to remain in use only when a supplemental treatment system that meets the effluent constituent limitations specified by Table 11 of this Chapter is incorporated into the OWTS prior to final inspection of the construction permit or commencement of this use.

3. EHB may, in its discretion, determine that installation of supplemental treatment is not required in the following circumstances:

   a. When a construction permit for an addition, remodel, tenant improvement or change of use will not result in increased wastewater strength or volume;

   b. When an allowed conversion of an existing bedroom or habitable structure into a Junior Accessory Dwelling Unit (JADU) on a property meets all additional requirements identified in this Chapter;

   c. When one bedroom is added to an existing two bedroom dwelling on a minimum lot size greater than three-quarters (0.75) of an acre.

E. Existing, conforming dispersal systems and certain non-conforming dispersal systems as specified by Table 10 of this Chapter are eligible to have their dispersal capacity reassessed to determine if the system can increase its daily design flow in consideration of site-specific soil characteristics or percolation rates in accordance with Table 4 or 5 of this Chapter, as applicable. A qualified professional may assess the absorptive characteristics of the soil using either direct inspection or percolation testing in the vicinity of the existing dispersal system or consider information in an existing soil or percolation testing report, to determine if it is appropriate to utilize an alternate soil application rate from that which was used in the original OWTS design. Any such reassessment is subject to EHB review and approval.

F. When the information necessary to reassess the capacity of the existing dispersal system is unavailable, the soil application rate shall be evaluated using a soil application rate of three-tenths (0.3) gallons of wastewater per square foot of dispersal system per day unless the original soil application rate is known and was based on site-specific information.

G. When supplemental treatment, including nitrogen reduction, is incorporated into an existing OWTS, the estimated daily volume of wastewater generation may increase by up to one-hundred and fifty (150) gallons without the requirement to expand the dispersal system capacity.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.180 New subdivisions of land that propose OWTS for sewage disposal.

A. For proposed subdivisions of land that will use OWTS for sewage disposal, the minimum lot size shall not be less than one (1) gross acre; however, a minimum lot size of two and one-half (2.5) acres shall be required

when the source of water for the subdivision's domestic water supply, such as a water well, spring or other source of domestic water, exists or is proposed on the proposed lot.

B. For proposed subdivisions creating five or more parcels, the lot size criteria in Table 1 of this Chapter shall also be met. The applicant shall consider annual rainfall data from an observation station(s) in the Global Historical Climatology Network-Daily database to establish the average annual rainfall for the property, subject to review and acceptance by the EHB. For the purposes of this Chapter, average annual rainfall shall mean the average amount of precipitation for a location over a year for the preceding three decades.

C. Development shall be limited to onsite wastewater discharge of forty (40) grams per acre per day of total Nitrogen. Subdivisions of land creating two parcels with existing residential development may utilize supplemental treatment technology to meet the nitrogen standard of this Section.

D. The applicant shall clearly demonstrate that the proposed use of OWTS will not adversely affect groundwater or other beneficial water uses in the future and that the anticipated use(s) of the OWTS will comply with all the requirements of this Chapter.

E. Proposed subdivisions shall be required to complete a comprehensive site evaluation, as prescribed by this Chapter, for each proposed lot. The site evaluations shall be completed by a qualified professional and provide sufficient information to identify suitable locations to accommodate the primary, secondary, and future (third) dispersal systems and shall be based on a daily design volume of four hundred fifty (450) gallons per day.

F. Soil profile analysis and percolation testing for proposed subdivisions may be reduced at the discretion of the EHB if conformity to a given soil type can be established to the satisfaction of the EHB. In all cases, at least one soil profile excavation or boring and one percolation test shall be completed for each proposed lot. Alternative OWTS or gravel-filled seepage pits shall not be used to demonstrate OWTS feasibility for new subdivisions.

G. Any pending subdivision application that was not deemed complete prior to May 10, 2018, and that proposes to rely on OWTS for sewage disposal must conform to the comprehensive site evaluation and soil testing criteria and the minimum lot size criteria specified by Table 1 of this Chapter prior to approval of the tentative map, tentative parcel map, or vesting tentative map. Any pending subdivision application that was deemed complete but not approved as of May 10, 2018 and that proposes to rely on OWTS for sewage disposal must conform to the comprehensive site evaluation and soil testing criteria specified by this Chapter prior to approval of the tentative map, tentative parcel map, or vesting tentative map. These requirements are necessary to protect the public health and safety and to comply with state OWTS Policy as implemented through the LAMP.

H. In accordance with Section 66498.1 of the Subdivision Map Act (California Government Code Sections 66410 to 66499.58), to protect the public health and safety, and to comply with state OWTS Policy as implemented through the LAMP, for vesting tentative maps and tentative maps approved by the County prior to adoption of the LAMP on May 10, 2018, the EHB may require, prior to OWTS permit issuance, that the owner conduct additional site evaluation and soil testing to demonstrate conformance with the OWTS standards in place at the time of OWTS permit issuance. Additionally, the EHB may require the installation and ongoing use of an alternative onsite wastewater treatment system with supplemental treatment to meet minimum standards.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.190 Nitrogen Management Area, supplemental treatment required.

All new and replacement OWTS dispersal systems proposed within the Carmel Highlands Special Area of Concern Boundary, as shown by Figure 6-1 of the LAMP, shall incorporate supplemental treatment measures, including nitrogen reduction, designed to meet the standards specified by Table 11 of this Chapter.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.200 Abandoned sewage disposal facilities.

A. Every septic tank and pump chamber which has been abandoned, or has been otherwise discontinued from further use, or to which no waste or soil pipe from a plumbing fixture is connected, shall be properly abandoned in place or demolished, under permit from the EHB in accordance with the standards specified by this Section. A permit to abandon or demolish shall be obtained from the EHB prior to any work being performed.

B. Hollow seepage pits and cesspools are a significant threat to groundwater and a physical safety threat due to the tendency to collapse. Upon discovery, cesspools shall be properly abandoned following the septic tank demolition standards of this Section. Hollow seepage pits may be retroactively brought into compliance by filling in the void space with EHB-approved rock when vertical and horizontal setbacks can be met. When the setbacks cannot be met, hollow seepage pits shall be properly abandoned. A permit shall be obtained from EHB for the abandonment of cesspools and hollow seepage pits.

C. Proper abandonment of cesspools, septic tanks, pump chambers, or hollow seepage pits shall mean the following for the purposes of this Chapter:

    1. The tank, pit or pump chamber shall be pumped completely by a registered liquid waste hauler. The bottom of a septic tank or pump chamber shall be broken out to prevent the ponding of water, or be removed from the ground completely and disposed of at an approved solid waste disposal site. The void space or excavation shall be backfilled with sand, gravel, cement or compacted earth and made to be level with the natural ground slope.

D. Any requirement to maintain an ongoing operating permit for a wastewater system shall become null and void upon demolition of said system conducted pursuant to the demolition permit from the EHB.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.210 Annual registration requirements for qualified professionals.

A. The qualified professionals that design, install, inspect, maintain, repair and/or replace OWTS and OTNWS in Monterey County are required to register with EHB to do work under this Chapter and are required to renew their registration annually to remain qualified to do work under this Chapter. The registered qualified professional is responsible for being knowledgeable and compliant with all requirements of this Chapter and the LAMP. They are also responsible for ensuring that their employees and agents are knowledgeable and compliant with the requirements of this Chapter and the LAMP.

B. All qualified professionals shall register with the EHB prior to conducting activities related to OWTS and OTNWS design, installation, maintenance, and repair of an OWTS or OTNWS in the unincorporated areas of Monterey County and in any other jurisdiction which has elected to apply the requirements of this Chapter.

    1. An owner-builder that does not possess any of the specified contractor's licenses is limited to performing septic tank abandonment or demolition under permit from the EHB and is not required to register as a qualified professional.

    2. Individuals performing design, installation, maintenance, and repair of OTNWS are not required to register as a qualified professional.

C. All applications for registration as a qualified professional shall be made in writing on a form prescribed by the EHB and shall include such information as the EHB determines is necessary in order to verify the applicant's qualifications as a qualified professional pursuant to this Chapter.

1. Any person applying for registration as a qualified professional shall submit the following information to the EHB as part of the registration application:

    a. Completed qualified professional registration application form, personally signed by the professional license or certificate holder.

    b. Proof of a valid professional license or certificate.

    c. The name and contact information of a person or persons who shall act as the principal contact or intermediary with the EHB.

    d. Applicable fee as adopted by the Board of Supervisors, no part of which shall be refundable.

2. Qualified professionals are required to register with EHB on an annual basis to do work under this Chapter. All registration certificates issued by EHB expire on the 30th of June, regardless of the date of issuance. Renewal of registration is required for a qualified professional to do work under this Chapter.

3. A registered qualified professional may renew their qualified professional registration by submitting the following to the EHB:

    a. Proof of a valid, unexpired professional license or certification; and

    b. Payment of annual registration fee in the amount set by the Board of Supervisors.

4. An individual or business is not eligible to renew their qualified professional registration for one year after revocation of a qualified professional registration or for such length of time as specified if the County revokes or suspends the registration.

5. A registered qualified professional must give the EHB immediate written notice of any suspension or revocation of their professional license or certification. The EHB may suspend or revoke the qualified professional registration at any time if the registered qualified professional ceases to have a valid professional license or certification, or if it has expired.

6. A registered qualified professional must give the EHB written notice within fifteen calendar days of any changes in contact information.

7. The EHB shall maintain a current list of names and business addresses of all registered qualified professionals and of all registered qualified professionals who are currently disqualified due to suspension or revocation of registration.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.220 Application for approval of tanks, proprietary non-rock dispersal media, and supplemental treatment devices or systems.

A. The EHB shall maintain a list of septic tank models, proprietary non-rock dispersal media, and supplemental treatment devices or systems that are approved for use.

1. All tanks shall be constructed of materials approved by the EHB and meet all of the following standards:

    a. Tanks shall be watertight and constructed of durable, corrosion resistant material, such as reinforced concrete, fiberglass or polyethylene plastic;

    b. Tanks must conform to the structural standards set forth by the IAPMO or American Society for Testing and Materials (ASTM);

c. Tanks shall be structurally designed to withstand all anticipated earth or other loads, and shall be installed level;

d. Tank design must allow access for inspection and cleaning;

e. Tanks shall be capable of being pumped out completely without the need to backfill with water to maintain structural integrity; and

f. Septic tanks shall have two compartments, separated by a baffle and include an air vent between the tank compartments.

B. Prior to installation, any septic tank model that is proposed to be used, and not already on the EHB approved materials list, is required to receive approval from EHB. Once approved, the use of the tank model shall be acceptable for use in subsequent OWTS installation permits, at the discretion of EHB. To apply for approval, the manufacturer, distributor, or other applicant must submit all of the following information to the EHB:

1. Letter requesting approval for the size of septic tanks or other materials;

2. Certificate of approval from the IAPMO;

3. Statement that the septic tank conforms with minimum design and installation standards specified by this Section, including but not limited water tightness;

4. Plans of the septic tank(s) for which approvals are being requested;

5. Installation instructions; and

6. A review fee as adopted by the Board of Supervisors.

C. Proprietary non-rock dispersal media products shall be constructed of materials approved by the EHB and must conform to the structural standards set forth by IAPMO or ASTM, and shall be designed to withstand all anticipated earth or other loads.

D. Prior to installation, any dispersal media alternative to traditional pipe and gravel leachfield system that is proposed to be used, and not already on the EHB approved materials list, is required to receive approval from EHB. To apply for approval, the manufacturer, distributor, or other applicant shall submit all of the following information to the EHB:

1. A letter requesting approval for the specific product or other material;

2. A product listing certificate from IAPMO;

3. Plans and specification sheets for the product or material for which approval is being requested;

4. Installation instructions;

5. When the applicant contends that use of the product or material would decrease the minimum amount of infiltrative area required (using a multiplier no less than 0.70), a statement of the proposed infiltrative capacity reduction with supporting documentation (e.g. third party testing) to support the claim; and

6. A review fee as adopted by the Board of Supervisors.

E. Supplemental treatment devices or systems require approval by the EHB and shall meet the following standards:

1. NSF certification for one or more of the following standards:

a. NSF/ANSI Standard 40: Residential Onsite Systems;

b. NSF/ANSI Standard 245: Nitrogen Reduction; or

c. Other NSF/ANSI standard that evaluates quality of wastewater effluent;

2. Two or more distributors within the State of California;

3. Prior approval of the proprietary supplemental treatment system by two or more other California counties; and

4. When a tank is included with supplemental treatment system, the tank shall meet the standards specified by subsection A of this Section.

5. The application materials shall include, but are not limited to, the following:

a. NSF certification and Evaluation Report;

b. Product specifications, design standards, and treatment objectives;

c. Installation manual;

d. Sample operation and maintenance manual;

e. Sample service contract;

f. List of qualified professionals authorized to provide operation and maintenance services within a two hundred fifty (250) mile radius of Monterey County;

g. Parts and/or service distributor information;

h. Five years of "live operation" performance history; and

i. Any further documentation as the EHB determines is necessary to ensure the protection of public health and safety.

F. The EHB shall issue a letter to the applicant granting approval to use the new septic tank or treatment technology when the proposed new product has been demonstrated to the satisfaction of EHB to meet the standards and specifications of this Section.

1. When a product or material has been approved by the EHB to decrease the minimum amount of infiltrative area required, this information shall also be specified.

2. When approval is not granted, the letter shall indicate disapproval and specify the standards that have not been met.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.230 Septage disposal.

Disposal of septage shall be accomplished in a manner acceptable to the Director. Septage shall be discharged to an authorized facility, such as a municipal wastewater facility or permitted solid waste site that accepts disposal of septage.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.240 Septic tank pumper reporting program.

A. Liquid waste haulers that conduct septic tank pumping in the incorporated and unincorporated areas of Monterey County must first obtain and continue to hold an unrevoked registration issued by the EHB pursuant to California Health and Safety Code Section 117405 et seq., as may be amended from time to time. The registration must be renewed each calendar year.

B. A registered liquid waste hauler shall prepare a report on a form approved by the EHB and shall submit the report to the EHB for each septic tank pump out completed in Monterey County no later than ten business days after the end of the month that the septic tank pump out occurred. One report shall be completed for each tank that is pumped out.

C. EHB will notify a registered liquid waste hauler, in writing, if the hauler fails to report septic tank pump outs accurately or in a timely manner. A liquid waste hauler's continued lack of compliance with this Section or any other violation of federal or state law or County regulation may result in suspension, revocation or non-renewal of the annual liquid waste hauler registration with the County. The EHB may revoke the registration for cause upon providing ten (10) days advance notice, served by registered mail or in person pursuant to California Health and Safety Code section 117445, as may be periodically amended.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.250 Prohibited disposition of sewage and other waste matter.

A. No person shall construct, use, or maintain any privy, cesspool, septic tank, gray water, sewage treatment works, sewer pipes or conduits, or other pipes or conduits for the treatment or discharge of sewage, impure waters, or any other matter or substance which is offensive or dangerous to health or sanitation, in such a manner as to: (1) overflow to any lands whatever; or (2) affect or enter any river, stream, creek, spring, lake.

B. No person shall accumulate, or allow to accumulate, or deposit upon the surface of the ground or within an unauthorized excavation on any premises owned and occupied by him or her, or under his or her possession and control, garbage, rubbish, trash, debris, refuse, cans, dead animals, or any offensive waste matter, unless a permit to do so, pursuant to State or county law, regulation, or ordinance, has been obtained.

C. No person shall accumulate, or allow to accumulate, on any premises owned and occupied by him or her, or under his or her possession and control, any garbage, rubbish. trash, debris, refuse, cans, dead animals, which may be attractive to insects or rodents, or may create offensive odor, or may be scattered by wind, unless such materials are enclosed in rodent-proof containers with tight-fitting lids. Such material shall be disposed at an approved disposal site at least every seven days.

D. No commercial scavenger or refuse collector or dumper shall place or deposit any garbage, rubbish, trash, debris, refuse, cans, dead animals, or any offensive waste matter upon any refuse disposal site without approval from the disposal site operator. Disposal site operators may require additional screening of wastes to prevent disposal of hazardous materials.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.260 Enforcement and Penalties.

A. Any failure to comply with any provision of this Chapter, including but not limited to failure to obtain permits required by this Chapter, failure to comply with a condition of a permit issued pursuant to this Chapter, failure to submit the specified monitoring and inspection information and reports, failure to undertake any specified corrective work required by the County, and failure to pay required fees, is unlawful and a violation of the County Code.

B. In the event of a violation of this Chapter, the County may in its discretion, in addition to all other remedies, take such enforcement action as is authorized under the Monterey County Code and the LAMP and any other action authorized by law. If the County elects to utilize the administrative procedures set forth in Chapter 1.22 of the Monterey County Code to enforce this Chapter, the Director shall serve as the Enforcement Official. In the event of a violation, the County shall issue a notice of violation which shall

specify the violation and provide for reasonable time for the responsible person to correct or otherwise remedy the violation unless the violation creates an immediate threat to the public health or safety.

C. Whenever one or more of the conditions of an OWTS installation or operating permit issued pursuant to this Chapter have not been, or are not being complied with, or when the permit was granted on the basis of false material information, written or oral, given willfully or negligently by the applicant, remedies may include suspension or revocation of the permit following notice and opportunity for hearing in accordance with Titles 1, 20, or 21 of this Code, as applicable. In the event of revocation of the permit, a new and separate OWTS application shall be required, subject to the standards of this Chapter and payment of applicable permit application fees.

D. Installation without a permit. In the case of installation of OWTS without obtaining all required permits, the County may, in addition to all other remedies, direct that all work cease and require that the property owner obtain the appropriate permit or demolish the OWTS. The property owner and qualified professional that commenced or completed the work may be subject to such enforcement action. To resume use of the OWTS that was installed or operated without the appropriate permits, the property owner must retroactively apply for an OWTS permit, subject to double application fees as penalty, and obtain all appropriate permits. Alternatively, if the County requires the property owner to discontinue use of the unpermitted OWTS or the property owner chooses to discontinue the use, the owner must apply for and obtain an OWTS demolition permit from the EHB and properly abandon or demolish the system.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.270 Penalties specific to qualified professionals.

A. A cost recovery penalty may be assessed against the qualified installer when adequate notice is not provided pursuance to Section 15.20.120 of this Chapter or when additional inspections are necessary because the OWTS was not ready during a requested inspection. The penalty will be based on staff hours to evaluate documentation and complete the required inspection(s), invoiced at the current hourly rate as adopted by the Board of Supervisors.

B. When the EHB determines that a registered qualified professional has not complied with the standards of this Chapter, the EHB may revoke the qualified professional registration, suspend the registration for a fixed period of time, or disqualify the qualified professional from future registration for a period of time.

C. Prior to suspending or revoking a qualified professional registration, the EHB shall:

1. Issue a notice of intent to suspend or revoke the qualified professional registration. The notice of intent shall be in writing and shall describe with particularity the nature of the violation, including a reference to the statutory provision, standard, order or regulation alleged to have been violated. The notice of intent shall provide a reasonable time to correct or otherwise remedy the violation. The notice of intent shall be served upon the registered qualified professional personally or by certified mail or by other means by which receipt has been verified.

2. A registered qualified professional may request a hearing to contest the proposed suspension or revocation of their qualified professional registration. The hearing shall be conducted in accordance with the administrative hearing procedures set forth in Chapter 1.22 of this Code, with the Director serving as the Enforcement Official. The administrative hearing shall be held as soon as possible after receipt of the request for hearing.

3. The Director may temporarily suspend any qualified professional registration issued pursuant to this Chapter prior to any hearing when the action is necessary to prevent an immediate threat to the public health or safety. The temporary suspension shall remain in effect until a final determination has been made.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.280 Administration and enforcement—Right of entry.

The Director and his or her authorized deputy(ies), assistant(s), or designee(s) shall administer and enforce the provisions of this Chapter. They shall have the right to enter any building or premises at all reasonable times to make an inspection to enforce any provision of this Chapter if the property owner or other person having charge or control of the building or premises consents or if EHB obtains an inspection warrant or other legally authorized means to secure entry.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.290 Indemnification.

Each permit approved pursuant to this Chapter shall require as a condition of the permit that the owner of the property for which the permit is issued and their successors in interest defend, indemnify, and hold harmless the County and its officers, agents, and employees from actions or claims of any description brought on account of approval of the permit or any injury or damages sustained, by any person or property, resulting from the issuance of the permit and the conduct of the activities authorized under said permit.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.300 Administrative Manual.

The Board of Supervisors may, in its discretion, adopt an administrative manual to establish guidelines, procedures, and forms to implement the LAMP and this Chapter. Such manual may be adopted and updated periodically by resolution of the Board of Supervisors.

(Ord. No. 5403, § 1, 6-13-2023)

15.20.310 Incorporation of Tables.

Tables 1 through 13 set forth below and the standards set forth therein are hereby incorporated into this Chapter.

Table 1. Allowable Average Densities per Subdivision	
Average Annual Rainfall (inches per year)	Allowable Density (acres per single family dwelling unit or equivalent)
0—15	2.5
>15—20	2.0
>20—25	1.5
>25	1.0

Table 2. Nitrogen Loading Limitations Using Conventional OWTS: Each Residential Dwelling-Unit		
# of Bedrooms	Estimated Nitrogen Load on Site[1] (grams)	Minimum Acreage[2,3] (acres)
1	20	0.50
2	30	0.75

3	40	1
4	50	1.25
5	60	1.5
6	70	1.75

[1] Add 10g Nitrogen per additional bedroom in a dwelling unit beyond 6 bedrooms.

[2] Add 0.25 acres per additional bedroom in a dwelling unit beyond 6 bedrooms.

[3] This standard shall not be construed to conflict with or supersede the minimum lot sizes for subdivisions specified by the Monterey County General Plan or Titles 20 or 21 of the Monterey County Code, as may be amended from time to time.

Table 3. Minimum Horizontal Setback Distances for OWTS

	Setback Element	**Septic Tank (feet)**	**Dispersal Field (feet)**
1.	Wells: Potable, Irrigation, Monitoring, Cathodic Protection	100[d]	100[a]
2.	Wells: Geothermal	50	50
3.	Domestic Water Supplies (that do not serve a public water system)	100[d]	100[a]
4. Public Water System Supply Wells (Existing)			
	Where the dispersal system is less than or equal to 10 feet deep	100[d]	150
	Where the dispersal system is deeper than 10 feet and supplemental treatment has been incorporated	100[d]	150[e]
5. Public Water Systems' Surface Water Intake			
	Where the effluent dispersal system is less than 1,200 feet from a public water systems' surface water intake, within the catchment of the drainage, and located such that it may impact water quality at the intake point such as upstream of the intake point for flowing water bodies (measured from high water mark of the reservoir, lake or flowing water body)	100[d]	400
	Where the effluent dispersal system is more than 1,200 feet but less than 2500 feet from a public water systems' surface water intake, within the catchment of the drainage, and located such that it may impact water quality at the intake point such as upstream of the intake point for flowing water bodies (measured from high water mark of the reservoir, lake or flowing water body)	100[d]	200
6.	Bodies of Water: Vernal Pools, Wetlands, Lakes, Ponds or other Surface Water Bodies)	100[d]	200
7.	Watercourse: measured from the high-water mark	100	100
8.	Springs, natural or any part of man-made spring	100	100[a]
9.	Drainageway: measured from edge of flow path		
	Up slope (when elevation of the bottom of the drainage way is at or above the elevation of the effluent distribution pipe)	25	25

	Down slope (when elevation of the bottom of the drainage is below the elevation of the effluent distribution pipe)	25	50
10. Curtain Drains			
	Up slope	10	Requires Site Specific Engineering
	Down slope	10	50
11.	Domestic Water Line	10	10
12.	Building, Structure, or Mobile Home	5	10
13.	Property Line	5	10
14.	Large trees (when diameter of trunk is greater than or equal to 5 inches, measured 2 feet from ground level)	10	10
15.	Downhill Embankment with change in slope greater than 20% or Cut Slope	10	4 x H[b, c]
16. Steep slopes >50 percent (measured from the break of the slope)			
	Height of steep slope is less than 12 feet	10	25
	Height of steep slope is greater than or equal to 12 feet	10	50
17. In ground Swimming Pools/Spas			
	Up slope (when the elevation of the bottom of the pool or spa is at or above the elevation of the OWTS component)	10	10
	Down slope	10	25
18.	Unstable Land Mass or Areas Subject to Landslides	100[c]	100[c]

[a] The required setback distance between a proposed well and existing seepage pits without supplemental treatment shall not be less than 150 feet.

[b] H equals the height of cut or embankment, in feet. The required setback distance shall not be more than 50 feet, measured from the distribution pipe.

[c] This distance may be reduced by up to 50% at the discretion of the Director if supported by recommendations in a geotechnical report and approved by EHB

[d] All new or replacement septic tanks, pump tanks and supplemental treatment system tanks will be tested and confirmed to be watertight prior to final inspection; therefore, a 100 feet horizontal setback is adequate to protect public water supply wells, bodies of water and public water system intake points from contamination.

[e] A disinfection unit shall be incorporated into the alternative OWTS with supplemental treatment when a variance is required for a replacement OWTS and this horizontal setback cannot be met.

Source: Modified version of Table 3, OWTS Policy, Tier 1

Table 4. Soil Application Rate and Minimum Vertical Separation from Bottom of Dispersal Field to Groundwater, Determined from Stabilized Percolation Rates		
Percolation Rate (minutes per Inch)	Maximum Soil Application Rate (gallons per day per square foot)	Vertical Groundwater[1] Separation (feet)

< 1	1.2 (Requires alternative OWTS with supplemental treatment)	Refer to Table 12 (Minimum Vertical Separation to Groundwater for Alternative OWTS)
1—5	1.2	20
6—10	0.8	8
11—17	0.7	8
18—24	0.6	8
25—33	0.5	8
34—42	0.4	5
43—51	0.3	5
52—60	0.3	5
61—66	0.18	5
67—72	0.16	5
73—78	0.14	5
79—84	0.12	5
85—90	0.1	5
> 90—120[2]	0.1 (Requires alternative OWTS with supplemental treatment)	Refer to Table 12 (Minimum Vertical Separation to Groundwater for Alternative OWTS)

[1] Includes all groundwater that cannot be captured and redirected around an OWTS using a curtain drain system.

[2] When percolation testing yields slower than 90 MPI, the qualified professional shall incorporate alternative OWTS with supplemental treatment to further reduce BOD and TSS beyond primary treated effluent to slow down the development of biomat and extend the life of the disposal field; nitrogen reduction is not required. No OWTS permit shall be issued when the percolation rate is slower than 120 MPI.

Table 5. Soil Application Rate and Minimum Vertical Separation from Bottom of Dispersal System to Groundwater, Determined from Soil Texture, Structure and Grade
(Source: OWTS Policy Tier 1 Table 4 based on US EPA Onsite Wastewater Treatment Systems Manual)

Soil Texture (per the USDA Soil Classification System)	Soil Structure Shape	Grade	Maximum Soil Application Rate (gallons per day per square foot)	Vertical Groundwater[1] Separation (feet)
Coarse Sand, Sand, Loamy Coarse Sand, Loamy Sand	Single grain	Structureless	0.8	20
Fine Sand, Very Fine Sand, Loamy Fine Sand, Loamy Very Fine Sand	Single grain	Structureless	0.4	8
Coarse Sandy Loam, Sandy Loam	Massive	Structureless	0.2	8
	Platy	Weak	0.2	8
		Moderate, Strong	Prohibited	n/a
	Prismatic, Blocky, Granular	Weak	0.4	8
Moderate, Strong		0.6	20	
	Massive	Structureless	0.2	8

Fine Sandy Loam, very fine Sandy Loam	Platy	Weak, Moderate, Strong	Prohibited	n/a
	Prismatic, Blocky, Granular	Weak	0.2	8
		Moderate, Strong	0.4	8
Loam	Massive	Structureless	0.2	8
	Platy	Weak, Moderate, Strong	Prohibited	n/a
	Prismatic, Blocky, Granular	Weak	0.4	8
		Moderate, Strong	0.6	20
Silt Loam	Massive	Structureless	Prohibited	n/a
	Platy	Weak, Moderate, Strong	Prohibited	n/a
	Prismatic, Blocky, Granular	Weak	0.4	8
		Moderate, Strong	0.6	20
Sandy Clay Loam, Clay Loam, Silty Clay Loam	Massive	Structureless	Prohibited	n/a
	Platy	Weak, Moderate, Strong	Prohibited	n/a
	Prismatic, Blocky, Granular	Weak	0.2	8
		Moderate, Strong	0.4	8
Sandy Clay, Clay, or Silty Clay	Massive	Structureless	Prohibited	n/a
	Platy	Weak, Moderate, Strong	Prohibited	n/a
	Prismatic, Blocky, Granular	Weak	Prohibited	n/a
		Moderate, Strong	0.2	8

[1] Includes all groundwater that cannot be captured and redirected around an OWTS using a curtain drain system.

Table 6. Minimum Residential OWTS Design Volume and Septic Tank Capacity		
Number of Bedrooms	OWTS Design Volume (gallons per day)	Septic Tank Capacity
1 bedroom or studio	150	1,000 gallons
2 bedrooms	300	
3 bedrooms	375	
4 bedrooms	450	1,500 gallons
5 bedrooms:	525	2,000 gallons
6 bedrooms:	600	
Each additional bedroom	add 75 gallons	Add 250 gallons
With garbage grinder (per unit)		Add 500 gallons

Table 7. Domestic Wastewater OWTS Design Volumes for Commercial, Multi-Unit Residential, Industrial and Institutional Uses	
Type of Establishment	Gallons/Person/Day
Apartments (central laundry facility)	60
Apartments (with individual laundry facility)	75
Bars (no food preparation): 1,000 gallons +	15/seat
Per employee	20
Boarding House	50

Bowling Alleys (snack bar only)	75/lane
Camps:	
Campground w/ central comfort station	
Flush toilets only	25
Flush toilets and showers	35
Day camps (no meals served)	15
Resort Camps:	
Limited plumbing	50
Full plumbing including laundry	75
Summer and seasonal	50
Churches (Sanctuary: minimum of 1,000 gallons)	1 x church membership
W/ kitchen waste: 1,000 gallons +	1 x church membership
Condominiums:	
Central laundry facility	60
Individual laundry facility	75
Congregate Housing (w/ individual laundry and food preparation on-site)	75
With centralized laundry	(-15)
Without on-site laundry	(-20)
Without on-site food preparation	(-15)
Factory Workers (per 8 hr. shift exclusive of industrial waste):	
Without Showers	15
With Showers	35
Cafeteria, add	5/employee
Hotels:	
without private baths [per bed (2 people/bed)]	50
with private baths [per bed (2 people/bed)]	60
Institutions:	
Nursing home	125
Rest Home	125
Resident	75
Laundries (self-service; gallons/wash/customer)	50
Mobile Home Parks	
Per space - single wide	250
Per space - double wide	300
Motels	
per bed (2 people/bed)	50
with Kitchen [per bed (2 people/bed)	60
Offices (8 hr. shift)	15
Parks:	
Picnic Parks:	
W/ toilets only	5
W/ toilets and showers	10
Trailer Parks:	
Individual hookup	250/space
Central restroom (shower and laundry)	200/space

Central restroom (shower only)	150/space
Central restroom only	100/space
Restaurants (Grease interceptors required):	
Full-service w/toilets:	1,000 gallons + 30/seat
Paper service type w/ toilets: 1,000 gallons +	15/seat
W/ bar add	15/bar seat
For each employee add	20
Rooming Houses	40
Schools:	
Elementary students	15
Intermediate and High	20
W/ gym and showers add	5
W/ cafeteria add	3
Boarding (total waste)	100
Service Stations: 1,000 gallons +	5/vehicle served
Single Family Dwellings (minimum 1,000 gallons)	75
Stores: (1,000 gallons minimum)	
Per employee	20
Per 10 square feet	1
Swimming Pools and Bath Houses	10
Theaters	
Auditoriums	5/seat
Drive-in	10/space

Table 8. Maximum Allowable Ground Slope by Dispersal System Type				
Type of Dispersal System ≤20%	21-30%	31-40%	1	41-50%2
At-Grade	X			
Cover Fill	X			
Mound	X			
Conventional Leach Field		X		
Seepage Pit with Supplemental Treatment		X		
Raised Sand Filter Bed			X	
Shallow-Pressure-Distribution			X	
Subsurface Drip Dispersal				X

[1] Supplemental treatment is required for slopes greater than 30%

[2] Supplemental treatment with disinfection is required for slopes greater than 40%

Table 9. Performance Evaluation Requirements		
Type of Permit Application	Is a performance evaluation required to be conducted by a qualified professional?	
	Tank	Dispersal System
Septic tank replacement to allow for a building remodel or addition	Not applicable	Yes
Septic tank replacement that does not exceed the minimum standards of Table 6, Minimum Septic Tank Capacity	Not applicable	No. Existing dispersal system

		shall be allowed to remain in use.
Dispersal system replacement to allow for a for a building remodel or addition	Yes	Not applicable
Dispersal system replacement that does not exceed the minimum infiltrative area as calculated using Soil Application Rate (Table 4 or 5) and the OWTS Design Volume (Table 6 or 7)	Yes	Not applicable
Building remodel and/or addition, that proposes additional bedrooms or that will increase wastewater generation	Yes	Yes
Building remodel and/or addition, that proposes to change the habitable area of a residential structure by 500 square feet or more	Yes	Yes
Addition to, tenant improvement of, or change of use of a commercial/industrial structure	Yes	Yes
Subdivision of land with existing OWTS	Yes	Yes

Table 10. Retention and Reassessment of Existing, Non-Conforming Dispersal Systems

Does the Project Propose to Increase Wastewater Volume or Strength? Or Electively Increase Capacity?	Does the Dispersal System Meet Water-Related Horizontal Setbacks?	Does the Dispersal System Meet Vertical Groundwater Setbacks?	Can Existing, Non-Conforming OWTS Dispersal System be Retained?	Can the Existing Dispersal Capacity be Reassessed?
No	No	No	Yes: Supplemental Treatment Required[2,3]	No
		Yes[1]	Yes[3]	No
	Yes	No	Yes: Supplemental Treatment Required[2]	No
		Yes[1]	Yes[3]	No
Yes	No	No	Yes: Supplemental Treatment Required[2,3]	No
		Yes	Yes: Supplemental Treatment Required[3]	Yes
	Yes	No	Yes: Supplemental Treatment Required[2]	No
		Yes	Yes: Supplemental Treatment Required	Yes

[1] When the EHB determines that there is a high potential for subsurface perched or sheeting water, or high seasonal groundwater levels, based on EHB records or site conditions, a groundwater monitoring boring may be required at the discretion of the EHB. The timing of the boring (i.e. wet weather testing) will be determined on a case by case basis by the EHB in consultation with the qualified professional.

[2] The existing dispersal system is eligible to remain in use provided a supplemental treatment system with nitrogen reduction is incorporated into the OWTS and adequate vertical separation exists between the bottom of the existing dispersal system and high seasonal groundwater as determined by Table 4 or 5 of this Chapter.

[3] The existing dispersal system is eligible to remain in use provided the qualified professional demonstrates to the satisfaction of the EHB that continued use of the dispersal system will not pose a risk to surface water, groundwater or public health.

Table 11. Effluent Constituent Limitations for Supplemental Treatment Systems			
Type of Dispersal System	Average Effluent Concentrations (mg/L)		
	5-Day Biological Oxygen Demand (BOD)	30-Day Average Total Suspended Solids	Total Nitrogen (TN)1,2
New or Expansion Dispersal Systems with Infiltrative Area Depth More Than 2 Feet, including Seepage Pits	30	30	50% reduction or 25 mg/L, whichever is lower (NSF Standard 245, or equivalent)
Replacement Conventional Dispersal Systems with Infiltrative Area Depth More Than 5 Feet			
Dispersal Systems with Infiltrative Area Depth 3 Feet or Less	30	30	Not required
Drip Dispersal Systems	20	20	Only required when vertical separation to groundwater per Table 4 or Table 5 cannot be met, 50% reduction or 25 mg/L, whichever is lower (NSF Standard 245, or equivalent)
Alternative Dispersal Systems Installed to Overcome Minimum Horizontal Setbacks to Groundwater, per Table 2	30	30	50% reduction or 25 mg/L, whichever is lower (NSF Standard 245, or equivalent)
Detection Limit (mg/L)	2	5	1

[1] Determined as the sum of nitrate-nitrogen plus total kjeldahl nitrogen

[2] Unless specifically required by the LAMP or this Chapter , supplemental treatment systems are not required to meet effluent limitations for Total Nitrogen.

Table 12. Minimum Vertical Separation to Groundwater by Type of Alternative OWTS				
Type of Dispersal System	Vertical Separation to Groundwater (feet)[1]			
	2' 3'	5' 10'		
Supplemental Treatment and Disinfection At-Grade Mound Raised Sand Filter Bed	X			

Shallow pressure distribution Subsurface Drip Dispersal				
Supplemental Treatment At-Grade Conventional Leachfield Trench Mound Raised Sand Filter Bed Shallow pressure distribution Subsurface Drip Dispersal		X		
Pressurized systems without Supplemental Treatment At-Grade Mound Shallow Pressure Distribution Seepage Pits with Supplemental Treatment and Disinfection			X	
Seepage Pits with Supplemental Treatment				X

[1] Measured from the bottom of the dispersal system to the seasonal high-water table.

Table 13. Minimum Soil Depth Below Dispersal System and Bedrock or Impervious Layer		
Type of Dispersal System	Minimum Soil Depth (feet)[1]	
	2' 3'	
Conventional Septic Tank and: At-Grade Shallow Pressure Distribution (includes Bed Systems) Leachfield Trench		X
Supplemental Treatment and: At-Grade Raised Sand Filter Bed Shallow Pressure Distribution (includes Bed Systems) Subsurface Drip Dispersal Mound	X	

[1] Measured from the bottom of the dispersal system

(Ord. No. 5403, § 1, 6-13-2023)

Chapter 16.80 REGULATIONS RELATING TO APPLICATIONS INVOLVING USE OF PRIVATE ROADS

Sections:

16.80.010 Purpose.

The purpose of this Chapter is to establish regulations relating to the issuance of certain discretionary permits or entitlements pursuant to Titles 20 or 21 of this Code that may result in the intensification of use of a privately-owned road.

(Ord. No. 5318, § 2, 9-17-2019)

16.80.020 Applicability.

These regulations apply to the unincorporated area of Monterey County. Where a conflict exists between the provisions of this Chapter and other provisions of the Monterey County Code, the provisions of this Chapter shall prevail.

(Ord. No. 5318, § 2, 9-17-2019)

16.80.030 Definitions.

The following definitions shall apply to this Chapter:

A. "Applicant" means the person or entity who submits an application to the County for a discretionary permit pursuant to Titles 19, 20 or 21 of this Code.

B. "Application" means an application for a land use project requiring a discretionary permit.

C. "Appropriate Authority" means that person, official, or body designated to hear, grant, deny, modify, condition, revoke or otherwise act on permits required by Titles 20 and 21 of this Code.

D. "County" means the County of Monterey.

E. "Final settlement or final judicial determination" means a written agreement between interested parties resolved personally or through other avenues, including but not limited to mediation, arbitration, or a document evidencing a binding arbitration decision or final court judgment.

F. "Interested party" means any person or entity that owns property abutting a private road, but that is not a party to a private road.

G. "Notice" means written notice of an application provided to all parties to a private road and interested parties that will be used to access a project, such notice to be personally delivered or deposited in the United States Mail, first class postage pre-paid.

H. "Party to a private road" means:

1. Any person or entity that owns the underlying fee interest in land that is subject to and burdened by a private road, such as the servient tenement in the case of an easement; and

2. Any person or entity that holds an interest in the private road and benefits from it, such as the dominant tenement in the case of an easement.

I. "Private road" means any travelled way, avenue, place, drive, lane, street, boulevard, highway, easement, or alley not owned, maintained, nor required to be maintained by the state, County, incorporated city, or other public agency, except that the term "private road" for purposes of this Chapter shall include quasi-private roads that have all of the following characteristics: the road is under the jurisdiction of a federal governmental agency; it lies on national forest or private land; it is open to public use; and private users bear or contribute directly to the cost of maintenance.

J. "Private road agreement" means any document of record, properly executed and recorded, that is an agreement between parties concerning the right to use private property as access to another parcel of private property. A private road agreement may include, without limitation, a written contract, an easement, grant deed, reservation or a designation on a final subdivision map. A private road agreement also includes a final court judgment documenting an easement or other right of access.

K. "Private road maintenance agreement" means a document of record, properly executed and recorded, that is an agreement between parties to a private road concerning the costs and responsibilities of those parties for upkeep and repair of the private road.

L. "Project" means:

1. A use for which a discretionary permit, license or other entitlement from the County is required; or a change in land use from an agricultural designation (Farmland, Permanent Grazing, Rural Grazing) to a non-agricultural designation; and

2. In either case, where access to the property from a public road is, or will be, provided either primarily or subordinately by a private road.

M. "Proof of access" means one or more of the following:

1. Written concurrence of all parties to a private road;

2. Existence of a final settlement or final judicial determination that the private road may be used to access the project; or

3. A properly executed private road agreement.

(Ord. No. 5318, § 2, 9-17-2019)

16.80.040 Application Review and Procedures.

A. An applicant shall provide the following, if applicable, with any application submitted pursuant to Titles 19, 20 or 21 of this Code, and an application will not be deemed complete until the information or documentation required is provided:

1. A copy of the private road agreement;

2. A copy of the private road maintenance agreement;

3. Written permission to use a private road for the project from a private road governing structure; and

4. A site plan that includes, but is not limited to, documentation showing existing access limits and minimum access requirements from the project to the primary public road or right-of-way. If access does not meet minimum requirements of the local Fire Authority and Monterey County Resource Management Agency, the applicant must demonstrate the ability to meet the minimum level of improvements required.

B. Upon submittal of an application, the Chief of Planning, or his or her designee, shall:

1. Provide notice pursuant to Subsection C of this Section;

2. Review the application to determine if the project is exempt pursuant to Subsection D of this Section;

3. If the application is not exempt pursuant to Subsection D, the Chief of Planning, or his or her designee, shall classify the project as belonging within one of the following categories:

   a. Tier 1: the project is not subject to a private road agreement or a private road maintenance agreement;

   b. Tier 2: the project is not subject to a private road agreement, but is subject to a private road maintenance agreement;

   c. Tier 3: the project is subject to a private road agreement, but not a private road maintenance agreement; or

   d. Tier 4: the project is subject to a private road agreement and a private road maintenance agreement.

C. Upon submittal of an application, the Chief of Planning, or his or her designee, shall meet the following notice requirements:

1. Provide notice of a project to all parties to a private road and interested parties within ten (10) working days of submittal of an application for a project, except notice is not required for the following types of projects:

   a. The first single family dwelling on a legal lot of record;

   b. Any action authorized by an emergency permit issued pursuant to Chapters 20.79 or 21.75 of this Code, provided that such action exists or occurs only so long as the emergency permit is effective;

   c. Projects with access via public road(s) only;

   d. Projects whose use of a private road is limited to emergency access only;

   e. Routine and ongoing agricultural uses;

   f. Accessory dwelling units, guesthouses, and/or other subordinate uses that are accessory to the primary use of the property; and

   g. Projects with access via a private road(s) that are subject to a legally established private road governing structure such as a homeowners' association or similar organization where said governing structure is authorized to make determinations regarding the use, maintenance, and related matters regarding the private road(s) and where such governing structure has provided written permission to use the private road(s) for the project. Examples of projects within this exception may include but are not limited to projects considered allowed uses within the Del Monte Forest area, the Monterra and Tehama subdivisions, and similar subdivisions with previously contemplated allowed uses and private road governing structures. This exemption does not apply if access to the private road(s) subject to the governing structure is accessed by another private road(s) not subject to the governing structure. In such a case, notice shall be provided to interested parties outside of the jurisdiction of the governing structure.

2. The notice shall provide the opportunity for any party to a private road to object to the use of the private road, for purposes of the project, within thirty (30) days from the mailing of the notice. The purpose of this notice and objection is to provide an opportunity for resolution of disputes prior to consideration of the project by the Appropriate Authority, or for staff to consider a recommendation

following the provisions of this Chapter. For the purposes of this Chapter, objections from interested parties who own land abutting a private road shall be considered on a case by case basis. Objections from interested parties shall not provide a basis for applying the conditions described in Section 16.80.060 of this Chapter.

3. The notice may include notification of the Land Use Advisory Committee meeting where the project will be considered if such consideration is required pursuant to the Land Use Advisory Committee Procedures adopted by the Board of Supervisors.

D. The following types of projects shall be exempt from the regulations contained in Sections 16.80.050 and 16.80.060 of this Chapter:

1. The first single family dwelling on a legal lot of record;

2. Any action authorized by an emergency permit issued pursuant to Chapters 20.79 or 21.75 of this Code, provided that such action exists or occurs only so long as the emergency permit is effective;

3. Projects with access via public road(s) only;

4. Projects whose use of a private road is limited to emergency access only;

5. Projects that, in the opinion of the Chief of Planning, do not result in intensification of the use of a private road(s);

6. Projects with access via a private road(s) that are subject to a legally established private road governing structure such as a homeowners' association or similar organization where said governing structure is authorized to make determinations regarding the use, maintenance, and related matters regarding the private road(s) and where such governing structure has provided written permission to use the private road(s) for the project. This exemption does not apply if access to the private road(s) subject to the governing structure is accessed by another private road(s) not subject to the governing structure. In such a case, the project is not exempt from the regulations contained in Sections 16.80.050 and 16.80.060 of this Chapter;

7. Routine and ongoing agricultural uses;

8. Accessory dwelling units, guesthouses, and/or other subordinate uses that are accessory to the primary use of the property; and

9. A federal project on a private road.

E. In all cases, applicants are encouraged to provide early notification of a project to interested parties and parties to the private road and to work collaboratively with all parties to resolve issues. For projects falling within Tier 1, Tier 2, or Tier 3, applicants are encouraged to prepare or cause to be prepared, executed and recorded, private road agreements and/or private road maintenance agreements, as the case may be.

(Ord. No. 5318, § 2, 9-17-2019)

16.80.050 Regulations.

For all nonexempt projects, the following standards, based on substantial evidence in the record, shall apply:

A. Tier 1 Projects: the Appropriate Authority shall consider any objection from a party to a private road regarding access a substantive dispute and shall either deny the project on that basis or approve the project subject to the proof of access condition and/or the private road maintenance condition described in Section 16.80.060 of this Chapter.

B. Tier 2 Projects: the Appropriate Authority shall consider any objection from a party to a private road regarding the legal rights to use a private road for the project a substantive dispute and shall either

deny the project on that basis or approve the project subject to the proof of access condition described in Section 16.80.060 of this Chapter. Matters of proportionate costs for repair and maintenance of such roads shall be subject to the terms of the private road maintenance agreement.

C. Tier 3 Projects: the Appropriate Authority shall rely on the plain language of the private road agreement regarding rights of access. If an objection is made involving proportionate costs for repair and maintenance of the private road(s), the Appropriate Authority shall consider an objection of fifty percent (50%) or more of the parties to a private road agreement a substantive dispute and in this case, shall either deny the project on that basis or approve the project subject to the private road maintenance condition described in Section 16.80.060 of this Chapter. An objection of fifty percent (50%) or more of the parties to a private road agreement shall be determined on a one vote per lot basis.

D. Tier 4 Projects: the Appropriate Authority shall rely on the plain language of the private road agreement and private road maintenance agreement regarding rights of access and proportionate costs for repair and maintenance. Unless a project proposes a use that is clearly inconsistent with the plain language of the agreements, the Appropriate Authority may approve a project without applying conditions to the project outlined in this Chapter.

E. The "Tiers" described above are intended to provide standards that the Appropriate Authority will apply when considering an application for a project that is not exempt from the requirements of this Chapter pursuant to Section 16.80.040 and that involves a substantive dispute over the private road as described within the applicable Tier. Generally, where a legally executed document exists, the County will consider such documentation to be adequate evidence to demonstrate access for the purposes of this Chapter and conditions of approval will not typically be warranted where such documentation exists. In all cases, regardless of whether the Appropriate Authority elects to apply a condition of approval to a project, interested parties, parties to a private road, and/or applicants may have legal rights under the California Civil Code, and nothing in this Chapter is intended to preclude their exercise of rights under the California Civil Code.

(Ord. No. 5318, § 2, 9-17-2019)

16.80.060 Project Conditions.

A. If the Appropriate Authority finds, based on substantial evidence in the record, that a substantive dispute exists regarding the use of a private road for a project, said authority may approve the project but shall require as a condition of project approval that the applicant provide the County with proof of access demonstrating that the dispute has been satisfactorily resolved, in accordance with the Tier standards set forth above.

B. If the Appropriate Authority finds, based on substantial evidence in the record and in accordance with the Tier standards set forth above, that a substantive dispute exists regarding the costs of repairing or maintaining a private road as it relates to a project, said authority may approve the project but shall require as a condition of project approval that the applicant provide the County with adequate documentation demonstrating that the dispute has been satisfactorily resolved. For the purposes of this Chapter, adequate documentation may include written withdrawal of objections, a properly executed private road maintenance agreement, a final settlement or final judicial determination, or written documentation showing that a majority of the parties to a private road have agreed to repair and maintenance terms in light of the project.

C. Maintenance of any private road will be subject to a private road maintenance agreement, or if no such agreement exists, then County recognizes that parties may have recourse pursuant to California Civil Code Section 845. The County is not a party to such private road maintenance agreement and does not interpret

or enforce their terms and conditions, nor does the County have jurisdiction to adjudicate a dispute among the parties as to the maintenance of any private road.

D. If a condition of approval is added to a project pursuant to this Chapter, said condition shall be satisfied prior to issuance of any other permits in furtherance of the project or recordation of a final map, whichever occurs first and as applicable.

E. If a project is approved subject to one or more of the conditions provided in this Chapter, the Chief of Planning shall, in his or her discretion, have the authority to stay the expiration of the entitlement for the project for a period no greater than the number of days from initial filing of judicial proceedings to the final judicial determination or settlement regarding the access dispute.

(Ord. No. 5318, § 2, 9-17-2019)

16.80.070 Reservation of Authority.

A. Nothing in this Chapter affects the authority of the County to exercise the power of eminent domain pursuant to Government Code section 66462.5 of the California Subdivision Map Act.

B. Nothing in this Chapter diminishes or in any way alters or lessens the effect of the California Civil Code. Where a conflict exists between these provisions and the provisions of state or federal laws, the state or federal law shall prevail.

(Ord. No. 5318, § 2, 9-17-2019)

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Introduced: 9/8/2025
Version: 1

Current Status: Scheduled PM
Matter Type: BoS Resolution

PLN240104 - NAGAFUJI MAY KITAYAMA

Public hearing to:

a. Consider the appeal by Thomas and Anne Russ of the Zoning Administrator's June 12, 2025 decision to approve a Coastal Administrative Permit and Design Approval; and

b. Consider construction of a 1,200 square foot Accessory Dwelling Unit.

Project Location: 25745 Hatton Rd, Carmel

Proposed California Environmental Quality Act (CEQA) action: Find the project for an Accessory Dwelling Unit qualifies for a Class 3 Categorically Exempt pursuant to CEQA Guidelines section 15303, New Structures, and no exceptions pursuant to section 15300.2 can be made.

RECOMMENDATIONS

It is recommended that the County of Monterey Board of Supervisors adopt a resolution to:

a. Deny the appeal by Thomas and Anne Russ of the Zoning Administrator's June 12, 2025 decision to approve a Coastal Administrative Permit and Design Approval; and

b. Find the project for an Accessory Dwelling Unit qualifies for a Class 3 Categorically Exempt pursuant to CEQA Guidelines section 15303, New Structures, and no exceptions pursuant to section 15300.2 can be made; and

c. Approve a Coastal Administrative Permit and Design Approval to allow construction of a 1,200 square foot accessory dwelling unit

The attached draft resolution includes findings and evidence for consideration (**Exhibit A**). Staff recommends approval subject to nine (9) conditions of approval.

PROJECT INFORMATION

Agent: Glenn Warner
Property Owner: Nagafuji May Kitayama
APN: 009-251-010-000
Parcel Size: 33,435 square feet **(**0.77 acre)
Zoning: Medium Density Residential, 2 units per acre, with a Design Control overlay zone in the Coastal Zone or "MDR/2-D(CZ)"
Plan Area: Carmel Area Land Use Plan
Flagged and Staked: Yes
Project Planner: Joseph Alameda, Associate Planner
alamedaj@countyofmonterey.gov, 831-783-7079

SUMMARY/DISCUSSION:
The project is located at 25745 Hatton Rd, Carmel, (APN: 009-251-010-000) within the Carmel Area Land Use Plan. The proposed project includes the construction of a 1,200 square foot Accessory Dwelling Unit (ADU) and the removal of one Coast live oak tree. The property is already developed with a single-family dwelling. The ADU has been sited behind the existing residence in a small clearing between trees. The original project scope (construction of an ADU, no tree removal) was previously scheduled for the Chief of Planning's consideration on January 15, 2025. However, prior to this hearing, a neighbor submitted public comment raising concerns regarding potential impacts to nearby native trees and requested a public hearing. Staff considered the request and escalated the project to the Zoning Administrator pursuant to Title 20 section 20.76.060. Upon obtaining a project-specific arborist report (**Exhibit D**), it was determined that one Coast live oak tree would need to be removed due to its poor health and potential impacts from the proposed development.

On June 12, 2025, the Zoning Administrator considered the project at a public hearing, approved the Coastal Administrative Permit and Design Approval, and found the project categorically exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15303 (Zoning Administrator Resolution No.25-021; **Attachment G**). During the Zoning Administrator hearing, Attorney Alex Lorca on behalf of the Thomas and Anne Russ (Appellants and neighbors of the applicant) contested the development proposal, raising concerns regarding potential impacts to 5 redwood trees from the siting of the ADU.

Appellants Thomas and Anne Russ appealed the June 12, 2025 Zoning Administrator decision approving the Coastal Administrative Permit and Design Approval. Appellants contends that the Zoning Administrator's hearing was not impartial, that its decision was not supported by the evidence, and that its decision is contrary to law. The specific contentions raised by Appellant are identified below and are addressed in more detail in the Draft Resolution (**Attachment A**).

This hearing is de novo. Staff recommends denial of the appeal and approval of the proposed Coastal Administrative Permit and Design Approval.

APPEAL
Appellant filed an appeal raising numerous contentions (**Attachment F**). Staff has grouped the contentions as follows:

1. *"There was Lack of Fair and Impartial Hearing" because "Despite the LUAC's request for additional time to adequately review the project information, the project did not go before the LUAC and was ultimately heard by the Zoning Administrator on June 12, 2025"*
2. *"There was a Lack of Fair and Impartial Hearing" because "the staff report prepared by the assigned project planner did not include the appellant's comment letters dating February 14, 2025 and April 30, 2025" or the "appellant's Certified Arborist Bryan E. Bradford's amended report"*
3. *"The Findings are not Supported by the Evidence" because "Contrary to the findings, the proposed location is not suitable for the project" because it "jeopardizes the health,*

safety, peace, comfort, and general welfare of persons residing in the neighborhood"

4. *"The Findings are not Supported by the Evidence" because "Contrary to the findings, the applicant did not provide sufficient evidence that the proposed floating foundation is suitable for this size building"*
5. *"The Findings are not Supported by the Evidence" because "the applicant did not provide substantial evidence to establish alternative locations on site were not suitable for the proposed accessory dwelling unit project"*

6. *"The Decision is Contrary to Law" because it is "inconsistent with Monterey County Code Section 20.64.030E(11)(f) and (g) stating that "resource constraints that may preclude development of an Accessory Dwelling Unit include… tree resources… and other health and safety conditions."*

Staff has reviewed the contentions raised in the appeal. Responses to the contentions are provided in more detail in the draft Resolution (**Attachment A**). In summary, the project includes the development of a 1,200 square foot accessory dwelling unit; the project has been designed to comply with site development standards for the zoning district. Multiple reports have been prepared for the project demonstrating the suitability of the site for the project. Staff has reviewed the design and found the project consistent with the Carmel Area Land Use Plan and in keeping with surrounding development. All public comment received, including the appellants arborist report, have been reviewed by staff and are attached (**Attachment B**). No significant evidence has been provided in the appeal to support the contentions made by the appellant.

Forest Resources

As described above, prior to the administrative hearing on January 15, a neighbor requested a public hearing before the Zoning Administrator and submitted an arborist report prepared by Bryan Bradford (**Exhibit B**) that analyzed potential impacts to trees that are near the proposed project footprint, to the Carmel Highlands Land Use Advisory Committee. However, Mr. Bradford was not able to access the site and inspect the trees up close, and therefore, his recommendations and observations were based on off-site visual examination. Based on this assessment, Mr. Bradford determined that construction of the ADU may impact the estimated critical root zone of five nearby Redwoods. The neighbor claimed that the potential impact on these trees would pose a hazard to their residence. The neighbor suggested that the proposed ADU be re-sited, closer to the existing residence.

Following receipt of this arborist report, the applicant submitted three project-specific arborist reports (**Exhibit D**; County of Monterey Library Nos. LIB250169, LIB250170, and LIB250171). The project arborists analyzed the proposed building site and an alternative building site, and conducted on-site inspections of the subject property. One arborist dug three test sites to determine whether critical roots of the adjacent Redwood trees would be impacted. Based on these results, the project arborists found that the proposed ADU location was the "most suitable for long-term maintenance of tree resources" and would minimize tree removal (one Coast live oak). The alternative ADU location was found to impact 13 Coast live oaks and potentially one Landmark Monterey pine. Sixteen Coast live oaks, five Coast redwoods, and one Monterey pine were identified near the proposed ADU. All of these trees were found to be in fair to good condition, with little to no defects, except for one Coast live oak tree (dual-stemmed, 10" & 7" DBH). This Coast live oak was observed to be in poor

condition, with poor structural health (branch failures and decay). Additionally, the leaning branch of this tree would be impacted by the proposed project; removal of this branch would leave insufficient tree canopy and impact the overall health of the Oak. Therefore, the removal of this Coast live oak tree was recommended by the project arborist. Subsequent to this determination, a Tree Hazard Evaluation Form was submitted to HCD-Planning identifying this tree as being in a hazardous condition due to existing decay. HCD reviewed this hazardous tree removal request and authorized removal under TRM250183. Therefore, no protected trees are proposed for removal with implementation of this project.

The arborists observed "non-woody" Redwood roots that were less than one inch in diameter in the three hand-dug test sites (2 feet x 2 feet wide, 2 feet deep). These roots, also known as feeder roots, have the primary purpose of absorbing water and nutrients in the upper layers of the soil, and do not serve any support for the tree. No woody roots, which provide the primary structural foundation while also facilitating water and nutrient uptake, were identified. Based on these observations, the project arborist determined that no impacts on Redwoods would occur with the implementation of the project and that these trees did not pose a hazard to nearby structures. Further, as recommended by the project-specific arborist report, an arborist will monitor all excavation within 10 feet of the proposed structure (Condition No. 4). All trees retained on-site will be protected throughout construction with exclusionary fencing (Condition No. 4). Additionally, a floating foundation has been proposed for the ADU, which was designed and stamped by a Certified Engineer. The floating foundation also avoids any potential damage to roots of any trees which may exist within the development site.

CEQA:
The project is categorically exempt from environmental review pursuant to CEQA Guidelines section 15303 of the CEQA Guidelines, "New construction". This exemption applies to construction of small structures that would not result in any adverse impacts to the surrounding environmental resources as defined in the CEQA Guidelines. This project qualifies for a Class 3 exemption because it includes the construction of a 1,200 square foot ADU. The proposed project will not result in any environmental impacts. All of the necessary reports have been obtained and have determined that it is unlikely there will any impacts to archaeological resources, historical resources, or soil resources. There are no exceptions pursuant to section 15300.2.

OTHER AGENCY INVOLVEMENT:
The permit was reviewed by Cypress Fire Protection District, Environmental Health, Planning, and Engineering Services.

LAND USE ADVISORY COMMITTEE
The proposed project was reviewed by the Carmel Highlands Land Use Advisory Committee on February 18, 2025. At the meeting, an attorney representing Thomas and Anne Hill Russ, neighbors to the applicant, presented an arborist report prepared by Bryan E. Bradford and an accompanying letter which argued that the proposed location of the accessory dwelling unit would have detrimental impacts to 5 Redwood trees within the applicant's property which would create a direct risk to their home and property. The LUAC members requested the project be continued to allow the LUAC time to be provided with and review the materials. After this meeting, the Carmel Highlands lost the quorum required to hold meetings and hear projects. Due to on-going difficulties in re-establishing a quorum

staff scheduled the project to go before the Zoning Administrator as to not delay the project any further.

FINANCING:
Funding for staff time associated with this project is included in the FY2025-26 Adopted Budget for Housing and Community Development, General Fund 001, Appropriation Unit HCD002, Unit 8543.

FINANCING:
Funding for staff time associated with this project is included in the FY2025-26 Adopted Budget for Housing and Community Development, General Fund 001, Appropriation Unit HCD002, Unit 8543.

BOARD OF SUPERVISORS STRATEGIC INITIATIVEES:
This action represents effective and timely response to our HCD customers. Processing this application in accordance with all applicable policies and regulations also provides the County accountability for proper management of our land resources.

Check the related Board of Supervisors Strategic Initiatives:
X Administration
__Economic Development
__Health & Human Services
__Infrastructure
__Public Safety

Prepared by: Joseph Alameda, Associate Planner, x7079
Reviewed and Approved by: Craig Spencer, Director of Housing and Community Development

The following attachments are on file with HCD:

Exhibit A - Draft Resolution
- Site Plans, Floor Plans, Elevations, Colors and Materials
- Recommended Conditions of Approval

Exhibit B - Public Comment
Exhibit C - LUAC Minutes
Exhibit D - Project Specific Arborist Reports
Exhibit E - Vicinity Map
Exhibit F - Notice of Appeal
Exhibit G - Zoning Administrator Resolution No.25-021

cc: Front Counter Copy; California Coastal Commission; Cypress Fire Protection District; HCD-Environmental Services; HCD-Engineering Services; Environmental Health Bureau; Joseph Alameda, Associate Planner; Fionna Jensen, Senior Planner; Jacquelyn M. Nickerson, Principal Planner; Nagafuji May Kitayama, Property Owners; Glenn Warner, Agent; The Open Monterey Project; LandWatch (Executive Director); Lozeau Drury LLP; Planning File PLN240104

Introduced: 9/8/2025
Version: 1

Current Status: Scheduled PM
Matter Type: BoS Resolution

PLN240104 - NAGAFUJI MAY KITAYAMA

Public hearing to:

a. Consider the appeal by Thomas and Anne Russ of the Zoning Administrator's June 12, 2025 decision to approve a Coastal Administrative Permit and Design Approval; and

b. Consider construction of a 1,200 square foot Accessory Dwelling Unit.

Project Location: 25745 Hatton Rd, Carmel

Proposed California Environmental Quality Act (CEQA) action: Find the project for an Accessory Dwelling Unit qualifies for a Class 3 Categorically Exempt pursuant to CEQA Guidelines section 15303, New Structures, and no exceptions pursuant to section 15300.2 can be made.

RECOMMENDATIONS

It is recommended that the County of Monterey Board of Supervisors adopt a resolution to:

a. Deny the appeal by Thomas and Anne Russ of the Zoning Administrator's June 12, 2025 decision to approve a Coastal Administrative Permit and Design Approval; and

b. Find the project for an Accessory Dwelling Unit qualifies for a Class 3 Categorically Exempt pursuant to CEQA Guidelines section 15303, New Structures, and no exceptions pursuant to section 15300.2 can be made; and

c. Approve a Coastal Administrative Permit and Design Approval to allow construction of a 1,200 square foot accessory dwelling unit

The attached draft resolution includes findings and evidence for consideration (**Exhibit A**). Staff recommends approval subject to nine (9) conditions of approval.

PROJECT INFORMATION

Agent: Glenn Warner
Property Owner: Nagafuji May Kitayama
APN: 009-251-010-000
Parcel Size: 33,435 square feet **(**0.77 acre)
Zoning: Medium Density Residential, 2 units per acre, with a Design Control overlay zone in the Coastal Zone or "MDR/2-D(CZ)"
Plan Area: Carmel Area Land Use Plan
Flagged and Staked: Yes
Project Planner: Joseph Alameda, Associate Planner
alamedaj@countyofmonterey.gov, 831-783-7079

SUMMARY/DISCUSSION:
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On June 12, 2025, the Zoning Administrator considered the project at a public hearing, approved the Coastal Administrative Permit and Design Approval, and found the project categorically exempt from environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15303 (Zoning Administrator Resolution No.25-021; **Attachment G**). During the Zoning Administrator hearing, Attorney Alex Lorca on behalf of the Thomas and Anne Russ (Appellants and neighbors of the applicant) contested the development proposal, raising concerns regarding potential impacts to 5 redwood trees from the siting of the ADU.

Appellants Thomas and Anne Russ appealed the June 12, 2025 Zoning Administrator decision approving the Coastal Administrative Permit and Design Approval. Appellants contends that the Zoning Administrator's hearing was not impartial, that its decision was not supported by the evidence, and that its decision is contrary to law. The specific contentions raised by Appellant are identified below and are addressed in more detail in the Draft Resolution (**Attachment A**).

This hearing is de novo. Staff recommends denial of the appeal and approval of the proposed Coastal Administrative Permit and Design Approval.

APPEAL
Appellant filed an appeal raising numerous contentions (**Attachment F**). Staff has grouped the contentions as follows:

1. *"There was Lack of Fair and Impartial Hearing" because "Despite the LUAC's request for additional time to adequately review the project information, the project did not go before the LUAC and was ultimately heard by the Zoning Administrator on June 12, 2025"*
2. *"There was a Lack of Fair and Impartial Hearing" because "the staff report prepared by the assigned project planner did not include the appellant's comment letters dating February 14, 2025 and April 30, 2025" or the "appellant's Certified Arborist Bryan E. Bradford's amended report"*
3. *"The Findings are not Supported by the Evidence" because "Contrary to the findings, the proposed location is not suitable for the project" because it "jeopardizes the health,*

safety, peace, comfort, and general welfare of persons residing in the neighborhood"

4. *"The Findings are not Supported by the Evidence" because "Contrary to the findings, the applicant did not provide sufficient evidence that the proposed floating foundation is suitable for this size building"*
5. *"The Findings are not Supported by the Evidence" because "the applicant did not provide substantial evidence to establish alternative locations on site were not suitable for the proposed accessory dwelling unit project"*

6. *"The Decision is Contrary to Law" because it is "inconsistent with Monterey County Code Section 20.64.030E(11)(f) and (g) stating that "resource constraints that may preclude development of an Accessory Dwelling Unit include… tree resources… and other health and safety conditions."*

Staff has reviewed the contentions raised in the appeal. Responses to the contentions are provided in more detail in the draft Resolution (**Attachment A**). In summary, the project includes the development of a 1,200 square foot accessory dwelling unit; the project has been designed to comply with site development standards for the zoning district. Multiple reports have been prepared for the project demonstrating the suitability of the site for the project. Staff has reviewed the design and found the project consistent with the Carmel Area Land Use Plan and in keeping with surrounding development. All public comment received, including the appellants arborist report, have been reviewed by staff and are attached (**Attachment B**). No significant evidence has been provided in the appeal to support the contentions made by the appellant.

Forest Resources

As described above, prior to the administrative hearing on January 15, a neighbor requested a public hearing before the Zoning Administrator and submitted an arborist report prepared by Bryan Bradford (**Exhibit B**) that analyzed potential impacts to trees that are near the proposed project footprint, to the Carmel Highlands Land Use Advisory Committee. However, Mr. Bradford was not able to access the site and inspect the trees up close, and therefore, his recommendations and observations were based on off-site visual examination. Based on this assessment, Mr. Bradford determined that construction of the ADU may impact the estimated critical root zone of five nearby Redwoods. The neighbor claimed that the potential impact on these trees would pose a hazard to their residence. The neighbor suggested that the proposed ADU be re-sited, closer to the existing residence.

Following receipt of this arborist report, the applicant submitted three project-specific arborist reports (**Exhibit D**; County of Monterey Library Nos. LIB250169, LIB250170, and LIB250171). The project arborists analyzed the proposed building site and an alternative building site, and conducted on-site inspections of the subject property. One arborist dug three test sites to determine whether critical roots of the adjacent Redwood trees would be impacted. Based on these results, the project arborists found that the proposed ADU location was the "most suitable for long-term maintenance of tree resources" and would minimize tree removal (one Coast live oak). The alternative ADU location was found to impact 13 Coast live oaks and potentially one Landmark Monterey pine. Sixteen Coast live oaks, five Coast redwoods, and one Monterey pine were identified near the proposed ADU. All of these trees were found to be in fair to good condition, with little to no defects, except for one Coast live oak tree (dual-stemmed, 10" & 7" DBH). This Coast live oak was observed to be in poor

condition, with poor structural health (branch failures and decay). Additionally, the leaning branch of this tree would be impacted by the proposed project; removal of this branch would leave insufficient tree canopy and impact the overall health of the Oak. Therefore, the removal of this Coast live oak tree was recommended by the project arborist. Subsequent to this determination, a Tree Hazard Evaluation Form was submitted to HCD-Planning identifying this tree as being in a hazardous condition due to existing decay. HCD reviewed this hazardous tree removal request and authorized removal under TRM250183. Therefore, no protected trees are proposed for removal with implementation of this project.

The arborists observed "non-woody" Redwood roots that were less than one inch in diameter in the three hand-dug test sites (2 feet x 2 feet wide, 2 feet deep). These roots, also known as feeder roots, have the primary purpose of absorbing water and nutrients in the upper layers of the soil, and do not serve any support for the tree. No woody roots, which provide the primary structural foundation while also facilitating water and nutrient uptake, were identified. Based on these observations, the project arborist determined that no impacts on Redwoods would occur with the implementation of the project and that these trees did not pose a hazard to nearby structures. Further, as recommended by the project-specific arborist report, an arborist will monitor all excavation within 10 feet of the proposed structure (Condition No. 4). All trees retained on-site will be protected throughout construction with exclusionary fencing (Condition No. 4). Additionally, a floating foundation has been proposed for the ADU, which was designed and stamped by a Certified Engineer. The floating foundation also avoids any potential damage to roots of any trees which may exist within the development site.

CEQA:
The project is categorically exempt from environmental review pursuant to CEQA Guidelines section 15303 of the CEQA Guidelines, "New construction". This exemption applies to construction of small structures that would not result in any adverse impacts to the surrounding environmental resources as defined in the CEQA Guidelines. This project qualifies for a Class 3 exemption because it includes the construction of a 1,200 square foot ADU. The proposed project will not result in any environmental impacts. All of the necessary reports have been obtained and have determined that it is unlikely there will any impacts to archaeological resources, historical resources, or soil resources. There are no exceptions pursuant to section 15300.2.

OTHER AGENCY INVOLVEMENT:
The permit was reviewed by Cypress Fire Protection District, Environmental Health, Planning, and Engineering Services.

LAND USE ADVISORY COMMITTEE
The proposed project was reviewed by the Carmel Highlands Land Use Advisory Committee on February 18, 2025. At the meeting, an attorney representing Thomas and Anne Hill Russ, neighbors to the applicant, presented an arborist report prepared by Bryan E. Bradford and an accompanying letter which argued that the proposed location of the accessory dwelling unit would have detrimental impacts to 5 Redwood trees within the applicant's property which would create a direct risk to their home and property. The LUAC members requested the project be continued to allow the LUAC time to be provided with and review the materials. After this meeting, the Carmel Highlands lost the quorum required to hold meetings and hear projects. Due to on-going difficulties in re-establishing a quorum

staff scheduled the project to go before the Zoning Administrator as to not delay the project any further.

FINANCING:
Funding for staff time associated with this project is included in the FY2025-26 Adopted Budget for Housing and Community Development, General Fund 001, Appropriation Unit HCD002, Unit 8543.

FINANCING:
Funding for staff time associated with this project is included in the FY2025-26 Adopted Budget for Housing and Community Development, General Fund 001, Appropriation Unit HCD002, Unit 8543.

BOARD OF SUPERVISORS STRATEGIC INITIATIVEES:
This action represents effective and timely response to our HCD customers. Processing this application in accordance with all applicable policies and regulations also provides the County accountability for proper management of our land resources.

Check the related Board of Supervisors Strategic Initiatives:
X Administration
__Economic Development
__Health & Human Services
__Infrastructure
__Public Safety

Prepared by: Joseph Alameda, Associate Planner, x7079
Reviewed and Approved by: Craig Spencer, Director of Housing and Community Development

The following attachments are on file with HCD:

Exhibit A - Draft Resolution
- Site Plans, Floor Plans, Elevations, Colors and Materials
- Recommended Conditions of Approval

Exhibit B - Public Comment
Exhibit C - LUAC Minutes
Exhibit D - Project Specific Arborist Reports
Exhibit E - Vicinity Map
Exhibit F - Notice of Appeal
Exhibit G - Zoning Administrator Resolution No.25-021

cc: Front Counter Copy; California Coastal Commission; Cypress Fire Protection District; HCD-Environmental Services; HCD-Engineering Services; Environmental Health Bureau; Joseph Alameda, Associate Planner; Fionna Jensen, Senior Planner; Jacquelyn M. Nickerson, Principal Planner; Nagafuji May Kitayama, Property Owners; Glenn Warner, Agent; The Open Monterey Project; LandWatch (Executive Director); Lozeau Drury LLP; Planning File PLN240104

Attachment A

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ATTACHMENT A
DRAFT RESOLUTION

Before the Board of Supervisors in and for the County of Monterey, State of California

In the matter of the application of:
NAGAFUJI MAY KITAYAMA (PLN240104)
RESOLUTION NO. 25--
Resolution by the County of Monterey Board of Supervisors:

1) Denying the appeal by Thomas and Anne Russ of the Zoning Administrator's June 12, 2025 decision to approve a Coastal Administrative Permit and Design Approval; and
2) Finding the project for an Accessory Dwelling Unit qualifies for a Class 3 Categorical Exemption pursuant to CEQA Guidelines section 15303, New Structures, and no exceptions pursuant to section 15300.2 apply; and
3) Approving a Coastal Administrative Permit and Design Approval to allow construction of a 1,200 square foot accessory dwelling unit.

[PLN240104, Nagafuji May Kitayama, 25745 Hatton Rd, Carmel, Carmel Area Land Use Plan, Coastal Zone (APN: 009-251-010-000)]

The Appeal by Thomas and Anne Russ of the County of Monterey Zoning Administrator's decision on PLN240104 came on for a public hearing before the County of Monterey Board of Supervisors on September 16, 2025. Having considered all the written and documentary evidence, the administrative record, the staff report, written and oral testimony, and other evidence presented, the Board of Supervisors finds and decides as follows:

FINDINGS

1. **FINDING:** **PROCESS** - The County has received and processed a Coastal Administrative Permit and Desing Approval allow for the construction of a 1,200 square foot accessory dwelling unit at 25745 Hatton Road, Carmel.

   EVIDENCE:
   a) On September 23, 2024, an application for a Coastal Administrative Permit and Design Approval (PLN240104) was submitted to HCD-Planning. This application was submitted in accordance with Monterey County Code (MCC) section 20.76.115.
   b)

Background. On June 12, 2025, the Zoning Administrator considered a Coastal Administrative Permit and Design Approval (PLN240104) to allow the construction of a 1,200 square foot accessory dwelling unit. At the conclusion of the hearing, the Zoning Administrator found the project consistent with the applicable zoning ordinance (Title 20), 1982 General Plan, Carmel Area Land Use Plan, and Carmel Area Coastal Implementation Plan (Part 4), and approved the Combined Development Permit.

On July 10, 2025, Thomas and Anne Russ, timely appealed the June 12, 2025 decision of the Zoning Administrator, pursuant to Monterey County Code ("MCC") section 20.86.030.A. Appellant's contentions stem from the location of the proposed accessory dwelling unit and related concerns that it would cause impacts detrimental to the health, safety, and general welfare of surrounding residences. The appeal contends that the findings are not supported by the evidence, the decision is contrary to law, and the Zoning Administartor hearing was neither fair nor impartial. See Finding No. 8 for Appellant's contentions and the County's responses.

c) Pursuant to MCC sections 20.86.030.C and E, an appeal shall be filed with the Clerk of the Board of Supervisors within 10 days after written notice of the decision of the Appropriate Authority (i.e., Zoning Administrator Resolution No. 23-007) has been mailed to the Applicant. The County emailed the written notice of the decision on July 10, 2025, and said appeal was filed with the Clerk of the Board of Supervisors on July 10, 2025, within the 10-day timeframe prescribed by MCC section 20.86.030.C. The appeal hearing is de novo. A complete copy of the appeal is on file with the Clerk of the Board, and is attached to the September 16, 2025 staff report to the Board of Supervisors as Attachment D.

d) The appeal was timely brought to a duly-noticed public hearing before the Monterey County Board of Supervisors on September 16, 2025. Notice of the hearing was published on September 4,2025 in the Monterey County Weekly; notices were mailed on September 4, 2025 to all property owners and occupants within 300 feet of the project site, and to persons who requested notice; and at least three notices were posted at and near the project site on XXXXX.

e) The application, plans, and supporting materials submitted by the project applicant to County of Monterey HCD County of Monterey HCD-Planning for the proposed development found in Project File No. PLN240104.

2. **FINDING:** **CONSISTENCY** – The Project, as conditioned, is consistent with the applicable plans and policies which designate this area as appropriate for development.

EVIDENCE: a) During the course of review of this application, the project has been reviewed for consistency with the text, policies, and regulations in:

- 1982 Monterey County General Plan;
- Carmel Area Land Use Plan (Carmel Area LUP);

- Monterey County Coastal Implementation Plan, Part 1, Zoning Ordinance (Title 20); and
- Monterey County Coastal Implementation Plan, Part 4, Regulations for Development in the Carmel Area Land Use Plan Area (Carmel Area CIP).

Communications were received during the course of review of the project, indicating purported inconsistencies with the text, policies, and regulations in these documents. These communications have been considered and responses to the contentions are provided in Finding 8 of this resolution. Based on the evidence in the record, the project, the project, as proposed and conditioned, is found to conform with the applicable policies.

b) Allowed Use. The property is located at 25745 Hatton Rd (Accessor's Parcel Number [APN]: 009-251-010-000), Carmel, within the Carmel Area Land Use Plan in the Coastal Zone. The parcel is zoned Medium Density Residential, 2 units per acre with a Design Control overlay district in the Coastal Zone or "MDR/2-D(CZ)", which allows for the construction of one accessory dwelling unit (ADU) on a legal lot of record, subject to the granting of a Coastal Administrative Permit in each case (Title 20 section 20.12.040.S). The project consists of construction of a 1,200 square foot ADU behind the existing house. Therefore, the project is an allowed land use for this site.

c) Lot Legality. The property is shown in its current configuration as lot 11 on the 1964, 1972 and current Parcel Maps on file with the County of Monterey. The property is shown to be under separate ownership from the adjacent lots as far back as 1964. Therefore, the County recognizes the subject parcel as a legal lot of record.

d) Design/Neighborhood and Community Character. The property is subject to the Design Control "D" overlay zoning district regulations contained in Title 20 Chapter 20.44, which requires design review of proposed development to assure protection of the public viewshed and neighborhood character. The development will be consistent with the existing structure on the property and the neighborhood as a whole. Colors and materials include beige plaster exterior siding, dark brown metal roofing, and dark brown aluminum window and door frames. The project colors and materials are consistent with the other nearby development. Consistent with the Carmel Area LUP, the development will not block any views of the ocean and will not be visible from any scenic highways. The ADU will be located behind the home and will not be visible from any public viewing areas. There are multiple other properties with existing ADUs or second units within the same neighborhood. The ADU will not stand out or be inconsistent in the developed area. Condition No. 5 has been included in the project which requires that an exterior lighting plan be provided and approved before the issuance of building permits; this condition ensures compliance with the Carmel Area LUP, Carmel Area CIP, and Title 20. Therefore, the project, as designed and sited, is consistent with neighborhood character, and assures visual integrity.

e) Development Standards. Development standards for the Medium-Density Residential zoning district can be found in Title 20 section 20.12.060. The development is consistent with applicable development standards. The required setback standards for habitable accessory structures include a minimum of a 50-foot front setback, a six-foot side and rear setback, and a six-foot setback from any main structures. The ADU will have a front setback of well over 50 feet and will be located behind the main single-family dwelling, with a 24-foot setback between the structures. The ADU will be located 10 feet from the rear property line and over 30 feet from the north and south side property lines. The maximum allowed building site coverage in the MDR/2 zoning district is 35% (11,702 square feet). The site coverage is 15.5% (5,168 square feet). The MDR/2 zoning district establishes a maximum floor area ratio of 45% (15,045 square feet). The ADU will bring the property's total FAR to 15.5% (5,168 square feet). The structure height will not exceed the allowed 16-foot maximum height limitation for habitable accessory structures in this zoning district. Therefore, the project meets all applicable site development standards.

f) Public Comment. Correspondence from a neighbor was received, raising concerns that nearby Redwood trees would be impacted by the project, resulting in a hazardous condition. The neighbor recommended that an alternative site be analyzed to avoid impacts to these Redwood trees. Five Redwood trees are 12 to 20 feet from the ADU. To address these concerns and better determine potential impacts on Redwood trees, the project arborist dug three test sites (2 feet x 2 feet wide, 2 feet deep). The arborist observed "non-woody" Redwood roots less than one inch in diameter in the three hand-dug test sites. These roots, also known as feeder roots, have the primary purpose of absorbing water and nutrients in the upper layers of the soil, they do not support the tree. No woody roots, which provide the primary structural foundation while also facilitating water and nutrient uptake, were identified. Based on these observations, the project arborist determined that the project would neither impact the Redwoods nor pose a hazard to nearby structures. Additionally, the project arborist found that the ADU location was the "most suitable for long-term maintenance of tree resources". An alternative ADU location was analyzed as well. The project arborist found that 13 Coast live oaks and potentially one Landmark Monterey pine would be impacted by that location. Accordingly, the selected building site better achieves the forest resource protection goals and policies of the Carmel Area LUP. Existing trees not being removed shall be protected for the duration of all construction activities. The County's standard tree and root protection condition has been applied to the project, requiring Applicant to retain and protect trees not proposed for removal during construction. Also see Finding No. 1, evidence "g".

g) Tree Removal. Pursuant to Carmel Area CIP section 20.146.060.A, a Coastal Development Permit is required to remove native trees. Coast live oak trees are protected within the Carmel Area Land Use Plan area. Pursuant to Carmel Area CIP section 20.146.060.B, three project-specific arborist reports were prepared (County of Monterey Library

Nos. LIB250169, LIB250170, and LIB250171). These reports analyzed the proposed building site and an alternative location, inspected nearby trees, and conducted on-site inspections of the subject property. One of the arborists dug three test sites to determine whether the critical roots of the adjacent Redwood trees would be impacted. Sixteen Coast live oaks, five Coast redwoods, and one Monterey pine were identified near the proposed ADU. All of these trees were found to be in fair to good condition, with little to no defects, except for one Coast live oak tree (dual-stemmed, 10" & 7" DBH). This Coast live oak was observed to be in poor condition, with poor structural health (branch failures and decay). Additionally, the leaning branch of this tree would be impacted by the proposed project; removal of this branch would leave insufficient tree canopy and impact the overall health of the Oak. Therefore, the removal of this Coast live oak tree was recommended by the project arborists. Subsequent to this determination, a Tree Hazard Evaluation Form was submitted to HCD-Planning identifying this tree as being in a hazardous condition due to existing decay. HCD reviewed this request and agreed that the tree poses a hazard. Removal of the hazardous tree was authorized under file No. TRM250183. Therefore, no protected trees are proposed for removal with implementation of this project. Further, as recommended by the project-specific arborist report, an arborist will monitor all excavation within 10 feet of the proposed structure (Condition No. 4).

h) Cultural Resources. According to Monterey County GIS, the subject property is located in an area of moderate archaeological sensitivity. There is no evidence of historic or prehistoric cultural activity on the site. Therefore, the potential for inadvertent impacts to archaeological resources is limited and will be controlled by application of the County's standard condition (Condition No. 3), which requires the contractor to stop work if previously unidentified resources are discovered during construction.

i) The application, project plans, staking & flagging photos and related support materials submitted by the project applicant to County of Monterey HCD- Planning for the proposed development found in Project File PLN240104.

3. **FINDING:** **SITE SUITABILITY –** The site is physically suitable for the use proposed.

EVIDENCE:

a) The project has been reviewed for site suitability by the following departments and agencies: HCD-Planning, HCD-Engineering Services, Cypress Fire Protection District, HCD-Environmental Services and the Environmental Health Bureau. There has been no indication from these departments/agencies that the site is not suitable for the proposed development. Recommended conditions have been incorporated.

b) Potential impacts to trees were identified. The following report has been prepared and submitted with the application:

- "25745 Hatton Rd. Arborist Report" (LIB250170), prepared by Albert Weisfuss, Carmel, CA, February 15, 2025

- "ADU Tree Impact Assessment" (LIB250169), prepared by Rob Thompson, Monterey, CA, March 30, 2025
- "25475 Hatton Proposed ADU and Redwoods" (LIB250171), prepared by Frank Ono, Pacific Grove, CA, April 3, 2025

c) The project planner reviewed aerial satellite imagery and photos of the site, provided by the applicant, to verify that the site is suitable for this use.

d) The application, project plans, and related support materials submitted by the project applicant to the County of Monterey HCD- Planning for the proposed development found in Project File PLN240104.

4. **FINDING:** **HEALTH AND SAFETY -** The establishment, maintenance, or operation of the use or structure applied for, will not, under the circumstances of the particular case, be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use; or be detrimental or injurious to property and improvements in the neighborhood; or to the general welfare of the County.

EVIDENCE: a) The project was reviewed by HCD-Planning, HCD-Engineering Services, Cypress Fire Protection District, HCD- Environmental Services and the Environmental Health Bureau. The respective agencies have recommended conditions, where appropriate, to ensure that the project will not have an adverse effect on the health, safety, and welfare of persons either residing or working in the neighborhood.

b) The subject property has an active sewer service connection to the Carmel Area Wastewater District (CAWD). Staff received a Can and Will Serve letter from CAWD dated August 13, 2024, stating that the district is aware and intends to serve the development. Per CAWD's letter, the applicant shall obtain a plumbing permit for sewer lateral work to connect to the new ADU structure. Pertaining to drinking water, staff received a Can and Will Serve letter from California American Water (Cal-AM) dated August 20, 2024, stating the subject property has active water meter service. Prior to issuance of related construction permit(s), Monterey Peninsula Water Management District will review the construction plans to ensure the property does not exceed the allotted fixture unit count.

c) The application, project plans, and related support materials submitted by the project applicant to the County of Monterey HCD- Planning for the proposed development found in Project File PLN240104.

5. **FINDING:** **NO VIOLATIONS -** The subject property is in compliance with all rules and regulations pertaining to zoning uses, subdivision, and any other applicable provisions of the County's zoning ordinance. No violations exist on the property.

EVIDENCE: a) Staff reviewed County of Monterey HCD-Planning and Building Services Department records and is not aware of any violations existing on subject property.

b) Staff reviewed aerial imagery and street view photographs from Google Earth, and researched County records to assess if any violation exists on

the subject property. The staking and flagging photos submitted with the application showed a small greenhouse accessory structure in the back yard that appeared to have electrical connections that were not permitted by the County. It was confirmed by the applicant that this structure was temporary. The applicant provided recent photos of the property showing the greenhouse is no longer onsite. The proposed site plan accurately reflects the property and all existing and proposed structures.

c) The application, plans and supporting materials submitted by the project applicant to County of Monterey HDC-Planning for the proposed development are found in Project File PLN240104.

6. **FINDING:** **CEQA (Exempt) –** The project is categorically exempt from environmental review and no unusual circumstances were identified to exist for the proposed project.

EVIDENCE:

a) California Environmental Quality Act (CEQA) Guidelines section 15303 categorically exempts the construction of new small structures including single family dwellings and second dwelling units, from CEQA's environmental review requirements.

b) This project qualifies for a Class 3 Categorical Exemption because it is the construction of a 1,200 square foot accessory dwelling unit, which will be the second dwelling unit on the subject property, in a residential zone and area. This small development project is consistent with CEQA Guidelines Section 15303 and therefore qualifies for a Class 3 exception.

c) None of the exceptions under CEQA Guidelines section 15300.2 apply to this project:

- The project site is not considered to be in an environmentally sensitive area. The subject property and surrounding area are disturbed with residential development. Additionally, although the project footprint is void of structures, no protected trees or vegetation are required for removal. This vacant area was not identified on the County's GIS as important habitat for special status species;
- Successive projects of the same type and in the same place (construction of accessory structures) would not contribute to a significant cumulative impact. Accessory Dwelling Units in residential areas have been found to be categorically exempt from environmental review;
- There are no unusual circumstances regarding this project that would cause a significant effect to the environment (see Findings 1 and 2, and supporting evidence);
- The project site is not visible from any scenic highways, and the proposed development would not result in damages to scenic resources; and
- The project site is not on or near any hazardous waste sites listed in Government Code section 65962.5.

d) Staff conducted a site inspection on September 4, 2025 to verify that the site is suitable for this use.

e) The application, plans and supporting materials submitted by the project applicant to County of Monterey HDC-Planning for the proposed development are found in Project File PLN240104.

7. **FINDING:** **APPEALABILITY -** The decision on this project may not be appealed to the California Coastal Commission.

EVIDENCE: a) California Coastal Commission. This project is not appealable to the California Coastal Commission as it is not located between the sea and the first through public road, or within 300 feet of the beach, mean high tide line or coastal bluff. It is not within 100 feet of any wetland and does not include a conditional use.

8. **FINDING:** **APPEAL** - Appellants contend that the Zoning Administrator's decision was not supported by the evidence and is contrary to law. Upon consideration of the documentary information in the files, the staff reports, the oral and written testimony, all other evidence presented before the Board of Supervisors, and the administrative record as a whole, the Board responds as follows to Appellants' contentions:

EVIDENCE: a) Appellants (Thomas and Anne Russ), pursuant to Monterey County Code (MCC) section 20.86.030.C, timely appealed the June 12, 2025, decision of the Zoning Administrator. The appeal challenges the Zoning Administrator's approval of the Coastal Administrative Permit and Design Approval, on the contention that the findings are not supported by the evidence, that the decision is contrary to law, and the hearing was neither fair nor impartial. See also Finding No. 1, evidence "b". Appellants' contentions and the County's responses are set forth in Evidence "b" through "i" below.

b) *Appellants Contention No. 1: "There was Lack of Fair and Impartial Hearing" because "Despite the LUAC's request for additional time to adequately review the project information, the project did not go before the LUAC and was ultimately heard by the Zoning Administrator on June 12, 2025".*

Response No. 1: The project went before the Carmel Highlands Land Use Advisory Committee on February 18, 2025. At the meeting, an attorney representing Appellants, neighbors to the applicant, presented an arborist report prepared by Bryan E. Bradford and an accompanying letter in which they argued that the proposed location of the accessory dwelling unit would have detrimental impacts to five Redwood trees on the applicant's property, causing a direct risk to their home and property. The LUAC members requested the project be continued to allow the LUAC time to review the report. After this meeting, the Carmel Highlands lacked the quorum required to hold meetings and hear projects. Due to on-going difficulties in re-establishing a quorum staff scheduled the project to go before the Zoning Administrator as to not delay the project any further.

c) *Appellants Contention No.2: "There was a Lack of Fair and Impartial Hearing" because "the staff report prepared by the assigned project planner did not include the appellant's comment letters dating February 14, 2025 and April 30, 2025" or the "appellant's Certified Arborist Bryan E. Bradford's amended report".*

Response No. 2: Both of Appellants' letters dated February 14 and April 30, 2025, as well as Appellants' arborist report were entered into to the record at the June 12, 2025 Zoning Administrator hearing. The documents were printed and provided as physical copies to all present at the hearing and a 15-minute recess was taken to allow the Zoning Administrator and others time to review the materials. Consequently, he Zoning Administrator's decision was made with full knowledge and review of Appellants' materials.

d) *Appellants' Contention No. 3: "The Findings are not Supported by the Evidence" because "Contrary to the findings, the proposed location is not suitable for the project" because it "jeopardizes the health, safety, peace, comfort, and general welfare of persons residing in the neighborhood"*
Response No. 3: Appellants' arborist report claims that the proposed location of the accessory dwelling unit will affect the roots of five Redwood trees on the applicant's property, which could pose a threat to Appellants' neighboring home. However, Appellants' report states that it "did not afford close inspection of the trees or their features above 20 feet. Additionally, observations were limited to off-site visual examinations due to lack of physical access to the parcel which hosts the trees". The applicant commissioned three separate arborists to conduct on-site inspections of the trees and prepare reports on their health and any potential impacts the proposed development might have to the five Redwood trees in question. All three arborists conducted on-site inspections of the trees including ground-bore testing and found both no likely substantial impacts to the Redwood trees from the proposed development and that the trees were healthy and stable. Furthermore, the bore tests showed no primary roots in the area of development (see Finding 1, evidence "f"). Condition No.4,which requires Tree and Root protection be in place for all surrounding trees including the Redwoods during the course of construction, has been applied.

e) *Appellants' Contention No. 4: "The Findings are not Supported by the Evidence" because "Contrary to the findings, the applicant did not provide sufficient evidence that the proposed floating foundation is suitable for this size building"*
Response No. 4: Plans for the proposed floating foundation were provided to staff by the applicant. A registered professional engineer reviewed and stamped these plans indicating that they are suitable for the proposed development. The floating foundation will also avoid potential damage to roots of any trees which may exist within the development site. Appellants have not provided evidence that the foundation is unsuitable for a 1,200 square foot accessory dwelling unit.

f) *Appellants' Contention No. 5: "The Findings are not Supported by the Evidence" because "the applicant did not provide substantial evidence to establish alternative locations on site were not suitable for the proposed accessory dwelling unit project"*
Response No. 5: Appellants suggested two alternative locations on the applicant's property for the accessory dwelling unit. Both suggestions would require the removal of protected trees. Carmel Area Coastal

Implementation Plan section 20.146.060.D.3 requires that "prior to the application being considered complete, the development shall be adjusted for siting, location, size and design as necessary to minimize tree removal.". The location proposed by the applicant and approved by the Zoning Administration does not require the removal of any protected trees and is therefore both the most supportable location for the accessory dwelling unit and the most consistent with the Monterey County Code (see Finding 1, evidence "f")

g) *Appellants Contention No. 6: "The Decision is Contrary to Law" because it is "inconsistent with Monterey County Code Section 20.64.030E(11)(f) and (g) stating that "resource constraints that may preclude development of an Accessory Dwelling Unit include… tree resources… and other health and safety conditions."".*
Response No. 6: See Staff's response to Appellants Contention No.3

h) *Appellant Contention No. 6: "The Decision is Contrary to Law" because it is "inconsistent with Monterey County Code Section 20.64.030E(11)(f) and (g) stating that "resource constraints that may preclude development of an Accessory Dwelling Unit include… tree resources… and other health and safety conditions.".*
Response No. 6: See Staff's response to Appellant Contention No.3

DECISION

NOW, THEREFORE, based on the above findings and evidence, the County of Monterey Board of Supervisors does hereby:

1. Denying the appeal by Thomas and Anne Russ of the Zoning Administrator's June 12, 2025 decision to approve a Coastal Administrative Permit and Design Approval; and
2. Find the project for an Accessory Dwelling Unit qualifies for a Class 3 Categorical Exemption pursuant to CEQA Guidelines section 15303, New Structures, and no exceptions pursuant to section 15300.2 ; and
3. Approve a Coastal Administrative Permit and Design Approval to allow construction of a 1,200 square foot Accessory Dwelling unit.

All in general conformance with the attached plans and subject to the attached conditions, all being attached hereto and incorporated herein by reference.

PASSED AND ADOPTED upon motion of Supervisor _____, seconded by Supervisor _____, and carried this 23rd day of September 2025, by the following vote to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

I, Valeri Ralph Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof Minute Book _____ for the meeting on September 23, 2025.

Date:
File Number: PLN240104

Margarita Hernandez, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
Deputy

NOTES

1. You will need a building permit and must comply with the Monterey County Building Ordinance in every respect.

   Additionally, the Zoning Ordinance provides that no building permit shall be issued, nor any use conducted, otherwise than in accordance with the conditions and terms of the permit granted or until ten days after the mailing of notice of the granting of the permit by the appropriate authority, or after granting of the permit by the Board of Supervisors in the event of appeal.

   Do not start any construction or occupy any building until you have obtained the necessary permits and use clearances from County of Monterey HCD-Planning and HCD-Building Services Department office in Salinas.

2. This permit expires 3 years after the above date of granting thereof unless construction or use is started within this period.

County of Monterey HCD Planning

DRAFT Conditions of Approval/Implementation Plan/Mitigation Monitoring and Reporting Plan

PLN240104

1. PD001 - SPECIFIC USES ONLY

Responsible Department: Planning

Condition/Mitigation Monitoring Measure: This Administrative permit (PLN240104) allows construction of a 1,200 square foot accessory dwelling unit. The property is located at 25745 Hatton Rd, Carmel (Assessor's Parcel Number 009-251-010-000), Carmel Area Land Use Plan. This permit was approved in accordance with County ordinances and land use regulations subject to the terms and conditions described in the project file. Neither the uses nor the construction allowed by this permit shall commence unless and until all of the conditions of this permit are met to the satisfaction of the Director of HCD - Planning. Any use or construction not in substantial conformance with the terms and conditions of this permit is a violation of County regulations and may result in modification or revocation of this permit and subsequent legal action. No use or construction other than that specified by this permit is allowed unless additional permits are approved by the appropriate authorities. To the extent that the County has delegated any condition compliance or mitigation monitoring to the Monterey County Water Resources Agency, the Water Resources Agency shall provide all information requested by the County and the County shall bear ultimate responsibility to ensure that conditions and mitigation measures are properly fulfilled. (HCD - Planning)

Compliance or Monitoring Action to be Performed: The Owner/Applicant shall adhere to conditions and uses specified in the permit on an on-going basis unless otherwise stated.

2. PD002 - NOTICE PERMIT APPROVAL

Responsible Department: Planning

Condition/Mitigation Monitoring Measure: The applicant shall record a Permit Approval Notice. This notice shall state:
"A Coastal Administrative Permit and Design Approval (Resolution Number _____) was approved by the Zoning Administrator for Assessor's Parcel Number 009-251-010-000 on June 12, 2025. The permit was granted subject to 8 conditions of approval which run with the land. A copy of the permit is on file with Monterey County HCD - Planning."

Proof of recordation of this notice shall be furnished to the Director of HCD - Planning prior to issuance of grading and building permits, Certificates of Compliance, or commencement of use, whichever occurs first and as applicable. (HCD - Planning)

Compliance or Monitoring Action to be Performed: Prior to the issuance of grading and building permits, certificates of compliance, or commencement of use, whichever occurs first and as applicable, the Owner/Applicant shall provide proof of recordation of this notice to the HCD - Planning.

3. PD003(A) - CULTURAL RESOURCES NEGATIVE ARCHAEOLOGICAL REPORT

Responsible Department: Planning

Condition/Mitigation Monitoring Measure: If, during the course of construction, cultural, archaeological, historical or paleontological resources are uncovered at the site (surface or subsurface resources) work shall be halted immediately within 50 meters (165 feet) of the find until a qualified professional archaeologist can evaluate it. Monterey County HCD - Planning and a qualified archaeologist (i.e., an archaeologist registered with the Register of Professional Archaeologists) shall be immediately contacted by the responsible individual present on-site. When contacted, the project planner and the archaeologist shall immediately visit the site to determine the extent of the resources and to develop proper mitigation measures required for recovery.
(HCD - Planning)

Compliance or Monitoring Action to be Performed: The Owner/Applicant shall adhere to this condition on an on-going basis.

Prior to the issuance of grading or building permits and/or prior to the recordation of the final/parcel map, whichever occurs first, the Owner/Applicant shall include requirements of this condition as a note on all grading and building plans. The note shall state "Stop work within 50 meters (165 feet) of uncovered resource and contact Monterey County HCD - Planning and a qualified archaeologist immediately if cultural, archaeological, historical or paleontological resources are uncovered."

When contacted, the project planner and the archaeologist shall immediately visit the site to determine the extent of the resources and to develop proper mitigation measures required for the discovery.

4. PD011 - TREE AND ROOT PROTECTION

Responsible Department: Planning

Condition/Mitigation Monitoring Measure: Trees which are located close to construction site(s) shall be protected from inadvertent damage from construction equipment by fencing off the canopy driplines and/or critical root zones (whichever is greater) with protective materials, wrapping trunks with protective materials, avoiding fill of any type against the base of the trunks and avoiding an increase in soil depth at the feeding zone or drip-line of the retained trees. Said protection, approved by certified arborist, shall be demonstrated prior to issuance of building permits subject to the approval of HCD - Director of Planning. If there is any potential for damage, all work must stop in the area and a report, with mitigation measures, shall be submitted by certified arborist. Should any additional trees not included in this permit be harmed, during grading or construction activities, in such a way where removal is required, the owner/applicant shall obtain required permits. Applicant/Owner shall enter into a contract with a qualified arborist to provide monitoring of all excavation activities within 10 feet of proposed development. (HCD - Planning)

Compliance or Monitoring Action to be Performed: Prior to issuance of grading and/or building permits, the Owner/Applicant shall submit evidence of tree protection to HCD - Planning for review and approval.

During construction, the Owner/Applicant/Arborist shall submit on-going evidence that tree protection measures are in place through out grading and construction phases. If damage is possible, submit an interim report prepared by a certified arborist.

Prior to final inspection, the Owner/Applicant shall submit photos of the trees on the property to HCD-Planning after construction to document that tree protection has been successful or if follow-up remediation or additional permits are required.

Prior to issuance, Owner/Applicant shall provide proof of contract with qualified arborist showing compliance this condition.

5. PD014(A) - LIGHTING - EXTERIOR LIGHTING PLAN

Responsible Department: Planning

Condition/Mitigation Monitoring Measure: All exterior lighting shall be unobtrusive, down-lit, harmonious with the local area, and constructed or located so that only the intended area is illuminated and off-site glare is fully controlled. The lighting source shall be shielded and recessed into the fixture. The applicant shall submit three (3) copies of an exterior lighting plan which shall indicate the location, type, and wattage of all light fixtures and include catalog sheets for each fixture. The lighting shall comply with the requirements of the California Energy Code set forth in California Code of Regulations Title 24 Part 6. The exterior lighting plan shall be subject to approval by the Director of HCD - Planning, prior to the issuance of building permits.
(HCD - Planning)

Compliance or Monitoring Action to be Performed: Prior to the issuance of building permits, the Owner/Applicant shall submit three copies of the lighting plans to HCD - Planning for review and approval. Approved lighting plans shall be incorporated into final building plans.

Prior to final/occupancy, the Owner/Applicant/Contractor shall submit written and photographic evidence demonstrating that the lighting has been installed according to the approved plan.

On an on-going basis, the Owner/Applicant shall ensure that the lighting is installed and maintained in accordance with the approved plan.

6. PW0043 - REGIONAL DEVELOPMENT IMPACT FEE

Responsible Department: Public Works

Condition/Mitigation Monitoring Measure: Prior to issuance of building permits, applicant shall pay the Regional Development Impact Fee (RDIF) pursuant to Monterey Code Chapter 12.90. The fee amount shall be determined based on the parameters adopted in the current fee schedule.

Compliance or Monitoring Action to be Performed: Prior to issuance of Building Permits Owner/Applicant shall pay Monterey County Building Services Department the traffic mitigation fee. Owner/Applicant shall submit proof of payment to the HCD-Engineering Services.

7. PW0044 - CONSTRUCTION MANAGEMENT PLAN

Responsible Department: Public Works

Condition/Mitigation Monitoring Measure: The applicant shall submit a Construction Management Plan (CMP) to HCD-Planning and HCD-Engineering Services for review and approval. The CMP shall include measures to minimize traffic impacts during the construction/grading phase of the project.
CMP shall include, at a minimum, duration of the construction, hours of operation, truck routes, estimated number of truck trips that will be generated, number of construction workers, and on-site/off-site parking areas for equipment and workers and locations of truck staging areas. Approved measures included in the CMP shall be implemented by the applicant during the construction/grading phase of the project. (Public Works)

Compliance or Monitoring Action to be Performed: 1. Prior to issuance of the Grading Permit or Building Permit, Owner/Applicant/Contractor shall prepare a CMP and shall submit the CMP to the HCD-Planning and HCD- Engineering Services for review and approval.
2. On-going through construction phases Owner/

8. PW0045 – COUNTYWIDE TRAFFIC FEE

Responsible Department: Public Works

Condition/Mitigation Monitoring Measure: Prior to issuance of building permits, the Owner/Applicant shall pay the Countywide Traffic Fee or the ad hoc fee pursuant to General Plan Policy C-1.8. The fee amount shall be determined based on the parameters in the current fee schedule.

Compliance or Monitoring Action to be Performed: Prior to issuance of Building Permits, the Owner/Applicant shall pay Monterey County HCD-Building Services the traffic mitigation fee. The Owner/Applicant shall submit proof of payment to HCD-Engineering Services.

A-1 SITE

A-2 PLAN & ELEV'S

INDEX | C

OWNER: MAY NAGAFUJI
(831) 521-8622

PROJECT & OWNER ADDRESS:
25745 HATTON RD
CARMEL, CA., 93923

APN: 009-251-010

PROJECT SUMMARY:
NEW 1200#, 2 DED ADU.

OCC: R-3, U

AREA:
SITE ——— 33,435
EX SFD ——— 3968
NEW ADU ——— 1200

ZON'G: MDR-D(CZ)

LOT COVERAGE & FAR:
5168/33,435 = 15.5% (25% ALL.)

GRAD'G 10 YDS EXPORT. (FOOTINGS)

TREE REMOVAL ——— 0

PARK'G: 2 COVER, 2 OPEN (2 REQ)

WATER: CAL AM

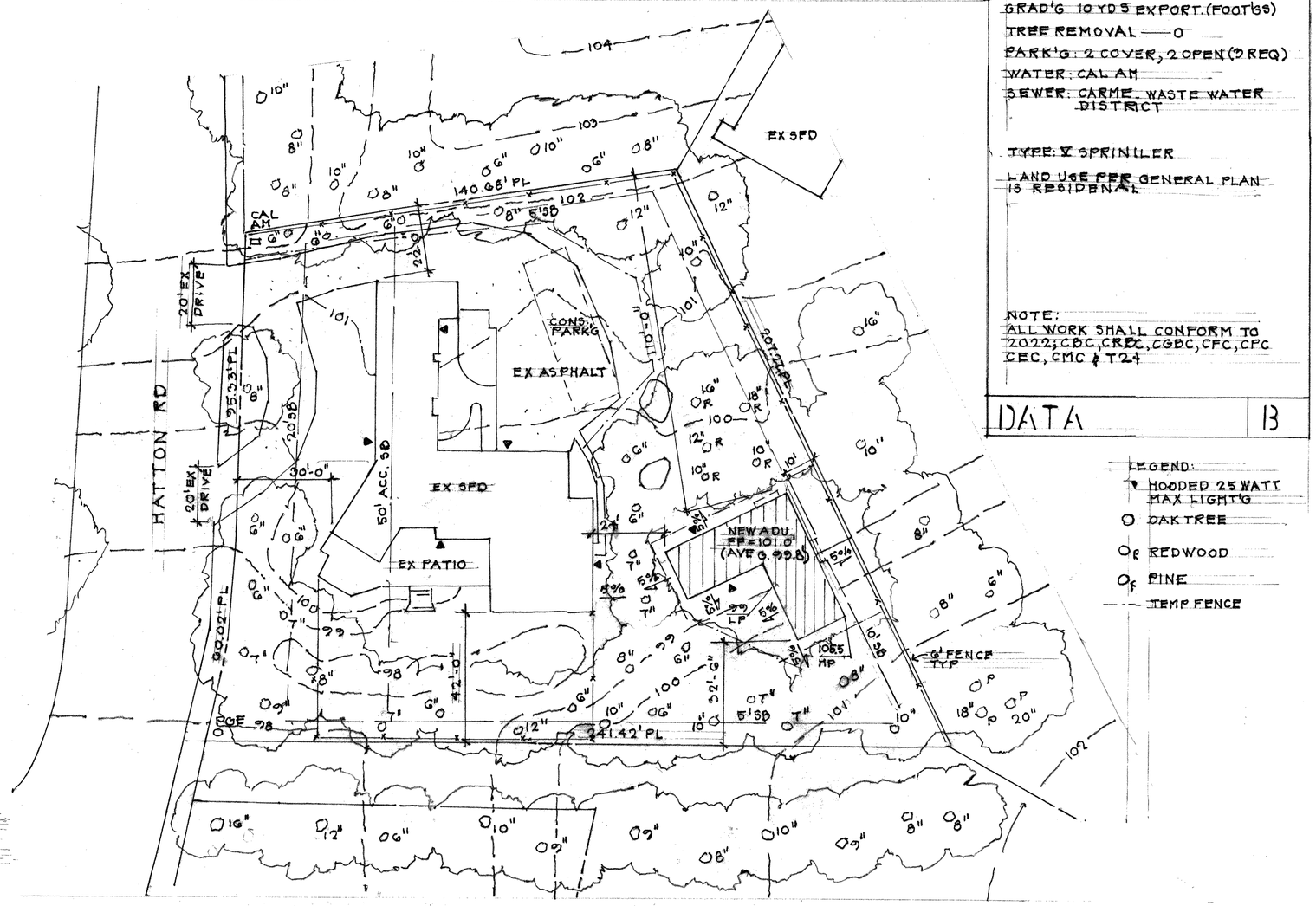
SEWER: CARMEL WASTE WATER DISTRICT

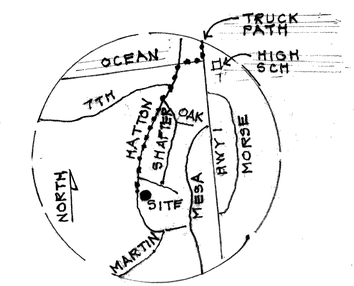
TYPE: V SPRINKLER

LAND USE PER GENERAL PLAN IS RESIDENTIAL

NOTE:
ALL WORK SHALL CONFORM TO 2022; CBC, CRC, CGBC, CFC, CPC CEC, CMC & T24

DATA | B





VICINITY MAP

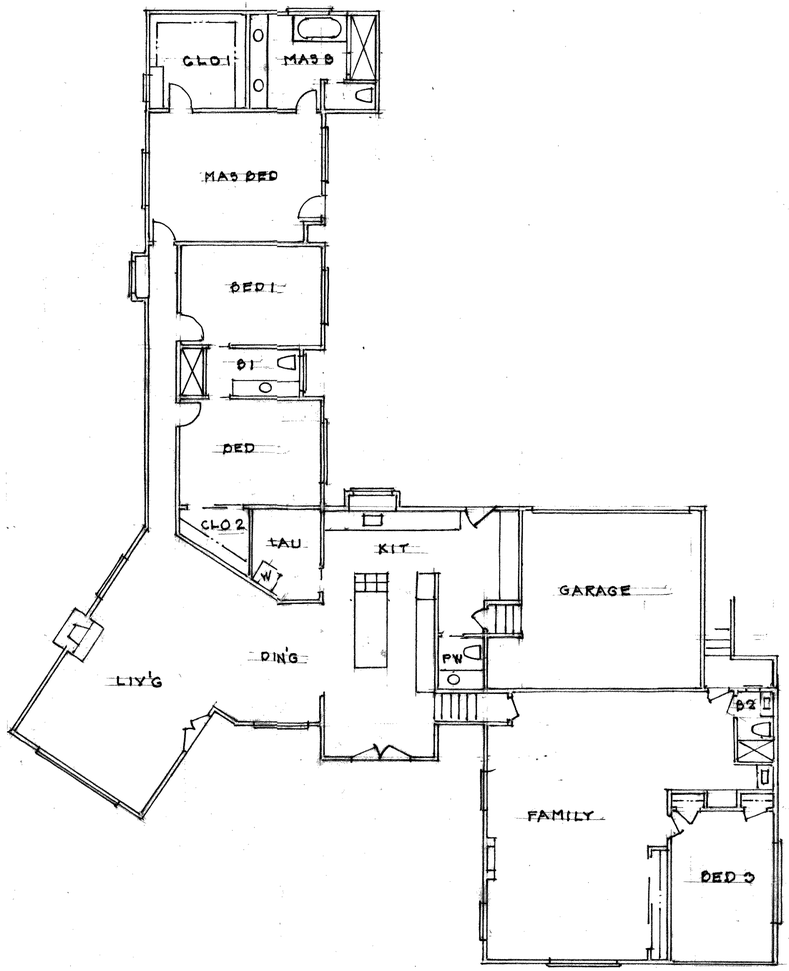
SITE | 1/20" = 1'-0" | A

NORTH

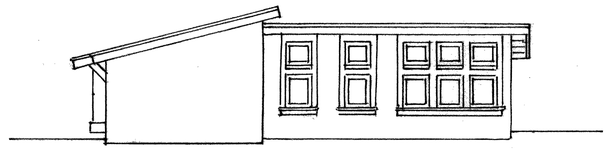
GLENN E WARNER ARCHITECT
STE 52 PALO COLORADO RD, CARMEL, CA.
MAILING: PO BOX 22811, CARMEL, CA, 93922
(831) 625-2802

25745 HATTON RD
CARMEL, CA., 93923
APN: 009-251-010

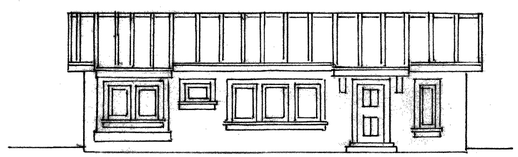
A-1



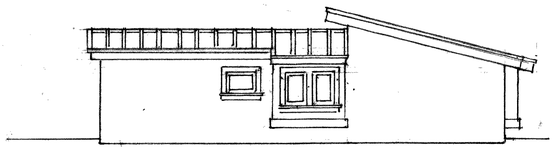
EX. SFD



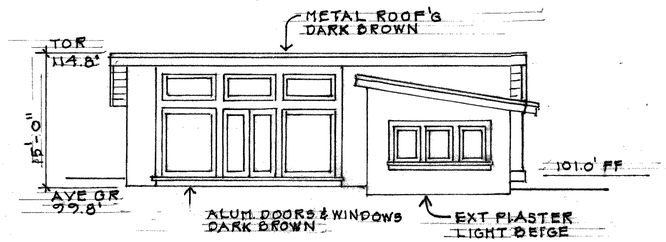
WEST



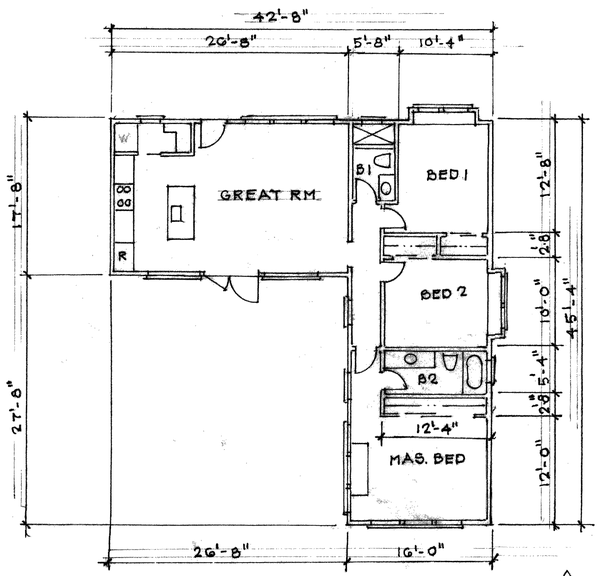
NORTH



EAST



SOUTH



PLAN

12

N

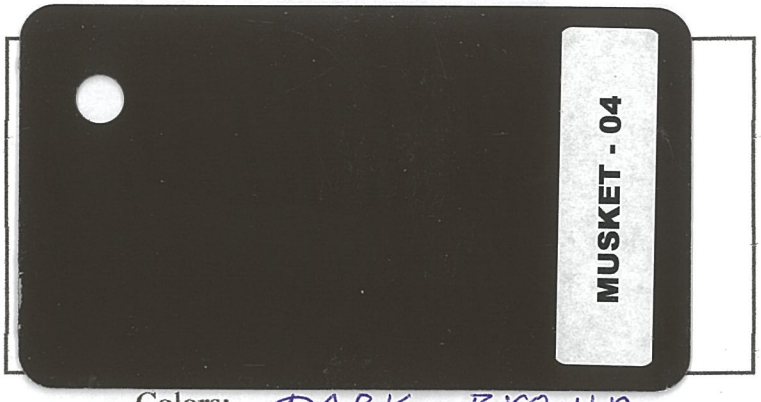
GLENN E WARNER ARCHITECT
57752 FALO COLORADO RD., CARMEL, CA
MAIL'G: PO BOX 22811, CARMEL, CA, 93922
(831) 625-2862

25745 HATTON RD
CARMEL, CA, 93923

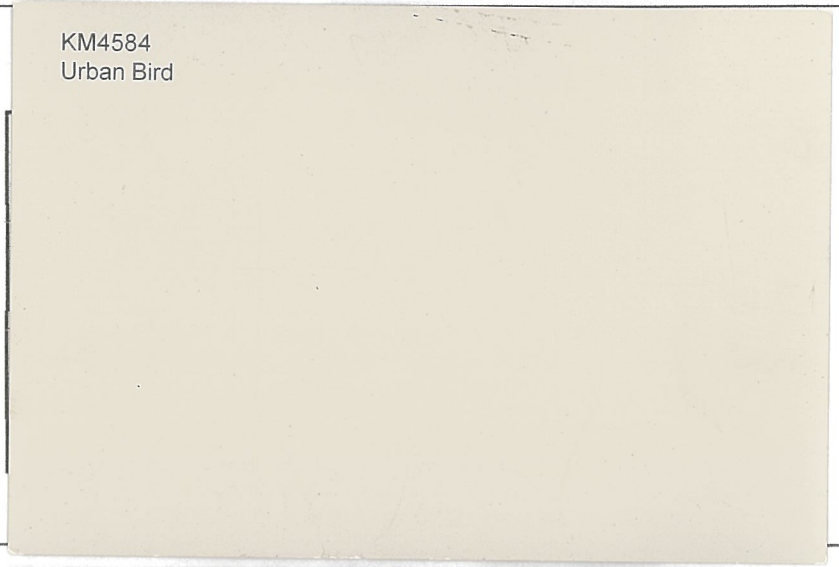
APN: 009-251-010

A-2

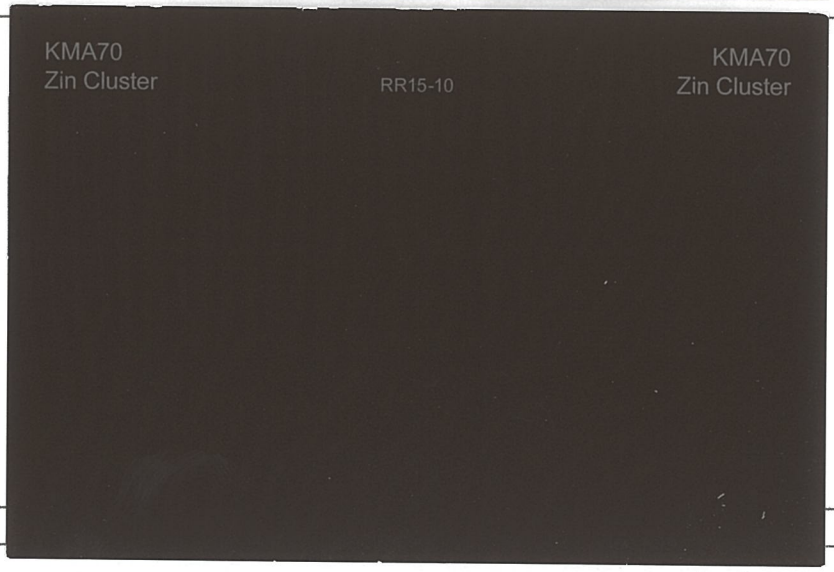
COLOR SAMPLES FOR PROJECT FILE NO. PLN240104



Materials: METAL ROOF Colors: DARK BROWN
Description:



Materials: BODY
Description:



Materials: TRIM
Description:

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Attachment B

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From: Kristie M. Campbell
To: Zepp, Zoe
Cc: Alex J. Lorca
Subject: Letter from Alex Lorca re PLN240104 (Kitayama)
Date: Friday, January 10, 2025 5:10:53 PM
Attachments: LTT Zoe Zepp - Re. PLN240104 (1-10-25) (01679462).pdf

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Good afternoon, Ms. Zepp. Please see the attached letter from Alex Lorca regarding the above matter that will be considered by the Chief of Planning of the HCD on January 15, 2025, and by this email we request a public hearing. Thank you.

Sincerely,
Kristie

Kristie M. Campbell
Paralegal
FENTON & KELLER
Post Office Box 791
Monterey, CA 93942-0791
Physical address (for Fed Ex/UPS or hand delivery):
2801 Monterey-Salinas Hwy.
Monterey, CA 93940
831-373-1241, ext. 217
831-373-7219 (fax)
kcampbell@fentonkeller.com
www.FentonKeller.com

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ATTORNEYS AT LAW
2801 MONTEREY-SALINAS HIGHWAY
POST OFFICE BOX 791
MONTEREY, CALIFORNIA 93942-0791
TELEPHONE (831) 373-1241
FACSIMILE (831) 373-7219
www.FentonKeller.com

CHRISTOPHER E. PANETTA
BRIAN D. CALL
TROY A. KINGSHAVEN
JOHN E. KESECKER
ELIZABETH R. LEITZINGER
ANDREW B. KREEFT
KENNETH S. KLEINKOPF
ALEX J. LORCA
DERRIC G. OLIVER
MARCO A. LUCIDO
CHRISTOPHER M. LONG

CAROL S. HILBURN
GLADYS RODRIGUEZ-MORALES
BRADLEY J. LEVANG
CHRISTOPHER J. NANNINI
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MATTHEW D. FERRY
EMMANUEL PEREA JIMENEZ
MARIA A. AIELLO
REBECCA J. SAATHOFF
ALYSSA CARBONEL MATSUHARA

LEWIS L. FENTON
1925-2005

OF COUNSEL
CHARLES R. KELLER
SARA B. BOYNS

ALEX J. LORCA
ALorca@fentonkeller.com
ext. 258

January 10, 2025

VIA EMAIL ZEPPZ@COUNTYOFMONTEREY.GOV

Zoe Zepp, Assistant Planner
County of Monterey, Housing and Community Development
1441 Schilling Place – South Second Floor
Salinas, CA 93901

Re: PLN240104 (Kitayama)
Our File: 60107.70158

Dear Ms. Zepp:

Our office represents Thomas and Anne Hill Russ in connection with the application made to the County of Monterey Housing and Community Development Department ("HCD") by Nagafuji Kitayama for a Coastal Administrative Permit and Design Approval ("Application") for the property located at 25745 Hatton Canyon Road in Carmel, California 93923 ("Kitayama Property"). The Application is for the construction of a 1,200 square foot Accessory Dwelling Unit ("Project").

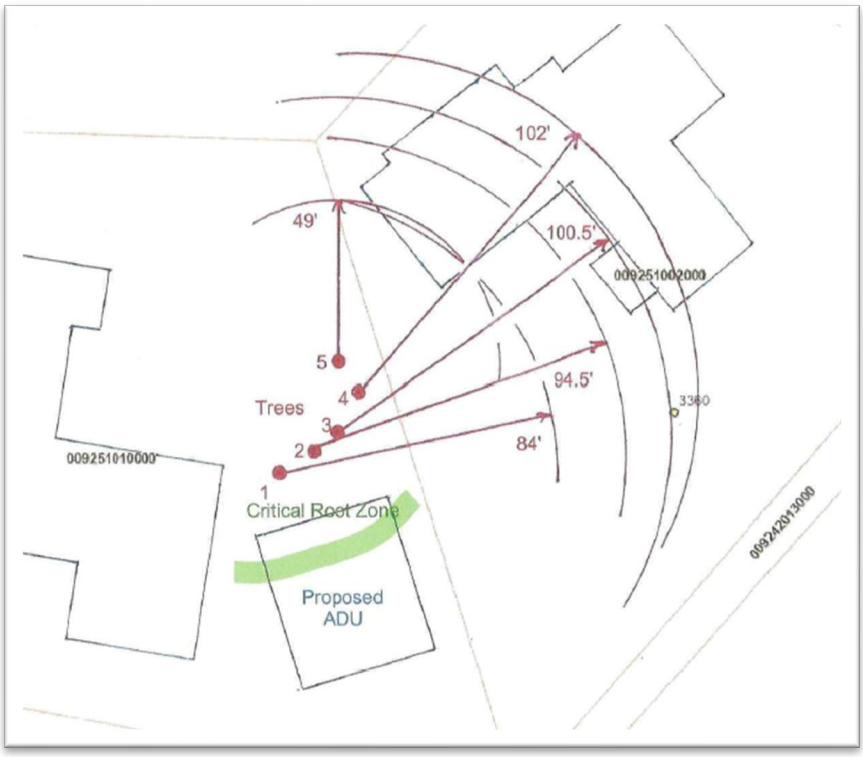
The Russes, as Trustees of the Thomas and Anne Hill Russ Revocable Trust 2001, are the owners of the property located at 3360 Mountain View Avenue in Carmel, California, 93923 ("Russ Property"), which is located next door to the Kitayama Property.

The Project is inconsistent with the requirements of Section 20.64.030 of the Monterey County Code, which states that "resource constraints that may ***preclude development*** of an Accessory Dwelling Unit include… tree resources… and other health and safety conditions." (Monterey County Code section 20.64.030 (E)(11)(f) and (g);emphasis added.)

Likewise, the Project is inconsistent with Monterey County Code section 20.64.030(F)(1), which requires the County to make a finding that "…the establishment of the Accessory Dwelling

Unit will not, under the circumstances of the particular application, be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood…"

As proposed in the Application, the Project cannot be approved. Enclosed is a Report of Certified Arborist from Certified Arborist Bryan Bradford, which confirms the Project will intrude into the critical root zone of all five of the Redwood trees located on the Kitayama Property. Moreover, the Report clearly demonstrates the Russ Property is well within the fall radius of all five of the Redwood trees:



As can be seen, the Project violates Monterey County Code section 20.64.030(E)(11)(f), which specifically protects "forest health and tree resources" as it will require the applicant to cut the roots of all five Redwood trees, all of which are within the critical root zone.

Moreover, Mr. Bradford's Report confirms the Project will be detrimental to the health and safety of the Russes:

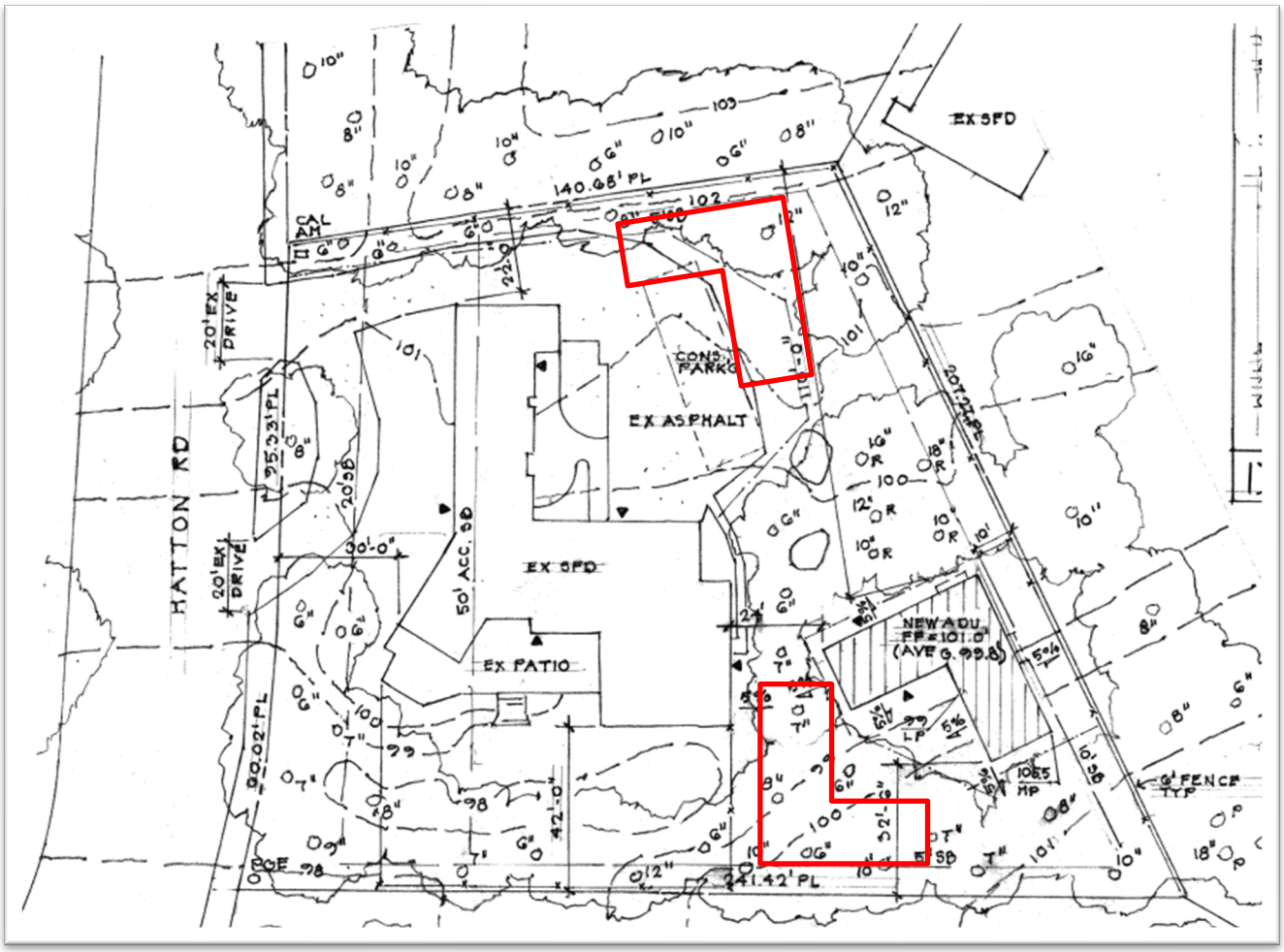
> "Installation of a concrete foundation which outlines the footprint of the ADU will require severance of the roots of those trees in that area of the grove rooting bed, and will prohibit or greatly inhibit future tree rooting in the footprint area. This can effect the vertical stability of those trees as they grow in height."

The Russ' daughter's bedroom is the closest room to the Kitayama Property. Should the Project cause one of the Redwood trees to fall (especially in a storm), their daughter would be in grave danger.

Importantly, Mr. Bradford states the Project's health and safety risks can be mitigated or eliminated by moving away from the critical root zone.

> "Relocation of the ADU footprint further way from the critical root zone of the trees would help secure vertical stability of the trees as they grow in height. In this case, the overall distance should be at least 30 feet from the base of the trees."

The following shows two clearly feasible alternative locations for the Project:



Because the Project's material health and safety risks can be mitigated or eliminated by relocating the ADU to another area of the Kitayama Property, the Application cannot be approved as presented. Rather, relocation of the ADU to the northern or southern portions of the Kitayama Property is required.

Sincerely,

FENTON & KELLER
A Professional Corporation

Alex J. Lorca

AJL:moi
Enclosure: Certified Arborist Report
cc: Client

Report of Certified Arborist

Bryan E. Bradford
Certified Arborist No. WE-5896A
International Society of Arboriculture,
and Professional Member

88 Paseo Hermoso ~ Salinas, CA ~ 93908
831-998-0439 or 831-484-1029

November 4, 2024

Mr. Alex Lorca, Esq.
Fenton & Keller
Post Office Box 791
Monterey, CA 93902-0791

Re: Russ Case
APN: 009-251-010-000
Situs: 25745 Hatton Road, Carmel

Dear Mr. Lorca,

I have examined and photographed the five Coast Redwood trees you are concerned about, located at the above-stated situs address and offer the following observations, conclusions and recommendations.

Preface

The examination and observation of the subject trees was conducted from the ground and did not afford close inspection of the trees or their features above 20 feet. Additionally, observations were limited to off-site visual examinations due to lack of physical access to the parcel which hosts the trees. Telescopic laser equipment was used to measure tree height. Unaided viewing, telescopic lens viewing and telescopic photography were used to examine the tree features above that height. Consequently, some small features may have been obscured from view by limited view angle or visual obstruction. Hence, there may be serious faults and weaknesses in the tree structure which have remained unobserved that present an enhanced hazard for various property and people residing within the fall radius of any of these trees. Positional measurements for the trees, the "story pole" structure representing the proposed additional dwelling unit and structures on the Russ property were made with a mix of conventional scales and telescopic laser equipment. This has allowed for the production of a site map with an

expected accuracy error of +/- 3 percent. Each individual tree is referred to by a number, 1 through 5, for clarity in describing each one. No inventory or tagging of these trees was done for this report.

Observations

The five subject trees located at 25745 Hatton Road, Carmel comprise a grove, planted many decades ago, which is situated in the northeast portion of parcel APN: 009-251-010-000 near the northeast boundary common to APN: 009-251-002-000. All five trees are Coast Redwood (*Sequoia sempervirens*) The grove occupies an elongated plot of ground about 30 feet long ending about 10 feet from the common boundary. The estimated diameter of each tree at breast height exceeds 30 inches. Tree No.1 is located at the southwest end of the grove. It has a height of about 84 feet and a well foliated broad crown spread. Tree No. 2 is located about 12 feet northeast of Tree No. 1. It has a height of about 94.5 feet and a well foliated crown spread. Tree No. 3 is located six feet northeast of Tree No. 2. It has a two parent stem configuration, has a height of about 100.5 feet and a well foliated crown spread. Tree No. 4 is located at the northeast end of the grove. It has a height of about 102 feet and a well foliated crown spread. Tree No. 5 is located about 10 feet northwest of Tree No. 4. It has a height of about 49 feet and a well foliated asymmetric crown spread with an off-set weighting to the northeast.

The rooting bed of the grove appears to be covered with an accumulated layer of natural tree litter from the combined crown of the grove. The extent and pattern of the rooting of each tree is unknown. The health and vigor of each tree seems to be good. The prospect for future growth in girth, height and extent of rooting seems excellent. A "story pole" structure describing the footprint and elevations of a proposed additional dwelling unit (ADU) is situated about 17 feet to the southeast of Tree No. 1, about 21 feet to the southeast of Tree No. 2, and about 25 feet to the southeast of Tree No. 3. This footprint is within the critical root zone of each of these trees. The standard calculation for the critical root zone of these large trees is one foot distance from the tree base for every one inch of diameter measured at breast height (4.5 feet). In this case that would imply a 30 foot radius perimeter around the base of each tree. Installation of a concrete foundation which outlines the footprint of the ADU will require severance of the roots of those trees in that area of the grove rooting bed, and will prohibit or greatly inhibit future tree rooting in the footprint area. This can effect the vertical stability of those trees as they grow in height.

The great height of the first four trees and their canopy edge position exposes them to unobstructed wind pressure in the highest portions of their crowns from all directions except southeast which is moderated by a mature row of Monterey Cypress (*Cupressus macrocarpa*). Exposure to high wind pressure from the south, southwest and west is of concern due to the close proximity of the subject trees to the residential structure on parcel APN: 009-251-002-000, located at 3360 Mountain View Avenue,

Carmel. The most common prevailing winter wind direction in the Carmel area is westerly, but storms and "bomb cyclones" can increase velocity and alter direction. Such winds in 2017 reached 86 miles per hour in the area and brought down many trees.

No hazard evaluation has been prepared for any of the subject trees due to lack of access for close physical examination. Nonetheless, based on the size of each specimen and its proximity to residential structures, even with the lowest probability of a tree fall, each would merit a hazard rating of 9 on a 12 point scale. This is the threshold for a hazard tree removal permit in Monterey County.

Measurements taken on site indicate that in the event of a fall of any of the subject trees in the direction of the neighboring residence at 3360 Mountain View Avenue, such a fall could impact the residential structure itself, causing damage to the living areas of the residence and perhaps injury to inhabitants of the dwelling. (See the Fall Radius Diagram attached below)

Conclusions

Although they currently exhibit good health and vigor, in the event of a fall each of the subject trees poses a risk for damage to, or destruction of, the residential structure, and personal injury or death to persons who are present on the parcel APN: 009-125-001-000 at that time. These risks can be mitigated with preventive measures such as active care of the tree rooting system and reduction of wind pressure effect on the upper portions of the tree crowns. Complete elimination of the risk can only be accomplished by tree removal.

Recommendations

The following measures would mitigate the tree risks identified above:

The root zone of each tree should be probed to determine its rooting pattern and expanse.

Relocation of the ADU footprint further way from the critical root zone of the trees would help secure vertical stability of the trees as they grow in height. In this case, the overall distance should be at least 30 feet from the base of the trees. Additionally, if construction of the ADU is commenced, all construction activities, including foot and vehicle traffic, and materials storage should be excluded from the critical root zone of the trees. At all times the rooting bed should be left in a state of nature as much as possible and all tree litter left in place. An annual inspection of the base, parent stem (trunk) and crown and of each tree should be conducted to discover any developing decay or structural changes. Discovery of gross decay or structural changes indicating weakness should be followed with a hazard evaluation by an arborist certified by the International Society of Arboriculture.

To reduce wind pressure effect on the tree crowns, crown pruning and crown reduction can be used to reduce or limit the overall height of the crowns. Thinning of the crowns also reduces wind pressure effect. To be effective these measures should be applied on a regular basis of every three or four years.

As illustration of the descriptions given in the above text, photographs and other attachments are provided below. Any questions regarding this report may be communicated to the author using the telephone numbers provided above.

Endorsed 12/13/2024

Bryan Bradford

Consulting Arborist

Figure No. 1: Subject grove of Coast Redwood trees showing "story poles" for the ADU and the neighboring residence (lower right corner).

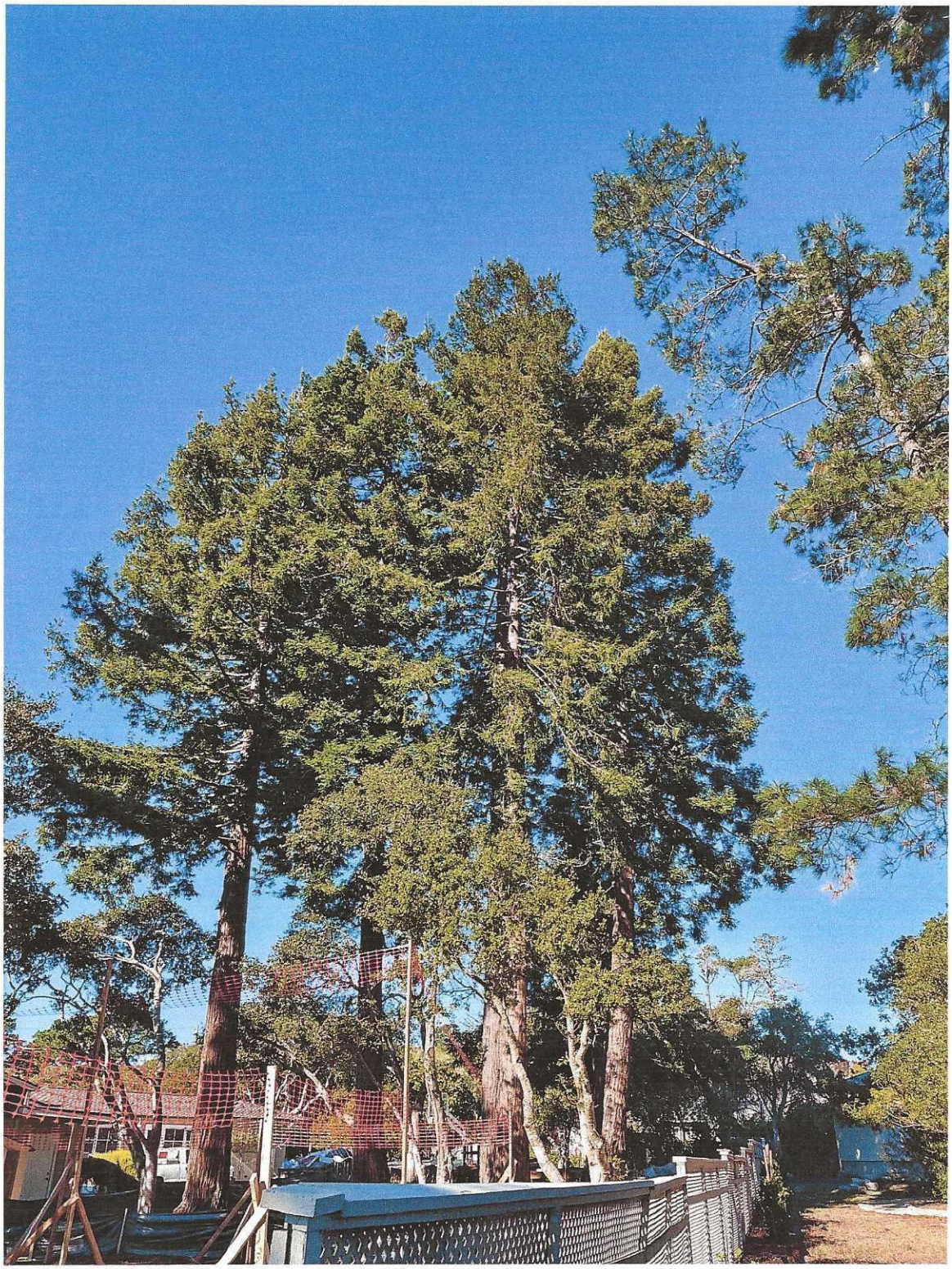
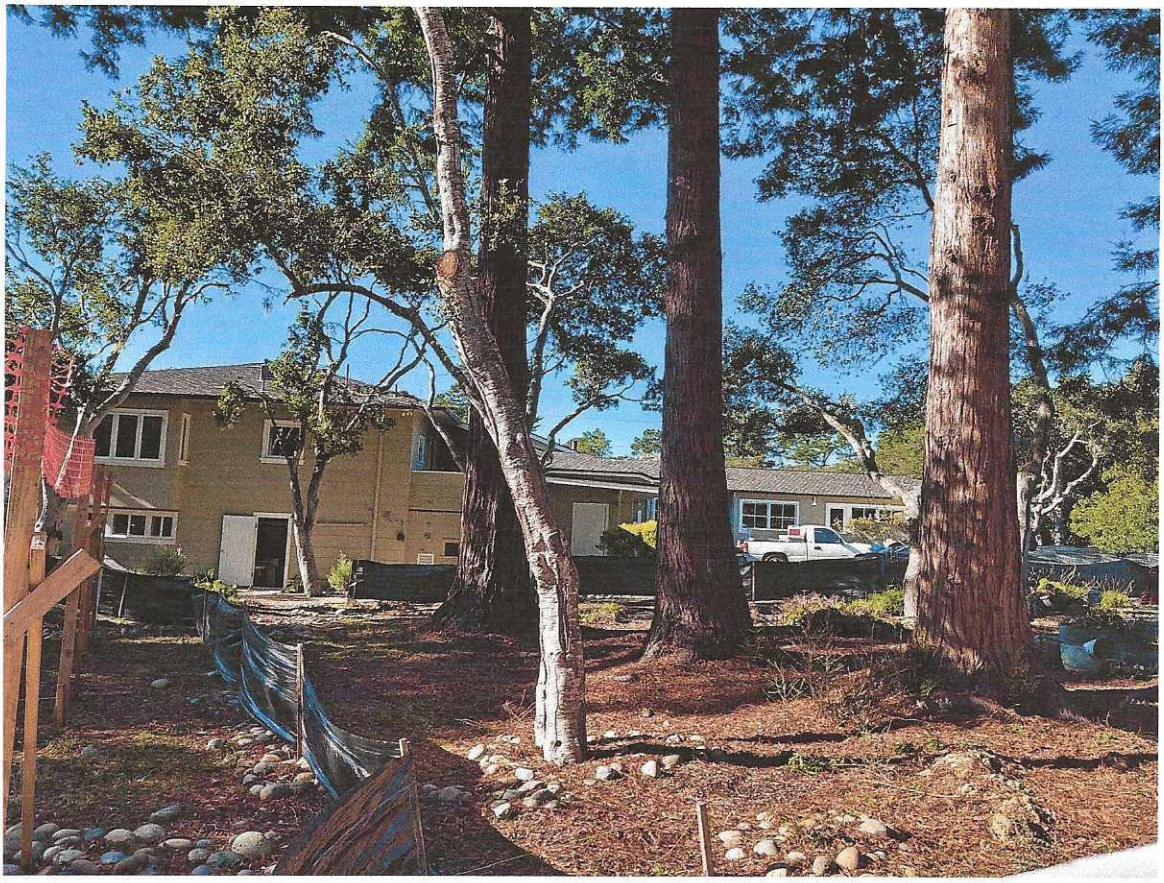
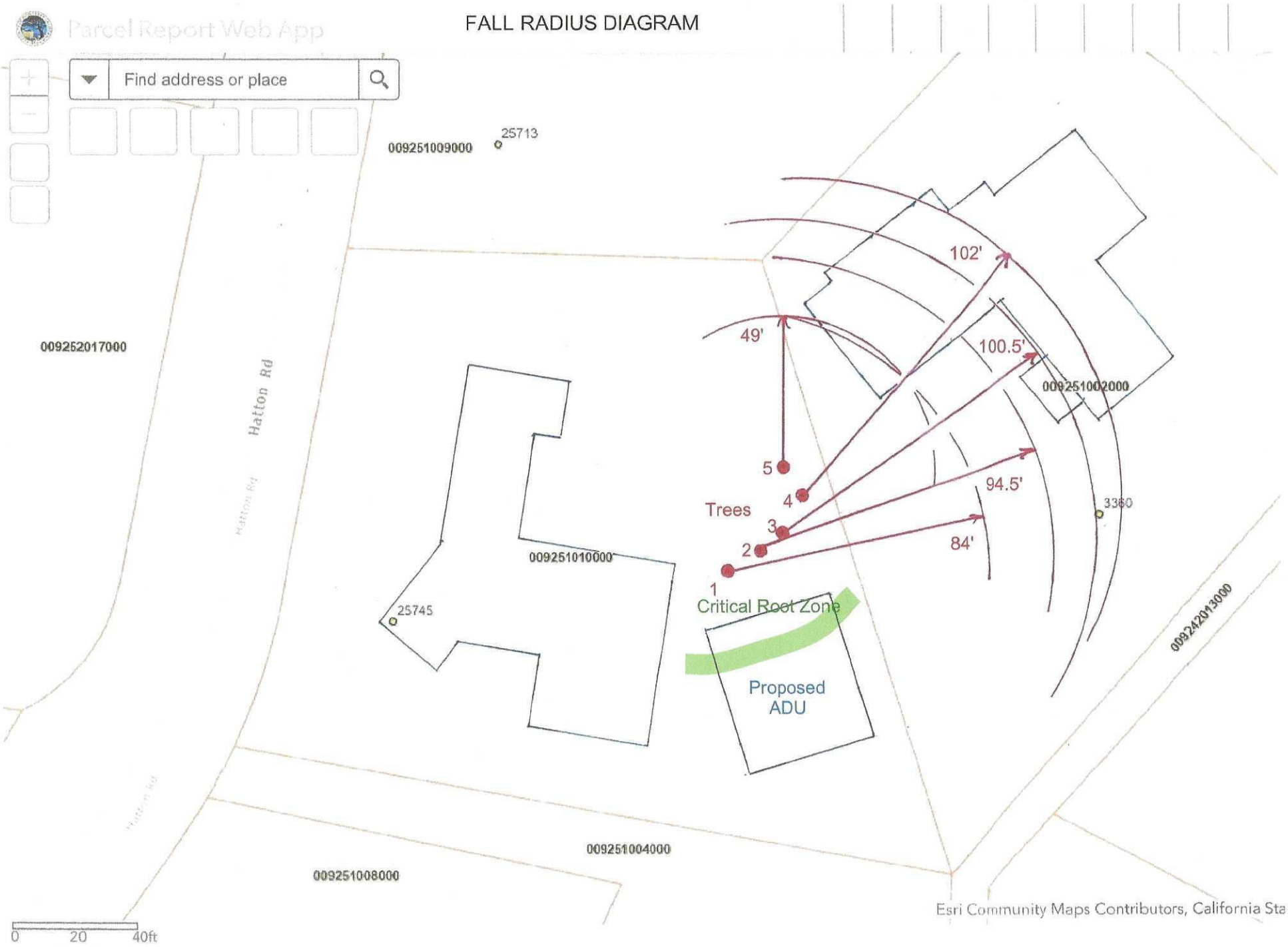
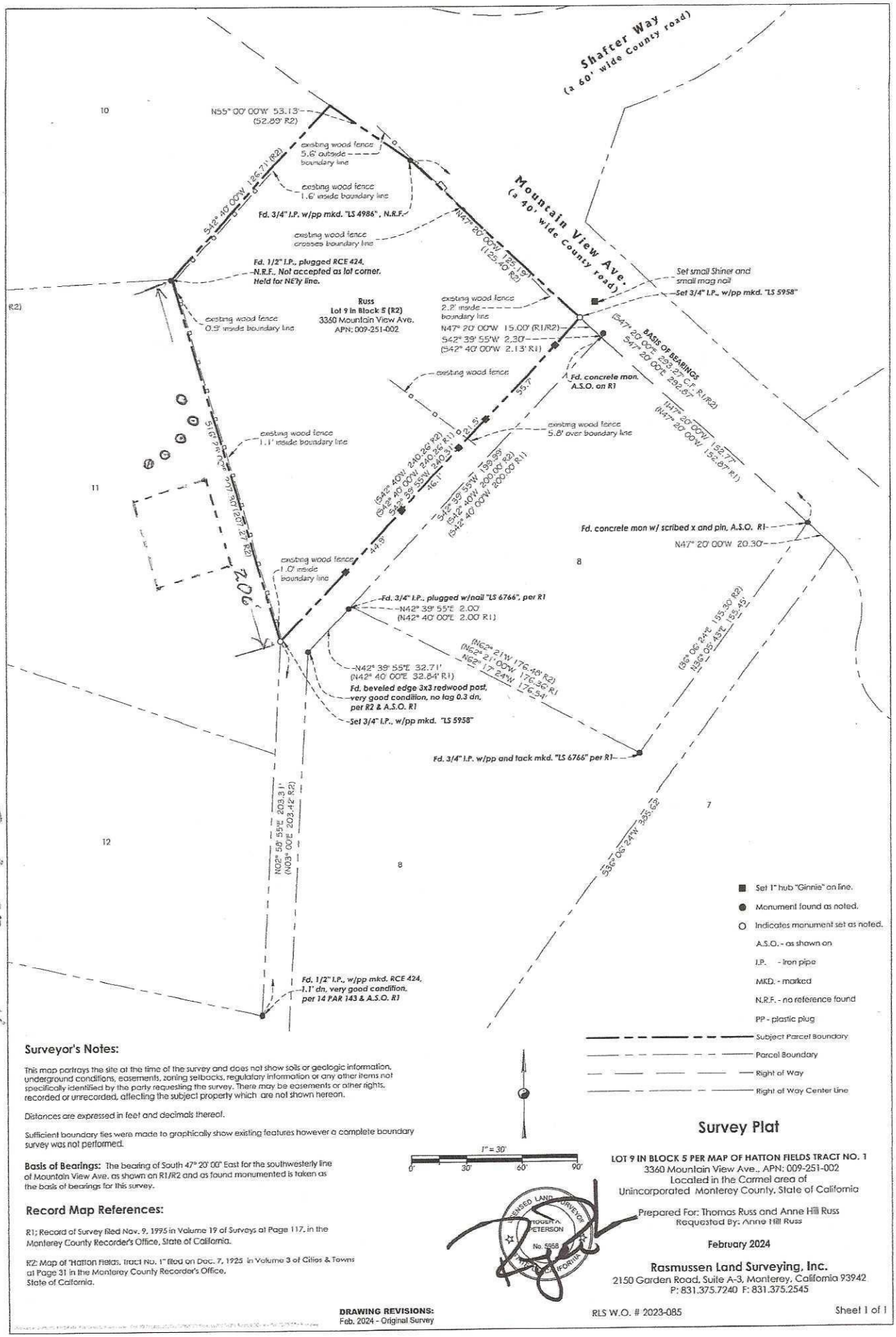


Figure No. 2: Showing critical root zone of trees numbered 1, 2 and 3 in close proximity to the proposed ADU foundation area.



FALL RADIUS DIAGRAM





Scale 1" = 30'

Surveyor's Notes:

This map portrays the site at the time of the survey and does not show soils or geologic information, underground conditions, easements, zoning setbacks, regulatory information or any other items not specifically identified by the party requesting the survey. There may be easements or other rights, recorded or unrecorded, affecting the subject property which are not shown hereon.

Distances are expressed in feet and decimals thereof.

Sufficient boundary ties were made to graphically show existing features however a complete boundary survey was not performed.

Basis of Bearings: The bearing of South 47° 20' 00" East for the southwesterly line of Mountain View Ave. as shown on R1/R2 and as found monumented is taken as the basis of bearings for this survey.

Record Map References:

R1: Record of Survey filed Nov. 9, 1995 in Volume 19 of Surveys at Page 117, in the Monterey County Recorder's Office, State of California.

R2: Map of "Hatton Fields, Tract No. 1" filed on Dec. 7, 1925 in Volume 3 of Cities & Towns at Page 31 in the Monterey County Recorder's Office, State of California.

Survey Plat

LOT 9 IN BLOCK 5 PER MAP OF HATTON FIELDS TRACT NO. 1
3360 Mountain View Ave., APN: 009-251-002
Located in the Carmel area of
Unincorporated Monterey County, State of California

Prepared For: Thomas Russ and Anne Hill Russ
Requested By: Anne Hill Russ

February 2024

Rasmussen Land Surveying, Inc.
2150 Garden Road, Suite A-3, Monterey, California 93942
P: 831.375.7240 F: 831.375.2545

LICENSED LAND SURVEYOR
ROGER A. PETERSON
No. 5958
STATE OF CALIFORNIA

DRAWING REVISIONS:
Feb. 2024 - Original Survey

RLS W.O. # 2023-085

Sheet 1 of 1

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Attachment C

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MINUTES
Carmel Highlands Land Use Advisory Committee
Tuesday, February 18, 2025

1. **Meeting called to order by** John Borelli **at** 4:01 pm

2. **Roll Call**

Members Present:
John Borelli, Clyde Freedman, Dan Keig, Norm Leve, Chip Moreland (5)

Members Absent:
Doug Paul,. Donna Kostigen (2)

3. **Approval of Minutes:**

A. **February 3, 2025** minutes

Motion: Norm Leve (LUAC Member's Name)

Second: Chip Moreland (LUAC Member's Name)

Ayes: John Borelli, Clyde Freedman, Dan Keig, Norm Leve, Chip Moreland (5)

Noes: (0)

Absent: Doug Paul,. Donna Kostigen (2)

Abstain: (0)

4. **Public Comments:** The Committee will receive public comment on non-agenda items that are within the purview of the Committee at this time. The length of individual presentations may be limited by the Chair.

None

5. **Scheduled Item(s)**

6. **Other Items:**

A) Preliminary Courtesy Presentations by Applicants Regarding Potential Projects

None

B) Announcements

None

7. **Meeting Adjourned:** 4:34 pm

Minutes taken by: John Borelli

Action by Land Use Advisory Committee
Project Referral Sheet

Monterey County Housing & Community Development
1441 Schilling Place 2nd Floor
Salinas CA 93901
(831) 755-5025

Advisory Committee: Carmel Highlands

1. **Project Name:** SEARLE PHILIP A & BANU TRS
   File Number: PLN240143
   Project Location: 2480 BAY VIEW AVE, CARMEL, CA 93923
   Assessor's Parcel Number(s): 009-412-025-000
   Project Planner: McKenna Bowling
   Area Plan: Carmel Land Use Plan, Coastal Zone.
   Project Description: A Combined Development Permit consisting of a: 1) Coastal Development Permit for the demolition of existing two-story residence and associated site features and; 2) Coastal Administrative Permit for the construction of a new 2,699 square foot residence with one-car attached garage, entry courtyard, utility yard, sunken patio, rear yard patio & fire pit; and 3) Coastal Development Permit for development within a positive archaeological buffer; and 4) Coastal Administrative Permit to allow one uncovered required parking space within the front setback.

Was the Owner/Applicant/Representative present at meeting? **YES** X **NO** _____

(Please include the names of those present)

Eric Miller, Hannah Miller

Was a County Staff/Representative present at meeting? McKenna Bowling **(Name)**

PUBLIC COMMENT:

Name	Site Neighbor?		Issues / Concerns (suggested changes)
	YES	NO	
None			

LUAC AREAS OF CONCERN

Concerns / Issues (e.g. site layout, neighborhood compatibility; visual impact, etc)	Policy/Ordinance Reference (If Known)	Suggested Changes - to address concerns (e.g. relocate; reduce height; move road access, etc)
None		

ADDITIONAL LUAC COMMENTS
The overview of the project by the architect was informed, complete and went very well with the LUAC. There were no questions or issues raised. No one opposed the project nor was any neighbor present at the LUAC meeting. The design looks good and it will be an overall improvement to the neighborhood. There is adequate parking for 2 vehicles, which is important as it is a tight street. Finally, there are no variances.

RECOMMENDATION:

Motion by: Chip Moreland (LUAC Member's Name)

Second by: Clyde Freedman (LUAC Member's Name)

X Support Project as proposed

____ Support Project with changes

____ Continue the Item

Reason for Continuance: _____

Continue to what date: _____

Ayes: John Borelli, Clyde Freedman, Dan Keig, Norm Leve, Chip Moreland (5)

Noes: (0)

Absent: Doug Paul,. Donna Kostigen (2)

Abstain: (0)

Action by Land Use Advisory Committee
Project Referral Sheet

Monterey County Housing & Community Development
1441 Schilling Place 2nd Floor
Salinas CA 93901
(831) 755-5025

Advisory Committee: Carmel Highlands

2. Project Name: NAGAFUJI MAY KITAYAMA
File Number: PLN240104
Project Location: 25745 HATTON RD, CARMEL, CA 93923
Assessor's Parcel Number(s): 009-251-010-000
Project Planner: Zoe Zepp
Area Plan: Carmel Area Land Use Plan, Coastal Zone
Project Description: An application for a Coastal Administrative Permit and Design Approval to allow construction of a 1,200 square foot accessory dwelling unit.

Was the Owner/Applicant/Representative present at meeting? **YES** X **NO** _____

(Please include the names of those present)

Donna Garren, Glenn Warner, Alex Locca, Ann Russ, Andrew Russ

Was a County Staff/Representative present at meeting? McKenna Bowling **(Name)**

PUBLIC COMMENT:

Name	Site Neighbor?		Issues / Concerns (suggested changes)
	YES	NO	
An attorney, Alex Locca presented the LUAC with a voluminous collection of letters and information objecting to the project.	X		With the resignation of the Planner, Zoe Zepp, there is no planner associated and familiar with the project and the information provided by Mr. Locca was new and not resident for the LUAC and the public on the Acela system.

LUAC AREAS OF CONCERN

Concerns / Issues (e.g. site layout, neighborhood compatibility; visual impact, etc.)	Policy/Ordinance Reference (If Known)	Suggested Changes - to address concerns (e.g. relocate; reduce height; move road access, etc.)

The confusion over the project noted above resulted in the LUAC recommending the project be continued until it could be represented completely to the LUAC and public.		See recommendation

ADDITIONAL LUAC COMMENTS
Nothing further beyond the above comments

RECOMMENDATION:

Motion by: Norm Leve (LUAC Member's Name)

Second by: Dan Keig (LUAC Member's Name)

___ Support Project as proposed

___ Support Project with changes

X Continue the Item

Reason for Continuance: Additional material needed was not available at the time of the LUAC session by the Applicant & by neighbors present

Continue to what date: When material is fully available to the LUAC on the Acela system and a planner familiar with the project is present at the LUAC meeting

Ayes: John Borelli, Clyde Freedman, Dan Keig, Norm Leve, Chip Moreland (5)

Noes: (0)

Absent: Doug Paul,. Donna Kostigen (2)

Abstain: (0)

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Attachment D

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Frank Ono

International Society of Arboriculture
Certified Arborist # 536
Society of American Foresters Professional Member 48004
1213 Miles Avenue
Pacific Grove CA, 93950
Telephone (831) 373-7086
Cellular (831) 594-2291

April 3, 2025

Ms. May Nagafuji
25745 Hatton Road
Carmel, CA 93923

RE: 25475 Hatton Proposed ADU and Redwoods

Ms. Nagafuji,

You requested that I observe the site and trees where you wished to construct a new accessory dwelling Unit (ADU) located in your rear yard. The trees in question are coastal redwood *(Sequoia sempervirens*). My understanding is that the opposition to your construction of the ADU is based on the potential for failure of a grouping of semi-mature redwood trees and on the severance of roots that may affect the vertical stability of the redwoods as they grow in height. In my opinion as a qualified tree risk assessor, I do not see that the construction of the ADU on your initial proposed site area will create a high-risk situation based on the facts of your case.

A good case study can be taken of a project located on Carmel Hills Drive where the project dictated that a foundation be installed 10 feet away from a 48" diameter redwood in March of 2010. These trees remain healthy and have survived the construction processes, not to mention having successfully endured the recent storms and high-wind events that the peninsula has experienced in the last 14 years.

As stated by previous tree reports and confirmed by my observations, the redwood trees are in good health and structural condition. They have grown in a cluster, and though their roots are shallow, the roots are bound and grafted together, making them stronger and resistant to winds. One just needs to look at redwoods growing along an eroded riverbank to know that these trees can readily acclimate to soil loss and root disturbances.

Trees and Development (Mattheny and Clark) is a manual that was written to assist development, design, and engineering professionals and arborists in preserving trees during the process of land development. The manual states that the redwood trees are rated as having good relative tolerance to development impacts. Additionally, redwood trees are highly resistant to decay; construction can be successfully performed within proximity to the root zones of the redwood trees.

To protect your trees from construction, several methods exist :

- Dripline method. This method identifies an appropriate root protection area as the area within the drip line for broad-canopied trees or up to 1&1/2 times the drip line for narrow-canopied trees. This is not an appropriate root protection method for the redwood trees on this site because the canopies of the trees are relatively small in comparison to the underground root system.

- Tree height method. This method identifies an appropriate root protection area as a circular area with a radius equal to the height of the tree. General root protection guidelines based on tree height are not very useful here due to variations in root distribution, tree response (species, age, size), and site variables (soil, understory plants).

- Trunk diameter method. This method identifies an appropriate root protection area as 1 to 1 1/2 feet of space around the trunk for every inch of trunk diameter at breast height (DBH). This method does not take into account the age and vigor of trees, which affect trees' tolerance of construction impacts (i.e., trees that are old and of low vigor are less tolerant of construction impacts), and therefore, is not appropriate on this site.

- Optimal tree root preservation zone (OTPZ) method. This is the ISA-preferred root protection method and is best suited for this project. Under this method, the OTPZ is calculated based on trunk diameter, as well as the species' tolerance to impacts ("good," "moderate," or "poor") and the age of the tree ("young," "mature," or "over mature"). Within the appropriate root protection area, a certain percentage of root area can be lost or disturbed without resulting in the death, decline, or instability of the tree. On this site, the disturbance of roots will be 25 percent or less of the root area and will not result in the death, decline, or instability of the trees on the site.

The OTPZ method is the recommended protection method because large buttress roots that originate at the base of a tree rapidly decrease in diameter three to ten feet from the base of the trunk. Few large roots are found beyond the ten feet distance from the trunk, and much of a tree's water absorbing roots are under and close to the base of a tree. (Tree Roots-Major Considerations for the Developer, Hagen). My understanding is that several pits were dug to investigate what roots were in the ground at a distance of 10 feet away from the nearest redwood tree. These pits found no primary roots, ensuring the stability of the trees after soil disturbance.

In conclusion, the current ADU structure placement does not create a likely risk for failure of the redwood trees. While the foundation requires some root disturbance and removal, other alternative construction methods, such as Pier and Grade beam foundations, may be used to circumvent proximity near tree root zones and foundations. This is where foundations are supported by vertical piers; the diameter, depth, and spacing of the piers depend on the soil characteristics and weight to be borne (Trees and Development, Matheny and Clarke). The minimum distance that the piers should be is ten feet or more away from the base of the tree.

Sincerely,

Frank Ono
ISA Certified Arborist # 536 - Tree Risk Assessment Qualified
Society of American Foresters # 048004

THOMPSON
WILDLAND MANAGEMENT
Environmental Management & Conservation Services
International Society of Arboriculture Certified Arborist # WE-7468A
Department of Pesticide Regulation Qualified Applicator Lic. #QL50949 B
Environmental & Arborist Assessments, Protection, Restoration, Monitoring & Reporting
Wildland Fire Property Protection, Fuel Reduction & Vegetation Management
Invasive Weed Control, and Habitat Restoration & Management
Soil Erosion & Sedimentation Control
Resource Ecologist

March 30, 2025

Nagafuji Residence
25745 Hatton Road
Carmel, CA. 93923
APN: 009-251-010-000
Permit#: PLN240104

Subject: ADU Tree Impact Assessment for 25745 Hatton Road, Carmel

Per the request of the property owner, an arborist-conducted pre-construction impact assessment was recently performed for 4 mature and healthy coast redwood (*Sequoia sempervirens*) trees that are located in the backyard of the property at 25745 Hatton Road in Carmel (APN 009-251-010). This properly located and laid out ADU has been approved by the *Monterey County HCD* and, in my professional opinion, will have minimal and insignificant impacts to nearby trees, including the 4 large redwood trees addressed in this report (identified by *Tag#s 533-536*). These 4 redwoods are located at distances ranging from approximately 10 to 20 feet from the proposed ADU (refer to the project plans and attached photos, *Figures 1-6*), which is a safe and sufficient distance away from construction activities, especially considering the fact that the foundation will be floated (i.e., raised and elevated) above natural grade in order to avoid impacting significant roots.

The purpose of this report is to address concerns expressed by the neighboring property owner regarding construction related impacts to the 4 redwood trees. In response to these concerns and, per the project design plans, it is my professional opinion that construction related impacts to these 4 redwoods will be insignificant and not harmful to tree health due to the fact these redwoods are a safe distance away from the proposed ADU and, more importantly, the foundation of the ADU will be elevated (i.e., floated) resulting in minimal and inconsequential impacts to the critical root zones of the subject trees.

Three exploratory holes have been excavated by hand that identify the location of the footings that will be constructed for the ADU (refer to *Figure 4*). These exploratory holes

for the 3 footings only impact a small area and have uncovered small and insignificant roots that will be affected during the installation of these footings, which will be necessary in order for the floated foundation to be constructed. These minor excavation operations will not significantly impact or be harmful to the health or structural stability of the 4 redwoods.

Per the evaluation, there is no reason to be believe that proposed construction activities will adversely affect or compromise the health and structural integrity of the 4 subject redwoods that currently appear to be healthy and structurally sound. Furthermore, hazard concerns associated with these trees to nearby occupied structures (i.e., the home on the property, the proposed ADU and the neighboring home) is presently insignificant and is not expected to increase due to proposed construction activities. Consequently, there is no good reasoning or justification for preventing ADU development from occurring.

Prior to construction activities beginning, tree protection fencing will be installed around nearby trees, including the subject redwoods, and will be properly monitored and maintained for the duration of the project for the purpose of protecting and preserving tree health. It should be noted, that it is clear that the property owner is more than willing to take steps and measures that will assist in avoiding and minimizing impacts to the 4 redwood trees, such as constructing a more complex and expensive floated foundation that will serve to prevent and minimize root system impacts. Considering impacts to trees will be minimal and insignificant, this ADU construction project, which has already been approved by the *Monterey County HCD*, should be allowed to move forward without further delay.

Best regards,

Rob Thompson *3-30-25*
ISA Certified Arborist # WE-7468A Date
Resource Ecologist

Thompson Wildland Management (TWM)
57 Via Del Rey
Monterey, CA. 93940
Phone # (831) 277-1419; Email: thompsonwrm@gmail.com
Website: www.wildlandmanagement.com

THIS REPORT HAS BEEN PREPARED FOR THE EXCLUSIVE USE OF THE CLIENT AND IS BASED ON THE FINDINGS AND PROFESSIONAL OPINION OF A ISA CERTIFIED ARBORIST WITH *THOMPSON WILDLAND MANAGEMENT* (TWM). TWM ACCEPTS NO RESPONSIBILITY FOR ITS USE BY OTHER INDIVIDUALS OR PARTIES.

CLIENT ACKNOWLEDGES THAT THIS REPORT, AND ANY OPINIONS, ADVICE OR RECOMMENDATIONS EXPRESSED OR GIVEN, ARE BASED ON THE INFORMATION SUPPLIED BY CLIENT AND ON THE DATA, INSPECTIONS, MEASUREMENTS AND ANALYSIS CARRIED OUT AND OBTAINED BY TWM.

THIS REPORT IS BASED ON A LIMITED VISUAL INSPECTION OF TREE HEALTH AND CONDITION AND FOR OBVIOUS STRUCTURAL DEFECTS FROM GROUND LEVEL. IT IS NOT A COMPLETE HEALTH AND HAZARD EVALUATION, AS SOME HEALTH AND HAZARD CONDITIONS ARE NOT VISIBLE AND CANNOT BE CONFIRMED BY A LIMITED INSPECTION. A COMPREHENSIVE HEALTH AND HAZARD ASSESSMENT WOULD INCLUDE OTHER INVESTIGATION MEASURES INCLUDING, BUT NOT LIMITED TO, CORE SAMPLES, TISSUE ANALYSIS, ROOT COLLAR EXCAVATION, SOIL ANALYSIS, AND VISUAL INSPECTION OF THE ENTIRE TREE VIA CLIMBING. ESTIMATES FOR THIS WORK ARE AVAILABLE UPON REQUEST.

BE ADVISED THAT TREES AND/OR LIMBS MAY FAIL UNDER CERTAIN CONDITIONS, AND THAT THE RECOMMENDATIONS IN THIS REPORT ARE BASED ON GENERAL STANDARDS OF TREE CARE AND BMP's. TREES, INCLUDING TREES THAT APPEAR HEALTHY AND STRUCTURALLY SOUND, MAY FAIL UNEXPECTEDLY WITHOUT ANY VISIBLE SIGNS OF BEING PHYSIOLOGICALLY AND/OR STRUCTURALLY UNSOUND AND COMPROMISED, PARTICULARLY DURING PERIODS OF INCLEMENT WEATHER, BUT TREES MAY ALSO FAIL DURING PERIODS OF FAIR WEATHER. THIS REPORT IS PREPARED WITH THE UNDERSTANDING THAT NO REPRESENTATIONS OR WARRANTIES, EITHER EXPRESSED OR IMPLIED, ARE GIVEN THAT ANY TREES REFERRED TO IN THE REPORT OR LOCATED ON OR ADJACENT TO THE SUBJECT PROPERTY ARE GUARANTEED TO BE SOUND OR SAFE.

ALTHOUGH OPINIONS MAY BE OFFERED REGARDING THE RESULTS OF THE SUBJECT MATTER, TWM CANNOT GUARANTEE ANY PARTICULAR RESULT. CLIENT ACKNOWLEDGES THAT TWM HAS MADE NO PROMISE ABOUT THE OUTCOME AND THAT ANY OPINION OFFERED IN THE FUTURE WILL NOT CONSTITUTE A GUARANTEE.



Figure 1. The proposed ADU and subject redwood trees are visible in this photo.



Figure 2. The ADU located a safe distance to the left of the redwoods will have a floated foundation to avoid and minimize root system impacts.



Figure 3. Another view of mature redwoods that will not be significantly impacted by ADU construction activities.



Figure 4. Three wood covers seen from lower center to upper right corner of photo identify the location of footings for the floated foundation.



Figure 5. Another photo showing the location of the redwoods in relation to the proposed ADU. Significant tree impacts is not expected to occur due to the design (i.e., 3 small footings) of the floated foundation.



Figure 6. Per the design plans and given the proper installation, maintenance and monitoring of tree protection fencing, the health of the subject redwoods will not be adversely affected by the ADU due to a floated foundation and the trees are not expected to be a hazard concern to nearby structures.



Albert Weisfuss

ISA Certified Arborist #WE-1388A
ISA Tree Risk Assessment Qualified
(831) 869-2767
albertweisfuss@gmail.com
montereybaytreeworks.com

2/15/25
Owners Name: May Nagafuji
APN: 009-251-010
Type of Construction: 1200 sf Detached ADU
Project Location: 25745 Hatton Road Carmel, CA 93923

Summary:
Monterey Bay Treeworks conducted a comprehensive assessment of the proposed site development, focusing on protected tree documentation, impact assessment, and compliance with Monterey County Resource Management Agency (MCRMA) guidelines.

Key Findings
This report provides the following information:

- An evaluation of how the proposed development is designed in the most suitable location for long term maintenance of tree resources and to minimize tree removal.
- Include an aerial map of the project site identifying locations of protected trees ≥6" DBH.
- Discuss all applicable policies, regulations and findings.
- Illustrate areas where tree replacements may occur.

Site Visit and Tree Survey:

- A walkthrough with the property owner and review of site plans was completed to identify and document protected trees within or near the project limits.
- 22 protected trees were recorded.
- Sixteen (16) Quercus agrifolia.
- One (1) Pinus radiata.
- Five (5) Sequoia sempervirens

Tree Removal:

- No landmark trees (≥24" DBH) are included in the removal request.
- One tree <24" DBH identified as 552 is recommended for removal based on health, condition and location to project.

Bird Nesting:

- No visible bird nesting observed within 300 feet of the site during the survey.
- Nesting period is February 22 to August 1.

Background:
Plans will be submitted to Monterey County Resource Management Agency, Planning Department for construction of a detached ADU development at 25745 Hatton Road Carmel, CA.
Ms. Nagafuji requested my services to assess the condition of twenty-two trees within or near the project limits, and the construction impacts that may affect them. Further, to provide a report with my findings and recommendations to meet MCMRA planning requirements.

Assignment:
To complete this assignment, site plans provided by Glenn E Warner Architect were reviewed and trees located. An arborist report that includes an assessment of the trees within the project area is to be provided to the property owner. The assessment is to include the species, size (trunk diameter, height and canopy diameter spread), condition (health and structure), and suitability for preservation ratings. Three test sites 2'x2' width and 2' depth, were also requested to be dug prior to my second site visit on the north side of the the proposed footprint near the redwood trees to observe if any, and what size, tree roots might be impacted by development to those trees.

Limits of the assessment:
The information provided in this report is limited to the assessment date of 2/12/2025. This assessment is based on visual observation only, with no invasive testing or equipment used (e.g., climbing, aerial inspections). Root zone examination was completed for root impacts to S. sempervirens.. As such, internal health issues or structural defects that may not be visible from ground level does not guarantee that problems or non-visible defects of the trees in question may not arise in the future.

Inventory Methods
The first site visit conducted consisted of a general walkthrough and a review of site plans with the property owner. A second site visit consisted of tagging trees for inventory mapping. Using a Lufkin diameter tape, iPhone camera and recording condition of subject trees. Utilizing the above criteria all trees requested within the scope of work were inventoried and numbered with aluminum tags. Information recorded for each of these trees included tree number, species, and DBH. Tree condition was then recorded as good, fair, poor or dead with "poor" meaning that that tree was failing due to a variety of conditions. Trees were then plotted onto a provided site plan and a tree location map was then created.

Purpose and use of this report:
This report may only be used for the purpose of making decisions regarding development involving the subject tree(s) by the tree owner, developer and MCMRA.
The information provided in this report is based on the conditions identified at the time of assessment. Tree conditions do change over time so reassessment is recommended annually after development for any changes to trees tree retained.

Discussion:
I, Albert Weisfuss, conducted a comprehensive assessment of the regulated trees on the subject property and prepared this arborist's report in compliance with the requirements of Monterey County Resource Management Agency. This report is intended to support the preparation of development plans, ensuring that proper consideration is given to tree preservation, management, and the potential risks posed by the trees during the development process.
Forest management, as defined in this context, involves applying appropriate technical forestry principles and practices to ensure that trees are maintained, preserved, and integrated into the development process. Monterey County's primary management objective is to balance wildlife habitat protection with the enhancement of the environment. The management of trees on streets and publicly owned properties offers multiple benefits, including:

- *Aesthetic value:* Trees contribute significantly to the landscape's visual appeal.
- *Environmental benefits:* Trees improve air quality, provide shade, and support local wildlife.
- *Monetary value:* Well-maintained trees increase in value over time, enhancing the overall property value.

Unlike other public infrastructure elements, trees are dynamic assets that can grow in value, both in terms of aesthetics and practical benefits. Proper planting, care, and maintenance of these trees will not only improve their health but will also positively impact the surrounding environment and property value.

Assessment Categories:

- Good: The tree is healthy and structurally sound.
- Fair: The tree is in moderate condition but may show early signs of stress or damage.
- Poor: The tree is failing or severely compromised due to disease, pests, structural issues, or other factors.
- Dead: The tree has died and poses a higher risk to the surrounding targets.

Tree Health Rating (0–5 Scale):

- 5: Healthy, vigorous tree.
- 3–4: Moderate decline or structural issues, manageable with care.
- 0–2: Severe decline, defects, or dead trees.

Construction Impacts

High: Development elements proposed that are located within the Tree Protection Zone that would severely impact the health and /or stability of the tree. The tree impacts cannot be mitigated without design changes. The tree may be located within the building footprint.

Moderate: Development elements proposed that are located within the Tree Protection Zone that will impact the health and or stability of the tree and can be mitigated with tree protection treatments.

Low: Development elements proposed that are located within or near the Tree Protection Zone that will have a minor impact on the health of the tree and can be mitigated with tree protection treatments.

None: Development elements will have no impact on the health and stability of the tree.

Tree Condition Changes Over Time:

The condition of trees may change between the time of inspection and the implementation of development plans. Regular reassessments are recommended, especially if tree retention is part of the development proposal. This annual reassessment will help ensure that the trees remain safe and viable during construction.

Mapping and Inventory:

The tree inventory is based on the provided site plans, and trees have been mapped to the best of my knowledge. Variations in the site conditions, potential changes in tree health, or unforeseen obstacles may not be fully reflected.

Purpose of the Report:

This report is prepared specifically for decision-making purposes related to the proposed development. It is not intended to serve as a general tree management or maintenance plan. Use of the report for any other purpose beyond the scope outlined would be inappropriate.

Species of trees identified

Common Name	Botanical Name	Number of trees
Coast live oak	Quercus agrifolia	16
Coast redwood	Sequoia Sempervirens	5
Monterey pine	Pinus radiata	1
Total regulated tree count		22

Table 1:1

ID #	DIAMETER	SPECIES	ASSESSMENT RATING	HEALTH RATING	CONSTRUCTION IMPACTS	NOTES
532	18	Sequoia sempervirens	Good	5	None	◦ The tree is healthy and structurally sound.
533	36	Sequoia sempervirens	Good	5	None	◦ The tree is healthy and structurally sound. Slight lean with correction.
534	31,31	Sequoia sempervirens	Good	5	None	◦ The tree is healthy and structurally sound.
535	37	Sequoia sempervirens	Good	5	None	◦ The tree is healthy and structurally sound.
536	42	Sequoia sempervirens	Good	5	None	◦ The tree is healthy and structurally sound.
537	15	Quercus agrifolia	Fair	4	None	
538	11	Quercus agrifolia	Fair	4	None	◦ Moderate vigor, moderate twig and small branch dieback, crown may be thinning
539	14,13	Quercus agrifolia	Fair	4	None	
540	13	Quercus agrifolia	Fair	4	None	
541	17	Quercus agrifolia	Fair	4	Low	◦ The tree is within 8' of proposed project. Small pruning cut with decay present.
542	9	Quercus agrifolia	Fair	4	None	
543	27	Pinus radiata	Good	5	None	◦ The tree is healthy and structurally sound. Some red turpentine beetle activity is present at the base.
544	9	Quercus agrifolia	Fair	4	None	
545	8	Quercus agrifolia	Fair	4	None	
546	8	Quercus agrifolia	Fair	4	None	◦ The tree is within 11' of proposed project
547	13	Quercus agrifolia	Fair	4	None	
548	11	Quercus agrifolia	Fair	4	Moderate	◦ The tree is within 5' of proposed project.
549	8	Quercus agrifolia	Fair	4	None	◦ The tree is within 10' of proposed project
550	6	Quercus agrifolia	Fair	4	None	
551	7	Quercus agrifolia	Fair	4	None	
552	10,7	Quercus agrifolia	Poor	2	Moderate	◦ The tree has poor structure with a poor history of pruning.
553	12,7	Quercus agrifolia	Fair	3	Moderate	◦ The tree is within 10' of proposed project. Suppressed

Observations:
The Proposed project is located at 26754 Hatton Road Carmel, west of Hwy 1. The project consist of building a detached single story ADU of approximately 1200sf to the rear of the current occupied structure.

Twenty-two trees ≥ 6" DBH were observed and recorded around and near the proposed project including five of those trees recorded as landmark trees ≥ 24"DBH.

Four Sequoia sempervirens are observed to the north of the proposed project that measure ≥ 24" DBH and are considered landmark trees.
One sequoia sempervirens is ≥ 6" DBH and is protected under 21.64.260 Preservation of Oak and Other Protected Trees.

One pinus radiata is observed to the south of the proposed project. The tree measures ≥ 24" DBH and is considered a landmark tree.

21.64.260 PRESERVATION OF OAK AND OTHER PROTECTED TREES
Landmark trees are those trees which are twenty-four (24) inches or more in diameter when measured two feet above the ground, or trees which are visually significant, historically significant, or exemplary of their species.

- Sixteen Quercus agrifolia surround the proposed project and vary in health and condition. Because the trees are ≥ 6" DBH, they are a protecter tree under 21.64.260.
- Seven Pinus radiata seedlings are present near the site. The trees are developing within industry standards.
- Three test sites 2'x2' width and 2' depth to the north side where the proposed footprint will be constructed were present.

Discussion:
Provided site plans indicated the proposed build site along with an alternative site. Both sites were reviewed for an evaluation of how either location would be most suitable for long term maintenance of tree resources and to minimize any tree removal. Site "A" original plan has the least consequences of any long term tree impacts with the alternative site "B" requiring the removal of thirteen Quercus agrifolia and the likely removal of one Pinus radiata considered a landmark tree.
The development of the original build site has little to no impacts on the surrounding trees. One tree is recommended to be removed more on tree condition than location.

Concern was expressed on the impacts to five Sequoia sempervirens regarding potential root impacts from development. Three test sites were requested to be excavated for a visual inspection of any possibility of root impacts where the foundation is to be installed. The sites were hand dug on 2/6/25 and measured 2'x2' width and 2' in depth. The sites were viewed the following day 2/7/25 during the tree assessment and inventory. The holes are located 17' south of the redwood trees and in line with the north wall foundation based on the site plans and story poles.

Upon inspection of the three test sites, the following was observed:

A. Soil characteristics appeared average with no change in composition. A cumulation of water was observed at different levels at the bottom of each hole indicating there is the likelihood of excessive water beneath the ground. Considering that groundwater levels can fluctuate greatly with the seasons, it is possible this was due to current rains.
B. Roots observed were ≤ 1" in diameter. These roots are considered non-woody roots. The primary function of non-woody roots, also called "feeder roots," is to absorb water and nutrients from the soil, as they are primarily located in the upper layers of the soil where most readily available nutrients are found; essentially acting as the main absorption site for a plant's root system.
C. No primary roots were observed. The primary function of woody roots is to provide strong anchorage and support for a tree, by firmly anchoring it in the soil, while also absorbing water and nutrients from the ground and transporting them upwards through the plant; essentially acting as a structural foundation for the tree while facilitating its water and nutrient uptake.

Sixteen Quercus agrifolia were observed near the proposed project . The trees are mature and have the appearance of care according to I.S.A. industry standards. The trees develop in a natural state with minimal defects present. Because it is a natural stand of trees, some trees develop in a suppressed manner but are still viable trees. One tree inventoried as #552 develops on the east side of the project. The trunk roots into the ground ~10' from the east wall foundation based on site plans and story poles. The tree bifurcates at the root-crown with indications of included bark. Past, poor pruning practices, are present with branch failures and decay present. The west portion of the tree develops over the proposed east wall of the structure and would likely have to be removed leaving insufficient tree canopy and form for proper tree development. This portion of the property lends itself to removal of tree #552 and replant with another Quercus agrifolia onsite in a more suitable location.

One mature Pinus radiata develops to the south of the project. The tree appears healthy in stature with no visible defects. The canopy appears to be average in size, density and color compared to other Pinus radiata trees in the area. Some insect activity is present at the base.

Tree Protection and Care:
If tree retention is recommended as part of the development project, ongoing care and protection measures will be essential to preserve the trees health and prevent damage during construction. This includes installation of Tree Protection Zones (TPZs), regular monitoring, and adjustments to project plans to avoid root or crown damage.
This arborist's report aims to provide a clear, accurate, and comprehensive evaluation of the trees on the subject property, offering an informed perspective on their condition, potential risks, and viability in relation to the proposed development. By following the guidance provided and taking proactive steps to manage tree health and safety, the development can proceed in harmony with the natural environment, balancing ecological and aesthetic values with the functional needs of the property.
Trees near/within the proposed footprint have been recorded in the field and listed on table 1:1. Trees were rated as good, fair, poor and dead. limiting their development. Trees rated as good would be considered the best candidates on site for the age and condition of the stand.

Tree Removal & Tree Retention Plans
Removal is based on condition or impacts from development of trees at the time of this assessment.
6 trees assessed in the good category.
15 trees assessed in the fair category
1 tree assessed in there poor category
0 trees assessed in the dead category
1 tree are recommended for removal. One Quercus agrifolia.
21 Documented trees near the proposed project are to be retained with tree protection.

Retention is based on condition/location of trees at the time of the assessment.
Trees retained within the scope of work will require tree protection prior to any work.
Retained trees are recommended for trimming for safety and/or building clearance using Best Management Practice (BMP) developed by the International Society of Arboriculture (ISA)

Subject trees requested for removal will not involve a risk of adverse environmental impacts such as:
1. Soil erosion.
2. Water Quality: The removal of the trees will not substantially lessen the ability for the natural assimilation of nutrients, chemical pollutants, heavy metals, silt and other noxious substances from ground and surface waters;
3. Ecological Impacts: The removal will not have a substantial adverse impact upon existing biological and ecological systems, climatic conditions which affect these systems, or such removal will not create conditions which may adversely affect the dynamic equilibrium of associated systems;
4. Noise Pollution: The removal will not significantly increase ambient noise levels to the degree that a nuisance is anticipated to occur;

5. Air Movement: The removal will not significantly reduce the ability of the existing vegetation to reduce wind velocities to the degree that a nuisance is anticipated to occur;
6. Wildlife Habitat: The removal will not significantly reduce available habitat for wildlife existence and reproduction or result in the immigration of wildlife from adjacent or associated ecosystems. The tree is diseased, injured, in danger of falling too close to existing or proposed structures, creates unsafe vision clearance, or is likely to promote the spread of insects of disease.

In Monterey County, tree replacement for protected trees follows specific guidelines. For trees < 24 inches in diameter, a 1:1 replacement is required, while trees ≥ 24 inches require a 2:1 replacement ratio. The removed trees will be replanted in locations that provide adequate space (at least 15 feet apart) for canopy and root growth, and initial care includes deep watering once or twice a week through the first two years, with supplemental watering during dry months.
For this development project, 1 tree is recommended for removal.

Replant list			
Species	***Common name***	***Size***	***# of trees replanted***
Quercus agrifolia	Coast live oak	5 gallon	1

It is possible as the project develops, some crown cleaning, raising or reduction of canopies will be required to obtain proper distance between established trees and the proposed project. Visible decay was present on some trees that will require care for safety and health. This pruning cycle is recommended at the end of construction along with post construction care of the retained trees.
All pruning will be completed by a qualified professional following ISA **B**est **M**anagement **P**runing guidelines.

Tree Protection - Before/During/After

Planning Phase
1. Before assessing trees and other site structures and conditions, mark the site boundaries on plans and in the field to delineate which trees and stands of trees will be inventoried.

2. Perform a tree inventory that includes at minimum the location, size, and health of each tree and delineates quality stands of trees. Scope of the inventory should be based on communication and needs of the project team (developer, planner, engineer, architect, landscape architect, and other professionals involved), as well as county ordinances. This is the time to confer with the project team on conceptualizations for site design, so that way long- term tree protection and health gets integrated into the design.

Design Phase
3. Communicate with the project team to accurately site structures and utilities and determine the trees to remain on site. Conserve and protect trees in stands or groups where possible. Make sure the trees and stands of trees selected to be saved go into plans and construction documents. Include in all plans the Tree Protection Zone (TPZ) for all saved trees to avoid conflict with the protected area and placement of structures and utilities during construction.

Pre-construction Phase
4. Prior to pre-construction activities, including tree removal, access roads, construction staging areas, and building layout, erect tree protection barriers to visually indicate TPZs. Be sure to:
   - ✏Use tree protection barriers that are highly visible, sturdy, and restrict entry into the TPZ.
   - ✏Install or erect signs along the tree protection barrier stating that no one is allowed to disturb this area.
- ✏Remove any branches or trees that pose an immediate risk to structures or people prior to any construction activities.

✏*Construction Phase*

5. Communicate the intent of the tree protection barriers to the construction manager and workers to ensure that TPZs are not disturbed during construction activities. Have the construction manager sign a contract of compliance.

Prohibit these activities in the TPZ:

✏Stockpiling of any type, including construction material, debris, soil, and mulch
✏Altering soils, including grade changes, surface treatment, and compaction due to vehicle, equipment, and foot traffic
✏Trenching for utility installation or repair and irrigation system installation
✏Attaching anything to trunks or use of equipment that causes injury to the tree

7. Schedule site visits to ensure the contract is being met by the construction manager and that tree health is not being compromised by construction activity. Inspect and monitor trees for any decline or damages.

8. Keep in place all tree protection barriers until the project is completed.

Post-construction Phase

9. Perform a final inspection and continue monitoring after construction. Monitoring includes maintaining mulch, managing soil moisture, assessing tree damage, inspecting for insects and pests, and fertilization if needed.

Grading Limitations within the Tree Protection Zone

1. Grade changes outside of the TPZ shall not significantly alter drainage to the tree.
2. Grade changes within the TPZ are not permitted.
3. Grade changes under specifically approved circumstances shall not allow more than 6-inches of fill soil added or allow more than 4-inches of existing soil to be removed from natural grade unless mitigated
4. Grade fills over 6-inches or impervious overlay shall incorporate notes: an approved permanent aeration system, permeable material or other approved mitigation.
5. Grade cuts exceeding 4-inches shall incorporate retaining walls or an appropriate transition equivalent.

Trenching, Excavation and Equipment Use

Notification. Contractor shall notify the project arborist a minimum of 24 hours in advance of the activity in the TPZ.

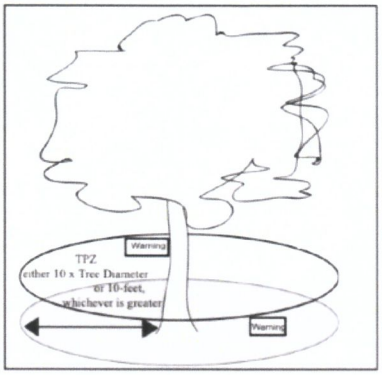
1. Root Severance. Roots that are encountered shall be cut to sound wood and repaired Roots 2- inches and greater must remain injury free.
2. **Excavation.** Any approved excavation, demolition or extraction of material shall be performed with equipment sitting outside the TPZ. Methods permitted are by hand digging, hydraulic or pneumatic air excavation technology. Avoid excavation within the TPZ during hot, dry weather. If excavation or trenching for drainage, utilities, irrigation lines, etc., it is the duty of the contractor to tunnel under any roots 2-inches in diameter and greater. Prior to excavation for foundation/footings/walls, grading or trenching within the TPZ, roots shall first be severed cleanly 1- foot outside the TPZ and to the depth of the future excavation. The trench must then be hand dug and roots pruned with a saw, sawzall, narrow trencher with sharp blades or other approved root pruning equipment.
3. **Heavy Equipment.** Use of backhoes, steel tread tractors or any heavy vehicles within the TPZ is prohibited unless approved by the project arborist. If allowed, a protective root buffer is required. The protective buffer shall consist of a base course of tree chips spread over the root area to a minimum of 6-inch depth, layered by 3/4-inch quarry gravel to stabilize 3/4-inch plywood on top. This buffer within the TPZ shall be maintained throughout the entire construction process.
    - Structural design. If injurious activity or interference with roots greater than 2-inches will occur within the TPZ, plans shall specify a design of special foundation, footing, walls, concrete slab or pavement designs subject to project arborist approval. Discontinuous foundations such as concrete pier and structural grade beam must maintain natural grade (not to exceed a 4-inch cut), to minimize root loss and allow the tree to use the existing soil.

Tree Removal

✏Removal of regulated trees shall not be attempted by demolition or construction personnel, grading or other heavy equipment. A certified arborist or tree worker shall remove the tree carefully in a manner that causes no damage above or below ground to trees that are retained.

Fuel Management - Introduction

Tree Protection Zone (TPZ) shown in grey
(radius of TPZ equals 10-times the diameter of the tree or 10-feet, whichever is greater. (Or as space allows under the guidance of the project arborist).



Tree protection has three primary functions,

- Keep the foliage canopy and branching structure clear from contact by equipment, materials and activities.
- Preserve roots and soil conditions in an intact and non-compacted state.
- Identify the Tree Protection Zone (TPZ) in which no soil disturbance is permitted and activities are restricted, unless otherwise approved.
- The Tree Protection Zone (TPZ) is a restricted area around the base of the tree with a radius of ten-times the diameter of the tree's trunk or ten feet; whichever is greater, enclosed by fencing.

This fuel management plan has been prepared as a guideline for the implementation of defensible space / vegetation management for the fire safety around the newly proposed project. The Fuel Management Zones are specific to the areas where vegetation has been removed or modified in a manner that increases the likelihood that structures will survive wildfires. Improving the defensible space around structures reduces the amount of fuel available for a wildfire.

California Public Resource Code 4291
Maintain defensible space of 100 feet from each side and from the front and rear of the structure, but not beyond the property line. The amount of fuel modification necessary shall consider the flammability of the structure as affected by building material, building standards, location, and type of vegetation. Fuels shall be maintained and spaced in a condition so that a wildfire burning under average weather conditions would be unlikely to ignite the structure. The intensity of fuels management may vary within the 100-foot perimeter of the structure, with more intense fuel reductions being utilized between 5 and 30 feet around the structure, and an ember-resistant zone being required within 5 feet of the structure.

Non-Combustible Zone:
(0-5 feet)
- Hardscape surfaces including gravel, pavers, decomposed granite and bare soils are all approved non- combustible surfaces.
- Succulent plant species are examples of non-combustible plant materials.
- Plant placement is the most important criteria for fire-resistant plant selection.
- No wooden trellis, climbing vines, trees or shrubs should be integrated into this zone.
- No combustible mulch. Rock mulch is acceptable and has the greatest fire resistance.

Landscape Zone:
(5-30 feet)
Landscape Zones incorporate multiple planting types. All zones are proposed with fire-appropriate plant materials and adequate spacing posing less hazard for ignition. Increase space between trees, remove lower branches and create areas of irrigated landscape islands.
- Safe egress must be maintained regularly along the driveway. It is important to allow for safe passage and to provide a location where firefighter resources can travel and engage in fire response.
- Grassland, and the understory of all oak woodland vegetation should be mowed within 10 feet of the pavement edges.
- All chaparral, coastal scrub and oak/shrub woodland vegetation should be treated to 30 feet from the pavement edge providing both vertical and horizontal clearance.

Management Zone
(30-100 feet)
Understory plants must be kept short, and small lower tree branches must be removed. The understory of oak woodland habitat includes shade tolerant shrubs and grasslands. The goal of this standard is to maintain an existing oak woodland with a short-statured understory of herbaceous plants and shrubs and a tree canopy at least 8 feet above the ground. An initial treatment will be required to prune smaller benches of trees up to 8 feet above the ground and to reduce density and stature of understory shrubs. Annual maintenance could be required to maintain this recommended height.
- Understory vegetation should not be completely removed. Instead, selectively remove non-native flammable species and remove dead branches from desirable native vegetation.
- Native understory shrubs are to be kept free of dead branches and no more than 2.5 feet in height.
- Leaf litter depth should be kept no greater than 4 inches.
- Once initial tree pruning is completed, pruning is likely to be needed less frequently with an interval of three to five years.

Not All Trees Have Been Photographed





S. sempervirens with 3 test sites to determine if any roots are impacted by development.





Test site 1 has minimal ≤ 1" diameter non-woody roots and no primary roots. Impacts are none.



Test site 2 has minimal ≤ 1" diameter non-woody roots and no primary roots. Impacts are none.



Test site 3 has minimal ≤ 1" diameter non-woody roots and no primary roots. Impacts are none.



P. radiata tree #543



Q. Agrifolia trees 539-541
Tree 541 is within 8' of the project. All soil excavating will have to be completed by hand with any roots ≥ 2" diameter will require inspection by the project arborist before cutting takes place.



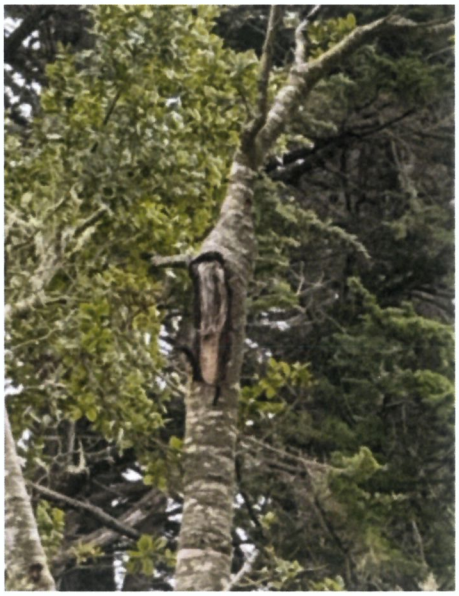
Q. Agrifolia trees 546-549
Tree 548 is within 5' of the project. All soil excavating will have to be completed by hand with any roots ≥ 2" diameter will require inspection by the project arborist before cutting takes place.

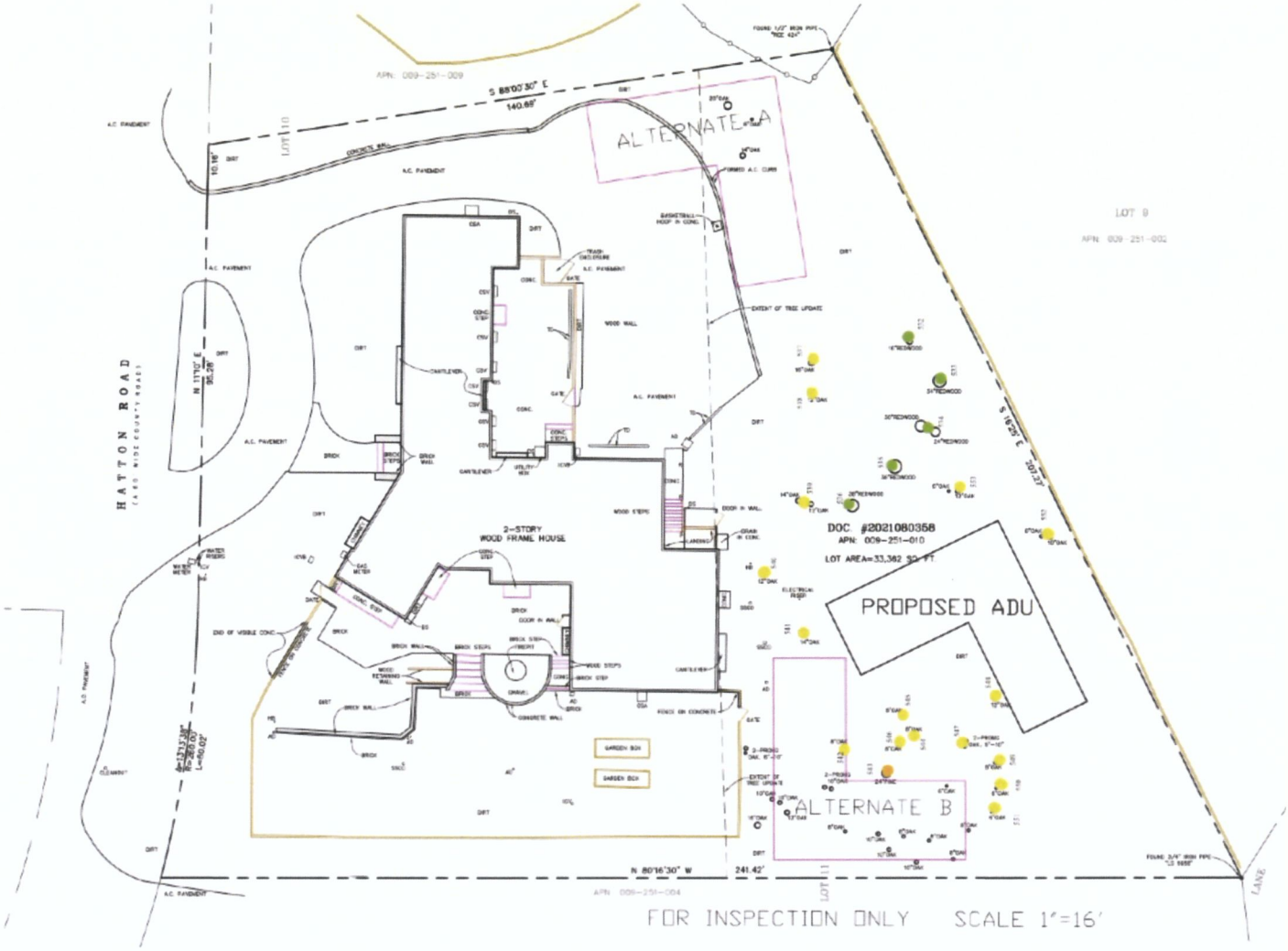


Q. Agrifolia tree 552
Poor form and pruning cuts.
Recommend removal.



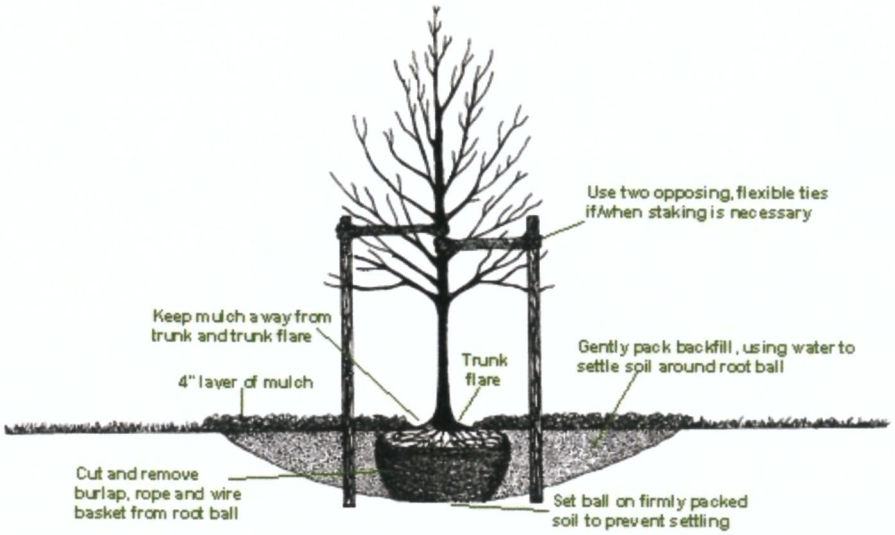





HATTON ROAD
(A 60 WIDE COUNTY ROAD)
APN: 009-251-009
S 88°03'30" E
140.69'
ALTERNATE A
LOT 10
A.C. PAVEMENT
CONCRETE WALK
LOT 9
APN: 009-251-002
N 11°10' E
35.28'
2-STORY
WOOD FRAME HOUSE
DOC #2021080358
APN: 009-251-010
LOT AREA=33,362 SQ FT
PROPOSED ADU
ALTERNATE B
S 16°25' E
201.37'
N 80°16'30" W
241.42'
APN: 009-251-004
LOT 11
LANE
FOR INSPECTION ONLY SCALE 1"=16'

Planting Detail

If trees must be staked, place stakes as low as possible but no higher than 2/3 the height of the tree. Materials used to tie the tree to the stake should be flexible and allow for movement all the way down to the ground so that trunk taper develops correctly. Remove all staking material after roots have established. This can be as early as a few months, but should be no longer than one growing season. Materials used for permanent tree protection should never be attached to the tree.



Watering Guidelines

Tree Age	Frequency	Quantity	Drip* & Sprinkler*** Run Time
Three days after planted	Fill the watering basin 3 times, using a total of 15-20 gallons	15-20 gallons	Hand watering best at this stage
First three weeks after planting	Fill the watering basin once a week	5-10 gallons	Drip & Bubbler run time: Depends on flow rate
Two - Six months following planting	Fill the watering basin every week or every other week	10-15 gallons	Drip & Bubbler run time: Depends on flow rate
Remainder of first year	Water every other week in absence of soaking rain	10-15 gallons	Drip & Bubbler run time: Depends on flow rate
Year Two	Every two to four weeks when rain is scarce	15-20 gallons	Drip & Bubbler run time: Depends on flow rate
Year Three-Five	Once a month	20-30 gallons	Drip & Bubbler run time: Depends on flow rate

Certifying Statement

I, Albert Weisfuss, certify that:

- I have personally overseen the inspection of this tree and property referred to in this report, and have stated my findings accurately.
- I have no current or prospective interest in the vegetation or the property that is the subject of this report and have no personal interest or bias with respect to the parties involved.
- The opinions and conclusions stated herein are my own.
- My compensation is not contingent upon the reporting of a predetermined conclusion that favors the cause of the client or any other party.



Albert Weisfuss

February 16, 2024

Date

Arborists Disclosure:

1. Arborists are tree specialists who use their education, knowledge, training and experience to examine trees, recommend measures to enhance the beauty and health of the trees and attempt to reduce the risk of living near trees. Arborists cannot detect every condition that could possibly lead to the structural failure to a tree. Since trees are living organisms, conditions are often hidden within the tree and below ground. Arborists cannot guarantee that a tree will be healthy or safe under all circumstances, or for a specific period of time. Likewise, remedial treatments cannot be guaranteed. Trees can be managed but they cannot be controlled. To live near trees is to accept some degree of risk and the only way to eliminate all risk associated with trees is to eliminate all of the trees.
2. Where the treatment, pruning and/or removal of trees are involved, it is the Client's responsibility to advise Consultant of any issues regarding property boundaries, property ownership, site lines, disputes between neighbors and other related issues.
3. Consultant shall invoice Client periodically for the services rendered. Client shall pay such invoices upon receipt. If invoices are not paid within 30 days, a late payment shall be charged of 1 ½ percent per month.
4. Consultant shall perform its services in a manner consistent with the standard of care and skill ordinarily exercised by members of the profession practicing under similar conditions in the geographic vicinity and at the time the services are performed. No warranty, representation or guarantee, express or implied, is intended by this agreement.
5. Services provided under this agreement, including all reports, information or recommendations prepared or issued by Consultant, are for the exclusive use of the Client for the project specified herein. No other use is authorized under this agreement. Client will not distribute or convey Consultant's reports or recommendations to any other person or organization other than those identified in the project description without Consultant's written authorization. Client releases Consultant from liability and agrees to defend, indemnify and hold harmless Consultant from any and all claims, liabilities, damages or expenses arising, in whole or in part, from such distribution.
6. Consultant is not responsible for the completion or quality of work that is dependent upon or performed by the Client or third parties not under the direct control of the Consultant, nor responsible for their acts or omissions or for any damages resulting there from.
7. Client and Consultant agree to mediate any claims or disputes arising out of this agreement, before initiating any litigation. The mediation shall be conducted by a mediation service acceptable to the parties. The parties shall make a demand for mediation within a reasonable time after a claim or dispute arises and the parties agree to mediate in good faith. In no event shall any demand for mediation be made after such claim or dispute would be barred by applicable law. Mediation fees would be shared equally. In the event that mediation does not resolve the issue, the parties agree to proceed through binding arbitration. The prevailing party in such proceeding shall be entitled to a reasonable sum for attorney's fees and expert witness fees.
8. Client agrees to indemnify, defend and hold harmless Consultant from and against any and all claims, liabilities, suits, demands, losses, costs and expenses, including, but not limited to, reasonable attorneys' fees and all legal expenses and fees incurred through appeal, and all interest thereon, accruing or resulting to any and all persons, firms or any other legal entities on account of any damages or losses to property or persons, including injuries or death, or economic losses, arising out of the project and/or this agreement, except to the extent that said damages or losses are caused by Consultant's sold negligence or willful misconduct.
9. If, during the course of performance of this agreement, conditions or circumstances are discovered which were not contemplated by Consultant at the commencement of this agreement, Consultant shall notify Client in writing of the newly discovered conditions or circumstances, and Client and Consultant shall renegotiate, in good faith, the terms and conditions of this agreement. If amended terms and conditions cannot be agreed upon within 30 days after notice, Consultant may terminate this agreement and be compensated under paragraph 4 in this agreement.
10. This agreement may be terminated by either party upon 10 days' notice sent first class mail. In the event of a termination, Client shall pay for all reasonable charges for work performed by Consultant through the 10th day after mailing the notice of termination. The limitation of liability and indemnity obligations of this agreement shall be binding notwithstanding any termination of this agreement.
11. This agreement is the entire and integrated agreement between Client and Consultant and supersedes all prior negotiations, statements or agreements, either written or oral. Writing signed by both parties may only amend this agreement.
12. In the event that any term or provision in this agreement is found to be unenforceable or invalid for any reason, the remainder of this agreement shall continue in full force and effect, and the parties agree that any unenforceable or invalid term or provision shall be amended to the minimum extent required to make such term or provision enforceable and valid.
13. Neither Client nor Consultant shall assign this agreement without the written consent of the other.
14. Nothing in this agreement shall create a contractual relationship for the benefit of any third party.

FENTON & KELLER
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
2801 MONTEREY-SALINAS HIGHWAY
POST OFFICE BOX 791
MONTEREY, CALIFORNIA 93942-0791
TELEPHONE (831) 373-1241
FACSIMILE (831) 373-7219
www.FentonKeller.com

CHRISTOPHER E. PANETTA
BRIAN D. CALL
TROY A. KINGSHAVEN
JOHN E. KESECKER
ELIZABETH R. LEITZINGER
ANDREW B. KREEFT
KENNETH S. KLEINKOPF
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CHRISTOPHER M. LONG

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CHRISTOPHER J. NANNINI
TARA L. CLEMENS
MATTHEW D. FERRY
EMMANUEL PEREA JIMENEZ
MARIA A. AIELLO
REBECCA J. SAATHOFF
ALYSSA CARBONEL MATSUHARA

LEWIS L. FENTON
1925-2005

OF COUNSEL
CHARLES R. KELLER
SARA B. BOYNS

ALEX J. LORCA

ALorca@fentonkeller.com
ext. 258

February 14, 2025

VIA EMAIL (zeppz@countyofmonterey.gov)

Carmel Land Use Advisory Committee
c/o Zoe Zepp, Planning Staff Liaison
1441 Schilling Place, South 2nd Floor
Salinas, CA 93901

Re: PLN240104 – 25745 Hatton Rd., Carmel (Kitayama Nagafuji)
Our File: 60107.70158

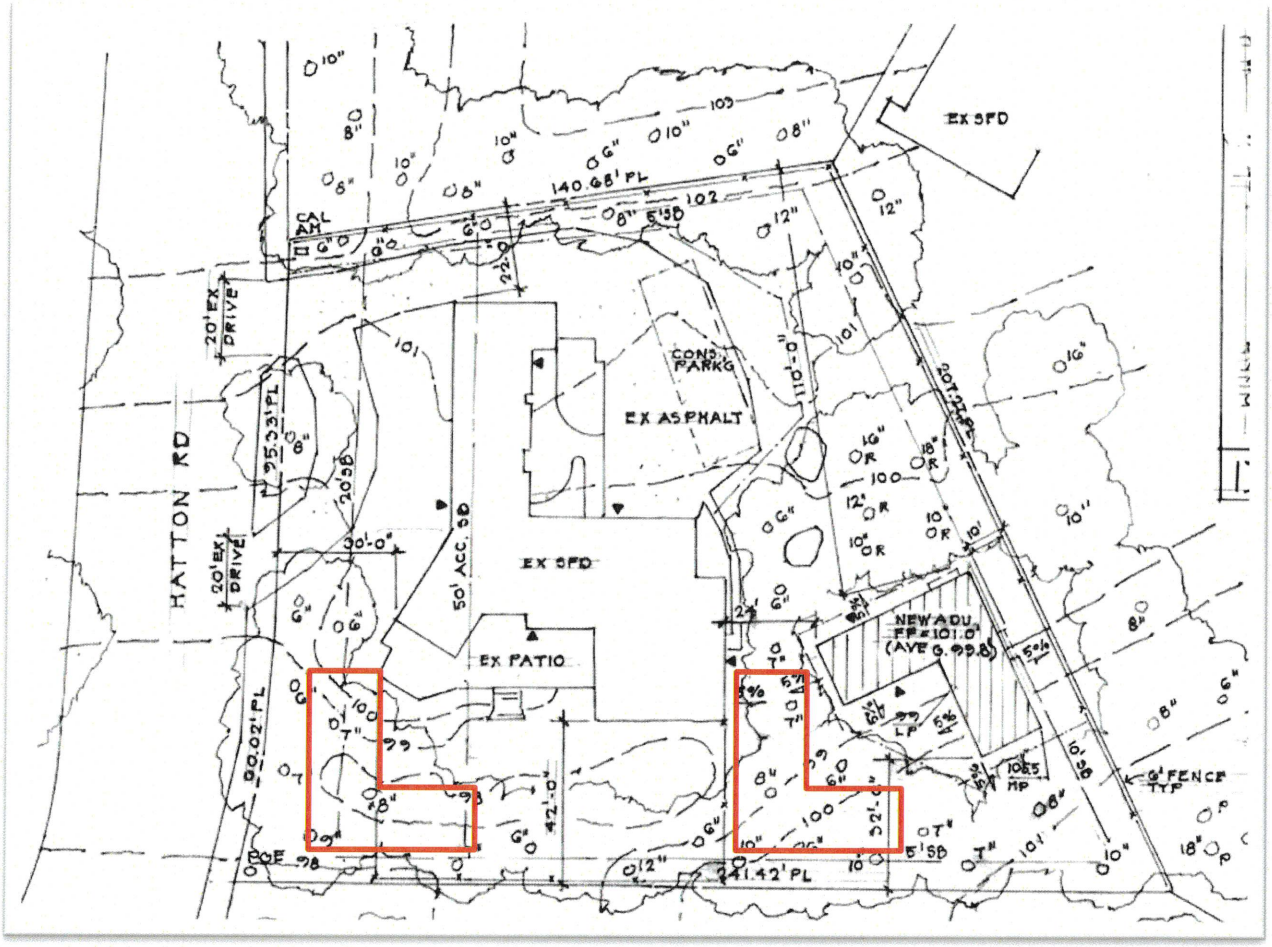
Dear Committee Members:

This office represents Thomas Russ and Anne Hill Russ, neighbors to Ms. Kitayama Nagafuji, the applicant for the above-referenced planning project ("Project"), which is on the February 18, 2025, Carmel LUAC agenda. Mr. and Mrs. Russ object to the currently planned location of the Accessory Dwelling Unit ("ADU") on Ms. Kitayama Nagafuji's property, as detailed in our letter dated January 10, 2025 to Zoe Zepp (attached hereto and incorporated herein).

As noted in the letter, Certified Arborist Bryan Bradford was retained by our clients to review the Project. Mr. Bradford determined that if the ADU is approved in its proposed location, the critical root area of the adjacent redwood trees will be damaged. This fact makes it impossible for the applicant to meet the requirements of Section 20.64.030 of the Monterey County Code, which states that "resource constraints that may ***preclude development*** of an Accessory Dwelling Unit include… tree resources… and other health and safety conditions." (Monterey County Code section 20.64.030 (E)(11)(f) and (g);emphasis added.)

Since the time of our January 10, 2025 letter, Mr. Bradford has provided a supplemental report, which is attached hereto and incorporated herein. In his supplemental report, Mr. Bradford makes clear that there are two alternative locations on the applicant's property that would be the least impactful to not only the redwood trees, but also other protected trees on the property.

The alternative locations are shown to scale on the below map:



Mr. Bradford concludes that the least impactful locations for the ADU would be in the southwest or southeast corner of the applicant's property. However, as can be clearly seen from the photographs in Mr. Bradford's supplemental report, locating the ADU in the **southwestern corner** would be preferable as the trees in that area are adolescent trees - unlike the southeastern corner, which contains a mature Monterey Pine that would have to be removed.

Therefore, we urge the LUAC to review Mr. Bradford's supplemental report and recommend placement of the ADU in the **southwest corner** of the applicant's property

\\\\\

I will be attending the Carmel LUAC meeting and would be happy to answer any questions you have regarding our clients' comments. Thank you for your consideration.

Sincerely,

FENTON & KELLER
A Professional Corporation

Alex J. Lorca

AJL:kmc
Enclosure
cc: Client

FENTON & KELLER
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
2801 MONTEREY-SALINAS HIGHWAY
POST OFFICE BOX 791
MONTEREY, CALIFORNIA 93942-0791
TELEPHONE (831) 373-1241
FACSIMILE (831) 373-7219
www.FentonKeller.com

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1925-2005

OF COUNSEL
CHARLES R. KELLER
SARA B. BOYNS

ALEX J. LORCA

ALorca@fentonkeller.com
ext. 258

January 10, 2025

VIA EMAIL ZEPPZ@COUNTYOFMONTEREY.GOV

Zoe Zepp, Assistant Planner
County of Monterey, Housing and Community Development
1441 Schilling Place – South Second Floor
Salinas, CA 93901

Re: PLN240104 (Kitayama)
Our File: 60107.70158

Dear Ms. Zepp:

Our office represents Thomas and Anne Hill Russ in connection with the application made to the County of Monterey Housing and Community Development Department ("HCD") by Nagafuji Kitayama for a Coastal Administrative Permit and Design Approval ("Application") for the property located at 25745 Hatton Canyon Road in Carmel, California 93923 ("Kitayama Property"). The Application is for the construction of a 1,200 square foot Accessory Dwelling Unit ("Project").

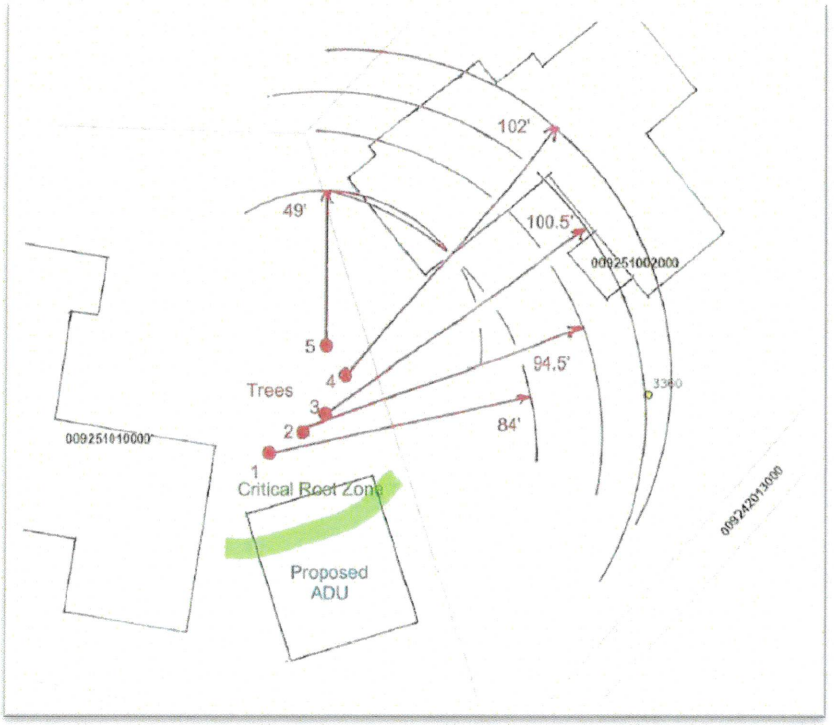
The Russes, as Trustees of the Thomas and Anne Hill Russ Revocable Trust 2001, are the owners of the property located at 3360 Mountain View Avenue in Carmel, California, 93923 ("Russ Property"), which is located next door to the Kitayama Property.

The Project is inconsistent with the requirements of Section 20.64.030 of the Monterey County Code, which states that "resource constraints that may ***preclude development*** of an Accessory Dwelling Unit include… tree resources… and other health and safety conditions." (Monterey County Code section 20.64.030 (E)(11)(f) and (g);emphasis added.)

Likewise, the Project is inconsistent with Monterey County Code section 20.64.030(F)(1), which requires the County to make a finding that "…the establishment of the Accessory Dwelling

Unit will not, under the circumstances of the particular application, be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood…"

As proposed in the Application, the Project cannot be approved. Enclosed is a Report of Certified Arborist from Certified Arborist Bryan Bradford, which confirms the Project will intrude into the critical root zone of all five of the Redwood trees located on the Kitayama Property. Moreover, the Report clearly demonstrates the Russ Property is well within the fall radius of all five of the Redwood trees:



As can be seen, the Project violates Monterey County Code section 20.64.030(E)(11)(f), which specifically protects "forest health and tree resources" as it will require the applicant to cut the roots of all five Redwood trees, all of which are within the critical root zone.

Moreover, Mr. Bradford's Report confirms the Project will be detrimental to the health and safety of the Russes:

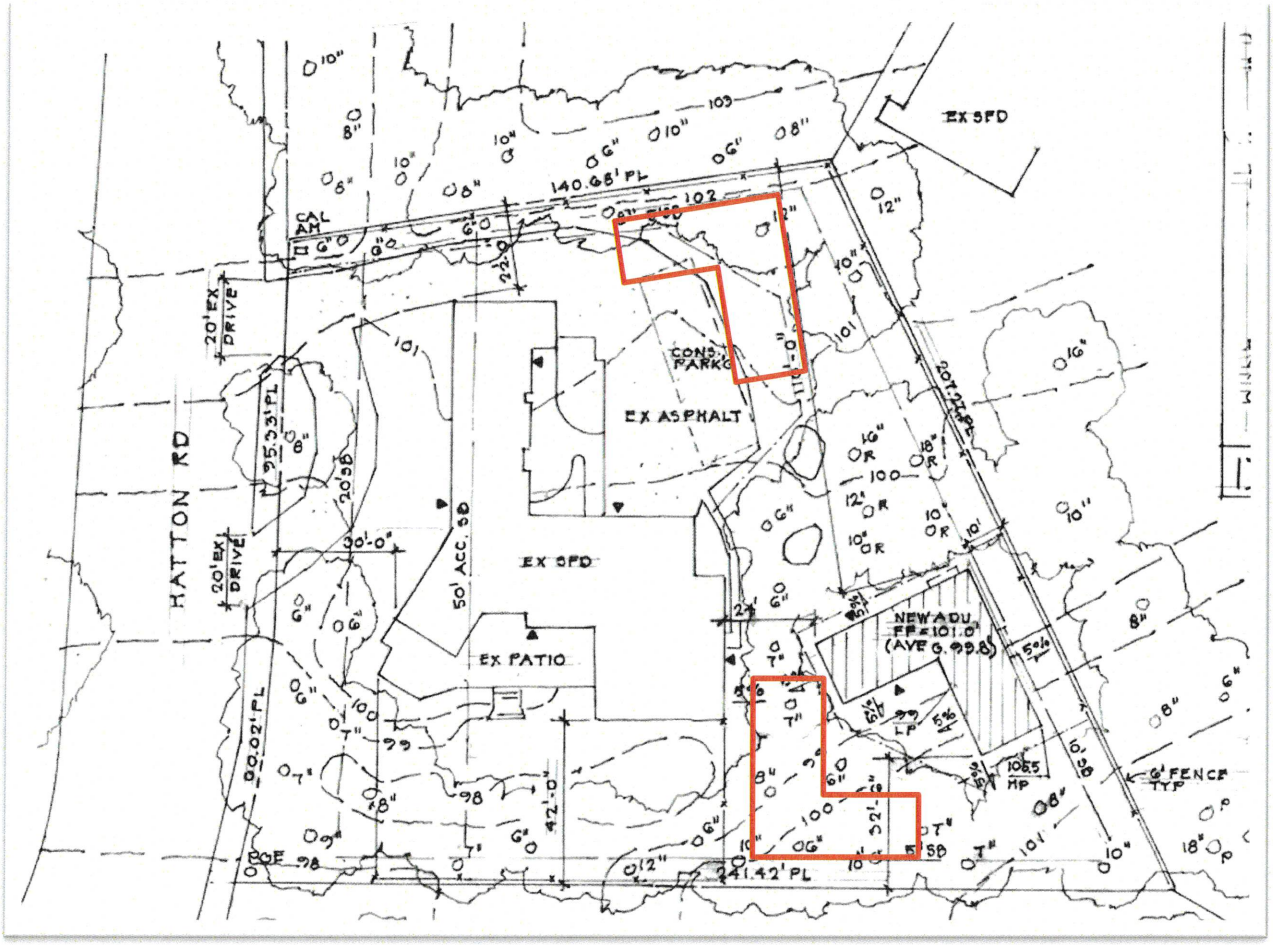
> "Installation of a concrete foundation which outlines the footprint of the ADU will require severance of the roots of those trees in that area of the grove rooting bed, and will prohibit or greatly inhibit future tree rooting in the footprint area. This can effect the vertical stability of those trees as they grow in height."

The Russ' daughter's bedroom is the closest room to the Kitayama Property. Should the Project cause one of the Redwood trees to fall (especially in a storm), their daughter would be in grave danger.

Importantly, Mr. Bradford states the Project's health and safety risks can be mitigated or eliminated by moving away from the critical root zone.

> "Relocation of the ADU footprint further way from the critical root zone of the trees would help secure vertical stability of the trees as they grow in height. In this case, the overall distance should be at least 30 feet from the base of the trees."

The following shows two clearly feasible alternative locations for the Project:



Because the Project's material health and safety risks can be mitigated or eliminated by relocating the ADU to another area of the Kitayama Property, the Application cannot be approved as presented. Rather, relocation of the ADU to the northern or southern portions of the Kitayama Property is required.

Sincerely,

FENTON & KELLER
A Professional Corporation

Alex J. Lorca

AJL:moi
Enclosure: Certified Arborist Report
cc: Client

Report of Certified Arborist

Bryan E. Bradford
Certified Arborist No. WE-5896A
International Society of Arboriculture,
and Professional Member

88 Paseo Hermoso ~ Salinas, CA ~ 93908
831-998-0439 or 831-484-1029

November 4, 2024

Mr. Alex Lorca, Esq.
Fenton & Keller
Post Office Box 791
Monterey, CA 93902-0791

Re: Russ Case
APN: 009-251-010-000
Situs: 25745 Hatton Road, Carmel

Dear Mr. Lorca,

I have examined and photographed the five Coast Redwood trees you are concerned about, located at the above-stated situs address and offer the following observations, conclusions and recommendations.

Preface

The examination and observation of the subject trees was conducted from the ground and did not afford close inspection of the trees or their features above 20 feet. Additionally, observations were limited to off-site visual examinations due to lack of physical access to the parcel which hosts the trees. Telescopic laser equipment was used to measure tree height. Unaided viewing, telescopic lens viewing and telescopic photography were used to examine the tree features above that height. Consequently, some small features may have been obscured from view by limited view angle or visual obstruction. Hence, there may be serious faults and weaknesses in the tree structure which have remained unobserved that present an enhanced hazard for various property and people residing within the fall radius of any of these trees. Positional measurements for the trees, the "story pole" structure representing the proposed additional dwelling unit and structures on the Russ property were made with a mix of conventional scales and telescopic laser equipment. This has allowed for the production of a site map with an

expected accuracy error of +/- 3 percent. Each individual tree is referred to by a number, 1 through 5, for clarity in describing each one. No inventory or tagging of these trees was done for this report.

Observations

The five subject trees located at 25745 Hatton Road, Carmel comprise a grove, planted many decades ago, which is situated in the northeast portion of parcel APN: 009-251-010-000 near the northeast boundary common to APN: 009-251-002-000. All five trees are Coast Redwood (*Sequoia sempervirens*) The grove occupies an elongated plot of ground about 30 feet long ending about 10 feet from the common boundary. The estimated diameter of each tree at breast height exceeds 30 inches. Tree No.1 is located at the southwest end of the grove. It has a height of about 84 feet and a well foliated broad crown spread. Tree No. 2 is located about 12 feet northeast of Tree No. 1. It has a height of about 94.5 feet and a well foliated crown spread. Tree No. 3 is located six feet northeast of Tree No. 2. It has a two parent stem configuration, has a height of about 100.5 feet and a well foliated crown spread. Tree No. 4 is located at the northeast end of the grove. It has a height of about 102 feet and a well foliated crown spread. Tree No. 5 is located about 10 feet northwest of Tree No. 4. It has a height of about 49 feet and a well foliated asymmetric crown spread with an off-set weighting to the northeast.

The rooting bed of the grove appears to be covered with an accumulated layer of natural tree litter from the combined crown of the grove. The extent and pattern of the rooting of each tree is unknown. The health and vigor of each tree seems to be good. The prospect for future growth in girth, height and extent of rooting seems excellent. A "story pole" structure describing the footprint and elevations of a proposed additional dwelling unit (ADU) is situated about 17 feet to the southeast of Tree No. 1, about 21 feet to the southeast of Tree No. 2, and about 25 feet to the southeast of Tree No. 3. This footprint is within the critical root zone of each of these trees. The standard calculation for the critical root zone of these large trees is one foot distance from the tree base for every one inch of diameter measured at breast height (4.5 feet). In this case that would imply a 30 foot radius perimeter around the base of each tree. Installation of a concrete foundation which outlines the footprint of the ADU will require severance of the roots of those trees in that area of the grove rooting bed, and will prohibit or greatly inhibit future tree rooting in the footprint area. This can effect the vertical stability of those trees as they grow in height.

The great height of the first four trees and their canopy edge position exposes them to unobstructed wind pressure in the highest portions of their crowns from all directions except southeast which is moderated by a mature row of Monterey Cypress (*Cupressus macrocarpa*). Exposure to high wind pressure from the south, southwest and west is of concern due to the close proximity of the subject trees to the residential structure on parcel APN: 009-251-002-000, located at 3360 Mountain View Avenue,

Carmel. The most common prevailing winter wind direction in the Carmel area is westerly, but storms and "bomb cyclones" can increase velocity and alter direction. Such winds in 2017 reached 86 miles per hour in the area and brought down many trees.

No hazard evaluation has been prepared for any of the subject trees due to lack of access for close physical examination. Nonetheless, based on the size of each specimen and its proximity to residential structures, even with the lowest probability of a tree fall, each would merit a hazard rating of 9 on a 12 point scale. This is the threshold for a hazard tree removal permit in Monterey County.

Measurements taken on site indicate that in the event of a fall of any of the subject trees in the direction of the neighboring residence at 3360 Mountain View Avenue, such a fall could impact the residential structure itself, causing damage to the living areas of the residence and perhaps injury to inhabitants of the dwelling. (See the Fall Radius Diagram attached below)

Conclusions

Although they currently exhibit good health and vigor, in the event of a fall each of the subject trees poses a risk for damage to, or destruction of, the residential structure, and personal injury or death to persons who are present on the parcel APN: 009-125-001-000 at that time. These risks can be mitigated with preventive measures such as active care of the tree rooting system and reduction of wind pressure effect on the upper portions of the tree crowns. Complete elimination of the risk can only be accomplished by tree removal.

Recommendations

The following measures would mitigate the tree risks identified above:

The root zone of each tree should be probed to determine its rooting pattern and expanse.

Relocation of the ADU footprint further way from the critical root zone of the trees would help secure vertical stability of the trees as they grow in height. In this case, the overall distance should be at least 30 feet from the base of the trees. Additionally, if construction of the ADU is commenced, all construction activities, including foot and vehicle traffic, and materials storage should be excluded from the critical root zone of the trees. At all times the rooting bed should be left in a state of nature as much as possible and all tree litter left in place. An annual inspection of the base, parent stem (trunk) and crown and of each tree should be conducted to discover any developing decay or structural changes. Discovery of gross decay or structural changes indicating weakness should be followed with a hazard evaluation by an arborist certified by the International Society of Arboriculture.

To reduce wind pressure effect on the tree crowns, crown pruning and crown reduction can be used to reduce or limit the overall height of the crowns. Thinning of the crowns also reduces wind pressure effect. To be effective these measures should be applied on a regular basis of every three or four years.

As illustration of the descriptions given in the above text, photographs and other attachments are provided below. Any questions regarding this report may be communicated to the author using the telephone numbers provided above.

Endorsed 12/13/2024

Bryan Bradford

Consulting Arborist

Figure No. 1: Subject grove of Coast Redwood trees showing "story poles" for the ADU and the neighboring residence (lower right corner).

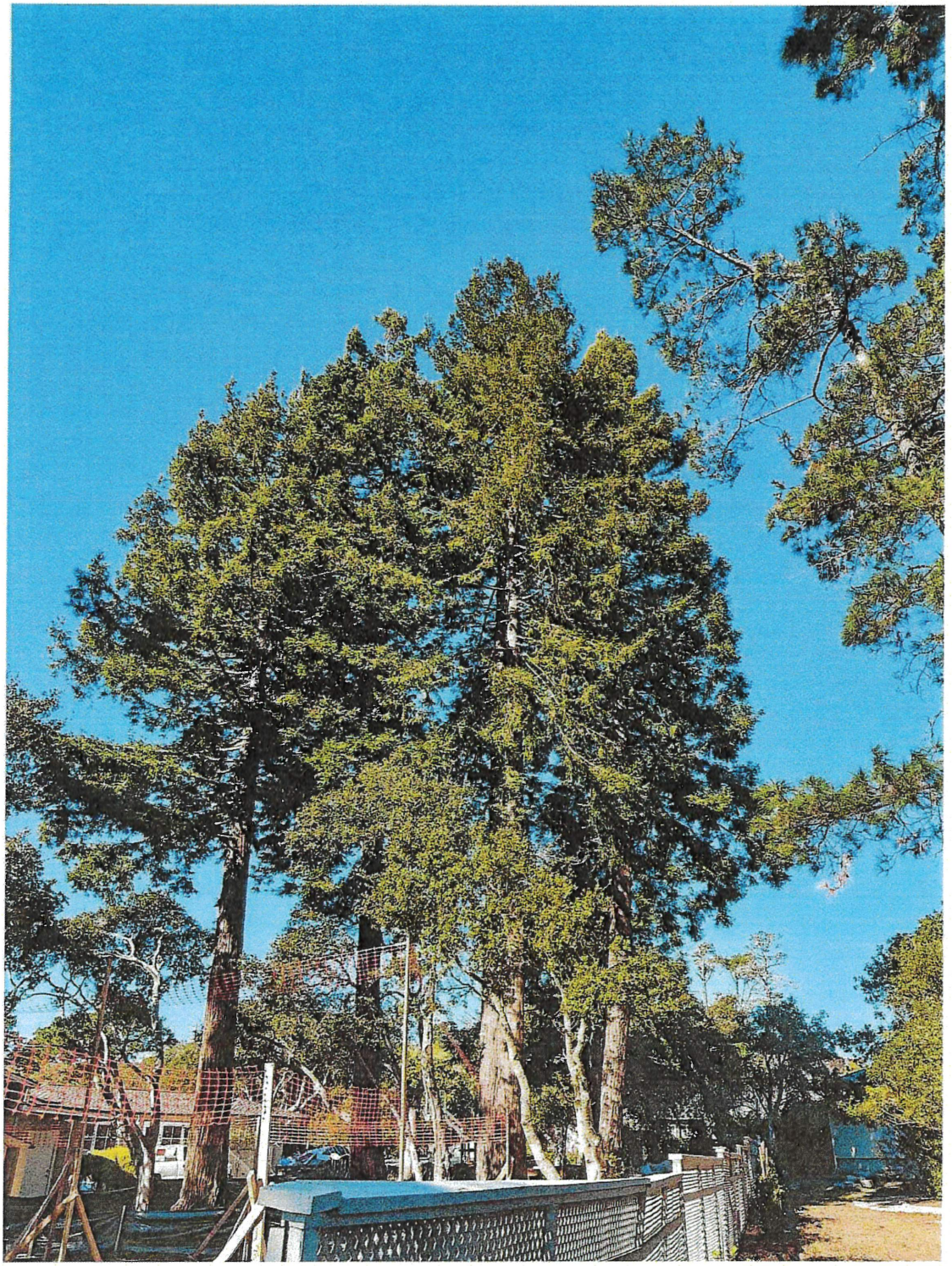
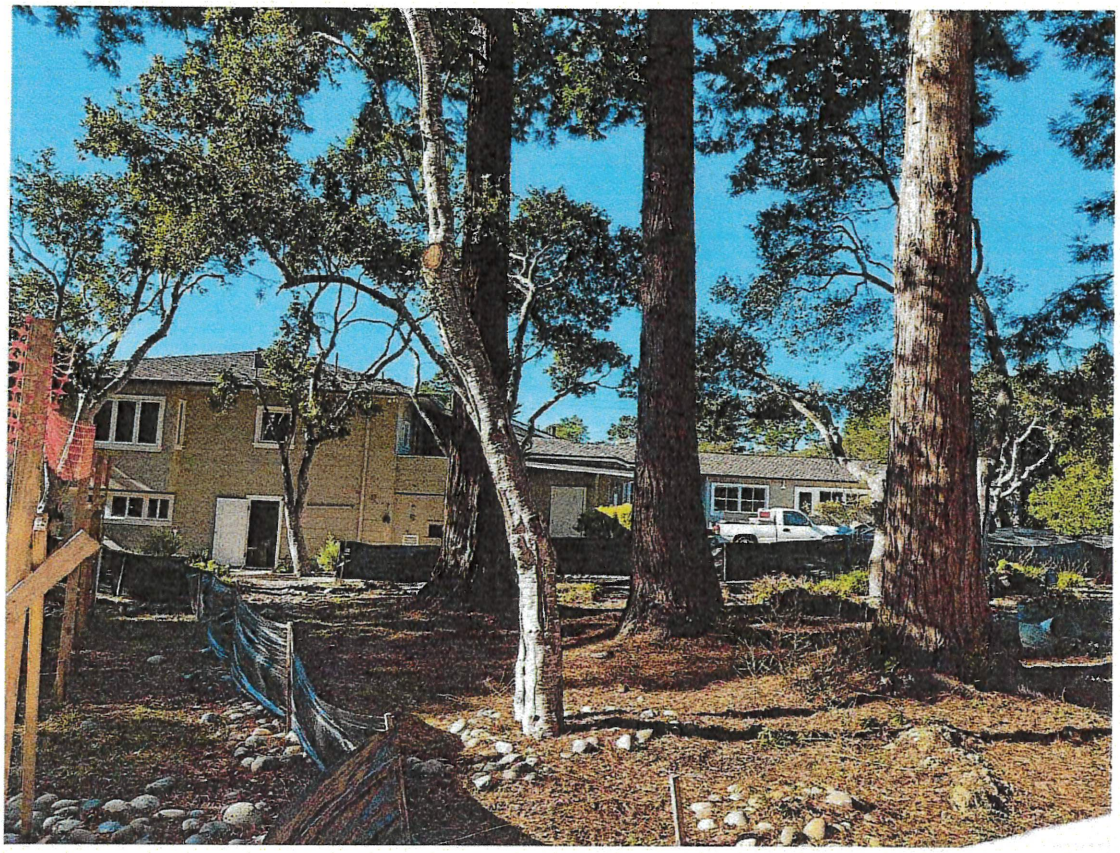
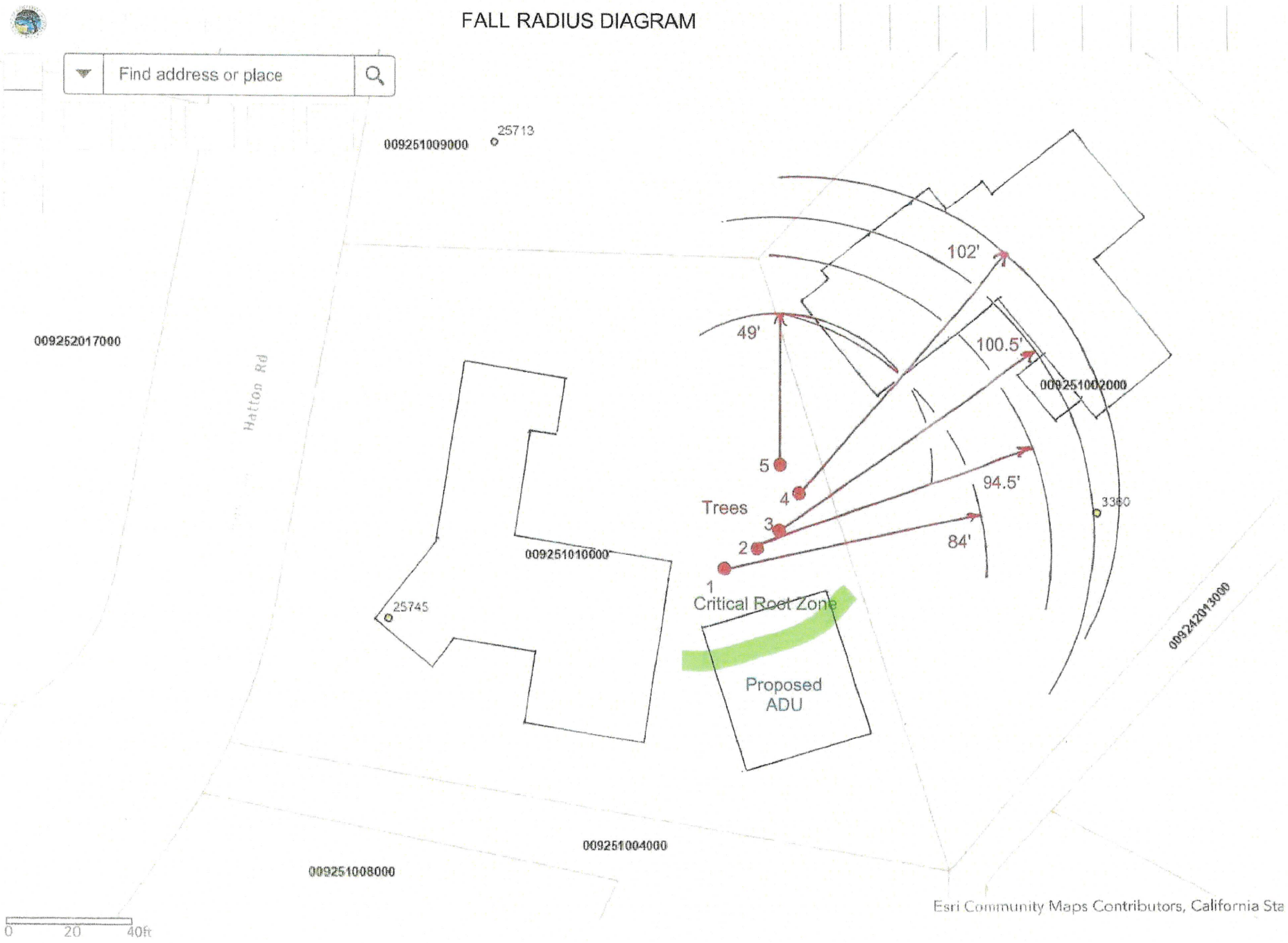
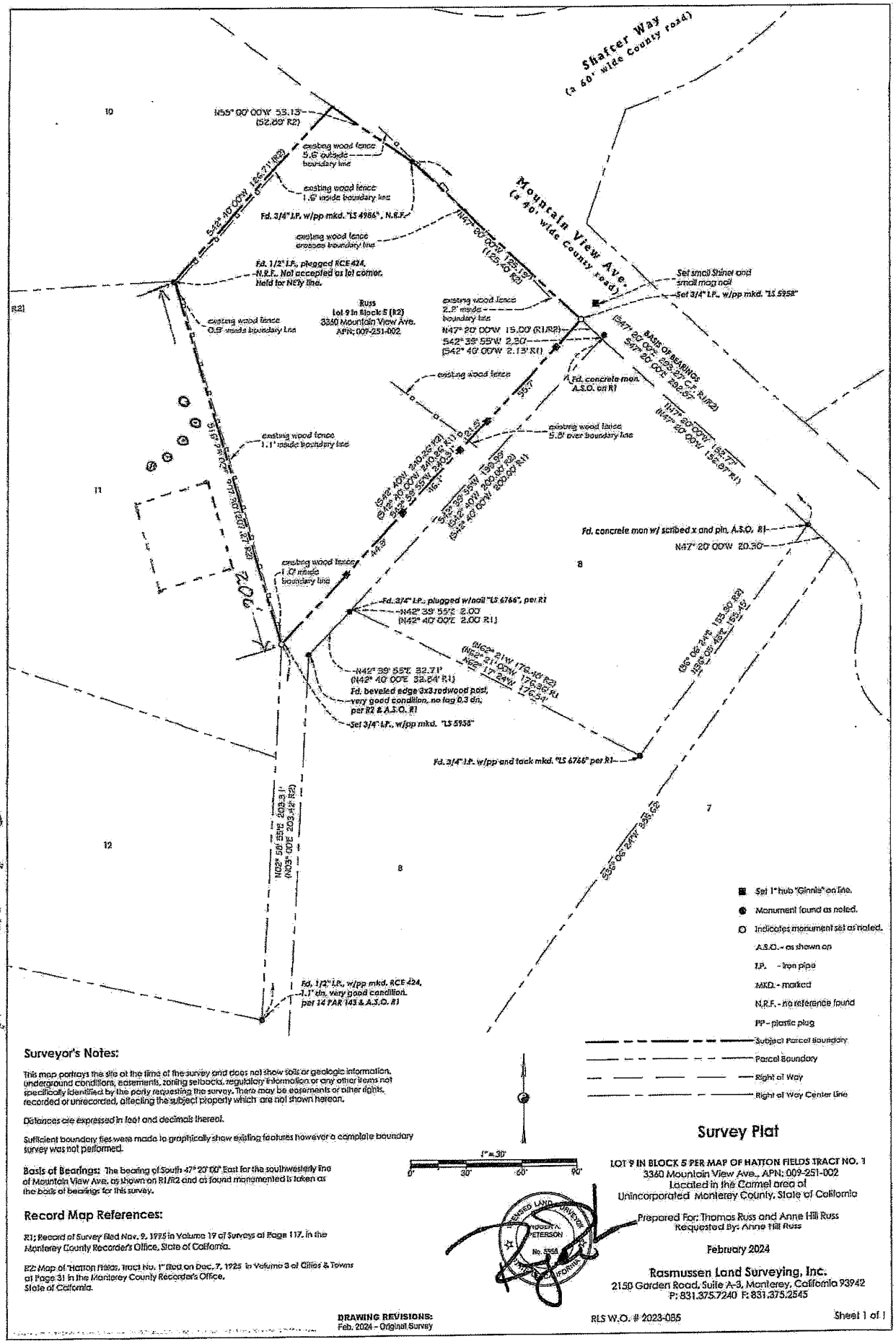


Figure No. 2: Showing critical root zone of trees numbered 1, 2 and 3 in close proximity to the proposed ADU foundation area.



FALL RADIUS DIAGRAM





Surveyor's Notes:

This map portrays the site at the time of the survey and does not show soils or geologic information, underground conditions, easements, zoning setbacks, regulatory information or any other items not specifically identified by the party requesting the survey. There may be easements or other rights, recorded or unrecorded, affecting the subject property which are not shown hereon.

Distances are expressed in feet and decimals thereof.

Sufficient boundary ties were made to graphically show existing features however a complete boundary survey was not performed.

Basis of Bearings: The bearing of South 42° 20' 00" East for the southwesterly line of Mountain View Ave. as shown on R1/R2 and as found monumented is taken as the basis of bearings for this survey.

Record Map References:

R1; Record of Survey filed Nov. 9, 1995 in Volume 19 of Surveys at Page 117, in the Monterey County Recorder's Office, State of California.

R2: Map of "Hatton Fields, Tract No. 1" filed on Dec. 7, 1925 in Volume 3 of Cities & Towns at Page 31 in the Monterey County Recorder's Office, State of California.

Survey Plat

LOT 9 IN BLOCK 5 PER MAP OF HATTON FIELDS TRACT NO. 1
3360 Mountain View Ave., APN: 009-251-002
Located in the Carmel area of
Unincorporated Monterey County, State of California

Prepared For: Thomas Russ and Anne Hill Russ
Requested By: Anne Hill Russ

February 2024

Rasmussen Land Surveying, Inc.
2150 Garden Road, Suite A-3, Monterey, California 93942
P: 831.375.7240 F: 831.375.2545

DRAWING REVISIONS:
Feb. 2024 - Original Survey

RLS W.O. # 2023-085

Sheet 1 of 1

Report of Certified Arborist
Amendment

Bryan E. Bradford
Certified Arborist No. WE-5896A
International Society of Arboriculture,
and Professional Member

88 Paseo Hermoso ~ Salinas, CA ~ 93908
831-998-0439 or 831-484-1029

February 14, 2025

Mr. Alex Lorca, Esq.
Fenton & Keller
Post Office Box 791
Monterey, CA 93902-0791

Re: Russ Case
APN: 009-251-010-000
Situs: 25745 Hatton Road, Carmel

Dear Mr. Lorca,

I have examined the maps you have provided, depicting three alternative options for repositioning the ADU (Additional Dwelling Unit) now under consideration for construction on the above-noted situs address and offer the following observations and conclusions.

Preface

This Amendment should be read in conjunction with my original report of November 4th, 2025. As stated in that report, in considering repositioning of the ADU, the resulting tree impact most important to avoid would be on the critical root zone of the large redwood trees on site. Examination and observation of the trees on site was conducted from the ground and did not afford close inspection of them or their features above 20 feet. Additionally, observations were limited to off-site visual examinations due to lack of physical access to the parcel which hosts the trees. Unaided viewing, photography and the Warner site map attached below were used to estimate tree positions and establish the position of the proposed ADU. In that regard, it should be noted that the Warner map incorporates a tree survey from years ago which is now outdated, resulting in inaccuracies in both stated tree size and location. Some of the trees no longer exist and others have matured from seedling or sapling size to larger maturing saplings with

diameters estimated in excess of 6 inches DBH. No inventory, tagging of trees or tree height measurement was made for this report.

Observations

Reposition options suggested in the maps attached below, all of which avoid the critical root zone of the redwood trees, are as follows:

- Northeast corner of the subject parcel. This reposition implies some impingement on the dive way and the removal of two maturing adolescent Coast Live Oak trees (*Quercus agrifolia*) with estimated tree bases in excess of 16 inches diameter at breast height (DBH), well developed crowns and good separation. It would also impact the root zones of the remaining nearby Coast Live Oaks. Impact on the trees could be mitigated by the replanting of Coast Live Oak saplings at a 2 to 1 ratio.

- Southeast corner of the subject parcel. This reposition implies removal of several small adolescent Coast Live Oak trees and one mature Monterey Pine tree (*Pinus radiata*) with a base estimated in excess of 20 inches DBH. This Monterey Pine is in questionable health, showing early senescence, exhibiting an imbalanced crown leaning to the southeast, and twig and branch die-back primarily as a result of its frontier position facing recurring northwest salt winds. Mitigation of the small oak tree removals could be accomplished with a 2 to 1 ratio of replanting. Mitigation of the pine removal would be naturally accomplished with what appear to be numerous exuberant volunteer pine saplings already occurring on site.

- Southwest corner of the subject parcel. This reposition implies removal of several small adolescent and some maturing adolescent Coast Live Oak trees with estimated tree bases in excess of 12 inches DBH. As with the other options, impact on these trees could be mitigated by the replanting of Coast Live Oak saplings at a 2 to 1 ratio.

Conclusions

Of the thee reposition options proposed, it appears the two least impactful to the to the trees on site and the most easily mitigated would be the southwest and southeast options.

As illustration of the descriptions given in the above text, several attachments are provided below. Any questions regarding this report may be communicated to the author using the telephone numbers provided above.

Endorsed 2/14/25

Bryan Bradford

Consulting Arborist

Figure No. 1: Site of northeast ADU reposition proposal, requiring removal of two maturing large oak saplings with large diameter bases and full crowns. Notice the numerous pine saplings.

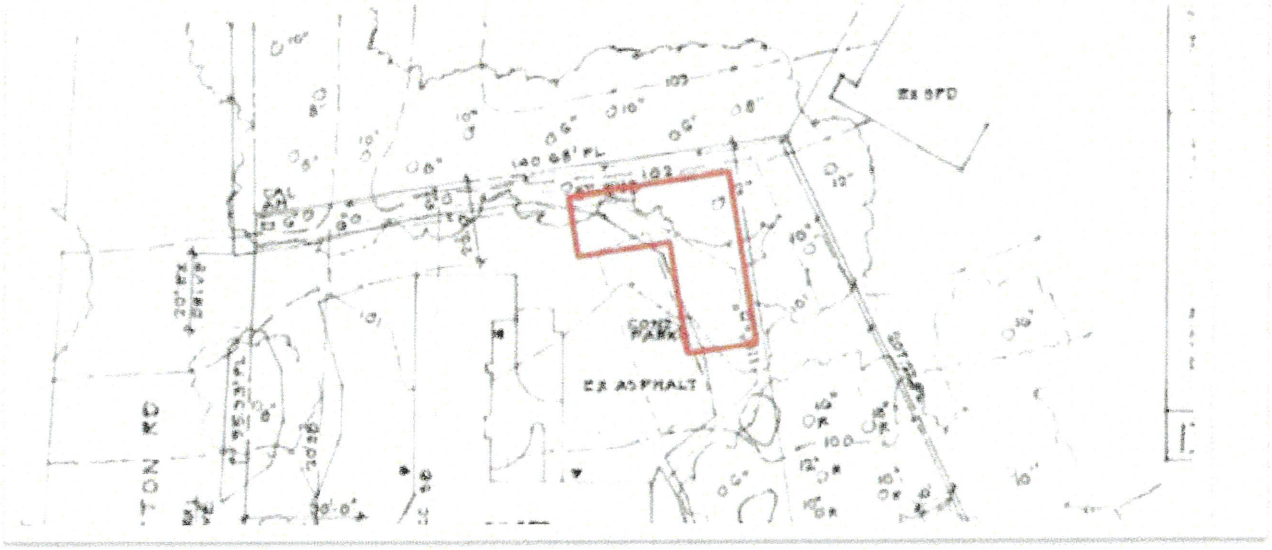


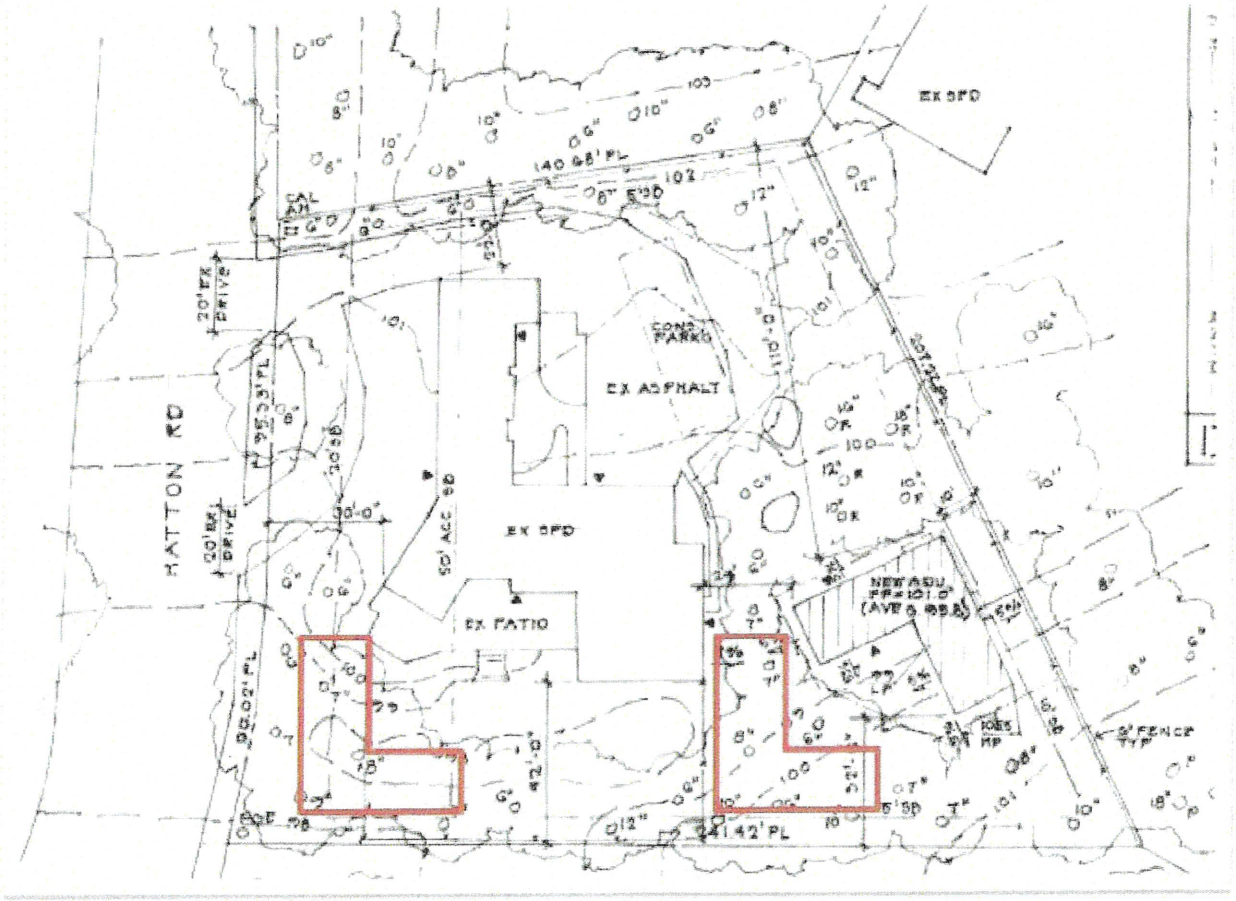
Figure No. 2: Site of southeast ADU reposition proposal, requiring removal of the senescent pine tree and small oak saplings. Notice the numerous pine saplings.

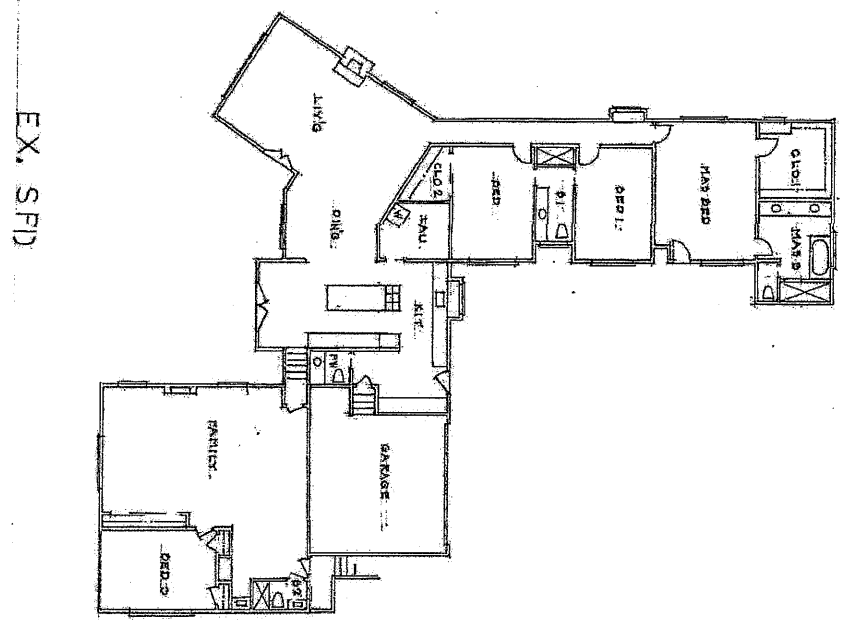


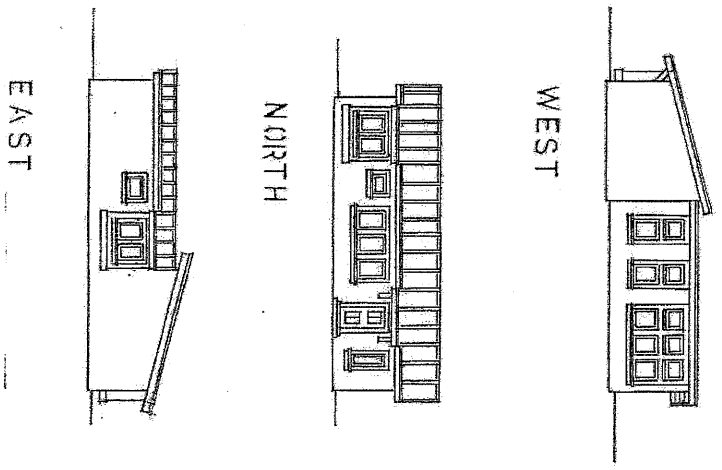
Figure No. 3: Site of southwest ADU reposition proposal, requiring removal of small and large oak saplings.

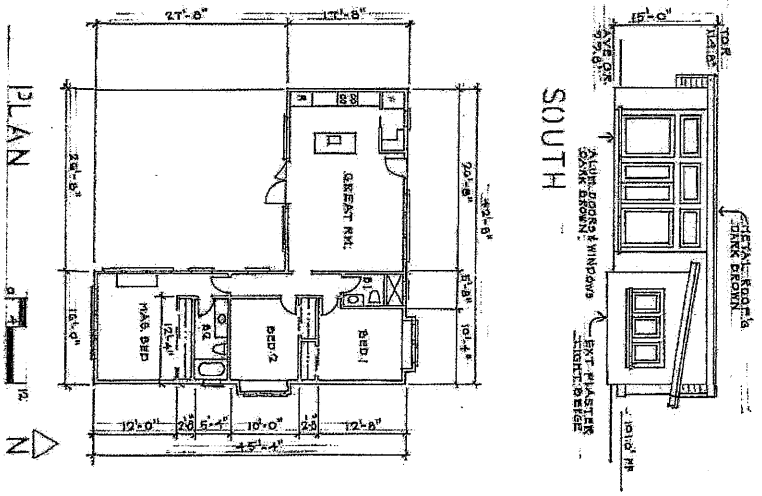



EX SFD
EX ASPHALT
NORTH


HATTON RD
EX SFD
EX ASPHALT
EX PATIO
CONC PAVED
NEW ADU
FF=101.0'
(AVG 99.8)
20' EX DRIVE
20' DRIVE
50' ACC RD
6' FENCE TYP
140.68' PL
95.02' PL
241.42' PL







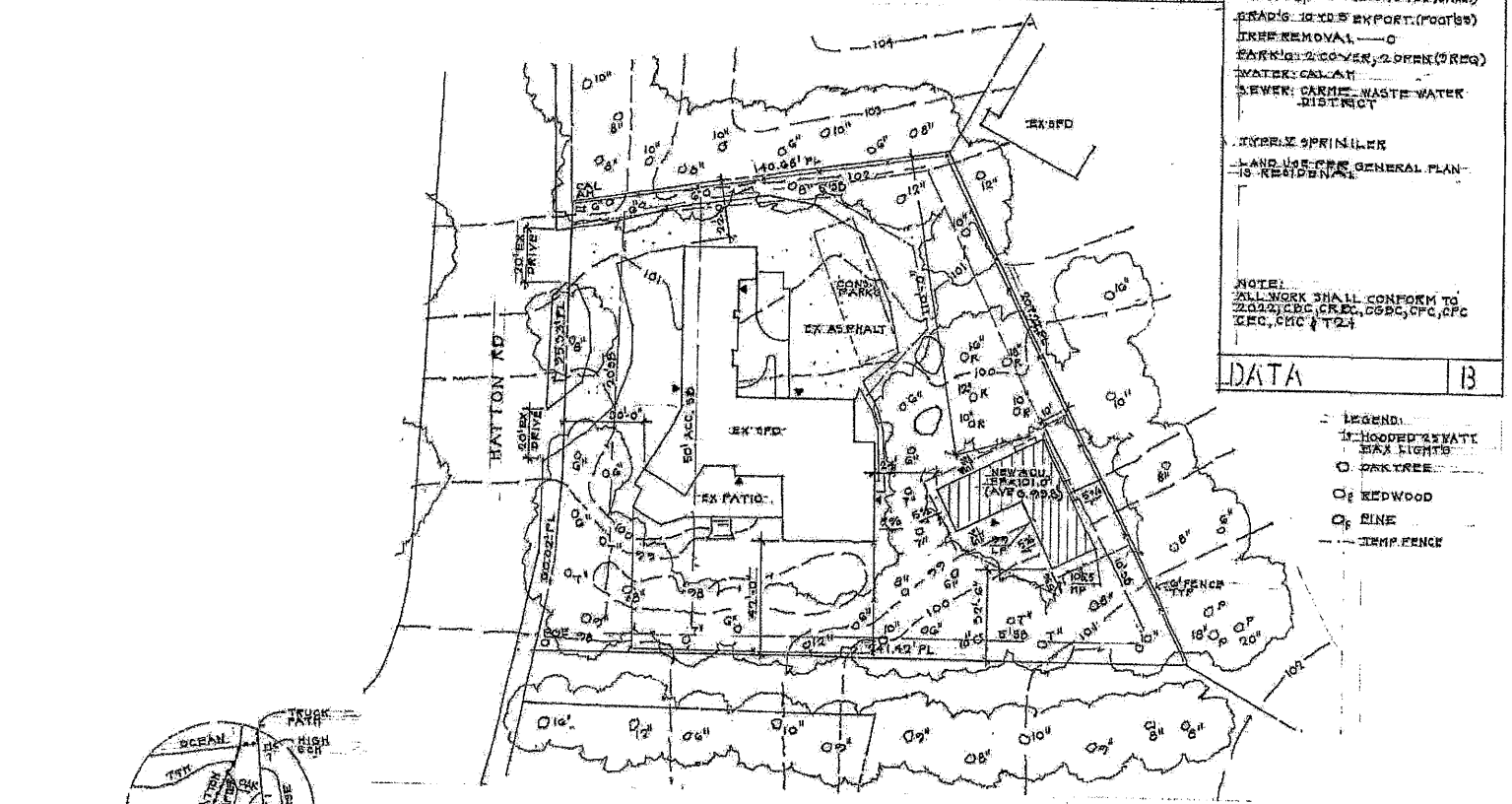
A-2	25745 HATTON RD CARMEL, CA, 93923 APN: 009-251-010	GLENN E WARNER ARCHITECT 07162 PALO COLORADO RD, CARMEL, CA MAIL: P.O. BOX 22611, CARMEL, CA, 93922 (831) 625-2502

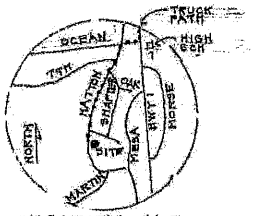
A1 SITE
A2 PLAN & ELEV'S

INDEX | C

OWNER: MAY NAGAFUJI
(831) 521-8622
PROJECT & OWNER ADDRESS:
25745 HATTON RD
CARMEL, CA., 93923
APN: 009-251-010
PROJECT SUMMARY:
NEW 1200 SF, 2 BED ADU.
OCC: R-3, U
AREA:
SITE ——— 20,495
EX. SFD ——— 2906
NEW ADU ——— 1200
ZONING: MDR-B (CZ)
LOT COVERAGE / FAR:
5905/20495 = 28.8% (25% ALL.)
GRADING: 10 YDS EXPORT (Footings)
TREE REMOVAL ——— 0
PARKING: 2 COVER, 2 OPEN (2 REQ)
WATER: CAL-AM
SEWER: CARMEL AREA WASTE WATER DISTRICT
INTERIOR SPRINKLER
LAND USE PER GENERAL PLAN IS RESIDENTIAL
NOTE:
ALL WORK SHALL CONFORM TO (2022) CBC, CRC, CGBC, CFC, CPC CEC, CMC & T24

DATA | B





VICINITY MAP

SITE | 1/20"=1'-0" | A

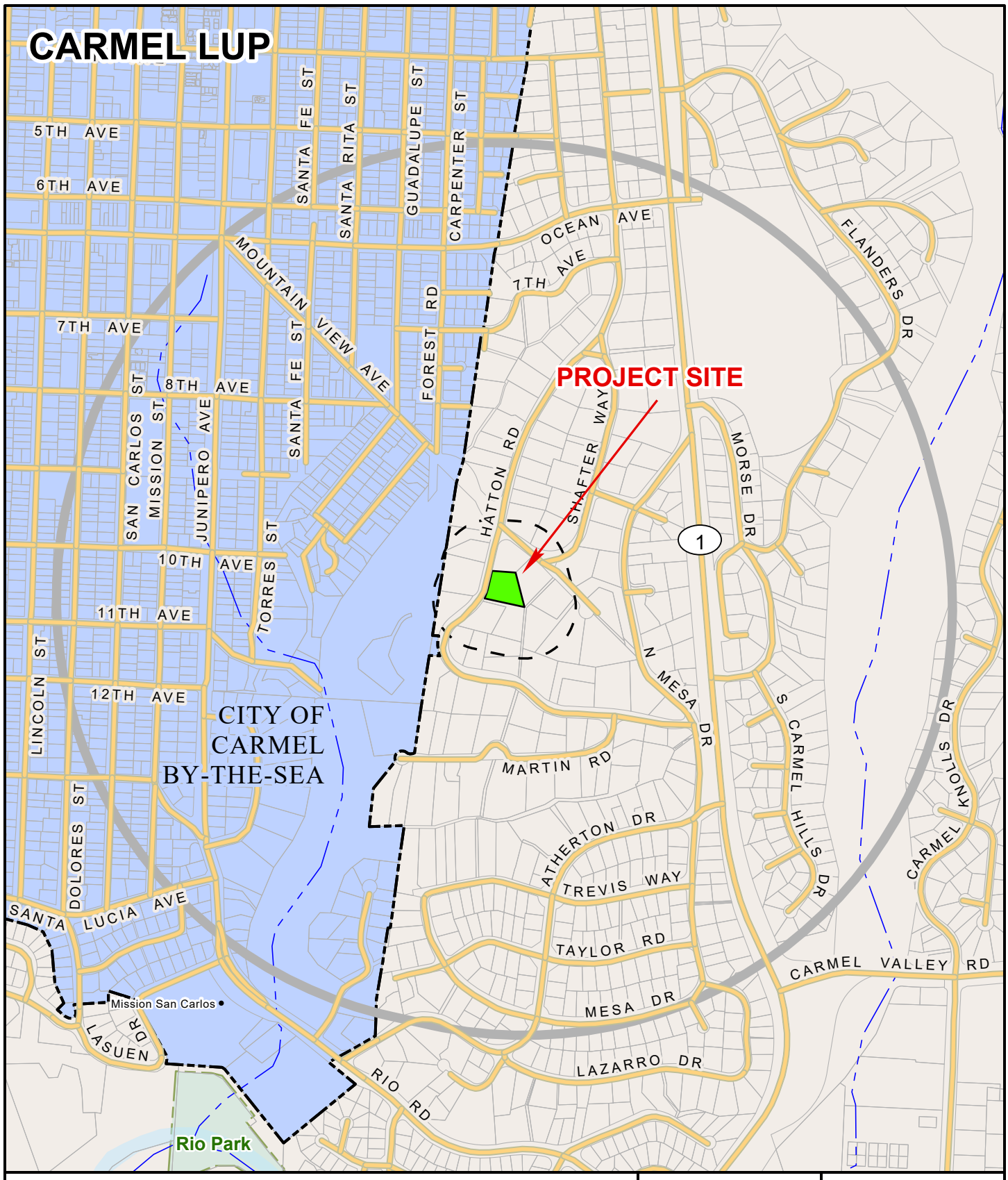
NORTH

GLENN E WARNER ARCHITECT
25745 HATTON RD
CARMEL, CA. 93923
APN: 009-251-010
MAILING: PO BOX 222811, CARMEL, CA. 93922
(831) 625-2692

A1

Attachment E

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APPLICANT: NAGAFUJI MAY KITAYAMA

APN: 009-251-010-000 **FILE #** PLN240104

ProjectSite 2500Buffer 300Buffer

N

0 600

Feet

PLANNER: Zoe Zep

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Attachment F

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NOTICE OF APPEAL

Monterey County Code
Title 19 (Subdivisions)
Title 20 (Zoning)
Title 21 (Zoning)

No appeal will be accepted until written notice of the decision has been given. If you wish to file an appeal, you must do so on or before 7/11/2025 (10 days after written notice of the decision has been mailed to the applicant).

Date of decision: 6/12/2025

1. Appellant Name: Jennifer Rosenthal, Esq. c/o Thomas & Anne Russ

   Address: P.O. Box 1021, Carmel Valley, CA 93924

   Telephone: (831) 625-5193

2. Indicate your interest in the decision by placing a check mark below: Applicant

   Neighbor X

   Other (please state)

3. If you are not the applicant, please give the applicant's name: Kitayama

4. Fill in the file number of the application that is the subject of this appeal below:

	Type of Application	Area
a) Planning Commission: PLN		
b) Zoning Administrator: PLN	241104: Coastal Administrative Permit & Design Approval	
c) Administrative Permit: PLN		

Notice of Appeal

5. What is the nature of your appeal?

   a) Are you appealing the approval or denial of an application? Approval

cc: Original to Clerk to the Board; HCD Planning
Revised 5-7-2024

b) If you are appealing one or more conditions of approval, list the condition number and state the condition(s) you are appealing. (Attach extra sheet if necessary)

Please see the attached.

6. Place a check mark beside the reason(s) for your appeal:

There was a lack of fair or impartial hearing X

The findings or decision or conditions are not supported by the evidence X

The decision was contrary to law X

7. Give a brief and specific statement in support of each of the reasons for your appeal checked above. The Board of Supervisors will not accept an application for an appeal that is stated in generalities, legal or otherwise. If you are appealing specific conditions, you must list the number of each condition and the basis for your appeal. (Attach extra sheets if necessary)

Please see the attached.

8. As part of the application approval or denial process, findings were made by the decision-making body (Planning Commission, Zoning Administrator, or Chief of Planning). In order to file a valid appeal, you must give specific reasons why you disagree with the findings made. (Attach extra sheets if necessary)

Please see the attached.

9. You must pay the required filing fee of $3,716.10 (make check payable to "County of Monterey") at the time you file your appeal. (Please note that appeals of projects in the Coastal Zone are not subject to the filing fee.)

10. Your appeal is accepted when the Clerk to the Board accepts the appeal as complete and receives the required filing fee. Once the appeal has been accepted, the Clerk to the Board will set a date for the public hearing on the appeal before the Board of Supervisors.

Notice of appellant's unavailability: July 22 & 29. August 2 & 26. September 9 & 23.

The appeal and applicable filing fee must be delivered to the Clerk to the Board by the deadline. A mailed copy of the appeal and filing fee will be accepted only if it is received by Clerk of the Board by the deadline. The appeal and applicable filing fee should be mailed to PO Box 1728, Salinas CA 93902. A facsimile copy of the appeal will be accepted only if the hard copy of the appeal and applicable filing fee are mailed and received by Clerk of the Board by the deadline.

APPELLANT SIGNATURE J Rosenthal Date: 7/10/2025

RECEIVED SIGNATURE _____ Date: _____

cc: Original to Clerk to the Board; HCD Planning
Revised 5-7-2024

APPEAL OF THOMAS AND ANNE HILL RUSS TO THE DECISION OF THE ZONING ADMINISTRATOR APPROVING A COASTAL ADMINISTRATIVE PERMIT

(PLN240104)

There was Lack of Fair and Impartial Hearing

- The project went before the Carmel Land Use Advisory Committee ("LUAC") on February 18, 2025; however, the item was continued to a date not decided because the LUAC members requested more time to adequately review information submitted by the appellants on February 14, 2025, preserving their opposition to the project as submitted.
- The project was scheduled to go before the LUAC on May 5, 2025; however, the meeting was canceled due to lack of a quorum.
- Despite LUAC's request for additional time to adequately review the project information, the project did not go before the LUAC and was ultimately heard by the Zoning Administrator on June 12, 2025.
- The Staff Report prepared by the assigned project planning did not include appellant's comment letters dating February 14, 2025 and April 30, 2025. See all letters submitted by the appellant attached hereto as Exhibit 1 and incorporated by reference therein.
- The Staff Report prepared by the assigned project planner did not include appellant's Certified Arborist Byran E. Bradford's *Amended* Report submitted the County of Monterey. A copy of the *Amended* Report is attached hereto as Exhibit 2 and incorporated by reference herein.

The Findings are not Supported by the Evidence

- The findings are replete with statements that are not supported by substantial evidence. For example:
    - Contrary to the findings, the proposed location is not suitable for the project. The proposed location of the Accessory Dwelling Unit jeopardizes the health, safety, peace, comfort, and general welfare of persons residing in the neighborhood.
    - Contrary to the findings, appellant proposed alternative locations on site that are suitable for the proposed Accessory Dwelling Unit project.
    - Contrary to the findings, the applicant did not provide substantial evidence to establish alternative locations on site were not suitable for the proposed Accessory Dwelling Unit project.
    - Contrary to the findings, the applicant did not provide sufficient evidence that the proposed "floating foundation" was suitable for this size building. Floating foundations are used for smaller structures and are not suitable for permanent structures (homes). Floating foundations are susceptible to moisture since there is no footing into the ground. Moisture will accumulate under the slab and cause structural weakening and cracking. Moreover, the potential and likelihood that the structure will move is high, and this poses risk not only to the Accessory

Dwelling Unit itself, but also the root systems of the Redwood grove within feet on the structure.

The Decision is Contrary to Law

- The findings are not supported by substantial evidence.
- The project is inconsistent with Monterey County Code Section 20.61.030 in that it:
    - Approves an Accessory Dwelling Unit (ADU) inconsistent with Monterey County Code Section 20.64.030(E)(11)(f) and (g) stating that "resource constraints that may ***preclude development*** of an Accessory Dwelling Until include....tree resources.. and other health and safety conditions." The appellant's retained Certified Arborist Bryan Bradford and during his review of the project he determined that if the ADU was approved in the proposed location, the critical root area of the adjacent Redwood trees *resources* will be damaged.
        - There is a grove of five (5) Redwood trees ranging in height from 84 feet to 102 feet tall. This grove occupies an elongated plot of ground about 30 feet long ending about 10 feet from the community boundary. The estimated diameter of tree at breast height exceeds 30 inches. See Redwood photos attached hereto as Exhibit 3 and incorporated by reference herein.
        - The proposed location of the ADU footprint is within the critical root zone of each of the Redwood trees. Installation of a floating concrete foundation will cause severance of the roots of the Redwood trees in the grove rooting bed and will prohibit or greatly inhibit future tree rooting in the footprint area. This will cause destabilization of the Redwood trees, creating a potential hazard to the closet neighbor in proximity to the proposed Accessory Dwelling Unit, the appellants.
    - Approves an Accessory Dwelling Unit (ADU) inconsistent with Monterey County Code Section 20.64.030(F)(1) that requires the County to make a finding that "....the establishment of the Accessory Dwelling Unit will not, under the circumstances of the particular application, be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood....."
        - Pursuant to the report of Certified Arborist Bryan Bradford, the proposed ADU location will intrude into the critical root zone of all five (5) of the Redwood trees in the grove located on the applicant's property. The report by Mr. Bradford further opines that the appellant's property is well within the fall radius of all five (5) of the Redwood trees. See Redwood tree fall radius map attached hereto and incorporated by reference herein as Exhibit 4.
        - Construction in the proposed location will damage the roots of Redwood trees to a point that will affect the vertical stability of the trees as they grow in height.

- The height of the Redwood trees and their canopy edge position exposes them to unobstructed wind pressure in the highest portion of their crowns from all directions except the southeast (which is moderated by a mature Monterey Cypress on applicant's property).
- The proposed ADU location ignores the fact that the establishment, maintenance, and operation of this project under the circumstances of this particular case will be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing in the neighborhood.
- The appellant's home is directly across from the Redwood grove. Their home would be destroyed in the event one of these trees feel. Their daughter's bedroom is the closet room to the applicant's property and if one of these trees fell on the home and she was in her bedroom it is unlikely she or anyone would survive. The appellant's family and family members are in grave danger because of any damage to the Redwood grove tree roots, should they be harmed or compromised.
- These risks can be mitigated by relocation of the proposed Accessory Dwelling Unit to an alternative location on the property. Two (2) alternative locations on site were found to be viable. See Exhibit 5.

EXHIBIT

1

FENTON & KELLER
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
2801 MONTEREY-SALINAS HIGHWAY
POST OFFICE BOX 791
MONTEREY, CALIFORNIA 93942-0791
TELEPHONE (831) 373-1241
FACSIMILE (831) 373-7219
www.FentonKeller.com

CHRISTOPHER E. PANETTA
BRIAN D. CALL
JOHN E. KESECKER
ELIZABETH R. LEITZINGER
ANDREW B. KREEFT
KENNETH S. KLEINKOPF
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TARA L. CLEMENS
MATTHEW D. FERRY
EMMANUEL PEREA JIMENEZ
REBECCA J. SAATHOFF
ALYSSA CARBONEL MATSUHARA
KALI N. SMILEY

LEWIS L. FENTON
1925-2005

OF COUNSEL
CHARLES R. KELLER
SARA B. BOYNS
TROY A. KINGSHAVEN

ALEX J. LORCA

ALorca@fentonkeller.com
ext. 258

April 30, 2025

VIA EMAIL (honoratoh@countyofmonterey.gov)

Carmel Land Use Advisory Committee
c/o Hya Honorato, Planning Staff Liaison
1441 Schilling Place, South 2nd Floor
Salinas, CA 93901

Re: PLN240104 – 25745 Hatton Rd., Carmel (Kitayama Nagafuji)
Our File: 60107.70158

Dear Committee Members:

We write this letter on behalf of our clients, Thomas Russ and Anne Hill Russ, neighbors to Ms. Kitayama Nagafuji, the applicant for the above-referenced planning project ("Project"), which is on the May 5, 2025, Carmel LUAC agenda. The Russes continue to object to the currently planned location of the Accessory Dwelling Unit ("ADU") on Mrs. Kitayama Nagafuji's property, as detailed in our letters dated January 10, 2025, and February 14, 2025 (both letters are attached hereto and incorporated herein).

We reiterate that in its proposed current location, the ADU will damage the critical root zone of the adjacent redwood trees (see report from Certified Arborist Bryan Bradford attached to our January 10, 2025 letter to Zoe Zepp, as well as Mr. Bradford's supplemental report attached to our February 14, 2025 letter to the Carmel LUAC (in care of Zoe Zepp)). As noted in our February 14 letter, Mr. Bradford shares an alternative location on Mrs. Kitayama Nagafuji's property that would least impact the redwood trees and other protected trees on the property. Based on the facts shared in our attached letters, we urge the LUAC to recommend the ADU be placed in the southwest corner of Mrs. Kitayama Nagafuji's property not only for the protection of multiple trees in the area but even more so for the safety of the Russ family.

Thank you for your consideration regarding this important matter.

Sincerely,

FENTON & KELLER
A Professional Corporation

Alex J. Lorca

AJL:kmc
Enclosures
cc: Clients

FENTON & KELLER
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
2801 MONTEREY-SALINAS HIGHWAY
POST OFFICE BOX 791
MONTEREY, CALIFORNIA 93942-0791
TELEPHONE (831) 373-1241
FACSIMILE (831) 373-7219
www.FentonKeller.com

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ALYSSA CARBONEL MATSUHARA

LEWIS L. FENTON
1925-2005

OF COUNSEL
CHARLES R. KELLER
SARA B. BOYNS

ALEX J. LORCA

ALorca@fentonkeller.com
ext. 258

February 14, 2025

VIA EMAIL (zeppz@countyofmonterey.gov)

Carmel Land Use Advisory Committee
c/o Zoe Zepp, Planning Staff Liaison
1441 Schilling Place, South 2nd Floor
Salinas, CA 93901

Re: PLN240104 – 25745 Hatton Rd., Carmel (Kitayama Nagafuji)
Our File: 60107.70158

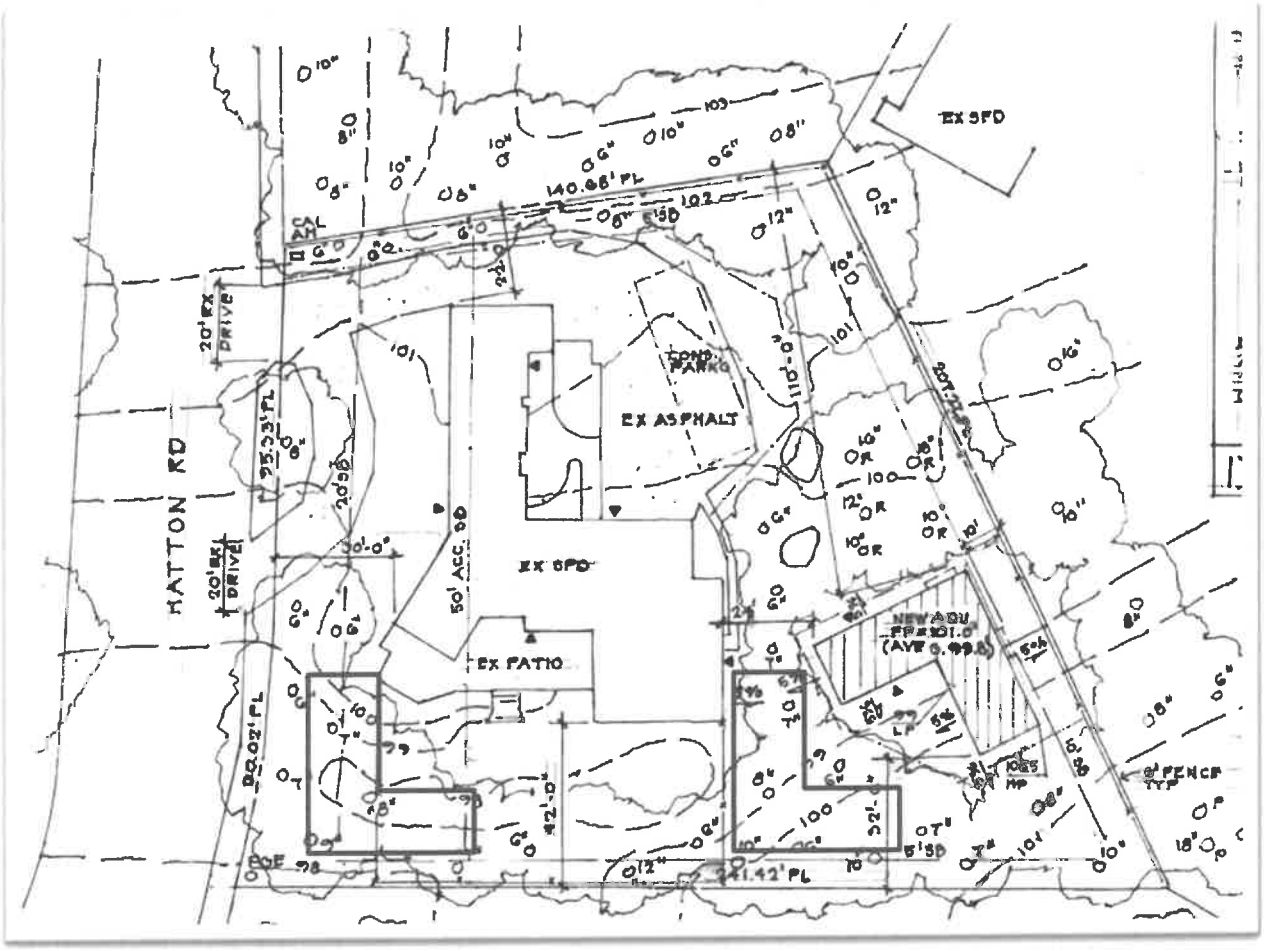
Dear Committee Members:

This office represents Thomas Russ and Anne Hill Russ, neighbors to Ms. Kitayama Nagafuji, the applicant for the above-referenced planning project ("Project"), which is on the February 18, 2025, Carmel LUAC agenda. Mr. and Mrs. Russ object to the currently planned location of the Accessory Dwelling Unit ("ADU") on Ms. Kitayama Nagafuji's property, as detailed in our letter dated January 10, 2025 to Zoe Zepp (attached hereto and incorporated herein).

As noted in the letter, Certified Arborist Bryan Bradford was retained by our clients to review the Project. Mr. Bradford determined that if the ADU is approved in its proposed location, the critical root area of the adjacent redwood trees will be damaged. This fact makes it impossible for the applicant to meet the requirements of Section 20.64.030 of the Monterey County Code, which states that "resource constraints that may ***preclude development*** of an Accessory Dwelling Unit include… tree resources… and other health and safety conditions." (Monterey County Code section 20.64.030 (E)(11)(f) and (g);emphasis added.)

Since the time of our January 10, 2025 letter, Mr. Bradford has provided a supplemental report, which is attached hereto and incorporated herein. In his supplemental report, Mr. Bradford makes clear that there are two alternative locations on the applicant's property that would be the least impactful to not only the redwood trees, but also other protected trees on the property.

The alternative locations are shown to scale on the below map:



Mr. Bradford concludes that the least impactful locations for the ADU would be in the southwest or southeast corner of the applicant's property. However, as can be clearly seen from the photographs in Mr. Bradford's supplemental report, locating the ADU in the **southwestern corner** would be preferable as the trees in that area are adolescent trees - unlike the southeastern corner, which contains a mature Monterey Pine that would have to be removed.

Therefore, we urge the LUAC to review Mr. Bradford's supplemental report and recommend placement of the ADU in the **southwest corner** of the applicant's property

\\\\\

I will be attending the Carmel LUAC meeting and would be happy to answer any questions you have regarding our clients' comments. Thank you for your consideration.

Sincerely,

FENTON & KELLER
A Professional Corporation

Alex J. Lorca

AJL:kmc
Enclosure
cc: Client

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ATTORNEYS AT LAW
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LEWIS L. FENTON
1925-2005

OF COUNSEL
CHARLES R. KELLER
SARA B. BOYNS

ALEX J. LORCA

ALorca@fentonkeller.com
ext. 258

January 10, 2025

VIA EMAIL ZEPPZ@COUNTYOFMONTEREY.GOV

Zoe Zepp, Assistant Planner
County of Monterey, Housing and Community Development
1441 Schilling Place – South Second Floor
Salinas, CA 93901

Re: PLN240104 (Kitayama)
Our File: 60107.70158

Dear Ms. Zepp:

Our office represents Thomas and Anne Hill Russ in connection with the application made to the County of Monterey Housing and Community Development Department ("HCD") by Nagafuji Kitayama for a Coastal Administrative Permit and Design Approval ("Application") for the property located at 25745 Hatton Canyon Road in Carmel, California 93923 ("Kitayama Property"). The Application is for the construction of a 1,200 square foot Accessory Dwelling Unit ("Project").

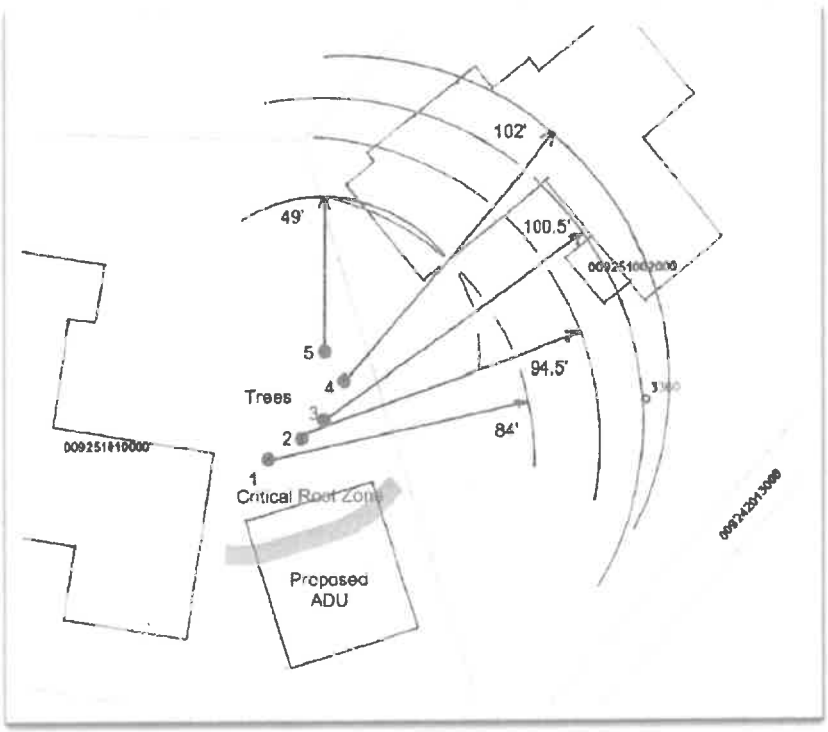
The Russes, as Trustees of the Thomas and Anne Hill Russ Revocable Trust 2001, are the owners of the property located at 3360 Mountain View Avenue in Carmel, California, 93923 ("Russ Property"), which is located next door to the Kitayama Property.

The Project is inconsistent with the requirements of Section 20.64.030 of the Monterey County Code, which states that "resource constraints that may ***preclude development*** of an Accessory Dwelling Unit include… tree resources… and other health and safety conditions." (Monterey County Code section 20.64.030 (E)(11)(f) and (g);emphasis added.)

Likewise, the Project is inconsistent with Monterey County Code section 20.64.030(F)(1), which requires the County to make a finding that "…the establishment of the Accessory Dwelling

Unit will not, under the circumstances of the particular application, be detrimental to the health, safety, peace, morals, comfort and general welfare of persons residing or working in the neighborhood…"

As proposed in the Application, the Project cannot be approved. Enclosed is a Report of Certified Arborist from Certified Arborist Bryan Bradford, which confirms the Project will intrude into the critical root zone of all five of the Redwood trees located on the Kitayama Property. Moreover, the Report clearly demonstrates the Russ Property is well within the fall radius of all five of the Redwood trees:



As can be seen, the Project violates Monterey County Code section 20.64.030(E)(11)(f), which specifically protects "forest health and tree resources" as it will require the applicant to cut the roots of all five Redwood trees, all of which are within the critical root zone.

Moreover, Mr. Bradford's Report confirms the Project will be detrimental to the health and safety of the Russes:

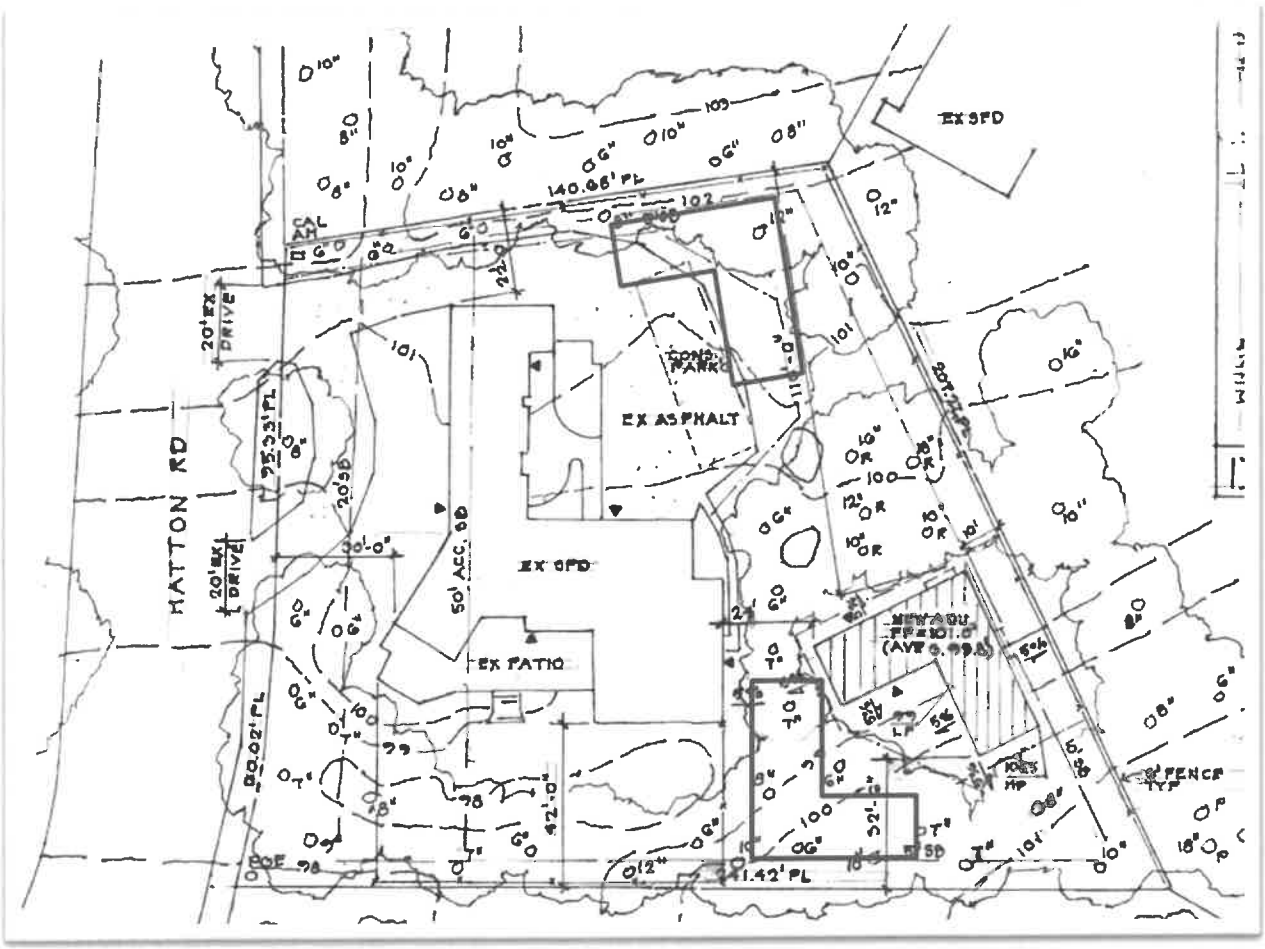
> "Installation of a concrete foundation which outlines the footprint of the ADU will require severance of the roots of those trees in that area of the grove rooting bed, and will prohibit or greatly inhibit future tree rooting in the footprint area. This can effect the vertical stability of those trees as they grow in height."

The Russ' daughter's bedroom is the closest room to the Kitayama Property. Should the Project cause one of the Redwood trees to fall (especially in a storm), their daughter would be in grave danger.

Importantly, Mr. Bradford states the Project's health and safety risks can be mitigated or eliminated by moving away from the critical root zone.

> "Relocation of the ADU footprint further way from the critical root zone of the trees would help secure vertical stability of the trees as they grow in height. In this case, the overall distance should be at least 30 feet from the base of the trees."

The following shows two clearly feasible alternative locations for the Project:



Because the Project's material health and safety risks can be mitigated or eliminated by relocating the ADU to another area of the Kitayama Property, the Application cannot be approved as presented. Rather, relocation of the ADU to the northern or southern portions of the Kitayama Property is required.

Sincerely,

FENTON & KELLER
A Professional Corporation

Alex J. Lorca

AJL:moi
Enclosure: Certified Arborist Report
cc: Client

Report of Certified Arborist

Bryan E. Bradford
Certified Arborist No. WE-5896A
International Society of Arboriculture,
and Professional Member

88 Paseo Hermoso ~ Salinas, CA ~ 93908
831-998-0439 or 831-484-1029

November 4, 2024

Mr. Alex Lorca, Esq.
Fenton & Keller
Post Office Box 791
Monterey, CA 93902-0791

Re: Russ Case
APN: 009-251-010-000
Situs: 25745 Hatton Road, Carmel

Dear Mr. Lorca,

I have examined and photographed the five Coast Redwood trees you are concerned about, located at the above-stated situs address and offer the following observations, conclusions and recommendations.

Preface

The examination and observation of the subject trees was conducted from the ground and did not afford close inspection of the trees or their features above 20 feet. Additionally, observations were limited to off-site visual examinations due to lack of physical access to the parcel which hosts the trees. Telescopic laser equipment was used to measure tree height. Unaided viewing, telescopic lens viewing and telescopic photography were used to examine the tree features above that height. Consequently, some small features may have been obscured from view by limited view angle or visual obstruction. Hence, there may be serious faults and weaknesses in the tree structure which have remained unobserved that present an enhanced hazard for various property and people residing within the fall radius of any of these trees. Positional measurements for the trees, the "story pole" structure representing the proposed additional dwelling unit and structures on the Russ property were made with a mix of conventional scales and telescopic laser equipment. This has allowed for the production of a site map with an

expected accuracy error of +/- 3 percent. Each individual tree is referred to by a number, 1 through 5, for clarity in describing each one. No inventory or tagging of these trees was done for this report.

Observations

The five subject trees located at 25745 Hatton Road, Carmel comprise a grove, planted many decades ago, which is situated in the northeast portion of parcel APN: 009-251-010-000 near the northeast boundary common to APN: 009-251-002-000. All five trees are Coast Redwood (*Sequoia sempervirens*) The grove occupies an elongated plot of ground about 30 feet long ending about 10 feet from the common boundary. The estimated diameter of each tree at breast height exceeds 30 inches. Tree No.1 is located at the southwest end of the grove. It has a height of about 84 feet and a well foliated broad crown spread. Tree No. 2 is located about 12 feet northeast of Tree No. 1. It has a height of about 94.5 feet and a well foliated crown spread. Tree No. 3 is located six feet northeast of Tree No. 2. It has a two parent stem configuration, has a height of about 100.5 feet and a well foliated crown spread. Tree No. 4 is located at the northeast end of the grove. It has a height of about 102 feet and a well foliated crown spread. Tree No. 5 is located about 10 feet northwest of Tree No. 4. It has a height of about 49 feet and a well foliated asymmetric crown spread with an off-set weighting to the northeast.

The rooting bed of the grove appears to be covered with an accumulated layer of natural tree litter from the combined crown of the grove. The extent and pattern of the rooting of each tree is unknown. The health and vigor of each tree seems to be good. The prospect for future growth in girth, height and extent of rooting seems excellent. A "story pole" structure describing the footprint and elevations of a proposed additional dwelling unit (ADU) is situated about 17 feet to the southeast of Tree No. 1, about 21 feet to the southeast of Tree No. 2, and about 25 feet to the southeast of Tree No. 3. This footprint is within the critical root zone of each of these trees. The standard calculation for the critical root zone of these large trees is one foot distance from the tree base for every one inch of diameter measured at breast height (4.5 feet). In this case that would imply a 30 foot radius perimeter around the base of each tree. Installation of a concrete foundation which outlines the footprint of the ADU will require severance of the roots of those trees in that area of the grove rooting bed, and will prohibit or greatly inhibit future tree rooting in the footprint area. This can effect the vertical stability of those trees as they grow in height.

The great height of the first four trees and their canopy edge position exposes them to unobstructed wind pressure in the highest portions of their crowns from all directions except southeast which is moderated by a mature row of Monterey Cypress (*Cupressus macrocarpa*). Exposure to high wind pressure from the south, southwest and west is of concern due to the close proximity of the subject trees to the residential structure on parcel APN: 009-251-002-000, located at 3360 Mountain View Avenue,

Carmel. The most common prevailing winter wind direction in the Carmel area is westerly, but storms and "bomb cyclones" can increase velocity and alter direction. Such winds in 2017 reached 86 miles per hour in the area and brought down many trees.

No hazard evaluation has been prepared for any of the subject trees due to lack of access for close physical examination. Nonetheless, based on the size of each specimen and its proximity to residential structures, even with the lowest probability of a tree fall, each would merit a hazard rating of 9 on a 12 point scale. This is the threshold for a hazard tree removal permit in Monterey County.

Measurements taken on site indicate that in the event of a fall of any of the subject trees in the direction of the neighboring residence at 3360 Mountain View Avenue, such a fall could impact the residential structure itself, causing damage to the living areas of the residence and perhaps injury to inhabitants of the dwelling. (See the Fall Radius Diagram attached below)

Conclusions

Although they currently exhibit good health and vigor, in the event of a fall each of the subject trees poses a risk for damage to, or destruction of, the residential structure, and personal injury or death to persons who are present on the parcel APN: 009-125-001-000 at that time. These risks can be mitigated with preventive measures such as active care of the tree rooting system and reduction of wind pressure effect on the upper portions of the tree crowns. Complete elimination of the risk can only be accomplished by tree removal.

Recommendations

The following measures would mitigate the tree risks identified above:

The root zone of each tree should be probed to determine its rooting pattern and expanse.

Relocation of the ADU footprint further way from the critical root zone of the trees would help secure vertical stability of the trees as they grow in height. In this case, the overall distance should be at least 30 feet from the base of the trees. Additionally, if construction of the ADU is commenced, all construction activities, including foot and vehicle traffic, and materials storage should be excluded from the critical root zone of the trees. At all times the rooting bed should be left in a state of nature as much as possible and all tree litter left in place. An annual inspection of the base, parent stem (trunk) and crown and of each tree should be conducted to discover any developing decay or structural changes. Discovery of gross decay or structural changes indicating weakness should be followed with a hazard evaluation by an arborist certified by the International Society of Arboriculture.

To reduce wind pressure effect on the tree crowns, crown pruning and crown reduction can be used to reduce or limit the overall height of the crowns. Thinning of the crowns also reduces wind pressure effect. To be effective these measures should be applied on a regular basis of every three or four years.

As illustration of the descriptions given in the above text, photographs and other attachments are provided below. Any questions regarding this report may be communicated to the author using the telephone numbers provided above.

Endorsed 12/13/2024

Bryan Bradford

Consulting Arborist

Figure No. 1: Subject grove of Coast Redwood trees showing "story poles" for the ADU and the neighboring residence (lower right corner).

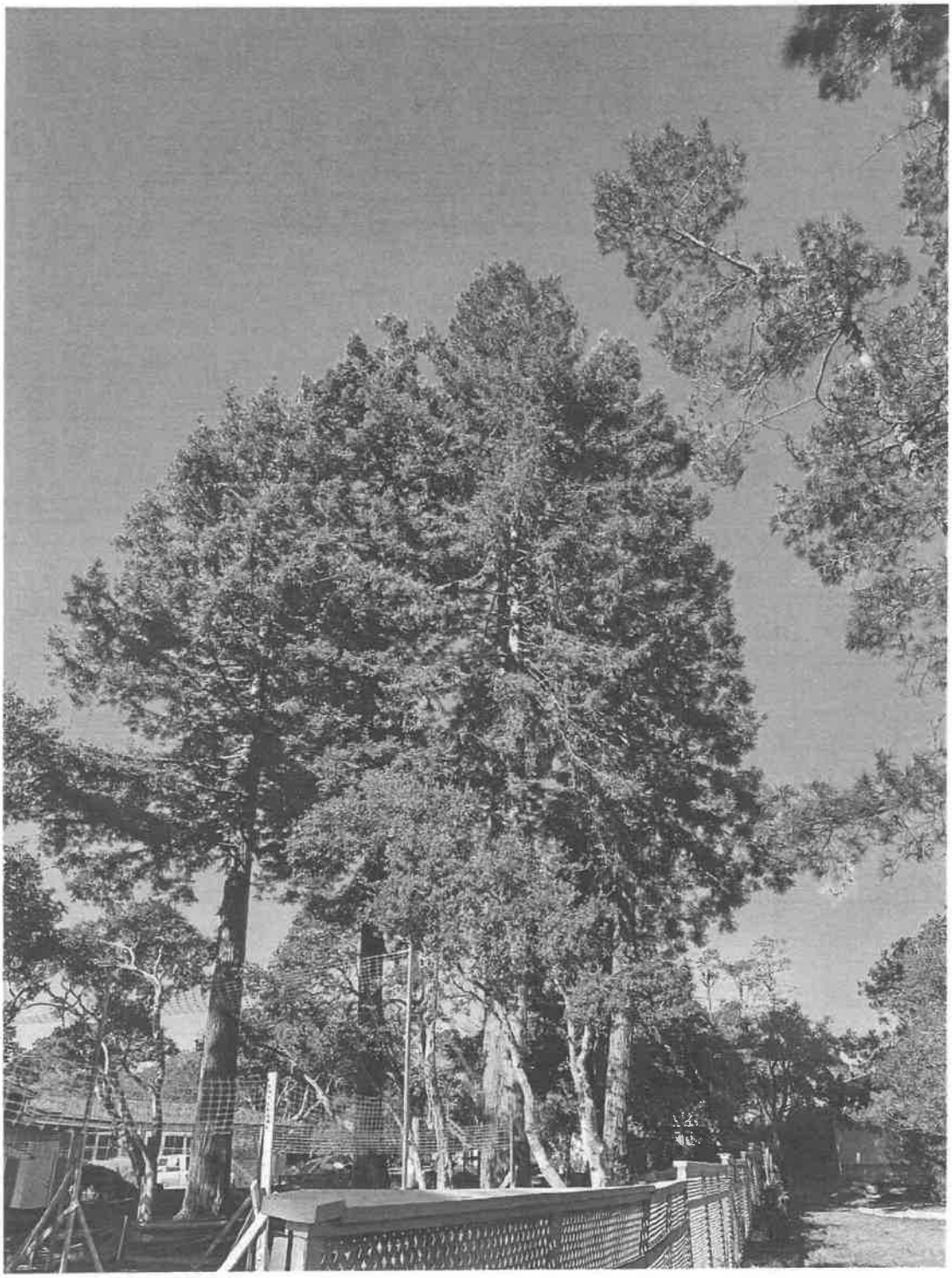
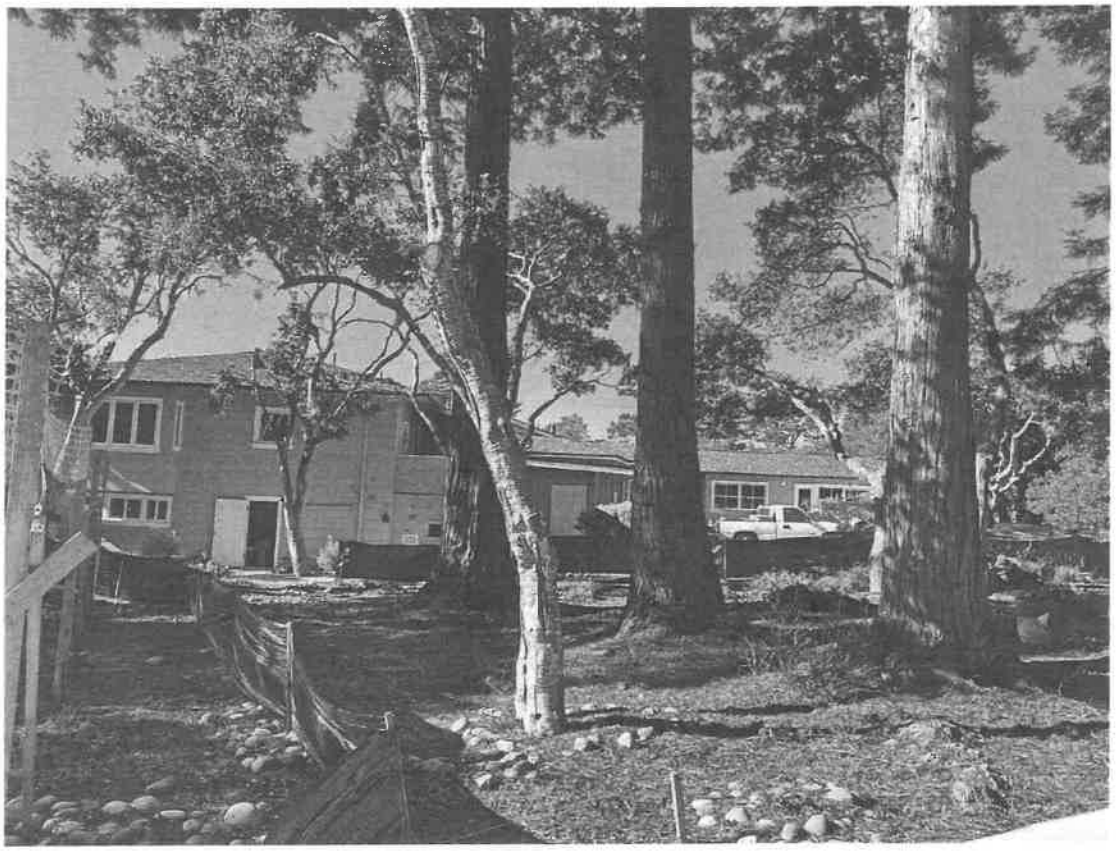
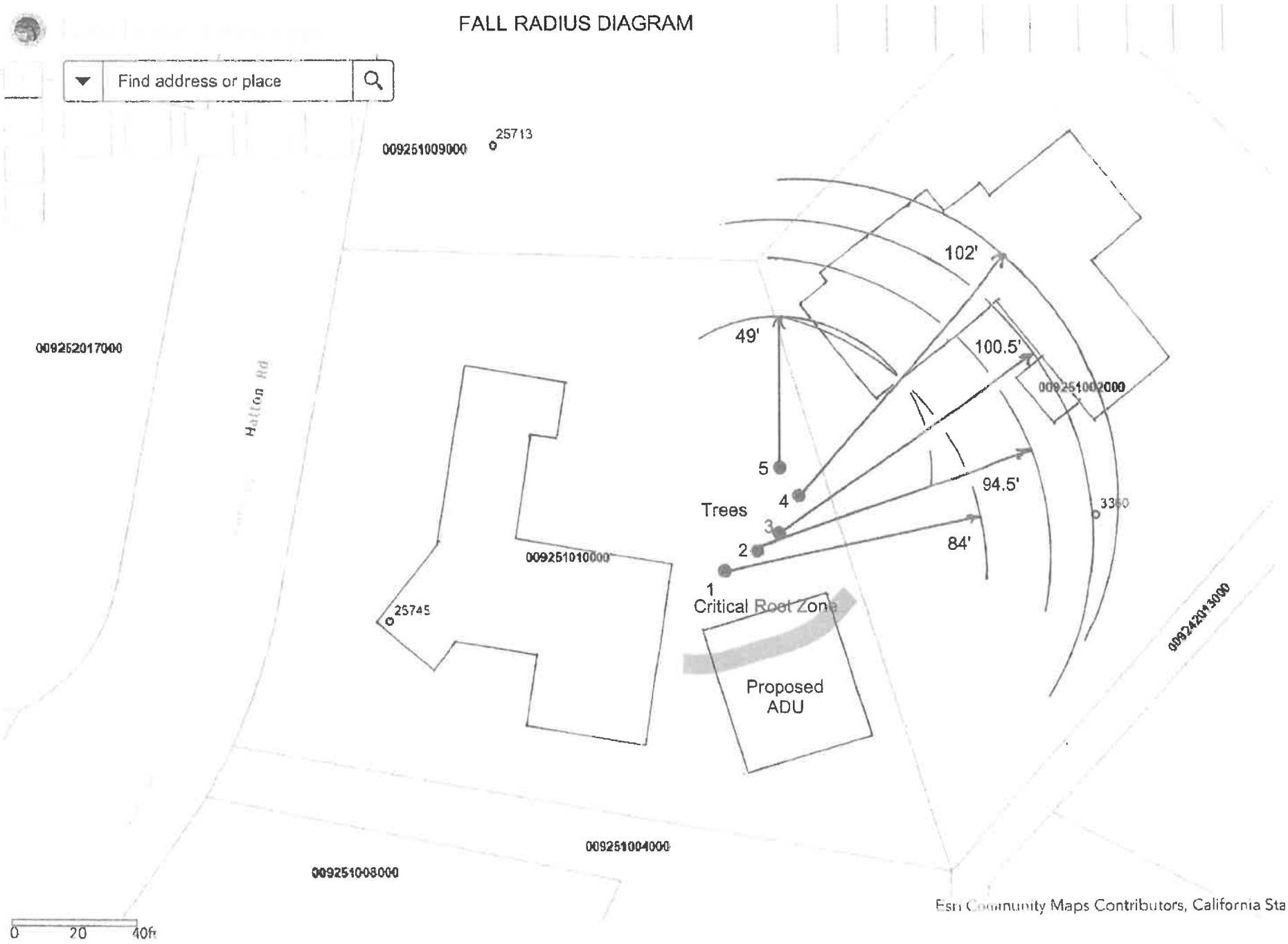
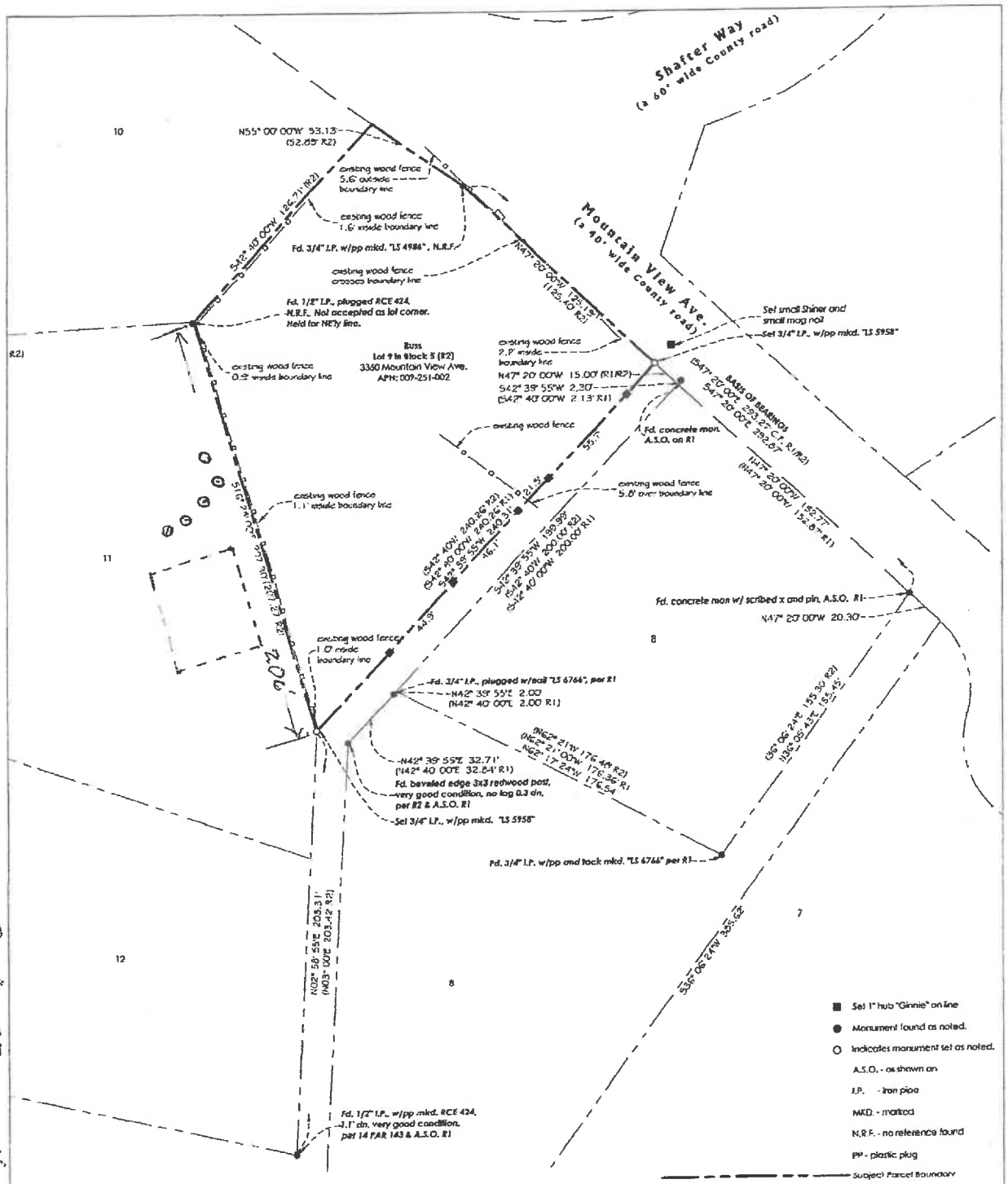


Figure No. 2: Showing critical root zone of trees numbered 1, 2 and 3 in close proximity to the proposed ADU foundation area.



FALL RADIUS DIAGRAM





Surveyor's Notes:

This map portrays the site at the time of the survey and does not show soils or geologic information, underground conditions, easements, zoning setbacks, regulatory information or any other items not specifically identified by the party requesting the survey. There may be easements or other rights, recorded or unrecorded, affecting the subject property which are not shown hereon.

Distances are expressed in feet and decimals thereof.

Sufficient boundary ties were made to graphically show existing features however a complete boundary survey was not performed.

Basis of Bearings: The bearing of South 47° 20' 00" East for the southwesterly line of Mountain View Ave. as shown on R1/R2 and as found monumented is taken as the basis of bearings for this survey.

Record Map References:

R1: Record of Survey filed Nov. 9, 1995 in Volume 19 of Surveys at Page 117, in the Monterey County Recorder's Office, State of California.

R2: Map of "Hatton Fields, Tract No. 1" filed on Dec. 7, 1925 in Volume 3 of Cities & Towns at Page 31 in the Monterey County Recorder's Office, State of California.

Survey Plat

LOT 9 IN BLOCK 5 PER MAP OF HATTON FIELDS TRACT NO. 1
3360 Mountain View Ave., APN: 009-251-002
Located in the Carmel area of
Unincorporated Monterey County, State of California

Prepared For: Thomas Russ and Anne Hill Russ
Requested By: Anne Hill Russ

February 2024

Rasmussen Land Surveying, Inc.
2150 Garden Road, Suite A-3, Monterey, California 93942
P: 831.375.7240 F: 831.375.2545

DRAWING REVISIONS:
Feb. 2024 - Original Survey

RLS W.O. # 2023-085

Sheet 1 of 1

Scale: 1" = 30'

Report of Certified Arborist
Amendment

Bryan E. Bradford
Certified Arborist No. WE-5896A
International Society of Arboriculture,
and Professional Member

88 Paseo Hermoso ~ Salinas, CA ~ 93908
831-998-0439 or 831-484-1029

February 14, 2025

Mr. Alex Lorca, Esq.
Fenton & Keller
Post Office Box 791
Monterey, CA 93902-0791

Re: Russ Case
APN: 009-251-010-000
Situs: 25745 Hatton Road, Carmel

Dear Mr. Lorca,

I have examined the maps you have provided, depicting three alternative options for repositioning the ADU (Additional Dwelling Unit) now under consideration for construction on the above-noted situs address and offer the following observations and conclusions.

Preface

This Amendment should be read in conjunction with my original report of November 4th, 2025. As stated in that report, in considering repositioning of the ADU, the resulting tree impact most important to avoid would be on the critical root zone of the large redwood trees on site. Examination and observation of the trees on site was conducted from the ground and did not afford close inspection of them or their features above 20 feet. Additionally, observations were limited to off-site visual examinations due to lack of physical access to the parcel which hosts the trees. Unaided viewing, photography and the Warner site map attached below were used to estimate tree positions and establish the position of the proposed ADU. In that regard, it should be noted that the Warner map incorporates a tree survey from years ago which is now outdated, resulting in inaccuracies in both stated tree size and location. Some of the trees no longer exist and others have matured from seedling or sapling size to larger maturing saplings with

diameters estimated in excess of 6 inches DBH. No inventory, tagging of trees or tree height measurement was made for this report.

Observations

Reposition options suggested in the maps attached below, all of which avoid the critical root zone of the redwood trees, are as follows:

- Northeast corner of the subject parcel. This reposition implies some impingement on the dive way and the removal of two maturing adolescent Coast Live Oak trees (*Quercus agrifolia*) with estimated tree bases in excess of 16 inches diameter at breast height (DBH), well developed crowns and good separation. It would also impact the root zones of the remaining nearby Coast Live Oaks. Impact on the trees could be mitigated by the replanting of Coast Live Oak saplings at a 2 to 1 ratio.

- Southeast corner of the subject parcel. This reposition implies removal of several small adolescent Coast Live Oak trees and one mature Monterey Pine tree (*Pinus radiata*) with a base estimated in excess of 20 inches DBH. This Monterey Pine is in questionable health, showing early senescence, exhibiting an imbalanced crown leaning to the southeast, and twig and branch die-back primarily as a result of its frontier position facing recurring northwest salt winds. Mitigation of the small oak tree removals could be accomplished with a 2 to 1 ratio of replanting. Mitigation of the pine removal would be naturally accomplished with what appear to be numerous exuberant volunteer pine saplings already occurring on site.

- Southwest corner of the subject parcel. This reposition implies removal of several small adolescent and some maturing adolescent Coast Live Oak trees with estimated tree bases in excess of 12 inches DBH. As with the other options, impact on these trees could be mitigated by the replanting of Coast Live Oak saplings at a 2 to 1 ratio.

Conclusions

Of the thee reposition options proposed, it appears the two least impactful to the to the trees on site and the most easily mitigated would be the southwest and southeast options.

As illustration of the descriptions given in the above text, several attachments are provided below. Any questions regarding this report may be communicated to the author using the telephone numbers provided above.

Endorsed 2/14/25

Bryan Bradford

Consulting Arborist

Figure No. 1: Site of northeast ADU reposition proposal, requiring removal of two maturing large oak saplings with large diameter bases and full crowns. Notice the numerous pine saplings.

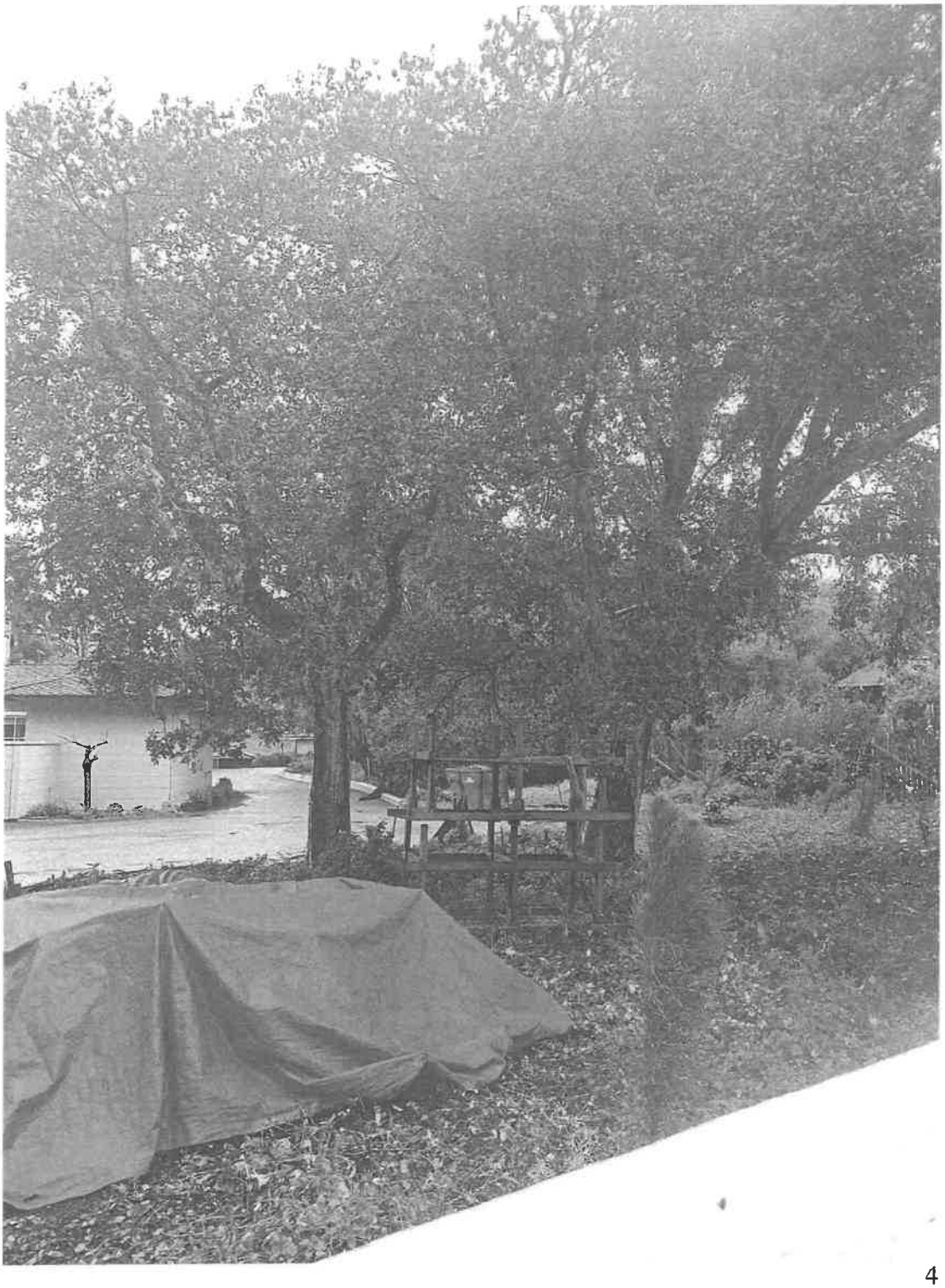


Figure No. 2: Site of southeast ADU reposition proposal, requiring removal of the senescent pine tree and small oak saplings. Notice the numerous pine saplings.

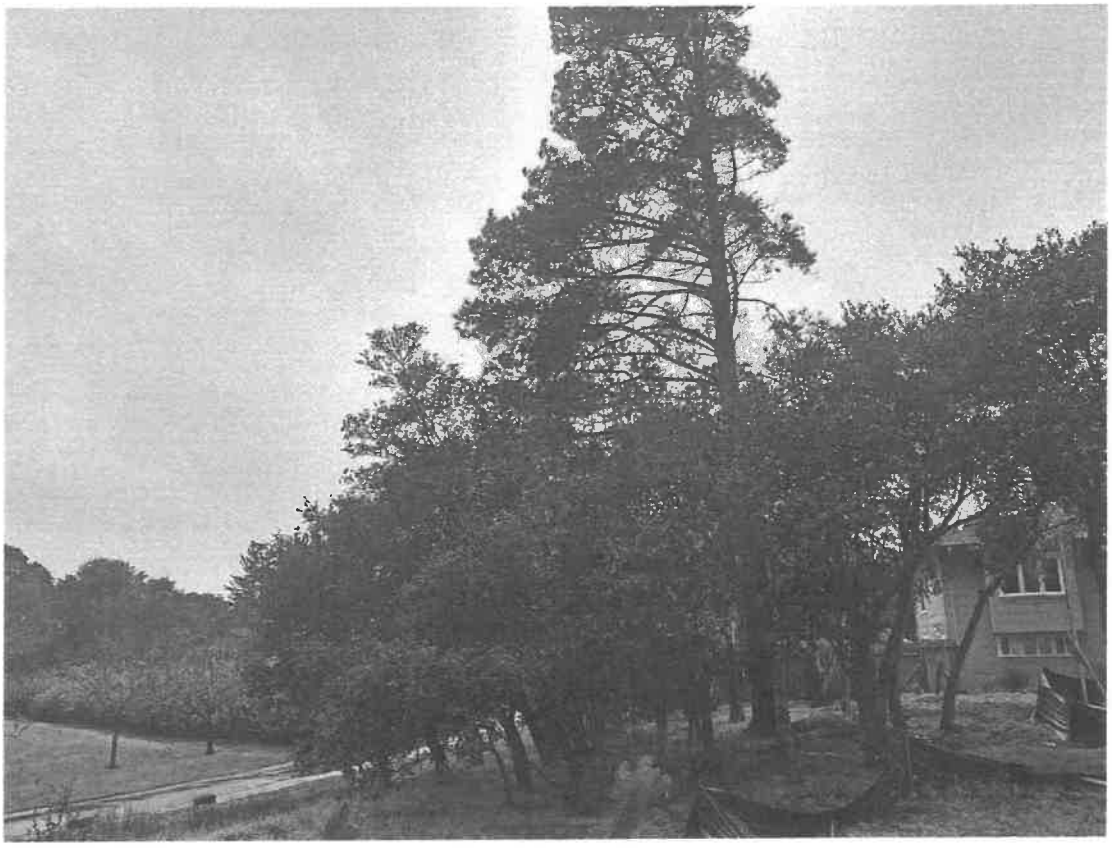
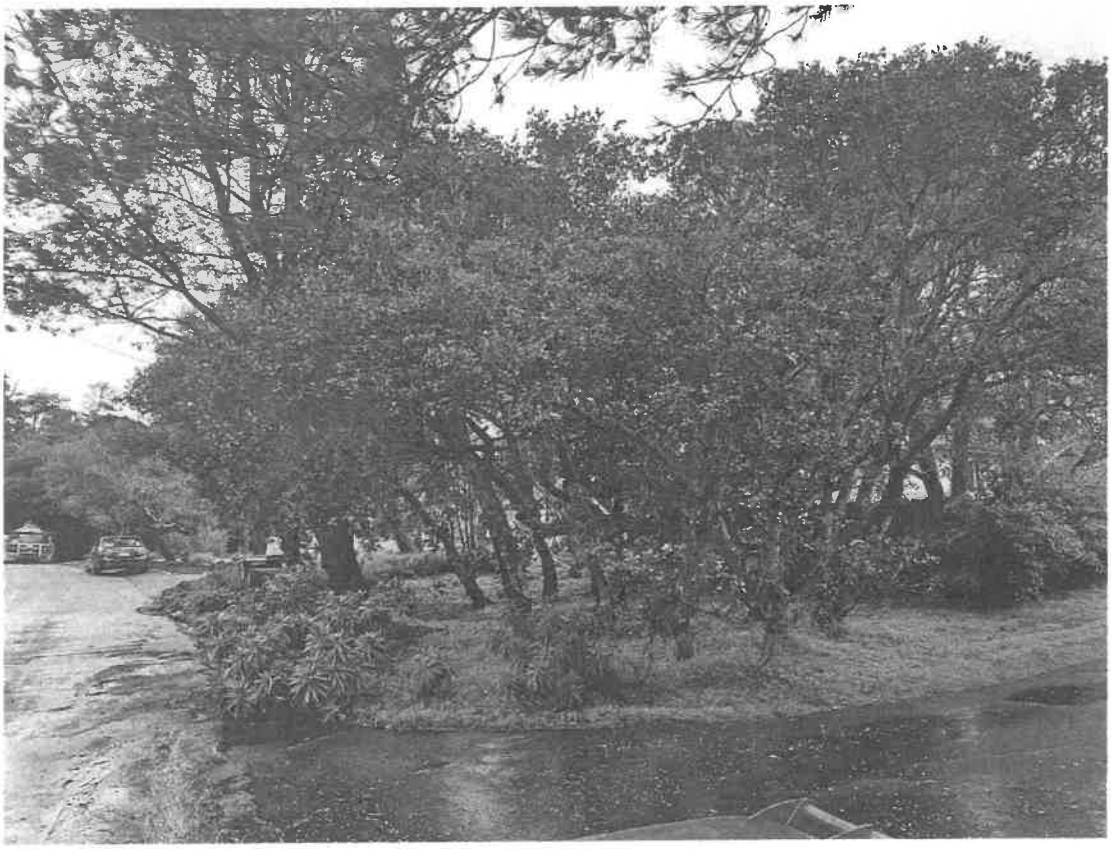
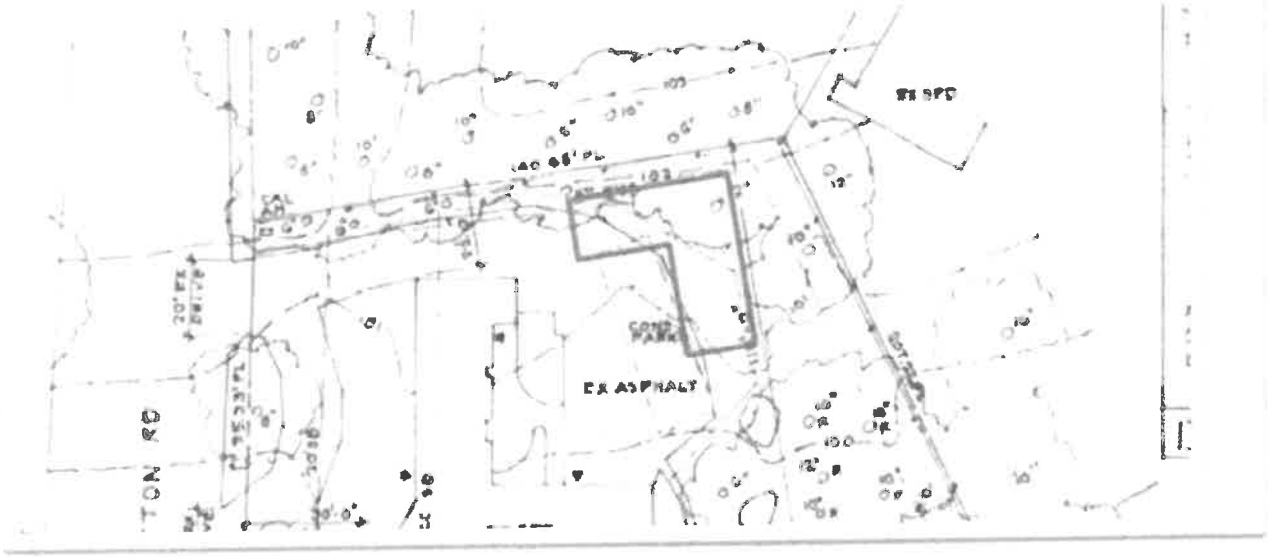
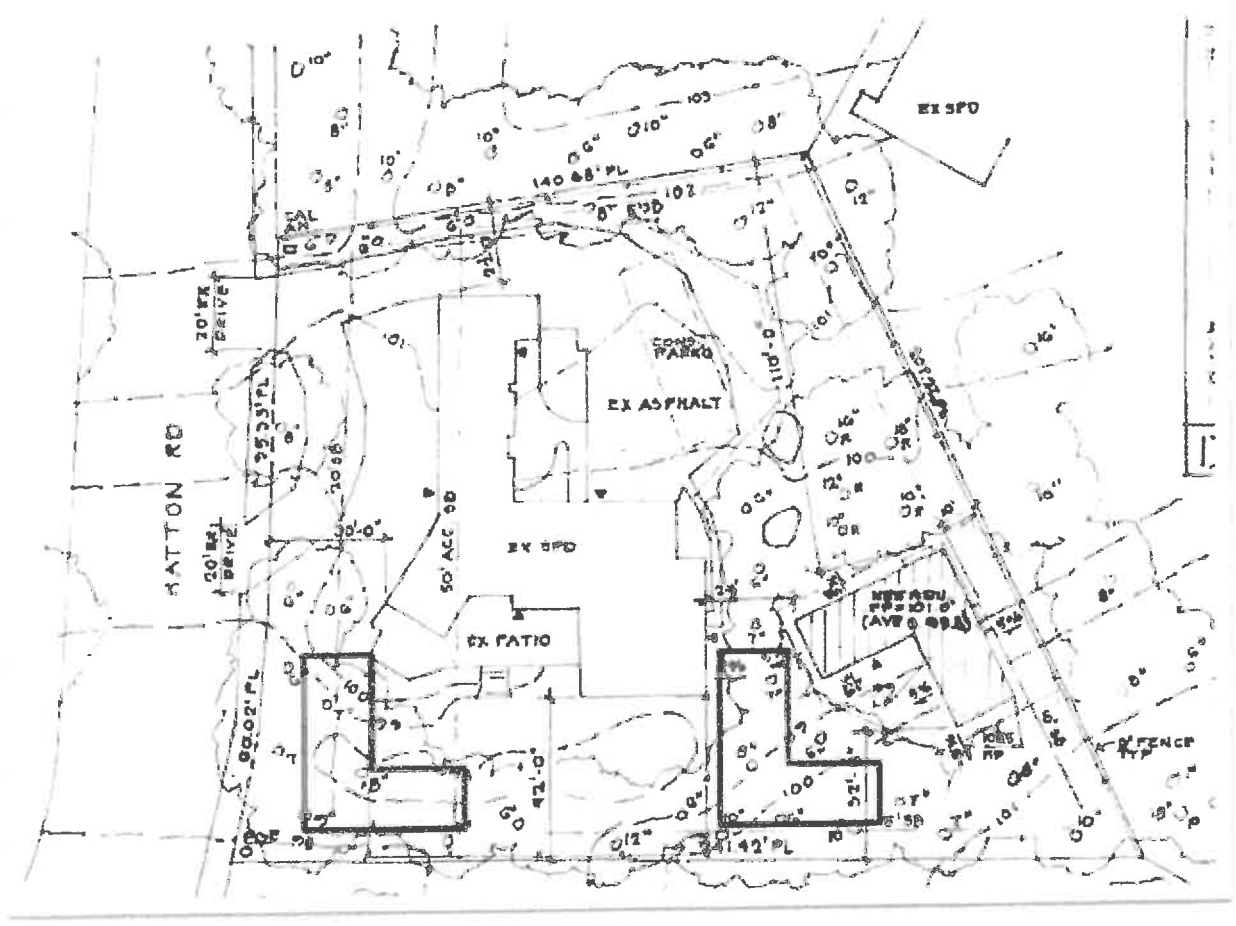


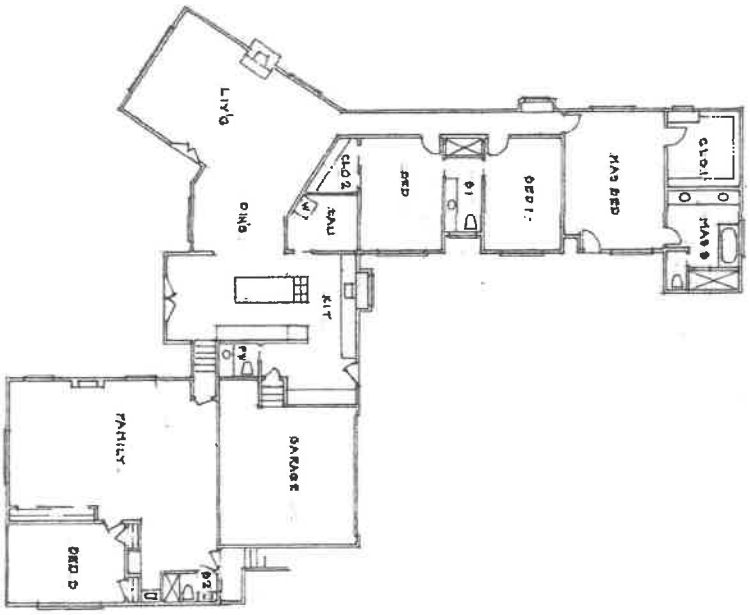
Figure No. 3: Site of southwest ADU reposition proposal, requiring removal of small and large oak saplings.



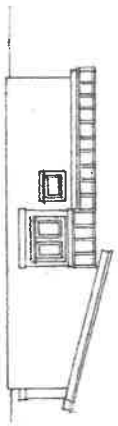

EX SPD
EX ASPHALT
TON RD


EX SPD
EX ASPHALT
EX SPD
EX PATIO
HATTON RD
140.68' PL
142' PL
90.02' PL
FENCE TYP

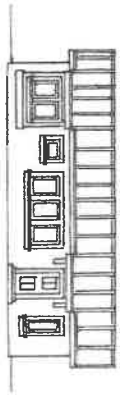
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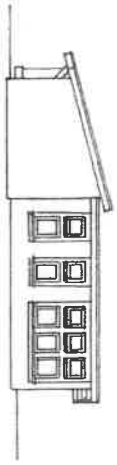
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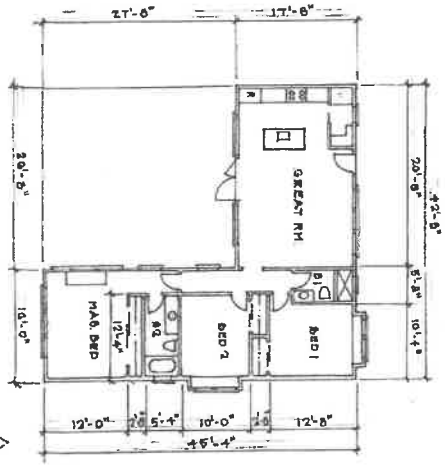
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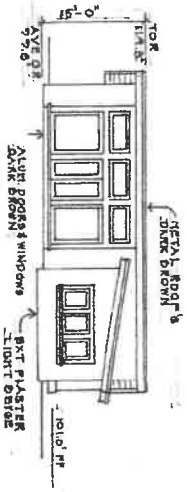
WEST



PLAN



SOUTH



A-2	25745 HATTON RD CARMEL, CA, 93923 APN: 007-251-010	GLENN E WARNER ARCHITECT 27752 PALO COLORADO RD, CARMEL, CA MAIL'G: PO BOX 22511, CARMEL, CA, 93922 (831) 625-2802	

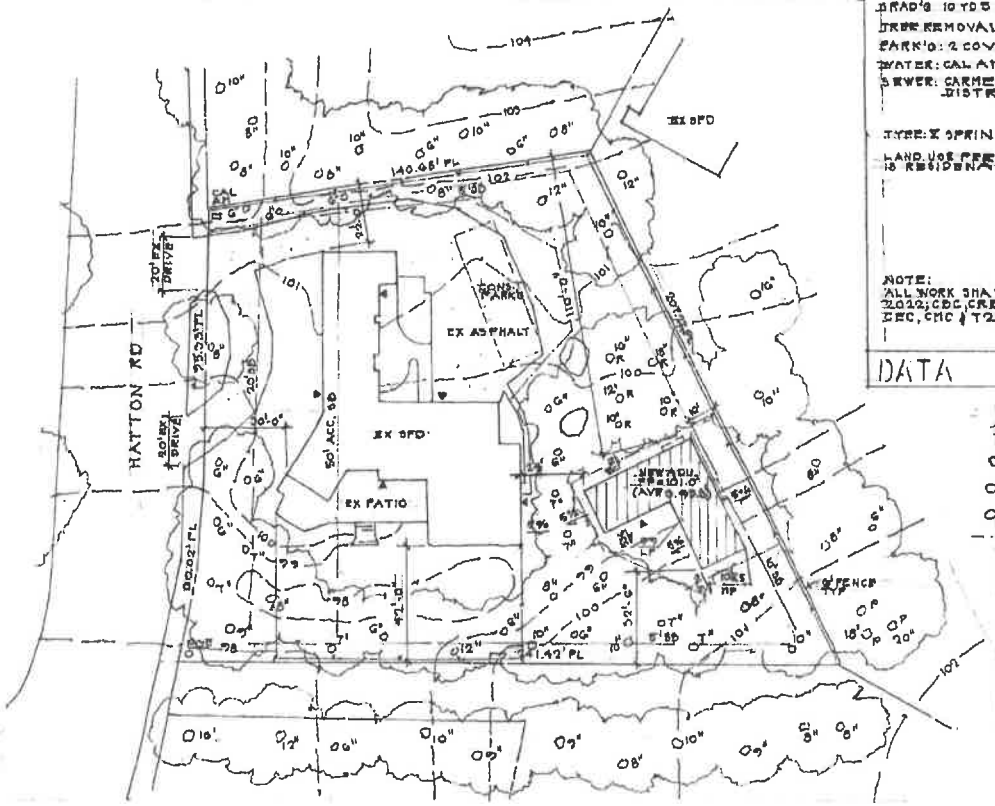
A-1 SITE
A-2 PLAN & ELEV'S

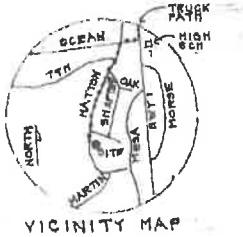
INDEX | C

OWNER: MAY NADAFULL
(831) 521-8872
PROJECT & OWNER ADDRESS:
25745 HATTON RD
CARMEL, CA., 93720
APN: 009-251-010
PROJECT SUMMARY:
NEW 1200SF, 2 BED ADU.
OCC: R-3, U
AREA:
SITE ——— 33,435
EX SFD ——— 2905
NEW ADU ——— 1200
ZON'G: MDR-D (CZ)
LOT COVERAGE | FAR:
5105/33435 =15.5% (25% ALL.)
GRAD'G 10 TO B EXPORT. (FOOTGS)
TREE REMOVAL — 0
PARK'G: 2 COVER, 2 OPEN (2 REQ)
WATER: CAL AM
SEWER: CARMEL WASTE WATER DISTRICT
TYPE: X SPRINKLER
LAND USE PER GENERAL PLAN IS RESIDENTIAL

NOTE:
ALL WORK SHALL CONFORM TO 2022; CBC, CRC, CMC, CPC, CFC, CEC, CMC & T24

DATA | B





VICINITY MAP

SITE | 1/20"=1'-0" | A



A-1

25745 HATTON RD
CARMEL, CA., 93923
APN: 009-251-010

GLENN E. WARNER ARCHITECT
P.O. BOX 52, PALO COLORADO RD, CARMEL, CA.
MAILING: PO BOX 22811, CARMEL, CA., 93922
(831) 625-2602

EXHIBIT

2

Report of Certified Arborist
Amendment

Bryan E. Bradford
Certified Arborist No. WE-5896A
International Society of Arboriculture,
and Professional Member

88 Paseo Hermoso ~ Salinas, CA ~ 93908
831-998-0439 or 831-484-1029

February 14, 2025

Mr. Alex Lorca, Esq.
Fenton & Keller
Post Office Box 791
Monterey, CA 93902-0791

Re: Russ Case
APN: 009-251-010-000
Situs: 25745 Hatton Road, Carmel

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Endorsed 2/14/25

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Consulting Arborist

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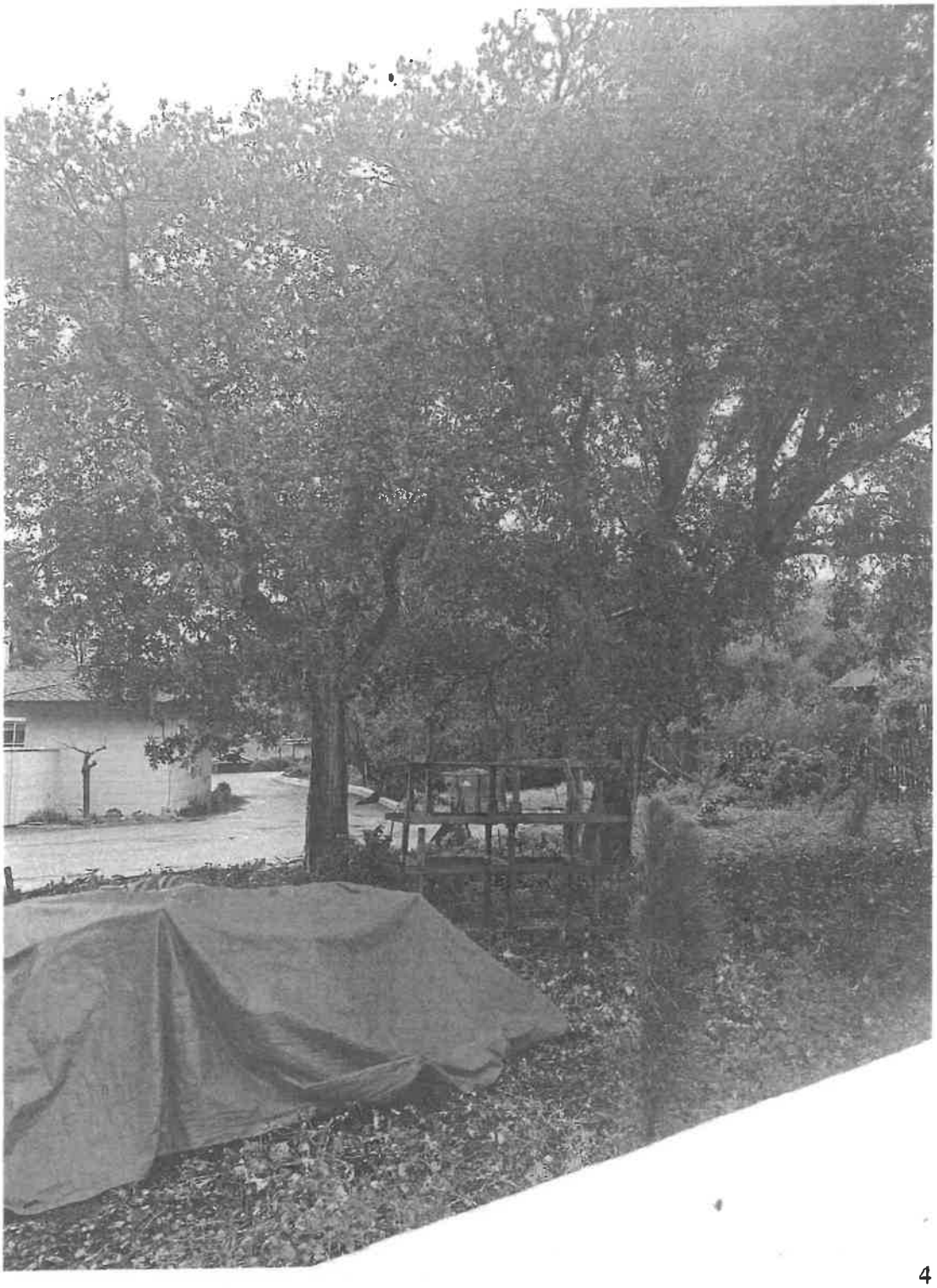


Figure No. 2: Site of southeast ADU reposition proposal, requiring removal of the senescent pine tree and small oak saplings. Notice the numerous pine saplings.

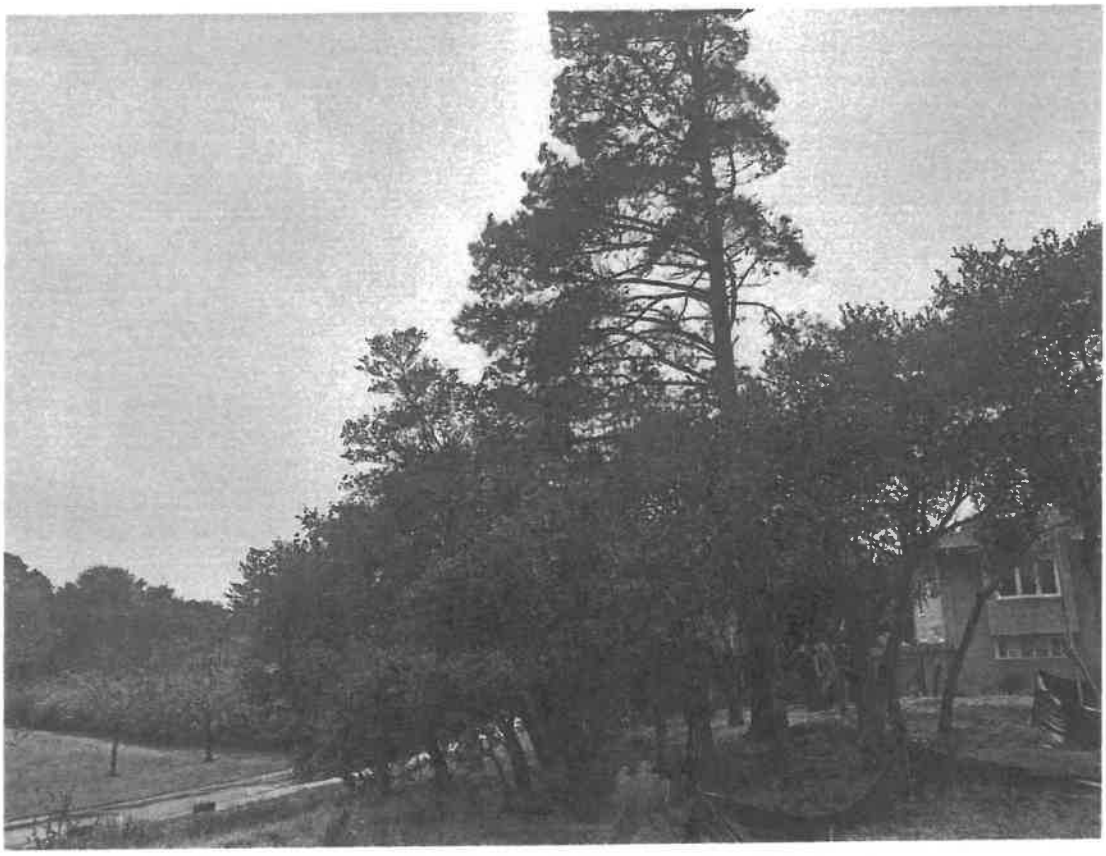
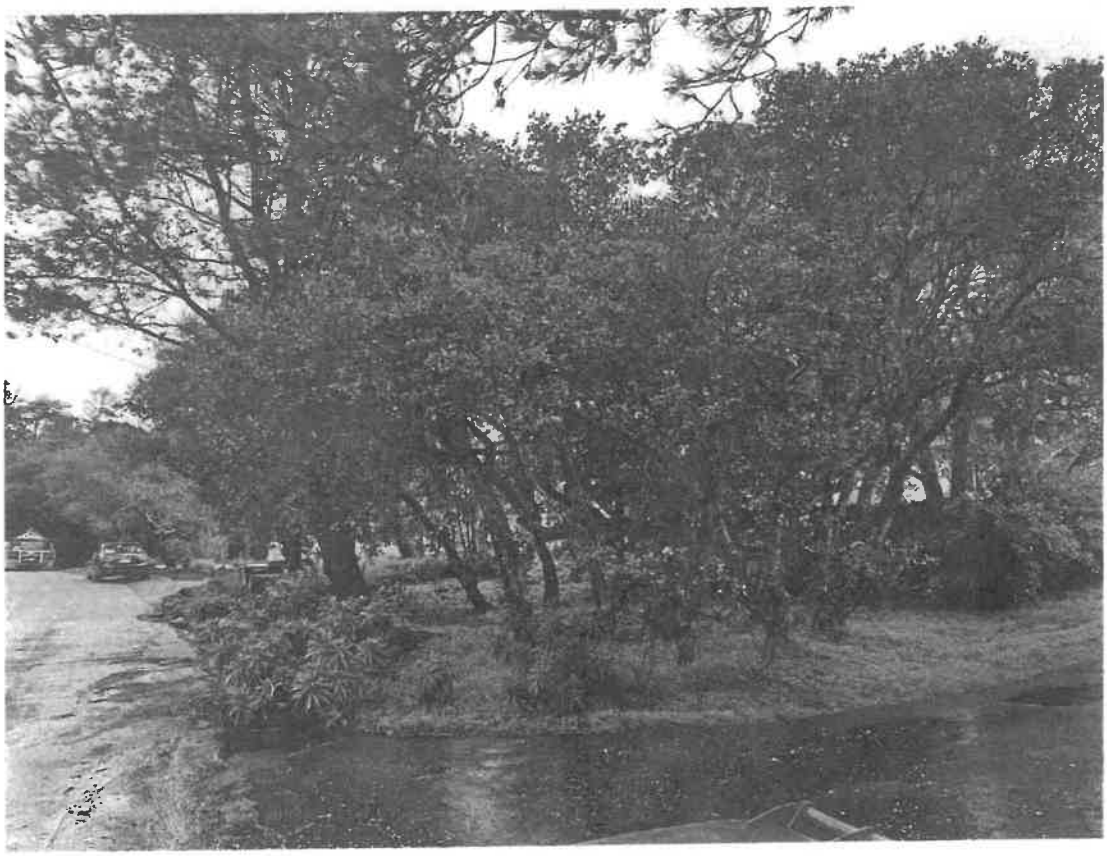
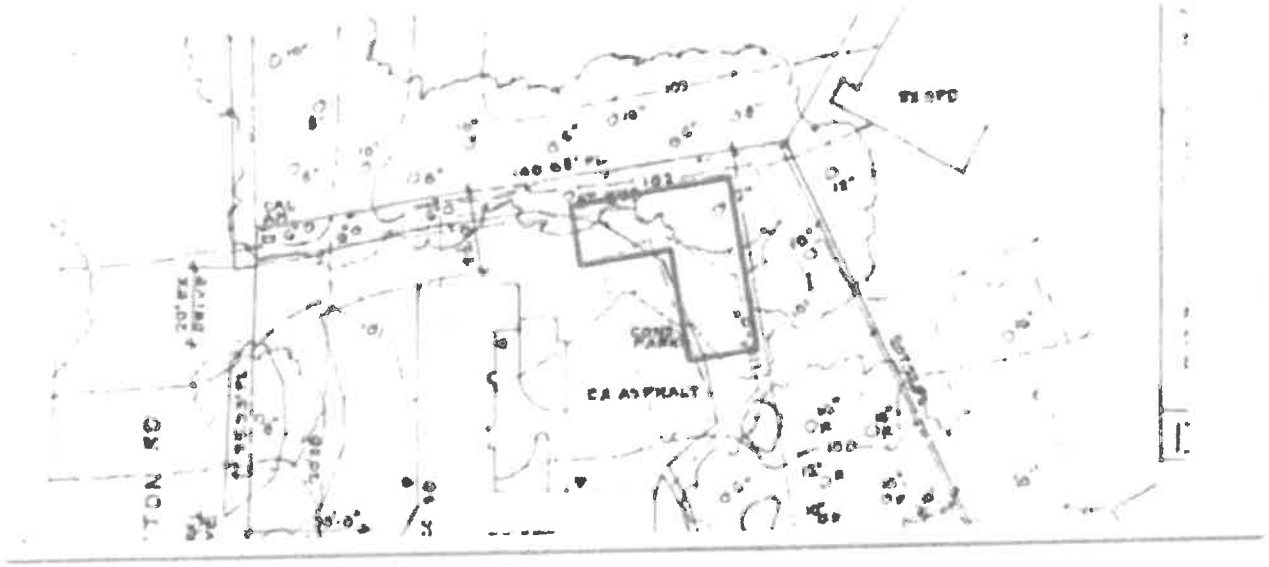
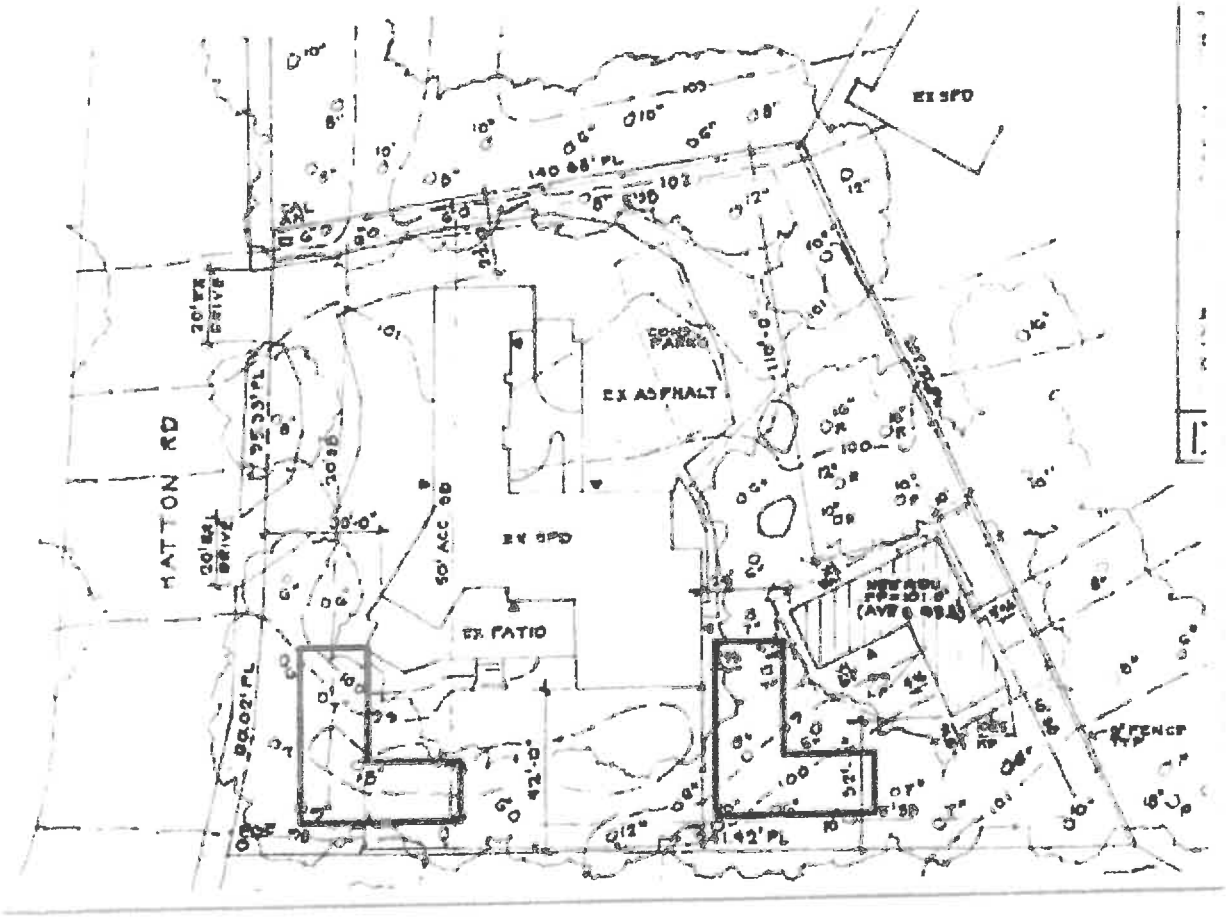


Figure No. 3: Site of southwest ADU reposition proposal, requiring removal of small and large oak saplings.




TON RD


HATTON RD
EX ASPHALT
EX PATIO
EX SPD
EX SPD
140.88' PL
90.02' PL
142' PL
50' ACC EASE
20' EX EASE
20' EX EASE
FENCE

EX. SFD

EAST

NORTH

WEST

PLAN

N

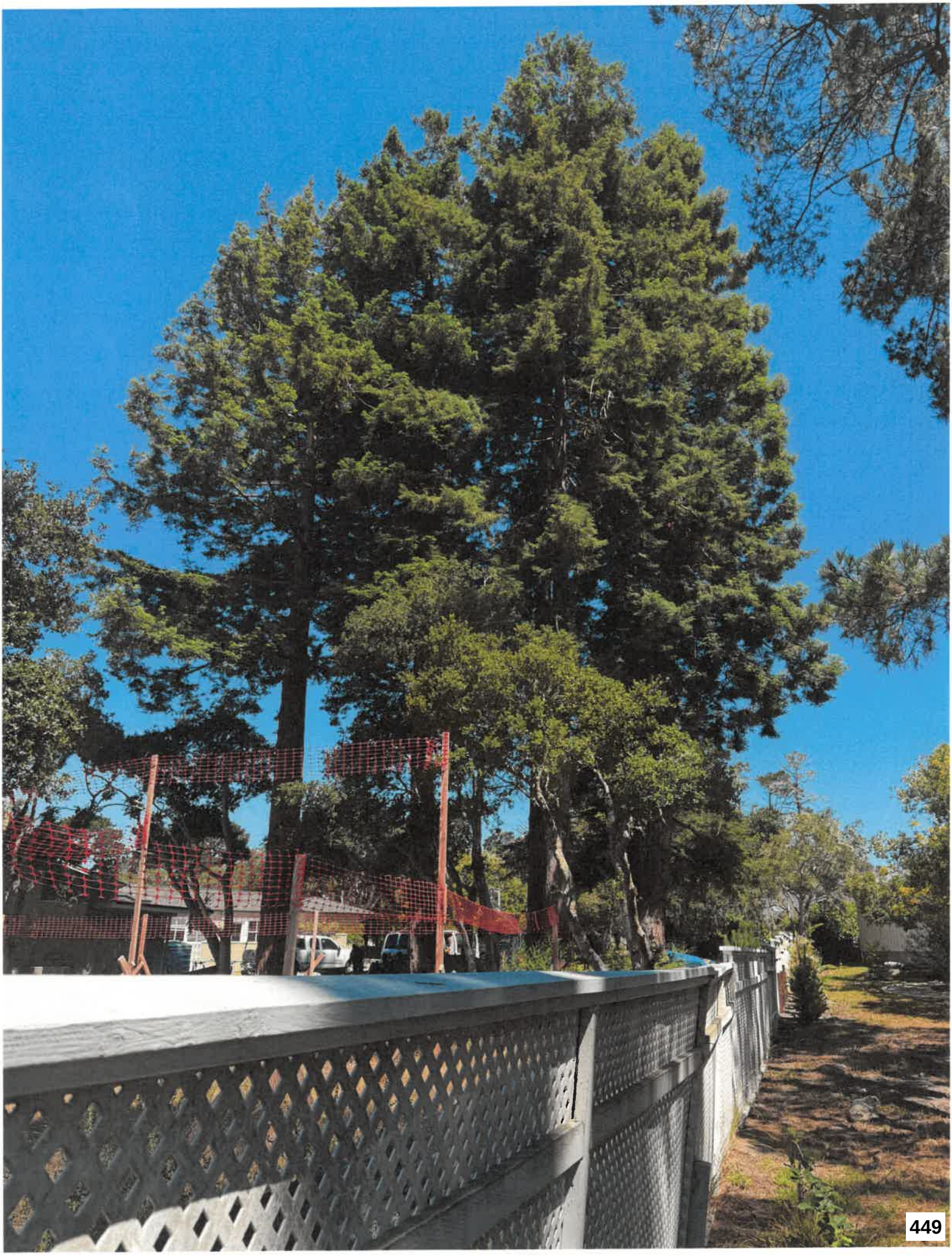
SOUTH

A-2	25745 HATTON RD CARMEL, CA, 93923 APN: 007-251-010	GLENN E. WARNER ARCHITECT 27752 PALO COLORADO RD, CARMEL, CA MAIL'G: PO BOX 22811, CARMEL, CA, 93922 (831) 625-2802	

VICINITY MAP
NORTH
HATTON
SHAFER
MESA
HWY 1
HORSE
GLEAN
HIGH
TARAK
SITE
1/16"=1'-0"
HATTON RD
20' EX DRIVE
50' EX DRIVE
50' ACC. SD
EX PATIO
EX SFD
EX ASPHALT
PAVER
EX SFD
EX FENCE
INDEX
A-1 SITE
A-2 PLAN & ELEV'S
DATA
OWNER: RAY HARGRAVE
PROJECT ADDRESS: 25745 HATTON RD
CARMEL, CA., 93923
APN: 009-251-010
PROJECT SUMMARY:
NEW 1200SF, 2 BED ADU.
OCC: R-3, U
AREA:
SITE: 20,425
EX. SFD 2906
NEW ADU 1200
ZONING: MDR-D(CZ)
LOT COVERAGE (FAR:
5166/20,425 = 25.3% (35% MAX)
BLDG'G HT TO BE EXPORT (PROPOSED)
TREE REMOVAL — 0
PARKING: 2 COVER, 2 OPEN (2 REQ)
WATER: CAL AM
SEWER: CARMEL SANITARY DISTRICT
FIRE SPRINKLER
LAND USE: RESIDENTIAL
IS GENERAL PLAN
NOTE: ALL WORK SHALL CONFORM TO CALIFORNIA CRC, CPC, CEC, CMC, CFC, AND CBC, 2019 T24
LEGEND
WOOD FENCE
STAY LIGHTS
OAK TREE
REDWOOD
PINE
CHAIN FENCE
A-1
25745 HATTON RD
CARMEL, CA., 93923
APN: 009-251-010
GLENN E WARNER ARCHITECT
DIT52 PALO COLORADO RD, CARMEL, CA.
MAILS: PO BOX 22611, CARMEL, CA, 93922
(831) 625-2602

EXHIBIT

3



EXHIBIT

4

FALL RADIUS DIAGRAM

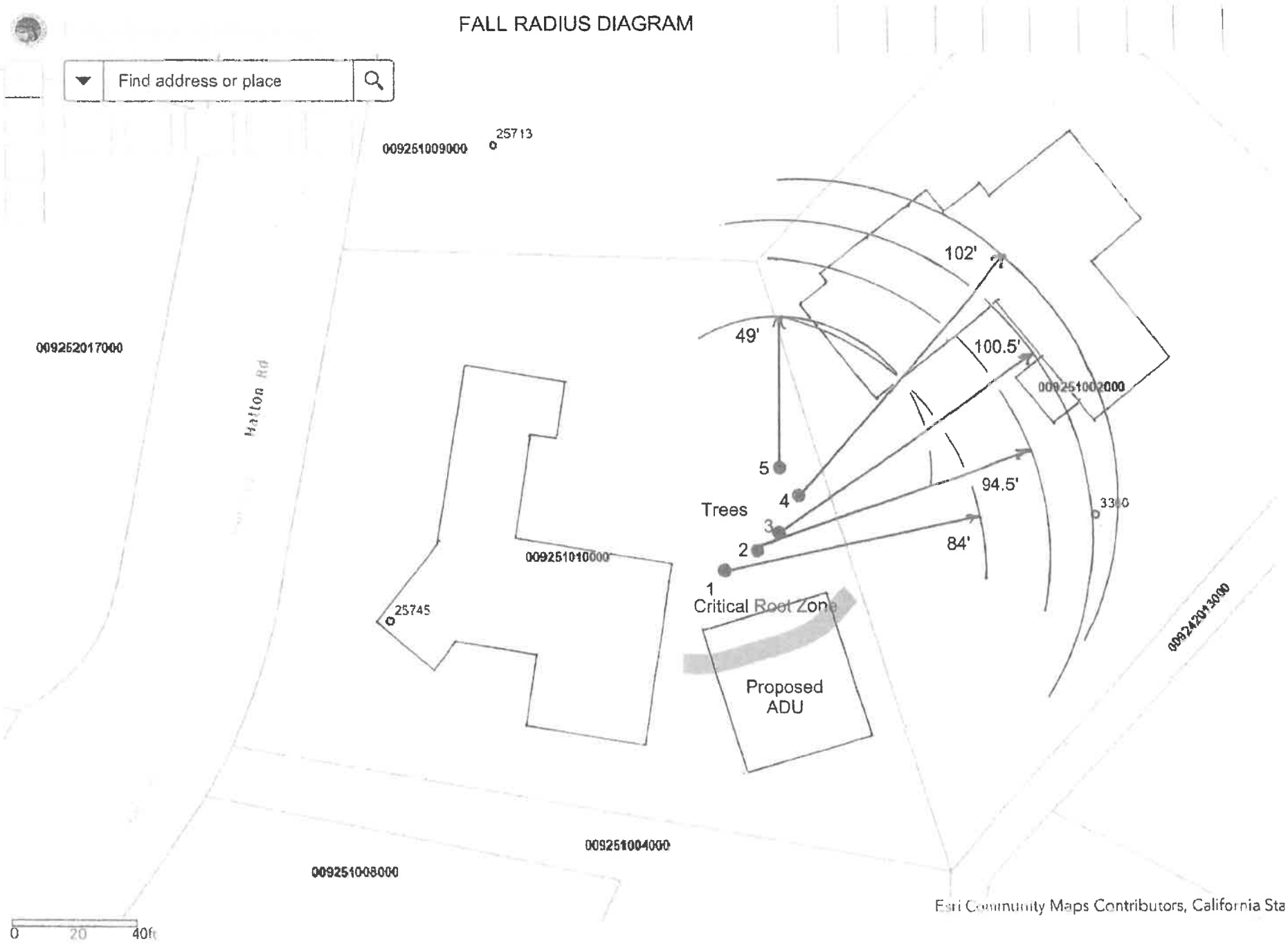


Figure No. 1: Subject grove of Coast Redwood trees showing "story poles" for the ADU and the neighboring residence (lower right corner).

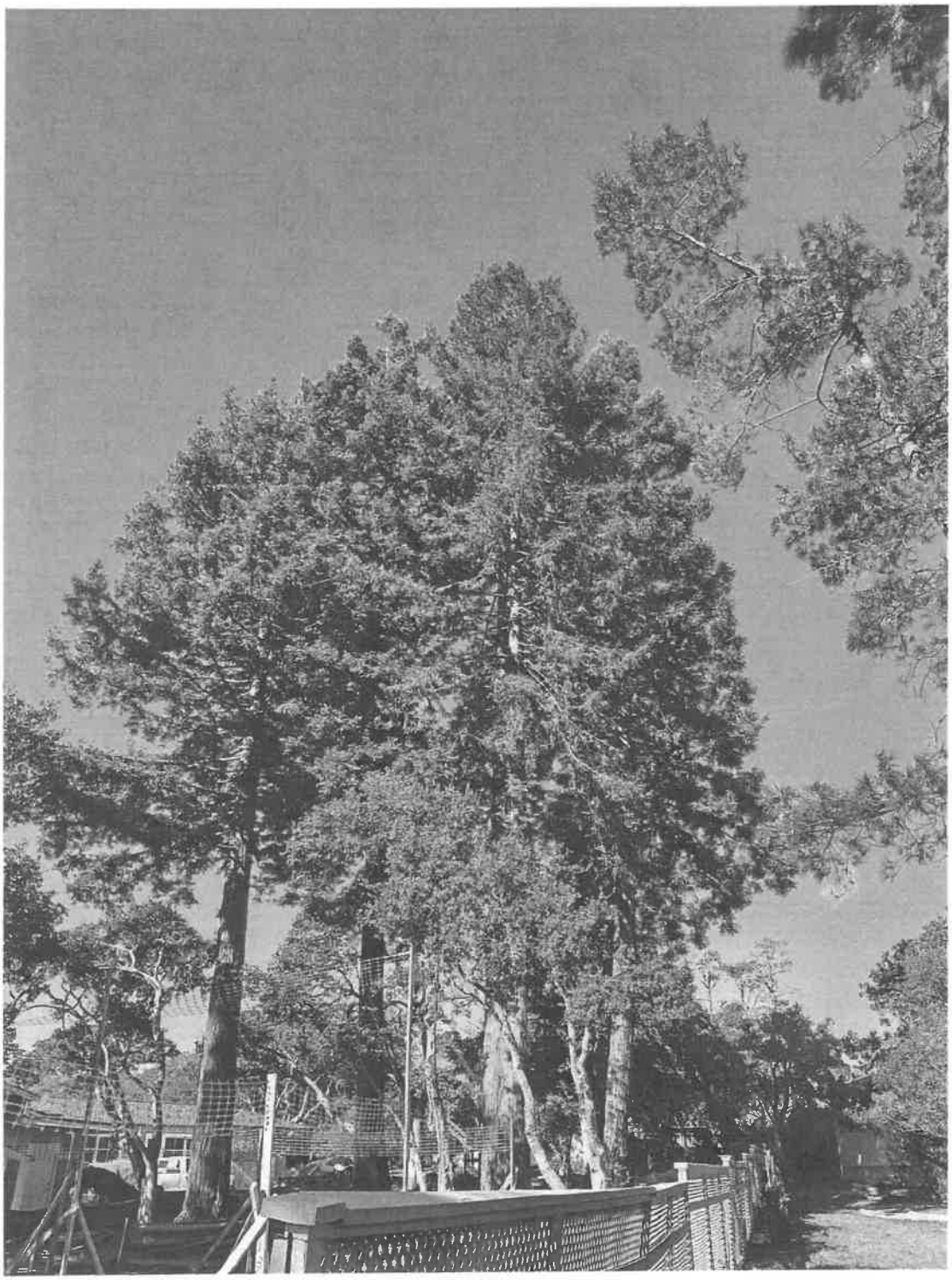
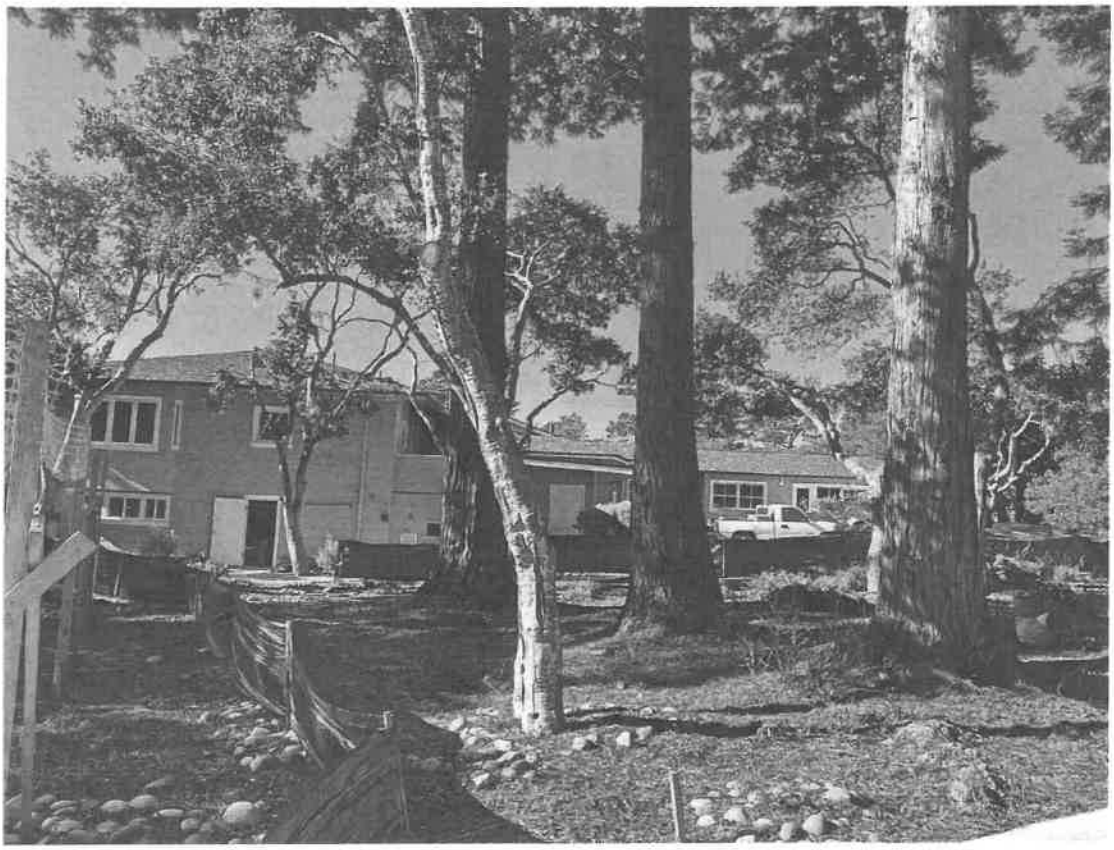


Figure No. 2: Showing critical root zone of trees numbered 1, 2 and 3 in close proximity to the proposed ADU foundation area.



EXHIBIT

5


HATTON RD
EX SFD
EX ASPHALT
COND PARKG
EX PATIO
EX SFD
NEW ADU
FF=101.5'
(AVE 0.99')
20' EX DRIVE
20' NEW DRIVE
50' ACC. SD
140.66' PL
95.23' PL
90.03' PL
41.42' PL
6' FENCE

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Attachment G

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Before the Zoning Administrator in and for the County of Monterey, State of California

In the matter of the application of:
NAGAFUJI MAY KITAYAMA (PLN240104)
RESOLUTION NO. 25-021
Resolution by the County of Monterey Zoning Administrator:

1) Finding the project for an Accessory Dwelling Unit qualifies for a Class 3 Categorical Exemption pursuant to CEQA Guidelines section 15303, New Structures, and no exceptions pursuant to section 15300.2 can be found; and
2) Approving a Coastal Administrative Permit and Design Approval to allow construction of a 1,200 square foot accessory dwelling unit.

[PLN240104, Nagafuji May Kitayama, 25745 Hatton Rd, Carmel, Carmel Area Land Use Plan, Coastal Zone (APN: 009-251-010-000)]

The Nagafuji May Kitayama application (PLN240104) came on for a public hearing before the County of Monterey Zoning Administrator on June 12, 2025. Having considered all the written and documentary evidence, the administrative record, the staff report, written and oral testimony, and other evidence presented, the Zoning Administrator finds and decides as follows:

FINDINGS

1. **FINDING:** **CONSISTENCY** – The Project, as conditioned, is consistent with the applicable plans and policies which designate this area as appropriate for development.

EVIDENCE:

a) During the course of review of this application, the project has been reviewed for consistency with the text, policies, and regulations in:
   - 1982 Monterey County General Plan;
   - Carmel Area Land Use Plan (Carmel Area LUP);
   - Monterey County Coastal Implementation Plan, Part 1, Zoning Ordinance (Title 20); and
   - Monterey County Coastal Implementation Plan, Part 4, Regulations for Development in the Carmel Area Land Use Plan Area (Carmel Area CIP).

   Communications were received during the course of review of the project, indicating any inconsistencies with the text, policies, and regulations in these documents. However, as detailed below, no inconsistencies exist.

b) Allowed Use. The property is located at 25745 Hatton Rd (Accessor's Parcel Number [APN]: 009-251-010-000), Carmel, within the Carmel Area Land Use Plan in the Coastal Zone. The parcel is zoned Medium Density Residential, 2 units per acre with a Design Control overlay

district in the Coastal Zone or "MDR/2-D(CZ)", which allows for the construction of one accessory dwelling unit (ADU) on a legal lot of record, subject to the granting of a Coastal Administrative Permit in each case (Title 20 section 20.12.040.S). The project consists of construction of a 1,200 square foot ADU behind the existing house. Therefore, the project is an allowed land use for this site.

c) Lot Legality. The property is shown in its current configuration as lot 11 on the 1964, 1972 and current Parcel Maps on file with the County of Monterey. The property is shown to be under separate ownership from the adjacent lots as far back as 1964. Therefore, the County recognizes the subject parcel as a legal lot of record.

d) Design/Neighborhood and Community Character. The property is subject to the Design Control "D" overlay zoning district regulations contained in Title 20 Chapter 20.44, which requires design review of proposed development to assure protection of the public viewshed and neighborhood character. The development will be consistent with the existing structure on the property and the neighborhood as a whole. Colors and materials include beige plaster exterior siding, dark brown metal roofing, and dark brown aluminum window and door frames. The project colors and materials are consistent with the other nearby development. Consistent with the Carmel Area LUP, the development will not block any views of the ocean and will not be visible from any scenic highways. The ADU will be located behind the home and will not be visible from any public viewing areas. There are multiple other properties with existing ADUs or second units within the same neighborhood. The ADU will not stand out or be inconsistent in the highly developed area. Condition No. 5 has been included in the project which requires that an exterior lighting plan be provided and approved before the issuance of building permits; this condition ensures compliance with the Carmel Area LUP, Carmel Area CIP, and Title 20. Therefore, the project, as designed and sited, is consistent with neighborhood character, and assures visual integrity.

e) Development Standards. Development standards for the Medium-Density Residential zoning district can be found in Title 20 section 20.12.060. The development is consistent with applicable development standards. The required setback standards for habitable accessory structures include a minimum of a 50-foot front setback, a six-foot side and rear setback, and a six-foot setback from any main structures. The ADU will have a front setback of well over 50 feet and will be located behind the main single-family dwelling, with a 24-foot setback between the structures. The ADU will be located 10 feet from the rear property line and over 30 feet from the north and south side property lines. The maximum allowed building site coverage in the MDR/2 zoning district is 35% (11,702 square feet). The site coverage is 15.5% (5,168 square feet). The MDR/2 zoning district establishes a maximum floor area ratio of 45% (15,045 square feet). The ADU will bring the property's total FAR to 15.5% (5,168 square feet). The structure height will not exceed the allowed 16 foot maximum height limitation for habitable accessory

structures in this zoning district. Therefore, the project meets all the applicable site development standards.

f) Public Comment. Correspondence from a neighbor was received, raising concerns that nearby Redwood trees would be impacted by the project, resulting in a hazardous condition. The neighbor also recommended that an alternative site be analyzed to avoid impacts to these Redwood trees. Five Redwood trees are 12 to 20 feet from the ADU. To address these concerns and better determine potential impacts on Redwood trees, the project arborist dug three test sites (2 feet x 2 feet wide, 2 feet deep). The arborist observed "non-woody" Redwood roots less than one inch in diameter in the three hand-dug test sites. These roots, also known as feeder roots, have the primary purpose of absorbing water and nutrients in the upper layers of the soil, and do not serve any support for the tree. No woody roots, which provide the primary structural foundation while also facilitating water and nutrient uptake, were identified. Based on these observations, the project arborist determined that no impacts on Redwoods would occur with the implementation of the project and that these trees did not pose a hazard to nearby structures. Additionally, the project arborist found that the ADU location was the "most suitable for long-term maintenance of tree resources". An alternative ADU location was analyzed, and the project arborist found that 13 Coast live oaks and potentially one Landmark Monterey pine would be impacted by that location. Accordingly, the selected building site better achieves the forest resource protection goals and policies of the Carmel Area LUP. Existing trees not being removed shall be protected for the duration of all construction activities. The County's standard tree and root protection condition has been applied to the project, requiring the applicant to retain and protect trees not proposed for removal during construction. Also see Finding No. 1, evidence "g".

g) Tree Removal. Pursuant to Carmel Area CIP section 20.146.060.A, a Coastal Development Permit is required for the removal of native trees. Coast live oak trees are protected within the Carmel Area Land Use Plan area. Pursuant to Carmel Area CIP section 20.146.060.B, three project-specific arborist reports were prepared (County of Monterey Library Nos. LIB250169, LIB250170, and LIB250171). These reports analyzed the proposed building site and an alternative location, inspected nearby trees, and conducted on-site inspections of the subject property. One of the arborists dug three test sites to determine whether the critical roots of the adjacent Redwood trees would be impacted. Sixteen Coast live oaks, five Coast redwoods, and one Monterey pine were identified near the proposed ADU. All of these trees were found to be in fair to good condition, with little to no defects, except for one Coast live oak tree (dual-stemmed, 10" & 7" DBH). This Coast live oak was observed to be in poor condition, with poor structural health (branch failures and decay). Additionally, the leaning branch of this tree would be impacted by the proposed project; removal of this branch would leave insufficient tree canopy and impact the overall health of the Oak. Therefore, the removal of this Coast live oak tree was

recommended by the project arborists. However, a Coastal Development Permit is not required as this tree does not meet the 12-inch diameter threshold established by Carmel Area CIP section 20.146.060.A(1)(c). Subsequent to this determination, a Tree Hazard Evaluation Form was submitted to HCD-Planning identifying this tree as being in a hazardous condition due to existing decay. HCD reviewed this hazardous tree removal request and authorized removal under TRM250183. Therefore, no protected trees are proposed for removal with implementation of this project. Further, as recommended by the project-specific arborist report, an arborist will monitor all excavation within 10 feet of the proposed structure (Condition No. 4).

h) Cultural Resources. According to Monterey County GIS, the subject property is located in an area of moderate archaeological sensitivity. There is no evidence of historic or prehistoric cultural activity on the site. Therefore, the potential for inadvertent impacts to archaeological resources is limited and will be controlled by application of the County's standard condition (Condition No. 3), which requires the contractor to stop work if previously unidentified resources are discovered during construction.

i) The application, project plans, staking & flagging photos and related support materials submitted by the project applicant to Monterey County HCD- Planning for the proposed development found in Project File PLN240104.

2. **FINDING:** **SITE SUITABILITY –** The site is physically suitable for the use proposed.

EVIDENCE:

a) The project has been reviewed for site suitability by the following departments and agencies: HCD-Planning, HCD-Engineering Services, Cypress Fire Protection District, HCD-Environmental Services and the Environmental Health Bureau. There has been no indication from these departments/agencies that the site is not suitable for the proposed development. Conditions recommended have been incorporated.

b) Potential impacts to historical resources were identified. The following report has been prepared and submitted with the application:
   - "25745 Hatton Rd. Arborist Report" (LIB250170), prepared by Albert Weisfuss, Carmel, CA, February 15, 2025
   - "ADU Tree Impact Assessment" (LIB250169), prepared by Rob Thompson, Monterey, CA, March 30, 2025
   - "25475 Hatton Proposed ADU and Redwoods" (LIB250171), prepared by Frank Ono, Pacific Grove, CA, April 3, 2025

c) The project planner reviewed aerial satellite imagery and photos of the site, provided by the applicant, to verify that the site is suitable for this use.

d) The application, project plans, and related support materials submitted by the project applicant to the Monterey County HCD- Planning for the proposed development found in Project File PLN240104.

3. **FINDING:** **HEALTH AND SAFETY -** The establishment, maintenance, or operation of the use or structure applied for, will not, under the

circumstances of the particular case, be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use; or be detrimental or injurious to property and improvements in the neighborhood; or to the general welfare of the County.

EVIDENCE:

a) The project was reviewed by HCD-Planning, HCD-Engineering Services, Cypress Fire Protection District, HCD- Environmental Services and the Environmental Health Bureau. The respective agencies have recommended conditions, where appropriate, to ensure that the project will not have an adverse effect on the health, safety, and welfare of persons either residing or working in the neighborhood.

b) The subject property has an active sewer service connection to the Carmel Area Wastewater District (CAWD). Staff received a Can and Will Serve letter from CAWD dated August 13, 2024, stating that the district is aware and intends to serve the development. Per CAWD's letter, the applicant shall obtain a plumbing permit for sewer lateral work to connect to the new ADU structure. Pertaining to drinking water, staff received a Can and Will Serve letter from California American Water (Cal-AM) dated August 20, 2024, stating the subject property has active water meter service. Prior to issuance of related construction permit(s), Monterey Peninsula Water Management District will review the construction plans to ensure the property does not exceed the allotted fixture unit count.

c) The application, project plans, and related support materials submitted by the project applicant to the Monterey County HCD- Planning for the proposed development found in Project File PLN240104.

4. **FINDING:** **NO VIOLATIONS -** The subject property is in compliance with all rules and regulations pertaining to zoning uses, subdivision, and any other applicable provisions of the County's zoning ordinance. No violations exist on the property.

EVIDENCE:

a) Staff reviewed Monterey County HCD-Planning and Building Services Department records and is not aware of any violations existing on subject property.

b) Staff reviewed aerial imagery and street view photographs from google earth, and researched County records to assess if any violation exists on the subject property. The staking and flagging photos submitted with the application showed a small greenhouse accessory structure in the back yard that appeared to have electrical connections that were not permitted by the County. It was confirmed by the applicant that this structure was temporary. The applicant provided recent photos of the property showing the greenhouse is no longer onsite. The proposed site plan accurately reflects the property and all existing and proposed structures.

c) The application, plans and supporting materials submitted by the project applicant to Monterey County HDC-Planning for the proposed development are found in Project File PLN240104.

5. **FINDING:** **CEQA (Exempt) –** The project is categorically exempt from environmental review and no unusual circumstances were identified to exist for the proposed project.

EVIDENCE:

a) California Environmental Quality Act (CEQA) Guidelines section 15303 categorically exempts the construction of new small structures including single family dwellings and second dwelling units.

b) This project qualifies for a Class 3 Categorical Exemption because it is the construction of a 1,200 square foot accessory dwelling unit, which will be the second dwelling unit on the subject property. This small development project is consistent with the exemption parameters of CEQA Guidelines Section 15303 and therefore qualifies for a Class 3 exception.

c) None of the exceptions under CEQA Guidelines section 15300.2 apply to this project:

- The location of a project site is not considered an environmentally sensitive area. The subject property and surrounding area are highly disturbed with residential development and although the project footprint is void of structures, no protected trees or vegetation are required for removal. This vacant area was not identified on the County's GIS as important habitat for special status species;
- Successive projects of the same type and in the same place (construction of accessory structures) would not contribute to a significant cumulative impact. The surrounding residential neighborhood is highly developed and County records do not indicate that there are development projects in the vicinity (approved in the past, present, or would be approved in the foreseeable future), that would result in a change in the environment from incremental impacts;
- There are no unusual circumstances regarding this project that would cause a significant effect to the environment (see Findings 1 and 2, and supporting evidence);
- The project site is not visible from any scenic highways, and the proposed development would not result in damages to scenic resources; and
- The project site is not located on or near any hazardous waste sites listed in Section 65962.5 of the Government Code.

d) Staff reviewed satellite aerial imagery and photos of the site, provided by the applicant, to verify that the site and proposed project meet the criteria for an exemption.

e) The application, plans and supporting materials submitted by the project applicant to Monterey County HDC-Planning for the proposed development are found in Project File PLN240104.

6. **FINDING:** **APPEALABILITY -** The decision on this project may be appealed to the Board of Supervisors.

EVIDENCE:

a) Board of Supervisors. Pursuant to Title 20 section 20.86.020, an aggrieved party may appeal a decision of the Zoning Administrator to the Board of Supervisors.

Docusign Envelope ID: 8C86E60B-4337-43D7-88F1-FB12DFDF1E3C

b) California Coastal Commission. This project is not appealable to the California Coastal Commission as it is not located between the sea and the first through public road, or within 300 feet of the beach, mean high tide line or coastal bluff. It is not within 100 feet of any wetland and does not include a conditional use.

DECISION

NOW, THEREFORE, based on the above findings and evidence, the County of Monterey Zoning Administrator does hereby:

1. Find the project for an Accessory Dwelling Unit qualifies for a Class 3 Categorical Exemption pursuant to CEQA Guidelines section 15303, New Structures, and no exceptions pursuant to section 15300.2 can be made; and
2. Approve a Coastal Administrative Permit and Design Approval to allow construction of a 1,200 square foot Accessory Dwelling unit.

All of which are in general conformance with the attached sketch and subject to the attached conditions**,** all being attached hereto and incorporated herein by reference.

PASSED AND ADOPTED this 12th day of June, 2025:

DocuSigned by:
Mike Novo
9D45DC219AC247C...

Mike Novo AICP, Zoning Administrator

COPY OF THIS DECISION MAILED TO APPLICANT ON JULY 1, 2025.

THIS APPLICATION IS APPEALABLE TO THE BOARD OF SUPERVISORS.

IF ANYONE WISHES TO APPEAL THIS DECISION, AN APPEAL FORM MUST BE COMPLETED AND SUBMITTED TO THE CLERK OF THE BOARD ALONG WITH THE APPROPRIATE FILING FEE ON OR BEFORE JULY 11, 2025.

This decision, if this is the final administrative decision, is subject to judicial review pursuant to California Code of Civil Procedure Sections 1094.5 and 1094.6. Any Petition for Writ of Mandate must be filed with the Court no later than the 90th day following the date on which this decision becomes final.

NOTES

1. You will need a building permit and must comply with the Monterey County Building Ordinance in every respect.

   Additionally, the Zoning Ordinance provides that no building permit shall be issued, nor any use conducted, otherwise than in accordance with the conditions and terms of the permit granted or until ten days after the mailing of notice of the granting of the permit by the appropriate authority, or after granting of the permit by the Board of Supervisors in the event of appeal.

   Do not start any construction or occupy any building until you have obtained the necessary permits and use clearances from Monterey County HCD-Planning and HCD-Building Services Department office in Salinas.

2. This permit expires 3 years after the above date of granting thereof unless construction or use is started within this period.

Form Rev. 1-27-2021

County of Monterey HCD Planning

Conditions of Approval/Implementation Plan/Mitigation Monitoring and Reporting Plan

PLN240104

1. PD001 - SPECIFIC USES ONLY

Responsible Department: Planning

Condition/Mitigation Monitoring Measure: This Administrative permit (PLN240104) allows construction of a 1,200 square foot accessory dwelling unit. The property is located at 25745 Hatton Rd, Carmel (Assessor's Parcel Number 009-251-010-000), Carmel Area Land Use Plan. This permit was approved in accordance with County ordinances and land use regulations subject to the terms and conditions described in the project file. Neither the uses nor the construction allowed by this permit shall commence unless and until all of the conditions of this permit are met to the satisfaction of the Director of HCD - Planning. Any use or construction not in substantial conformance with the terms and conditions of this permit is a violation of County regulations and may result in modification or revocation of this permit and subsequent legal action. No use or construction other than that specified by this permit is allowed unless additional permits are approved by the appropriate authorities. To the extent that the County has delegated any condition compliance or mitigation monitoring to the Monterey County Water Resources Agency, the Water Resources Agency shall provide all information requested by the County and the County shall bear ultimate responsibility to ensure that conditions and mitigation measures are properly fulfilled. (HCD - Planning)

Compliance or Monitoring Action to be Performed: The Owner/Applicant shall adhere to conditions and uses specified in the permit on an on-going basis unless otherwise stated.

2. PD002 - NOTICE PERMIT APPROVAL

Responsible Department: Planning

Condition/Mitigation Monitoring Measure: The applicant shall record a Permit Approval Notice. This notice shall state:
"A Coastal Administrative Permit and Design Approval (Resolution Number 25-021) was approved by the Zoning Administrator for Assessor's Parcel Number 009-251-010-000 on June 12, 2025. The permit was granted subject to 8 conditions of approval which run with the land. A copy of the permit is on file with Monterey County HCD - Planning."

Proof of recordation of this notice shall be furnished to the Director of HCD - Planning prior to issuance of grading and building permits, Certificates of Compliance, or commencement of use, whichever occurs first and as applicable. (HCD - Planning)

Compliance or Monitoring Action to be Performed: Prior to the issuance of grading and building permits, certificates of compliance, or commencement of use, whichever occurs first and as applicable, the Owner/Applicant shall provide proof of recordation of this notice to the HCD - Planning.

3. PD003(A) - CULTURAL RESOURCES NEGATIVE ARCHAEOLOGICAL REPORT

Responsible Department: Planning

Condition/Mitigation Monitoring Measure: If, during the course of construction, cultural, archaeological, historical or paleontological resources are uncovered at the site (surface or subsurface resources) work shall be halted immediately within 50 meters (165 feet) of the find until a qualified professional archaeologist can evaluate it. Monterey County HCD - Planning and a qualified archaeologist (i.e., an archaeologist registered with the Register of Professional Archaeologists) shall be immediately contacted by the responsible individual present on-site. When contacted, the project planner and the archaeologist shall immediately visit the site to determine the extent of the resources and to develop proper mitigation measures required for recovery.
(HCD - Planning)

Compliance or Monitoring Action to be Performed: The Owner/Applicant shall adhere to this condition on an on-going basis.

Prior to the issuance of grading or building permits and/or prior to the recordation of the final/parcel map, whichever occurs first, the Owner/Applicant shall include requirements of this condition as a note on all grading and building plans. The note shall state "Stop work within 50 meters (165 feet) of uncovered resource and contact Monterey County HCD - Planning and a qualified archaeologist immediately if cultural, archaeological, historical or paleontological resources are uncovered."

When contacted, the project planner and the archaeologist shall immediately visit the site to determine the extent of the resources and to develop proper mitigation measures required for the discovery.

4. PD011 - TREE AND ROOT PROTECTION

Responsible Department: Planning

Condition/Mitigation Monitoring Measure: Trees which are located close to construction site(s) shall be protected from inadvertent damage from construction equipment by fencing off the canopy driplines and/or critical root zones (whichever is greater) with protective materials, wrapping trunks with protective materials, avoiding fill of any type against the base of the trunks and avoiding an increase in soil depth at the feeding zone or drip-line of the retained trees. Said protection, approved by certified arborist, shall be demonstrated prior to issuance of building permits subject to the approval of HCD - Director of Planning. If there is any potential for damage, all work must stop in the area and a report, with mitigation measures, shall be submitted by certified arborist. Should any additional trees not included in this permit be harmed, during grading or construction activities, in such a way where removal is required, the owner/applicant shall obtain required permits. Applicant/Owner shall enter into a contract with a qualified arborist to provide monitoring of all excavation activities within 10 feet of proposed development. (HCD - Planning)

Compliance or Monitoring Action to be Performed: Prior to issuance of grading and/or building permits, the Owner/Applicant shall submit evidence of tree protection to HCD - Planning for review and approval.

During construction, the Owner/Applicant/Arborist shall submit on-going evidence that tree protection measures are in place through out grading and construction phases. If damage is possible, submit an interim report prepared by a certified arborist.

Prior to final inspection, the Owner/Applicant shall submit photos of the trees on the property to HCD-Planning after construction to document that tree protection has been successful or if follow-up remediation or additional permits are required.

Prior to issuance, Owner/Applicant shall provide proof of contract with qualified arborist showing compliance this condition.

5. PD014(A) - LIGHTING - EXTERIOR LIGHTING PLAN

Responsible Department: Planning

Condition/Mitigation Monitoring Measure: All exterior lighting shall be unobtrusive, down-lit, harmonious with the local area, and constructed or located so that only the intended area is illuminated and off-site glare is fully controlled. The lighting source shall be shielded and recessed into the fixture. The applicant shall submit three (3) copies of an exterior lighting plan which shall indicate the location, type, and wattage of all light fixtures and include catalog sheets for each fixture. The lighting shall comply with the requirements of the California Energy Code set forth in California Code of Regulations Title 24 Part 6. The exterior lighting plan shall be subject to approval by the Director of HCD - Planning, prior to the issuance of building permits.
(HCD - Planning)

Compliance or Monitoring Action to be Performed: Prior to the issuance of building permits, the Owner/Applicant shall submit three copies of the lighting plans to HCD - Planning for review and approval. Approved lighting plans shall be incorporated into final building plans.

Prior to final/occupancy, the Owner/Applicant/Contractor shall submit written and photographic evidence demonstrating that the lighting has been installed according to the approved plan.

On an on-going basis, the Owner/Applicant shall ensure that the lighting is installed and maintained in accordance with the approved plan.

6. PW0043 - REGIONAL DEVELOPMENT IMPACT FEE

Responsible Department: Public Works

Condition/Mitigation Monitoring Measure: Prior to issuance of building permits, applicant shall pay the Regional Development Impact Fee (RDIF) pursuant to Monterey Code Chapter 12.90. The fee amount shall be determined based on the parameters adopted in the current fee schedule.

Compliance or Monitoring Action to be Performed: Prior to issuance of Building Permits Owner/Applicant shall pay Monterey County Building Services Department the traffic mitigation fee. Owner/Applicant shall submit proof of payment to the HCD-Engineering Services.

7. PW0044 - CONSTRUCTION MANAGEMENT PLAN

Responsible Department: Public Works

Condition/Mitigation Monitoring Measure: The applicant shall submit a Construction Management Plan (CMP) to HCD-Planning and HCD-Engineering Services for review and approval. The CMP shall include measures to minimize traffic impacts during the construction/grading phase of the project.
CMP shall include, at a minimum, duration of the construction, hours of operation, truck routes, estimated number of truck trips that will be generated, number of construction workers, and on-site/off-site parking areas for equipment and workers and locations of truck staging areas. Approved measures included in the CMP shall be implemented by the applicant during the construction/grading phase of the project. (Public Works)

Compliance or Monitoring Action to be Performed: 1. Prior to issuance of the Grading Permit or Building Permit, Owner/Applicant/Contractor shall prepare a CMP and shall submit the CMP to the HCD-Planning and HCD- Engineering Services for review and approval.
2. On-going through construction phases Owner/

8. PW0045 – COUNTYWIDE TRAFFIC FEE

Responsible Department: Public Works

Condition/Mitigation Monitoring Measure: Prior to issuance of building permits, the Owner/Applicant shall pay the Countywide Traffic Fee or the ad hoc fee pursuant to General Plan Policy C-1.8. The fee amount shall be determined based on the parameters in the current fee schedule.

Compliance or Monitoring Action to be Performed: Prior to issuance of Building Permits, the Owner/Applicant shall pay Monterey County HCD-Building Services the traffic mitigation fee. The Owner/Applicant shall submit proof of payment to HCD-Engineering Services.

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A-1 SITE

A-2 PLAN & ELEV'S

INDEX | C

OWNER: MAY NAGAFUJI
(831) 521-8622

PROJECT & OWNER ADDRESS:
25745 HATTON RD
CARMEL, CA., 93923

APN: 009-251-010

PROJECT SUMMARY:
NEW 1200#, 2 DED ADU.

OCC: R-3, U

AREA:
SITE ——— 33,435
EX SFD ——— 3968
NEW ADU ——— 1200

ZON'G: MDR-D(CZ)

LOT COVERAGE & FAR:
5168/33,435 = 15.5% (25% ALL.)

GRAD'G 10 YDS EXPORT. (FOOTINGS)

TREE REMOVAL ——— 0

PARK'G: 2 COVER, 2 OPEN (2 REQ)

WATER: CAL AM

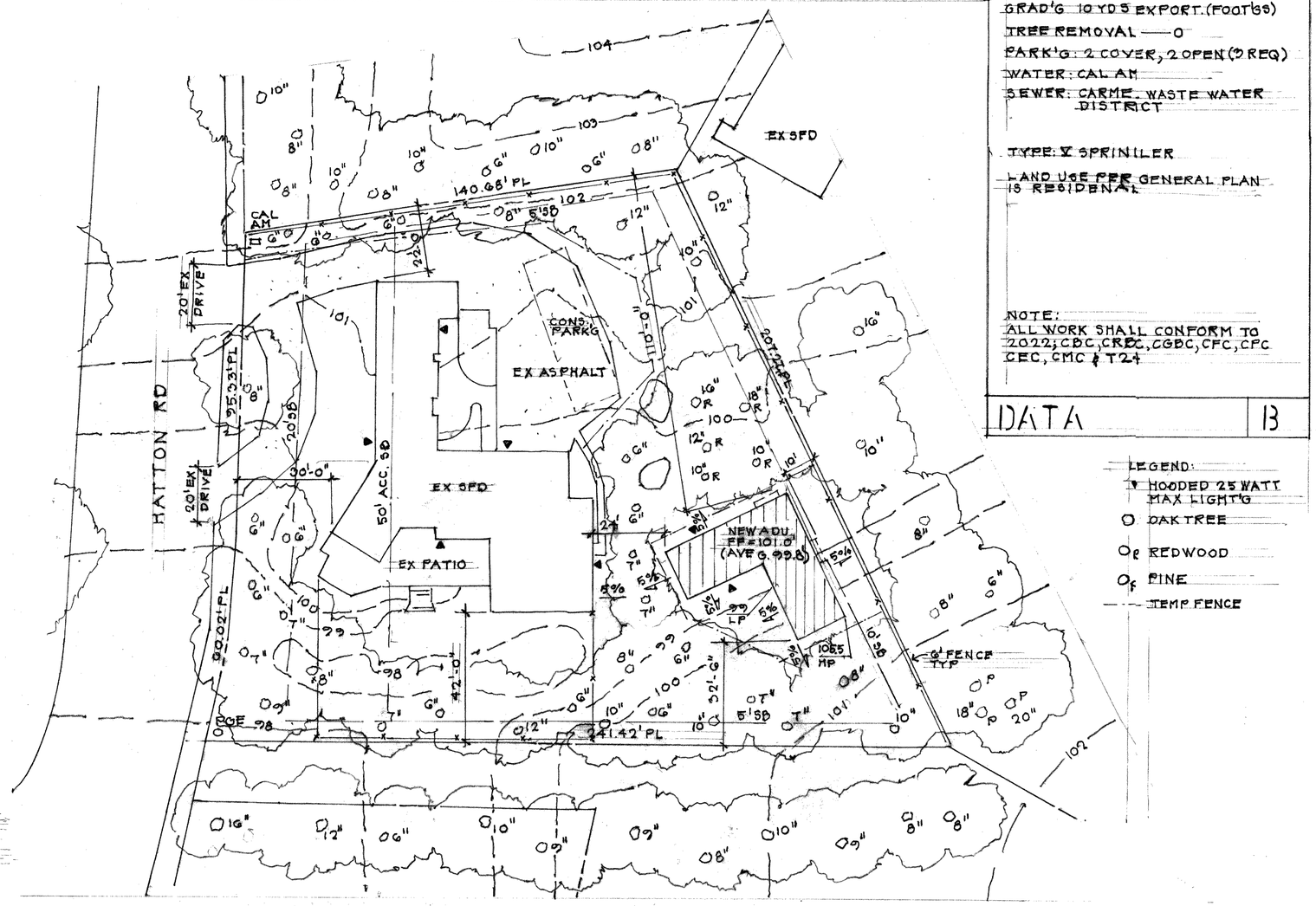
SEWER: CARMEL WASTE WATER DISTRICT

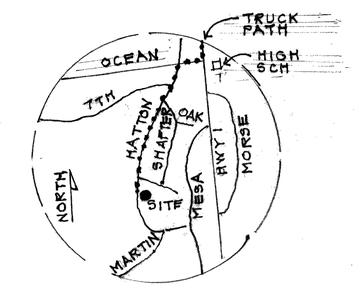
TYPE: V SPRINKLER

LAND USE PER GENERAL PLAN IS RESIDENTIAL

NOTE:
ALL WORK SHALL CONFORM TO 2022; CBC, CRC, CGBC, CFC, CPC CEC, CMC & T24

DATA | B





VICINITY MAP

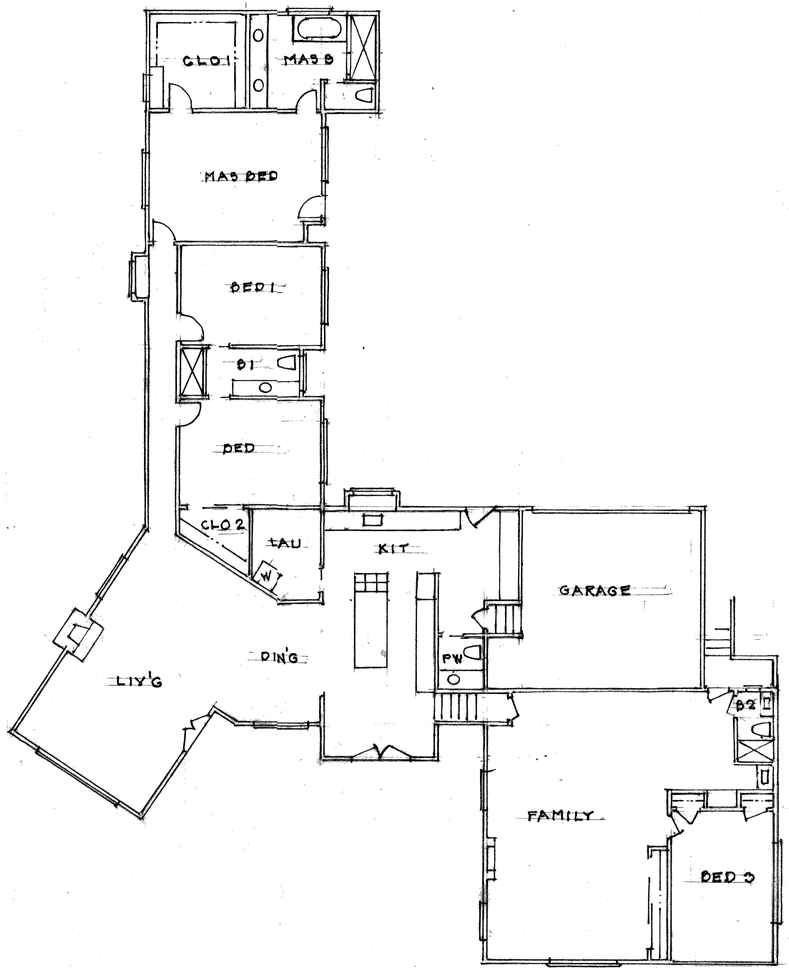
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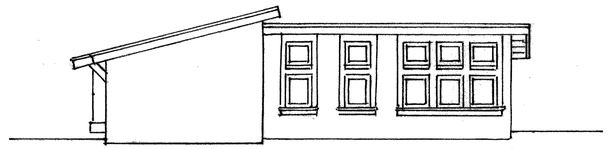
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MAILING: PO BOX 22811, CARMEL, CA, 93922
(831) 625-2802

25745 HATTON RD
CARMEL, CA., 93923
APN: 009-251-010

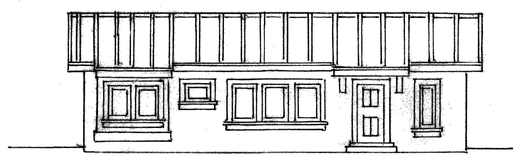
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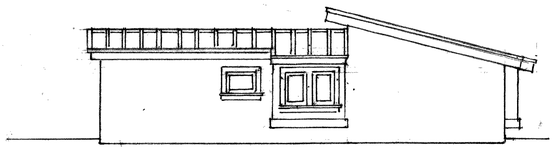
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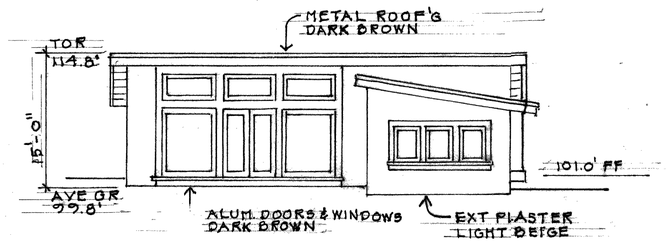
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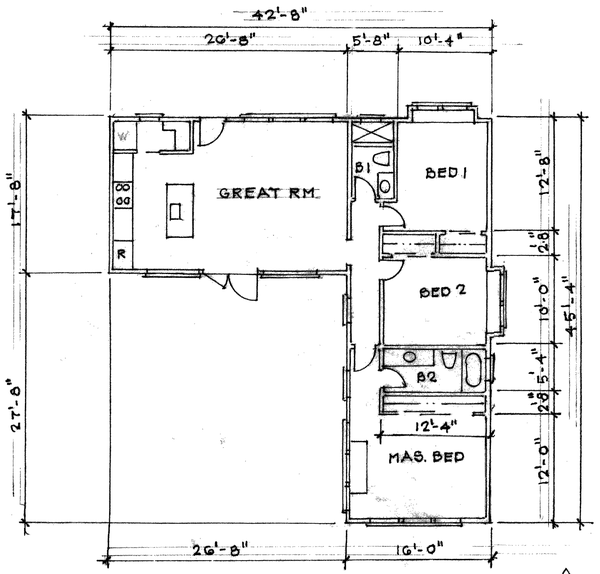
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EAST



SOUTH



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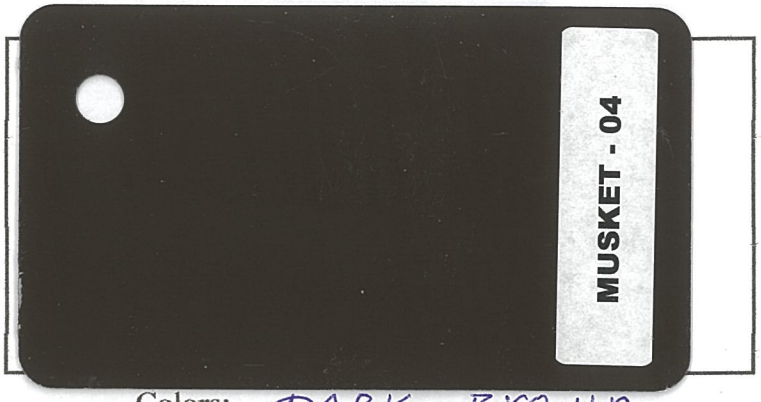
GLENN E WARNER ARCHITECT
25752 FALO COLORADO RD, CARMEL, CA
MAIL'G: PO BOX 22811, CARMEL, CA, 93922
(831) 625-2862

25745 HATTON RD
CARMEL, CA, 93923

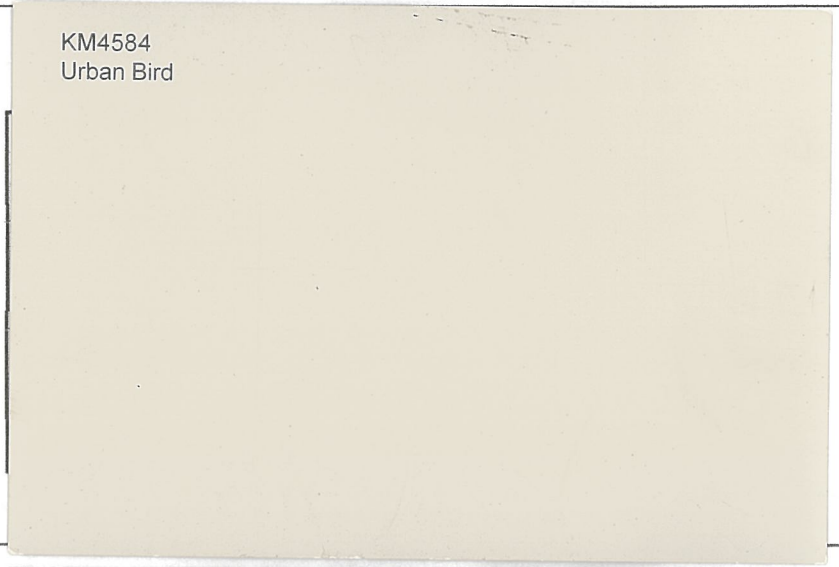
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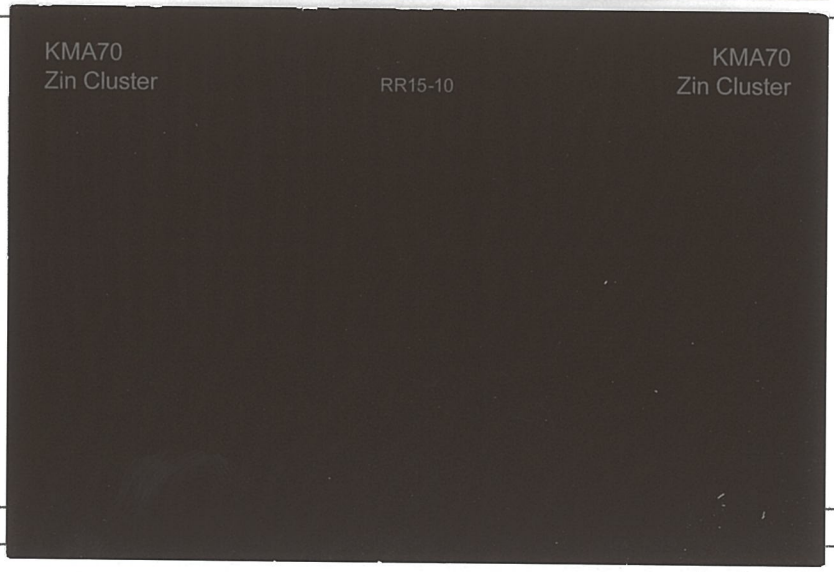
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Description:



Materials: TRIM
Description:

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County of Monterey

Board Report

Legistar File Number: OBM 25-136

Item No.28

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 8/25/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Other Board Matters

Referral Matrix and New Referrals

Monterey County Board of Supervisors

MEETING: **September 23, 2025 - Other Board Matters**

SUBJECT: Board Referrals Update

DEPARTMENT: County Administrative Office

Item #	Brd Rfi #	Assignment Date	Referred By	Lead Dept.	Sub-Depts.	Project Lead	Item	Report	Status
1	2017.18	9/19/17	Board	CAO		Bokanovich	Request a presentation to the Board of Supervisors with options for commissioner compensation that supports our ability to recruit a diverse and representative pool of commissioners.	The item was presented to the Board on 10/2/2018. The Board directed that HR: 1) convene a committee of Department Heads that manage significant boards and commissions to develop a Commissioner Recruitment Strategy; 2) ask departments to provide information related to the diversity of their current volunteer Commissioner's and committee members; and 3) work with County Counsel and Auditor to determine what would be involved/required to actively implement reimbursement to these volunteers, with budget/cost implications. Referral modified on August 24, 2021 to include: A) an assessment on how commissions are being utilized; how well they are serving in their advisory function to the Board; staffing levels of various committees, and, how that may or may not contribute to their functioning; and, B) referring the referral to the Board of Supervisors - Human Resources Committee to engage in discussion and bring back recommendations to the full Board. This item was discussed with the Human Resources Committee in late January 2022. The referral was been reassigned to the County Administrative Office for response. Additional time is needed for information gathering. Staff anticipates a further response to the Board in ~~January 2025 July 2025~~ August 2025.	Pending
2	2017.20	11/19/19	Alejo	PWFP		Ishii	Lease agreement between the City of Salinas and the County of Monterey regarding County's parcel adjacent 855 East Laurel Drive in Salinas for the implementation of a BMX Bike Track, new Skate Park, and sidewalk on East Laurel Drive in Salinas.	An initial referral was initiated on September 15, 2017. On September 1, 2017, Supervisor Alejo held a meeting with the City of Salinas, County RMA staff, and a BMX bike park and skate park engineers/designers to review the property. County Staff conferred with City Staff relative to the City's update of their Parks Master Plan. RMA has also been coordinating with City staff regarding sidewalks on County-owned lands along East Laurel Drive adjacent to this property (between Sanborn Road and Constitution Boulevard). The referral was closed on May 7, 2019 for staff to pursue efforts for a Shelter at 855 E. Laurel. RMA is preparing to bring a master planning effort for use of County lands, specifically lands at Natividad/Laurel in Salinas. This matter is reinstated for reconsideration. Public comment on this item was received on January 14, 2020. Item was pulled from the June 16, 2020, Board meeting agenda and is on hold pending identification of funding. Staff to consult with requesting Supervisor prior to resubmitting item to the Board. PWFP staff continues to work with our state legislative consultants to identify potential grant opportunities. At the September 14, 2021 Board Meeting, the Board provided direction to PWFP staff to apply for Prop 68 grant funding. On January 20, 2022, the County submitted a $3 million application to the Prop 68 Regional Park Program. Project implementation is pending notification of a grant award. On August 24th, the County was notified that its project applications were not selected for grant funding - the process was highly competitive and oversubscribed. Staff will continue to find new opportunities to raise fund to build the project. Staff continues to seek grant opportunities and/or partnerships to fund raise and build the project. Staff received noticed from the Salinas Regional Soccer complex that they would be proceeding with the design and placement of the skate/bike park within their complex and would include it as part of their operations. Project is on hold pending funding. Staff continues to seek grant opportunities and/or partnerships to fund raise and build the project. Staff submitted for FY26 Federal Earmarks.	**Postponed**
3	2018.28	12/4/2018	Phillips	HCD		Spencer	Affordable Housing in the Coastal Zone	Amend County LCP to be consistent with the Coastal Act regarding affordable housing, authorize staff to investigate processes and provide language revision recommendations to the Local Coastal Plan. A presentation was provided to the Board on January 15, 2019. Section 30500.1 was added by Senate Bill 626 in 1981 to state: "No local coastal program shall be required to include housing policies and programs." HCD is working on the 6th Cycle Housing Element which includes housing opportunity sites in the Coastal Zone. The Housing Element is anticipated to be completed by September 2025. HCD staff have coordinated with Coastal Commission staff on the properties that fall within the coastal zone. HCD staff has also coordinated with the Coastal Commission on housing policies contained within our Land Use Plans that integrate affordable housing policies as we update those plans (for example: Moss Landing Community Plan and Big Sur Land Use Plan updates). This work is ongoing.	Pending
4	2020.22	7/7/2020	Church	CAO		Bokanovich	Referral Process Amendment	This referral requests that the process be amended to have Board approval for a referral as part of an agenda item showing the purpose of the referral, costs, time, challenges, and details of the project. In April 2021, the Board approved an amended Board Referral process, which included an exception for urgent matters and provided for Board review of pending referrals on an annual basis. Board review of the referral procedures is anticipated to occur in January 2025, in conjunction with other Board policies. Staff anticipates a further response to the Board in ~~July 2025~~ August 2025.	Pending
5	2021.05	3/2/2021	Alejo	PWFP		Ishii	Monterey County COVID-19 Victims Memorial	This referral seeks to create a permanent memorial with the names of all COVID-19 victims of Monterey County on the Monterey County Government Campus at 168 West Alisal Street. A presentation was provided to the Board on March 22, 2022. Staff was directed to seek potential match from partners and return to the Board in 45 days for further direction. Staff has been seeking potential partners and will be reporting back. The Board approved a revised concept at its June 22, 2022 meeting. Staff is coordinating with the Budget Office to establish fund to receive donations, and staff is seeking potential donors. On September 13, 2022 the Board of Supervisors approved staff's request to enter into a capital campaign with Monterey County Community Foundation to raise funds to complete the project. Staff provided an update to the Board on June 13, 2023. Staff provided a status update at the June 13 BOS. Funding efforts are at 44% overall project cost. Funding raising efforts have raised enough money to develop plans for permit. Staff initiated a draw from the Community Foundation fund to begin drawings for permit. Construction implementation is pending additional funding. Unfunded project budget of $50,000 is proposed for FY26 CIP funding and prioritization.	Pending
6	2021.09	5/25/2021	Church/Askew	CAO		Bokanovich	Review of Board Committee Responsibilities	This referral seeks to clarify the purpose and responsibilities of each Board of Supervisors committees to improve staff workflow and Board decision making ability. A preliminary analysis was approved by the Board on June 15, 2021. Staff will be submitting a response to this referral for Board consideration in May 2022. The referral has been reassigned to the County Administrative Office for response. Board is scheduled to conduct its 2nd annual evaluation of pending referrals on March 28, 2023. To avoid future delays, all annual evaluations will be scheduled to occur the first month of each calendar year. Board review of the referral procedures is anticipated to occur in October, in conjunction with other Board policies. Staff anticipates a response to this referral in ~~January 2025 July 2025~~ August 2025..	Pending

Item #	Brd Rfl #	Assignment Date	Referred By	Lead Dept.	Sub-Depts.	Project Lead	Item	Report	Status
7	2021.25	11/16/2021	Askew	HCD		Spencer	East Garrison Street Renaming	This referral seeks to identify the process and funding for the renaming of certain streets in East Garrison and revise the naming approval process. A preliminary response was provided to the Board on January 11, 2022. Staff presented to the Board at the May 3, 2022 Board Meeting, and received direction from the Board. HCD has been directed to engage with the public and determine interest in changing the street names within East Garrison. HCD attended the East Garrison CSD (EGCSD) meeting on May 11, 2022, to present the matter. HCD staff will develop a draft program. The program will likely be presented to the Board for consideration once developed. Proposed completion date of October 2025.	Pending
8	2021.29	12/7/2021	Adams	PWFP		Ishii	Increased Fines for Big Sur Roadside Camping Prohibition	This referral seeks to increase the administrative citation and fine amounts for citations issued under Monterey County Code Section 14.18.020.A. This is a follow-up to Board Referral No. 2019.16 (Big Sur Roadside Camping Prohibition Enforcement). A preliminary response was provided to the Board on January 11, 2022. The Ordinance increasing the existing fine amount to $1,000 was adopted by the BOS at its July 26, 2022 meeting. New signage to indicate the increased fine amount has been installed on all existing camping prohibition signs. Staff continues coordination with the Big Sur Byways Organization and District 5 on installation of additional new signs. Staff continues to coordinate with Caltrans and Coastal Commission on getting the necessary approval/permits to install along SR 1. Staff is working with HCD regarding Coastal permits. Proposed completion date of ~~January~~Fall 2025.	Pending
9	2022.02	1/11/2022	Askew	CAO		Blitch/Chiulos	Sheriff Oversight Board Formation	This referral seeks to explore formation of a Sheriff Oversight Board. Assembly Bill 1185 authorized counties to establish a sheriff oversight board to assist the board of supervisors to fulfill its duties related supervising the official conduct of all county officers, including the sheriff. An oversight board would consist of civilian residents appointed by the board of supervisors. Formation of the oversight board can be accomplished by action of the board of supervisors or through a vote of county residents. This referral requests the Board of Supervisor form such an oversight board and that staff return with a report that includes bylaws, formation resolution, and an outline of administrative capacity needed to support the oversight board. A preliminary response was provided to the Board on March 22, 2022; at which time, the Board took action to defer the item until after the new Sheriff is elected and the Board has had an opportunity to establish a relationship. An Ad Hoc Committee has been established by the Board to study the various options concerning oversight of the Office of the Sheriff, pursuant to Assembly Bill 1185. Report is currently with Ad Hoc committee for review and revision.	Pending
10	2022.04	2/1/2022	Church/Lopez	~~PWFP~~ HCD		~~Ishii~~ Spencer	Revisit Rossi Road Extension Plan	This referral seeks to revisit the Rossi Road extension plan and explore solutions to alleviate traffic congestion and improve traffic circulation in the Boronda area as a result of the population and business growth and the relocation of the SVSWA transfer station and Republic Services' yard. A preliminary response was provided to the Board on March 8, 2022. A Town Hall was conducted on July 27, 2022. A working group has been started, and next steps and roles are being established. CEQA and funding are also being researched and discussed. HCD staff is preparing a draft MOU with the City of Salinas. The draft MOU will be presented to the Board once completed. Proposed completion date of December 2028.	Pending
11	2022.14	4/19/2022	Lopez	PWFP		Ishii	Harkins Road	This referral requests that staff investigate the possibility of changing Harkins Road into a one-way street. Staff presented the Preliminary Analysis Report at the May 17, 2022 Board Meeting. PWFP engaged consultant support to evaluate a potential one-way concept for Harkins Road, and a community meeting was held in Spreckels on December 5, 2022 to get feedback. Staff provided a verbal update to the referring Supervisor in January and a report to the Board is planned for the ~~February 28, 2023~~ March 7, 2022 Board meeting. With the Board Report seeking approval for the Harkins/Hunter project, staff is presenting our recommendation for the Harkins Road next week. The one-way option of Harkins is not being recommended. Staff is recommends upgrading signage and constructing improvements to the Harkins/Hunter intersection instead. The additional signs were installed at the Harkins/Hunter intersection to detour trucks around Spreckels. The one-way option was not recommended by the BoS. Continuing to monitor the effectiveness of the addition signs that were installed. Referring Supervisor has asked that this Referral be re-engaged for potential options, including pilot programs.	Pending
12	2022.22	9/27/2022	Alejo	PWFP		Ishii/Lerable	East Salinas District 1 Office/**District 1 Carryover Office Budget Funding For Planned East Salinas Office**	This referral requests that staff search and open a District Office for District 1 in East Salinas 93905 to provide greater office access to constituents in this area of Salinas with the greatest need. A preliminary response was presented to the Board on October 25, 2022. A site has been identified and staff is coordinating with the landlord on ADA upgrades prior to executing the lease. **Modified by the referring Supervisor on May 18, 2023 to include that any leftover District 1 office budget funding for 2022-23 be carried over into the next fiscal for the specific purpose of paying and offsetting any costs in opening the D1 office in East Salinas.** Real Property continues to keep an active search open for available office space within District 1 and provide occasional update to Supervisor Alejo of staffs efforts. Currently there are no opportunities available that meet the Supervisor's requirements. PWFP Real Property Staff is continuing to search for viable office space based on the D1 Office needs within the Alisal District 1 Area on a consistent basis. To date, no viable office options which meet the D1 office needs for required sq. ft., security needs and accessibility have been located. Staff will continue to present any viable options located to the D1 Office as warranted.	Pending
13	2023.03	2/7/2023	Alejo	HCD		Spencer	Affordable Senior Housing Project at 855 East Laurel Drive	This referral purpose is to approve using a vacant county property at the eastern-corner portion of 855 East Laurel Drive to construct affordable housing units for Monterey County seniors. A preliminary response was provided to the Board of Supervisors on February 28, 2023. HCD staff has met with the Housing Authority who have expressed an interest in partnering with the County on such a project. HCD is also coordinating with PWFP on plans for the Laurel Yard campus which are currently in development. Separately, HCD has been progressing an affordable housing project at this same site. On February 7, 2023 the Board approved an Exclusive Negotiating Agreement with Eden Housing Inc. for design and development of an Affordable Housing Multifamily Rental Housing Project. December 12, 2023, the Development Review Committee considered Eden's two-phase 132 rental unit affordable housing project. County has procured outside legal counsel and negotiations with Eden for a Disposition and Development Agreement with Long-Term Ground Lease are underway, which are anticipated to come to Board for consideration late spring 2024. The potential for a senior housing project will be presented to the Board once the Eden housing project is completed and PWFP has identified any remaining needs for land at the Laurel Yard. Proposed completion date of December 2026.	Pending

Item #	Brd Rfi #	Assignment Date	Referred By	Lead Dept.	Sub-Depts.	Project Lead	Item	Report	Status
14	2023.09	4/18/2023	Alejo	PWFP		Ishii	Salinas Regional Soccer Complex Grant Opportunities	This referral seeks that county staff assist in two grant opportunities for the Salinas Regional Soccer Complex that requires the County of Monterey to be lead applicant as the real property owner. Staff will provide an update to the Board on May 9, 2023. Staff presented a referral response on May 9 and May 15th. BOS provided direction to modify the referral by continuing to work with the Sport Authority on funding on options to bring back to the board for discussion. Staff will continue to collaborate with SRSA to find partner on new grant opportunities. Staff worked with Leg Staff to submit a request for federal earmark. Project was selected by Rep. Lofgren to advance to the House Appropriations Committee for further consideration of a federal earmark.	Pending
15	2023.13	7/11/2023	Church	PWFP		Ishii	Laurel Yard Master Plan	This referral requests that county staff analyze the current and proposed uses of the County owned properties at and around the Laurel Yard in Salinas and engage in a master plan to ensure compatible development consistent with County operations and community objectives to determine if the Laurel Yard should be relocated and potential sites for consideration. A preliminary response was presented to the Board on August 29, 2023. Staff provided a status update to the Board on September 17, 2024. Site is included in the County-wide Master Plan and will be analyzed in context of the County's overall needs. Master Plan expected to be completed in Fall 2025.	Pending
16	2023.17	7/19/2023	Adams	HCD		Spencer	Safeguard & Maintain Historic Buildings in Monterey County	Referral requests the County pass a local ordinance where it shall be unlawful for any person to cause or cause others to act to burn or structurally damage a structure that has been listed on a city, county, state, or national list of historic properties. This includes owners of a structure listed on a local, state, or national register of historic structures. HCD staff presented a preliminary response to this referral on September 12, 2023. The Board directed HCD to proceed with updating the County's Historic Preservation Ordinance to incorporate penalties for unlawful damage to historic resources. Updates to the Historic Preservation are on the long-range work plan for HCD and are programed to be completed in future years.	Pending
17	2023.20	11/7/2023	Church	Health		Jimenez	Littering Fines	This referral requests that staff amend County Code 10.41.040 to establish clear and significant penalties for littering and dumping by adopting fines parallel to that of San Benito County. Environmental Health will be presenting a draft Ordinance at the Board of Supervisors meeting on January 30, 2024, requesting that a Public Hearing be set to adopt the Ordinance. The ordinance will be set on February 27th for adoption, and direction was given by the Board to come back in one year with an update on the number of administrative violations, how many fines have been levied, and the total amount of fines. Staff will return to the Board of Supervisors with an update on implementation efforts and findings in March 2025. Since the adoption of higher fines for illegal dumping, EH has issued one citation on 12/13/2024 in the amount of $2,500. The citation was issued based on video images captured from surveillance cameras installed specifically to capture illegal dumpers. The Two cameras were installed in the right of way in a location known for illegal dumping. Staff was to bring back an update to the Board in March of 2025. Staff provided an update to the Board on April 22, 2025 and were directed to give an update in 6 months of the effectiveness of the cameras and a renewal of the software agreement.	Pending
18	2023.21	11/7/2023	Church	CAO		Chiulos/Bokanovich	Non-County Entity Appointments Procedure for Supervisors	This referral requestst that staff amend the current policy for appointments of County Supervisors to Non-County entities. In November 2023, the Board established an ad hoc to review and vet non-county entity appointment procedures. A meeting of the Ad Hoc was convened in late October 2024. An update report will be provided to the Board on ~~December 4, 2024 July 2025~~ August 2025.	Pending
19	2023.22	11/28/2023	Adams	PWFP		Ishii	Bixby Bridge - Traffic and Pedestrian Safety	Referral requests that staff identify solutions to respond to the immediate health and safety emergency concerns at the Bixby Bridge in Big Sur due to increased levels of visitation resulting in traffic congestion, parking issues, blocked residential access, and unsafe illegal pedestrian crossings across Highway 1. Staff presented a Preliminary Analysis Report to the Board on January 23, 2024. Staff will provide updates as they meet with the working group. Urgency Ordinance was approved by the Board of Supervisors on June 25, 2024. Next steps are to work with HCD on Emergency Coastal Development Permit. Proposed completion date of August 2024. The permit for the Urgency Ordinance was approved. PW installed railing along Coast Road to help with the illegal parking issues near Bixby Bridge.	Pending
20	2024.03	3/12/2024	Lopez	CAO		Vaughn	Wine Improvement District	This referral requests examination of sales or transactions and use tax records for the purpose of forming a wine improvement district in Monterey County. A preliminary response was presented to the Board on April 23, 2024. Staff is continuing to work with Vintners and will provide an update to the Board at a future date.	Pending
21	2024.04	3/23/2024	Church	CAO/PWFP		Paolinelli/Ishii	Maintenance of Little Bear Creek: Permits	This referral requests a study of permit processes for cleaning and long-term maintenance of Little Bear Creek. A preliminary response will be presented to the Board on April 16, 2024. PWFP is acquiring a hydrologic and hydraulic study proposal from one of our on-call consultants. This is the next step identified in the Preliminary Analysis Report. There is currently not enough information to determine a completion date. Much will depend on State and federal regulators (as well as the public and Board if this effort should be funded). The hydrologic and hydraulic study is underway.	Pending
22	2024.05	5/14/2024	Church	PWFP		Ishii	Speed Hump Fee Waivers for Low-Income Neighborhoods	This referral requests that the Board implement a policy that will waive the fees for speed hump installment in low-income neighborhoods to create safer roads. A preliminary response was presented to the Board on June 8, 2024. Staff is proceeding with the process presented in the preliminary response and exploring prioritization criteria and funding options. However, research and analysis is more involved than initially anticipated. Staff anticipates having more information to report in Summer 2025.	Pending

Item #	Brd Rfl #	Assignment Date	Referred By	Lead Dept.	Sub-Depts.	Project Lead	Item	Report	Status
23	2024.07	5/14/2024	Alejo	HCD		Spencer	County Tenant Relocation Assistance Ordinance Update	This referral request is to update the current County Relocation Assistance Ordinance 18.15.050 – "Tenant relocation provisions for rental housing" to allow an option by the County of Monterey to require landlords/property owners, who violate the county housing ordinance, to pay owed tenant relocation assistance upfront into a county account so that tenants can claim the owed rent later, without having to interact with the landlord/property owner and to better track payments made to housing victims and ensure timeliness. A preliminary response was presented to the Board on June 25, 2024. The Board provided direction to HCD to prepare an ordinance that amend current requirements to authorize the County to provide tenant relocation assistance directly to impacted families and individuals and to seek reimbursement from the landlord/property owner for those costs. The ordinance is on the list of long-range planning projects and is scheduled in "future years." The Board is asked to help review and prioritize the long-range projects annually.	Pending
24	2024.10	9/10/2024	Church	Health		Jimenez	Allow POU/POE Water Treatment for New Construction (Including ADUs)	To allow for Point of Use/Point of Entry water treatment devices to be used for new construction on vacant legal lots of record and for accessory dwelling units (ADUs). A preliminary response will be presented to the Board on October 1, 2024. EHB has prepared a draft amended ordinance that will be sent to County Counsel for review this week. The amendments add the option to use POU/POE for new development on a vacant lot or for an ADU or other second unit. Once County Counsel approves the amended ordinance, EHB will contract with Rincon to do the Initial Study. It is necessary to prepare the draft ordinance before contracting with Rincon, so they know what to include in the initial study. The updates in the amended ordinance regarding new development are the same as Rincon analyzed in the initial CEQA document, which will help streamline the process. Staff gave an update to the Board on April 22, 2025 and were instructed to return by December 2025 with a proposed amendment to the ordinance and an initial Study-Mitigated Negative Declaration evaluation.	Pending
25	2024.11	9/10/2024	Church	Health		Jimenez	Modifications to the County's Rooster Ordinance	This referral seeks to modify the County's Rooster Ordinance in order to make it more effective at eradicating cockfighting operations in unincorporated Monterey County. A preliminary response will be presented to the Board on October 1, 2024. Staff presented a Preliminary Analysis Response to the Board on 10/1/24 where the referral will be deemed complete contingent upon staff returning in 6 months with recommendations for updating/changing the Rooster ordinance. Staff is waiting to see if there is a change in State law and will bring the update back to the BoS once that information is confirmed next month (March 2025). Then a date will be set on the Board Agenda for an update. Staff is working on a letter of support for AB-928 (Rogers) Cockfighting Cruelty Act that is going to the Hitchcock Road Advisory Committee the week of May 19, 2025.	Pending
26	2024.12	9/24/2024	Aeljo	HCD		Spencer	1220 Natividad Road Property Repurposing for County Housing Trust Fund	This referral requests a feasibility study for developing commercial uses of County property located 1220 Natividad Road (old Ag Commissioner's Office off of East Laurel Street) with proceeds capitalizing the Monterey County Local Housing Fund (MCLHTF). The study should identify the types of potential users, demand for commercial uses at this location, potential lease revenue generated by the property, and legal requirements to lease the property to fund the MCLHTF. A preliminary response was presented to the Board on October 15, 2024. The Board directed HCD to coordinate with Public Works, Parks, and Facilities to incorporate the option for commercial use of 1220 Natividad Road in the Facilities Master Plan. See Referral 2023.13.	Pending
27	2024.13	9/24/2024	Alejo	CAO		Paolinelli/Wilson	Tiny Homes Village Renaming	This referral requests that the name of the pending Tiny Homes Village in Watsonville be changed to a more suitable name that inspires hope, that is easy to pronounce bilingually, and that has input from Monterey County, Santa Cruz County and the City of Watsonville. A preliminary response will be presented to the Board in January 2025. The Supervisors agreed that the renaming of the Watsonville Tiny Village will not be revisited until the Building Permit has been issued. The Counties are still working closely with the City to meet the remaining components of this process. Staff anticipates it will be completed in May 2025. Staff will provide a response to the Board on September 30, 2025.	Pending
28	2024.17	12/3/2024	Church	HCD/CAO		Spencer/Paolinelli	Policy for Evaluating Housing Economic Impacts on Residents in Legislative Decisions	This referral request for the Board of Supervisors to implement a policy requiring an assessment of potential housing economic impacts on residents in the legislative decision-making process. A preliminary response will be presented to the Board on February 4, 2025.	Pending
29	2025.01	2/4/2025	Alejo	County Counsel		Blitch	Monterey County Fracking Ban	The purpose of this referral is to draft an ordinance that would prohibit fracking in Monterey County. Staff provided a preliminary response to the Board on 12/3/24 and were directed to return to the Board after presenting to the Coastal Commission for consideration in 2025. The portions of Measure Z that implement a fracking ban in the inland portions of Monterey County have now been put in place. Specifically, the 2010 General Plan and Ford Ord Master Plan have been updated. In consultation with Coastal Commission staff, HCD staff learned that the coastal land use plan amendments need to return to the Board before they can be submitted to the Coastal Commission. County Counsel's Office staff is working with HCD staff to return to the Board with the item, and then resubmit to the Coastal Commission.	Pending
30	2025.03	4/22/2025	Askew	CAO/COB		Chiulos/Ralph	Encouraging Broad Diverse Applicant Pools with Transparent Outreach	This referral directs the County Administrative Officer and Clerk of the Board of the Board of Supervisors to ensure Board of Supervisors compliance with the Maddy Act and increase the transparency of outreach and encourage broad and diverse applicant pools for County Board, Committees, and Commissions, and Special Districts. Staff will provide a preliminary analysis response on May 13, 2025.	Pending
31	2025.04	4/22/2025	Askew	CAO/County Counsel/COB		Chiulos/Blitch/Ralph	Follow-up to Referral #2023.19 - Monterey County Regional Fire District Board of Directors (MCRFD) Vacancies, to ensure completion of BOS direction.	The purpose of this referral is to ensure BOS direction to prepare for review, adoption, and implementation of a Board policy ensuring timely noticing of recruitments for vacancies on the boards of special districts for which the BOS is the appointing authority, given as a result of Referral #2023.19, is completed. Staff will provide a preliminary analysis response on May 13, 2025.	Pending

Item #	Brd Rfi #	Assignment Date	Referred By	Lead Dept.	Sub-Depts.	Project Lead	Item	Report	Status
32	2025.05	5/13/2025	Daniels	PWFP		Ishii	Bixby Bridge – No Parking	Requesting staff to define actions needed to continue the current emergency parking prohibition and maintain the physical measures implementing it beyond the conclusion of the CT Rocky Creek slip out repair project (currently estimated to be completed in June) without interruption unless/until a more global solution can be identified and implemented thru future projects. Staff will provide a preliminary analysis response on June 3, 2025.	Pending
33	2025.06	6/10/2025	Alejo/Lopez	Health		Elsa	Monterey County Health Department Clinics Indigenous Pilot Program	The purpose of this referral is design a pilot program at the Alisal Health Clinic in East Salinas to better meet the healthcare language needs of our Indigenous Oaxacan patients. Staff will provide a preliminary analysis response on ~~July 8, 2025~~October 21, 2026.	Pending
34	2025.07	8/5/2025	Alejo	PWFP		Ishii	The Alisal Arch of East Salinas	The purpose of this referral is to have the Board of Supervisors official support for the construction of an Alisal Arch in East Salinas and to financially contribute to the project. Staff will provide a preliminary response to the Board on ~~August 26, 2025~~ September 16, 2025.	Pending
35	2025.08	8/5/2025	Alejo	Health		Jimenez	Mitigation Monitoring for the Salinas Regional Soccer Complex	The purpose of this referral is to have the Monterey County Environmental Health Bureau and/or the County Public Works, Facilities and Parks provide contracted mitigation monitoring services for the Salinas Regional Soccer Complex expansion project. Staff will provide a preliminary response to the Board on September 30, 2025.	Pending
36	2025.09	8/19/2025	Lopez	PWFP		Ishii	Anza National Historic Trail Auto Tour Signs	Partner with the National Park Service to facilitate the replacement of 14 official national historic trail Auto Tour signs on roads along the Juan Bautista de Anza National Historic Trail. A preliminary response will be provided to the Board on September 30, 2025.	Pending
37	2025.10	8/26/2025	Alejo	Health		Jimenez	Monterey County Spay and Neuter Ordinance for Cats and Dogs	The purpose of this referral is to enact a Spay and Neuter Ordinance for cats and dogs to address pet overpopulation, euthanasia rates, and overcrowded shelters with minimal staffing. A preliminary response will be provided to the Board on September 30, 2025.	Pending
38	2025.11	9/16/2025	Church	PWFP		Ishii	No Recreational Vehicle Parking on Railroad Avenue in Pajaro	This referral request for the Board of Supervisors to consider adoption of an ordinance to prohibit recreational vehicle parking on the entirety of Railroad Avenue in the unincorporated area of the County of Monterey and establish a tow-away zone, authorizing the immediate removal of vehicles that violate this no-parking restriction. Staff will provide a preliminary resonse on October 7, 2025.	Pending
								Completed by Executive Assistant on September 18, 2025	

County of Monterey

Board Report

Legistar File Number: OBM 25-137

Item No.29

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 8/25/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Other Board Matters

County Administrative Officer Comments

County of Monterey

Board Report

Legistar File Number: OBM 25-138

Item No.30

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 8/25/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Other Board Matters

Board Comments

County of Monterey

Board Report

Legistar File Number: 25-659

Item No.

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/18/2025
Version: 1

Current Status: Agenda Ready
Matter Type: General Agenda Item

2025 Board of Supervisors Meeting Schedule

Before the Board of Supervisors in and for the County of Monterey, State of California

Adopt the Board of Supervisors' meeting)
schedule for the calendar year 2025……)

The Board will meet on Wednesday, May 28, 2025, at 9:00 a.m. and Thursday, May 29, 2025, at 9:00 a.m. for Budget Hearings and will meet every Tuesday at 9:00 a.m., as scheduled below:

Meeting On:
January 7, 2025
January 14, 2025
January 28, 2025
February 4, 2025
February 7, 2025 Legislative Workshop - Friday
February 18, 2025
February 25, 2025
March 7, 2025 BOS/Dept. Head Retreat - Friday
March 11, 2025
March 18, 2025
March 25, 2025 Budget Workshop
April 15, 2025
April 22, 2025
April 29, 2025
May 6, 2025
May 13, 2025
May 20, 2025
May 28, 2025 Budget Hearings - Wednesday
May 29, 2025 Budget Hearings – Thursday (If needed)
June 3, 2025
June 10, 2025
June 17, 2025 Budget Adoption, etc.
June 24, 2025
June 26, 2025 Executive Performance Evaluations -Thursday
June 27, 2025 Executive Performance Evaluations – Friday (If needed)
July 1, 2025
July 8, 2025
August 5, 2025
August 12, 2025
August 19, 2025
August 26, 2025
September 16, 2025
September 23, 2025
September 30, 2025
October 7, 2025
October 14, 2025
October 21, 2025
October 28, 2025
November 4, 2025
November 18, 2025

December 2, 2025
December 9, 2025
December 10, 2025 – Wednesday Overflow (If needed)
December 11, 2025 Executive Performance Evaluations - Thursday
December 12, 2025 Executive Performance Evaluations – Friday (If needed)

The Board will not meet on the following dates in observance of holidays, other recesses and conferences or otherwise posted, at 9:00 a.m. as noted below:

No Meeting On:	In observance of:
January 21, 2025	Martin Luther King's Day
February 11, 2025	National Association of Counties Conference (NACo)
March 4, 2025	Dept Head Retreat
April 1, 2025	Cesar Chavez Day
April 8, 2025	Spring Break
May 27, 2025	Memorial Day
July 15, 205	Summer Recess
July 22, 2025	Summer Recess
July 29, 2025	Summer Recess
September 2, 2025	Labor Day
September 9, 2025	Legislative Conference
November 11, 2025	Veterans Day
November 25, 2025	Thanksgiving Day
December 16, 2025	Winter Break
December 23, 2025	Winter Break
December 30, 2025	Winter Break

PASSED AND ADOPTED on this 24th day of September 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting on September 24, 2024.

Dated: September 27, 2024

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

Introduced: 8/28/2025

Current Status: Natividad Medical Center - Consent

Version: 1

Matter Type: BoS Agreement

a. Authorize the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) or his designee to execute the Professional and Call Coverage Services Agreement with Advanced Gastroenterology of Monterey County Medical Corporation to provide gastroenterology services for an amount not to exceed $1,352,000 for the period October 1, 2025 to September 30, 2027; and
b. Authorize the CEO for NMC or his designee to sign up to three (3) future amendments to this Agreement where the total amendments do not significantly change the scope of work, do not exceed 10% ($135,200) of the original contract amount and do not increase the total contract amount above $1,487,200.

RECOMMENDATION:

It is recommended that the Board of Supervisors:
a. Authorize the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) or his designee to execute the Professional and Call Coverage Services Agreement with Advanced Gastroenterology of Monterey County Medical Corporation to provide gastroenterology services for an amount not to exceed $1,352,000 for the period October 1, 2025 to September 30, 2027; and
b. Authorize the CEO for NMC or his designee to sign up to three (3) future amendments to this Agreement where the total amendments do not significantly change the scope of work, do not exceed 10% ($135,200) of the original contract amount and do not increase the total contract amount above $1,487,200.

SUMMARY/DISCUSSION:

NMC must arrange for care and treatment of hospitalized patients as well as patients who present to the emergency department and outpatient clinics in need of medical care in the specialty of gastroenterology. NMC wishes to enter into a new agreement with Advanced Gastroenterology of Monterey County Medical Corporation, for which Mumtaz Tabbaa M.D., a board-certified gastroenterologist will provide gastroenterology call coverage in the emergency department along with other panel members to ensure sufficient coverage of the service twenty-four hours per day, seven days a week including holidays as well as endoscopy procedures and outpatient services in the specialty clinic.

Advanced Gastroenterology of Monterey County Medical Corporation is paid a rate for services according to the terms of this agreement. Although the amount of services may increase or decrease due to patient volumes and the need for coverage, the rate of pay remains the same. NMC has obtained an independent opinion of fair market value supporting the payment terms of this Agreement.

OTHER AGENCY INVOLVEMENT:
County Counsel has reviewed and approved this Agreement as to legal form. Auditor-Controller has reviewed and approved this Agreement as to fiscal provisions. The Agreement has also been reviewed and approved by Natividad Medical Center's Finance Committee and Board of Trustees.

FINANCING:
The total cost of this Agreement is $1,352,000 for the period October 1, 2025 to September 30, 2027 (24 months). $676,000 is included in the Fiscal Year 2025/2026 adopted budget, the remaining balance will be budgeted in the subsequent fiscal years. Funding will be provided from NMC's Enterprise Fund 451-9600-6608.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
The services rendered in this agreement provide NMC with the additional support it needs in order to provide reliable and high-quality patient care which improves the health and quality of life for patients and their families.

__ Economic Development
__ Administration
X Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Jeanne-Ann Balza, Director of Physician Services, 783.2506
Approved by: Charles R. Harris, Chief Executive Officer, 783.2551

Attachments:
Agreement

Attachments on File at the Clerk of the Board

Introduced: 8/28/2025
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

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__ Economic Development
__ Administration
X Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Jeanne-Ann Balza, Director of Physician Services, 783.2506
Approved by: Charles R. Harris, Chief Executive Officer, 783.2551

Attachments:
Agreement

Attachments on File at the Clerk of the Board

Docusign Envelope ID: 766BC226-F7C7-4FD3-B37D-14CCF7CC6263

PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

by and between

NATIVIDAD MEDICAL CENTER ("Hospital")

and

ADVANCED GASTROENTEROLOGY OF MONTEREY COUNTY MEDICAL CORPORATION ("Contractor")

Docusign Envelope ID: 766BC226-F7C7-4FD3-B37D-14CCF7CC6263

PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

THIS PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT (this **"Agreement"**) is entered into as of October 1, 2025, by and between COUNTY OF MONTEREY (**"County"**) on behalf of NATIVIDAD MEDICAL CENTER (**"Hospital"**), and ADVANCED GASTROENTEROLOGY OF MONTEREY COUNTY MEDICAL CORPORATION, a California professional corporation (**"Contractor"**). County, Hospital and Contractor are sometimes referred to in this Agreement as a **"Party"** or, collectively, as the **"Parties."**

RECITALS

A. County owns and operates Hospital, a general acute care teaching hospital facility located in Salinas, California and various outpatient clinics (collectively, the **"Clinic"**) under its acute care license.

B. Contractor is a professional corporation organized under the laws of the State of California (the **"State"**), wholly owned and controlled by Mumtaz G. Tabbaa, M.D. (**"Physician"**), an individual duly licensed and qualified to practice medicine in the State. Physician is experienced in the specialized field of gastroenterology (the **"Specialty"**).

C. Hospital must arrange for the provision of professional consultation and treatment of patients who present to the emergency department (**"ED"**) and who are admitted as Hospital inpatients in need of medical care or treatment in the Specialty, including inpatient and outpatient procedures performed in Hospital's operating room and/or who present to Hospital's Clinic (collectively, the **"Patients"**), without regard to any consideration other than medical condition.

D. In order to ensure adequate and continued Specialty coverage for the Hospital as required by applicable federal and state laws, Hospital desires to engage a panel of physicians specializing in the Specialty, including Contractor (each, a **"Panel Member"** and, collectively, the **"Panel Members"**), to provide call coverage for the Hospital, upon the terms and subject to the conditions set forth in this Agreement.

E. Hospital has considered the following factors in determining the necessity and amount of compensation payable to Contractor pursuant to this Agreement:

1. The nature of Contractor's duties as contemplated by this Agreement.

2. Contractor's qualifications.

3. The difficulty in obtaining a qualified physician to provide the services described in this Agreement.

4. The benefits to Hospital's community resulting from Contractor's performance of the services described in this Agreement.

5. The economic conditions locally and in the health care industry generally.

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AGREEMENT

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I.
CONTRACTOR'S OBLIGATIONS

1.1 Services.

(a) Contractor shall provide professional services in the Specialty to Patients, upon the terms and subject to the conditions set forth in this Agreement (the **"Professional Services"**), including, without limitation: (i) Professional Services in the Clinic, initially for four (4) Half-Days per week (**"Clinic Services"**), and (ii) endoscopy services in Hospital's outpatient surgery center, initially for four (4) Half-Days per week (**"Endoscopy Services"**). Contractor shall provide Endoscopy Services in accordance with American Gastroenterology Association guidelines. The schedule each month for Clinic Services and Endoscopy Services, respectively, shall be determined by Hospital, after consultation with Contractor. For purposes of this Agreement, **"Half-Day"** shall mean four (4) hours per day.

(b) Contractor shall be available on an on-call basis to provide Specialty medical care and treatment to Patients (**"Coverage Services"**), along with other Panel Members, in a manner that is sufficient to ensure coverage of Hospital in the Specialty twenty-four (24) hours per day, seven (7) days per week, including all holidays, in accordance with the schedule developed by Hospital.

(c) Contractor shall ensure that Physician provides timely initial follow-up care for all Hospital patients referred for care by the ED or attending physician. If Physician is the physician on-call at the time of the referral, Physician shall provide any necessary follow-up care for such patients regardless of the patient's ability to pay for services at the time of the first visit.

1.2 Teaching Services. Contractor shall, through the services of Physician, provide to Hospital those teaching services set forth in **Exhibit 1.2** (collectively, the **"Teaching Services"**). Contractor shall not be separately compensated for the provision of Teaching Services under this Agreement.

1.3 Additional Services. Contractor shall, through the services of Physician, provide to Hospital those additional services set forth in **Exhibit 1.3** (the **"Additional Services"**), upon the terms and subject to the conditions set forth in this Agreement. The Professional Services, Clinic Services, Endoscopy Services, Teaching Services, Coverage Services and Additional Services are sometimes referred to collectively in this Agreement as the **"Services."**

1.4 Time Commitment. Contractor shall allocate time among the Professional Services, Teaching Services, Coverage Services and Additional Services as reasonably requested by Hospital from time to time.

1.5 Availability. Contractor shall ensure that Physician shall be available to provide the Services on a twenty-four (24) hour per day, seven (7) day per week basis. On or before the

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first (1st) day of each month, Contractor shall inform Hospital of Physician's schedule of availability to perform the Services during the following month. Physician shall use his or her best efforts to adjust such schedule of availability if reasonably requested by Hospital in order to meet Hospital's needs for the Services.

1.6 Time Reports. Contractor shall maintain and submit to Hospital monthly time sheets that provide a true and accurate accounting of Physician's time spent on a daily basis providing the Services. Such time sheets shall be on the then-current form provided by Hospital attached hereto as **Exhibit 1.6**. Contractor shall submit all such time sheets to Hospital no later than the tenth (10th) day of each month for Services provided during the immediately preceding month.

1.7 Medical Staff. Physician shall be a member in good standing and active on the Hospital's medical staff (the **"Medical Staff"**) and have and maintain all clinical privileges at Hospital necessary for the performance of Physician's obligations under this Agreement. If, as of the Effective Date (as defined in Section 5.1), Physician is not a member in good standing or active on the Medical Staff or does not hold all clinical privileges at Hospital necessary for the performance of Physician's obligations hereunder, Physician shall have a reasonable amount of time, which in no event shall exceed sixty (60) calendar days from the Effective Date, to obtain such membership and/or clinical privileges; provided, however, that Physician diligently pursues such membership and/or clinical privileges in accordance with the normal procedures set forth in the Medical Staff bylaws; and provided, however, that, at all times, Physician has been granted privileges to perform the Services. Physician may obtain and maintain medical staff privileges at any other hospital or health care facility at Physician's sole expense.

1.8 Professional Qualifications. Physician shall have and maintain an unrestricted license to practice medicine in the State. Physician shall be board certified in the Specialty by the applicable medical specialty board approved by the American Board of Medical Specialties. Physician shall have and maintain a valid and unrestricted United States Drug Enforcement Administration (**"DEA"**) registration.

1.9 Review of Office of the Inspector General ("OIG") Medicare Compliance Bulletins. The OIG from time to time issues Medicare compliance alert bulletins. To the extent applicable to Contractor's performance under this Agreement, Contractor and Physician shall undertake to review, be familiar with and comply with all applicable requirements of such OIG compliance bulletins.

1.10 Performance Standards. Contractor and Physician shall comply with all bylaws, Medical Staff policies, rules and regulations of Hospital and the Medical Staff (collectively, the **"Hospital Rules"**), and all protocols applicable to the Services or the Hospital (the **"Protocols"**).

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1.11 Code of Conduct. Contractor hereby acknowledges receipt of Hospital's Code of Conduct which is attached to this Agreement as **Exhibit 1.11** (the **"Code"**), and agrees that Contractor and Physician have been given ample opportunity to read, review and understand the Code. With respect to Contractor's and Physician's business dealings with Hospital and their performance of the Services described in this Agreement, neither Contractor nor Physician shall act in any manner which conflicts with or violates the Code, nor cause another person to act in any manner which conflicts with or violates the Code. Contractor and Physician shall comply with the Code as it relates to their business relationship with Hospital or any Affiliate, subsidiaries, employees, agents, servants, officers, directors, contractors and suppliers of every kind.

1.12 Continuing Medical Education. Contractor shall ensure that Physician participates in continuing medical education as necessary to maintain licensure, professional competence and skills commensurate with the standards of the medical community and as otherwise required by the medical profession.

1.13 Use of Space. Contractor and Physician shall use Hospital's premises and space solely and exclusively for the provision of the Services, except in an emergency or with Hospital's prior written consent.

1.14 Notification of Certain Events. Contractor shall notify Hospital in writing within twenty-four (24) hours after the occurrence of any one or more of the following events:

(a) Contractor or Physician becomes the subject of, or materially involved in, any investigation, proceeding, or disciplinary action by: Medicare and Medicaid programs or any other Federal health care program, as defined at 42 U.S.C. Section 1320a-7b(f) (collectively, the **"Federal Health Care Programs"**) or state equivalent, any state's medical board, any agency responsible for professional licensing, standards or behavior, or any medical staff;

(b) the medical staff membership or clinical privileges of Physician at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(c) Physician becomes the subject of any suit, action or other legal proceeding arising out of Contractor's professional services;

(d) Physician voluntarily or involuntarily retires from the practice of medicine;

(e) Physician's license to practice medicine in the State is restricted, suspended or terminated, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(f) Contractor or Physician is charged with or convicted of a criminal offense;

(g) Contractor changes the location of Contractor's office;

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(h) any act of nature or any other event occurs which has a material adverse effect on Contractor's or Physician's ability to provide the Services; or

(i) Contractor or Physician is debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program or state equivalent.

1.15 Representations and Warranties by Contractor. Contractor represents and warrants that: (a) Physician's license to practice medicine in any state has never been suspended, revoked or restricted; (b) neither Contractor nor Physician has ever been reprimanded, sanctioned or disciplined by any licensing board or medical specialty board; (c) neither Contractor nor Physician has ever been excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program; (d) Physician has never been denied membership and/or reappointment to the medical staff of any hospital or health care facility; (e) Physician's medical staff membership or clinical privileges at any hospital or health care facility have ever been suspended, limited or revoked for a medical disciplinary cause or reason; and (f) Physician has never been charged with or convicted of a felony, a misdemeanor involving fraud, dishonesty, controlled substances, or moral turpitude, or any crime relevant to the provision of medical services or the practice of medicine.

1.16 Nondiscrimination. Neither Contractor nor Physician shall differentiate or discriminate in performing the Services on the basis of race, religion, creed, color, national origin, ancestry, sex, physical disability, mental disability, medical condition, marital status, age, sexual orientation or payor, or on any other basis prohibited by applicable law.

1.17 Non-Exclusive Services. The Services provided by Contractor hereunder are intended to be non-exclusive. Notwithstanding the above, during the term of this Agreement, Contractor shall undertake to retain the service capacity necessary to provide those Services described in this Agreement, to the extent necessary to serve the reasonably foreseeable patient needs for medical care at Hospital and the administrative services hereunder.

1.18 Compliance with Grant Terms. If this Agreement has been or will be funded with monies received by Hospital or County pursuant to a contract with the state or federal government or private entity in which Hospital or County is the grantee, Contractor and Physician shall comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, Hospital shall deliver a copy of said contract to Contractor at no cost to Contractor.

1.19 Coordination with Attending Physicians. Contractor shall ensure that Physician promptly reports the results of all professional services furnished to an ED patient to such patient's attending physician(s) and any other physician(s) engaged in specialty consultation or treatment for such patient.

1.20 Medical Records and Claims.

(a) Contractor shall ensure that Physician prepares complete, timely, accurate and legible medical and other records with respect to the services and treatment furnished to ED patients, in accordance with the Hospital Rules, federal and state laws and regulations, and standards and recommendations of such nationally recognized accrediting organization as

Docusign Envelope ID: 766BC226-F7C7-4FD3-B37D-14CCF7CC6263

Hospital designates from time to time. All such information and records relating to any ED patient shall be: (i) prepared on forms developed, provided or approved by Hospital; (ii) the sole property of Hospital; and (iii) maintained at Hospital in accordance with the terms of this Agreement and for so long as is required by applicable laws and regulations.

(b) Contractor shall maintain and upon request provide to ED patients, Hospital, and state and federal agencies, all financial books and records and medical records and charts as may be necessary for Contractor and/or Hospital to comply with applicable state, federal, and local laws and regulations and with contracts between Hospital and third party payors. Contractor shall cooperate with Hospital in completing such claim forms for ED patients as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors. Contractor shall retain all such records and information for at least ten (10) years following the expiration or termination of this Agreement. This Section 1.20(b) shall survive the expiration or termination of this Agreement.

1.21 Records Available to Contractor. Both during and after the term of this Agreement, Hospital shall permit Contractor and Contractor's agents to inspect and/or duplicate, at Contractor's sole cost and expense, any medical chart and record to the extent necessary to meet Contractor's professional responsibilities to patients, to assist in the defense of any malpractice or similar claim to which such chart or record may be pertinent, and/or to fulfill requirements pursuant to provider contracts to provide patient information; provided, however, such inspection or duplication is permitted and conducted in accordance with applicable legal requirements and pursuant to commonly accepted standards of patient confidentiality. Contractor shall be solely responsible for maintaining patient confidentiality with respect to any information which Contractor obtains pursuant to this Section.

1.22 Response Times. Contractor shall ensure that Physician responds in person to a request for an emergency evaluation by the attending physician or the ED physician within a response time frame as required by the patient's medical condition and in accordance with Hospital Rules. Contractor shall ensure that Physician responds within forty (40) minutes by phone, if asked to respond by phone, to any request for an ED or patient phone consultation and subsequent follow-up at Hospital.

ARTICLE II.
COMPENSATION

2.1 Compensation. Hospital shall pay to Contractor the amount determined in accordance with **Exhibit 2.1** (the **"Compensation"**), upon the terms and conditions set forth therein. The total amount payable by Hospital to Contractor under this Agreement shall not exceed the sum of One Million Three Hundred Fifty-Two Thousand Dollars ($1,352,000). The Hospital's maximum obligation under this Agreement shall not exceed Six Hundred Seventy-Six Thousand Dollars ($676,000) per Contract Year.

2.2 Billing and Collection. Hospital shall have the sole and exclusive right to bill and collect for any and all Professional Services rendered to Patients by Contractor or Physician under this Agreement (the **"NMC Services"**). Hospital shall have the sole and exclusive right, title and interest in and to accounts receivable with respect to such NMC Services.

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(a) **Assignment of Claims.** Contractor hereby assigns (or reassigns, as the case may be) to Hospital all claims, demands and rights of Contractor for any and all NMC Services rendered by Contractor pursuant to this Agreement. Contractor shall take such action and execute such documents (e.g., CMS Forms 855R and 855I), as may be reasonably necessary or appropriate to effectuate the assignment (or reassignment, as the case may be) to Hospital of all claims, demands and rights of Contractor for any and all NMC Services rendered by Contractor pursuant to this Agreement.

(b) **Cooperation with Billing and Collections.** Contractor shall cooperate with Hospital in the billing and collection of fees with respect to NMC Services rendered by Contractor. Without limiting the generality of the foregoing, Contractor shall cooperate with Hospital in completing such claim forms with respect to NMC Services rendered by Contractor pursuant to this Agreement as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors.

(c) **Hospital as Exclusive Source for Compensation for NMC Services.** Contractor shall seek and obtain compensation for the performance of NMC Services only from Hospital. Contractor shall not, bill, assess or charge any fee, assessment or charge of any type against any Hospital patient or any other person or entity for NMC Services rendered by Contractor pursuant to this Agreement. Contractor shall promptly deliver to Hospital any and all compensation, in whatever form, that is received by Contractor or Physician for NMC Services rendered by Contractor or Physician pursuant to this Agreement, including any amount received from any Managed Care Organization (as defined below) for NMC Services rendered by Contractor or Physician pursuant to this Agreement.

(d) **Joint and Several Liability**. Hospital and Contractor acknowledge that they will be jointly and severally liable for any Federal Health Care Program overpayments relating to claims with respect to NMC Services furnished by Contractor pursuant to this Agreement. The foregoing is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the Parties' respective indemnification obligations under this Agreement.

(e) **Indemnification for Billing Information.** Contractor hereby agrees to indemnify County, Hospital, its officers, supervisors, trustees, employees and agents, from and against any and all liability, cost, loss, penalty or expense (including, without limitation, attorneys' fees and court costs) incurred by Hospital resulting from negligent acts or negligent omissions of Contractor which result in inaccurate and/or improper billing information furnished by Contractor and relied on by Hospital regarding Professional Services rendered by Contractor to Patients, to the extent such liability, cost, loss, penalty or expense exceeds the amount of payment or reimbursement actually received by Hospital for such services.

2.3 Third Party Payor Arrangements.

(a) Contractor shall cooperate in all reasonable respects necessary to facilitate Hospital's entry into or maintenance of any third party payor arrangements for the provision of services under Federal Health Care Programs or any other public or private health and/or hospital

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care programs, including insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations.

(b) To enable Hospital or the Clinic to participate in any third party payor arrangement, Contractor shall, not more than ten (10) business days following Hospital's request:

(i) Initiate enrollment as a provider (if required by the third party payor), separate from Hospital and Clinic, with any third party payor or intermediate organization (including any independent practice association) (each, a **"Managed Care Organization"**) designated by Hospital for the provision of Professional Services to Hospital patients covered by such Managed Care Organization;

(ii) Complete any documents (e.g., CAQH Universal Provider Datasource form) as may be reasonably necessary or appropriate to effectuate enrollment;

(iii) Enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision of Professional Services to Hospital patients covered by such Managed Care Organization; and/or

(iv) Enter into a written agreement with Hospital regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of Professional Services to Hospital patients covered by such Managed Care Organization.

ARTICLE III.
INSURANCE AND INDEMNITY

3.1 Evidence of Coverage. Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies. This verification of coverage shall be sent to Hospital's Medical Staff Office, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and Hospital has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

3.2 Qualifying Insurers. All coverages except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by Hospital's Contracts/Purchasing Director.

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3.3 Insurance Coverage Requirements. Without limiting Contractor's or Physician's duty to indemnify, Contractor shall maintain in effect throughout the term of this Agreement, at Contractor's sole cost and expense, a policy or policies of insurance with the following minimum limits of liability:

(a) **Professional liability insurance**, covering Contractor and Physician with coverage of not less than One-Million Dollars ($1,000,000) per physician per occurrence and Three-Million Dollars ($3,000,000) per physician in the aggregate; or such other amount(s) of professional liability insurance as may be required by Article 2.2-1 of Hospital's Medical Staff Bylaws from time to time, to cover liability for malpractice and/or errors or omissions made in the course of rendering services under this Agreement. If any professional liability insurance covering Contractor and Physician is procured on a "Claims Made" rather than "Occurrence" basis, then Contractor and Physician shall either continue such coverage or obtain extended reporting coverage (**"Tail Coverage"**), as appropriate, upon the occurrence of any of the following: (i) termination or expiration of this Agreement; (ii) change of coverage if such change shall result in a gap in coverage; or (iii) amendment, reduction or other material change in the then existing professional liability coverage of Contractor if such amendment, reduction or other material change will result in a gap in coverage. Any Tail Coverage shall have liability limits in the amount set forth above and shall in all events continue in existence until the greater of: (a) three (3) years or (b) the longest statute of limitations for professional and general liability for acts committed has expired. All insurance required by this Agreement shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact insurance business in the State.

(b) **Commercial general liability insurance**, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

(c) **Business automobile liability insurance**, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

(d) **Workers' Compensation Insurance**, if Contractor employs others in the performance of this Agreement, in accordance with California Labor Code Section 3700 and with Employer's Liability limits not less than One Million Dollars ($1,000,000) each person, One Million Dollars ($1,000,000) each accident and One Million Dollars ($1,000,000) each disease.

☐ Exemption/Modification (Justification attached; subject to approval).

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3.4 Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to Hospital and issued and executed by an admitted insurer authorized to transact insurance business in the State. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three (3) years following the date Contractor and Physician complete their performance of services under this Agreement.

Each liability policy shall provide that Hospital shall be given notice in writing at least thirty (30) days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor, Physician, and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance. The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by Hospital, Contractor shall file certificates of insurance with Hospital's Medical Staff Office, showing that the Contractor has in effect the insurance required by this Agreement. The Contractor shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

Contractor and Physician shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by Hospital, annual certificates to Hospital's Medical Staff Office. If the certificate is not received by the expiration date, Hospital shall notify Contractor and Contractor shall have five (5) calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by Contractor to maintain such insurance is a default of this Agreement, which entitles Hospital, at its sole discretion, to terminate the Agreement immediately.

3.5 Right to Offset Insurance Costs.

(a) In the event that Contractor does not purchase or otherwise have the liability insurance set forth in this Section at any time during the term of this Agreement, and without limiting any rights or remedies of County, County may at its option and within its sole

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discretion provide the liability insurance required by this Section and continue to pay the premiums therefor. If Contractor does not promptly reimburse all such amounts, then County shall have the right to withhold and offset the compensation due to Contractor under this Agreement, in addition to such other rights or privileges as County may have at law or in equity.

(b) The County's option to provide such insurance and to offset the compensation otherwise due to the Contractor shall also apply to the "Tail Coverage" referenced in Section 3.3, including for general liability if during the term of the Agreement such coverage has been written on a claims made basis, which is required to remain effective after the expiration or termination of this Agreement for any reason.

3.6 Indemnification.

(a) **Indemnification by Contractor.** Contractor and Physician shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with Contractor's or Physician's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "Contractor's performance" includes Contractor's and Physician's acts or omissions and the acts or omissions of Contractor's officers, employees, agents and subcontractors.

(b) **Indemnification by County.** County agrees to defend, indemnify, and hold harmless Contractor and Physician, to the extent permitted by applicable law, from and against any and all claims and losses whatsoever accruing or resulting to any person, firm or corporation for damages, injury or death arising out of or connected with any negligent act or omission or willful misconduct of County or any of its agents or employees.

3.7 Indemnification for Timely Payment of Tax Contributions. It is expressly agreed by the Parties hereto that no work, act, commission or omission of Contractor or Physician shall be construed to make or render Contractor or Physician the agent, employee or servant of County. Contractor and Physician agrees to indemnify, defend and hold harmless County and Hospital from and against any and all liability, loss, costs or obligations (including, without limitation, interest, penalties and attorney's fees in defending against the same) against County or Hospital based upon any claim that Contractor has failed to make proper and timely payment of any required tax contributions for itself, its employees, or its purported agents or independent contractors.

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3.8 Hospital Services. Hospital shall retain professional and administrative responsibility for the operation of the Hospital and/or Clinic, as and to the extent required by Title 22, California Code of Regulations, Section 70713. Hospital's retention of such responsibility is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the obligations of Contractor under this Agreement, including, without limitation, the obligations under the insurance and indemnification provisions set forth in this Article III.

3.9 Survival of Obligations. The Parties' obligations under this Article III shall survive the expiration or termination of this Agreement for any reason.

ARTICLE IV.
RELATIONSHIP BETWEEN THE PARTIES

4.1 Independent Contractor.

(a) Contractor and Physician is and shall at all times be an independent contractor with respect to Hospital in the performance of Contractor's and Physician's obligations under this Agreement. Nothing in this Agreement shall be construed to create an employer/employee, joint venture, partnership, lease or landlord/tenant relationship between Hospital and Contractor or Hospital and Physician. Physician shall not hold himself or herself out as an officer, agent or employee of Hospital, and shall not incur any contractual or financial obligation on behalf of Hospital without Hospital's prior written consent.

(b) If the Internal Revenue Service (**"IRS"**) or any other governmental agency should inquire about, question or challenge the independent contractor status of Contractor or Physician with respect to County, the Parties hereto mutually agree that: (i) each shall inform the other Party hereto of such inquiry or challenge; and (ii) County and Contractor shall each have the right to participate in any discussion or negotiation occurring with the taxing agency, regardless of who initiated such discussions or negotiations. In the event the taxing agency concludes that an independent contractor relationship does not exist, County may terminate this Agreement effective immediately upon written notice. In the event of such termination, the Parties remain free to negotiate an employer/employee contract with Physician.

4.2 Limitation on Control. Hospital shall neither have nor exercise any control or direction over Contractor's or Physician's professional medical judgment or the methods by which Contractor or Physician performs professional medical services; provided, however, that Contractor and Physician shall be subject to and shall at all times comply with the Protocols and the bylaws, guidelines, policies and rules applicable to other members of the Medical Staff.

4.3 Practice of Medicine. Contractor and Hospital acknowledge that Hospital is neither authorized nor qualified to engage in any activity which may be construed or deemed to constitute the practice of medicine. To the extent that any act or service required of, or reserved to, Hospital in this Agreement is construed or deemed to constitute the practice of medicine, the performance of such act or service by Hospital shall be deemed waived or unenforceable, unless this Agreement can be amended to comply with the law, in which case the Parties shall make such amendment.

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4.4 No Benefit Contributions. Hospital shall have no obligation under this Agreement to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Contractor or any other person employed or retained by Contractor. Notwithstanding the foregoing, if Hospital determines or is advised that it is required by law to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Contractor or any other person employed or retained by Contractor, Contractor shall reimburse Hospital for any such expenditure within thirty (30) calendar days after being notified of such expenditure.

4.5 Referrals. Contractor and Physician shall be entitled to refer patients to any hospital or other health care facility or provider deemed by Contractor or Physician best qualified to deliver medical services to any particular patient; provided; however, that neither Contractor nor Physician shall refer any Hospital patient to any provider or health care services which either Contractor or Physician knows or should have known is excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program or state equivalent. Nothing in this Agreement or in any other written or oral agreement between Hospital and Contractor or Hospital and Physician, nor any consideration offered or paid in connection with this Agreement, contemplates or requires the admission or referral of any patients or business to Hospital or any Affiliate. In the event that any governmental agency, any court or any other judicial body of competent jurisdiction, as applicable, issues an opinion, ruling or decision that any payment, fee or consideration provided for hereunder is made or given in return for patient referrals, either Party may at its option terminate this Agreement with three (3) days' notice to the other Party. Contractor's rights under this Agreement shall not be dependent in any way on the referral of patients or business to Hospital or any Affiliate by Contractor, Physician or any person employed or retained by Contractor.

4.6 Form 1099 or W-2. If required to do so under applicable law, Hospital shall issue an Internal Revenue Service Form 1099 or Form W-2 to Contractor.

4.7 Contractor Compensation Arrangements. Contractor represents and warrants to Hospital that the compensation paid or to be paid by Contractor to any physician is and will at all times be fair market value for services and items actually provided by such physician, not taking into account the value or volume of referrals or other business generated by such physician for Hospital or any Affiliate. Contractor further represents and warrants to Hospital that Contractor has and will at all times maintain a written agreement with each physician receiving compensation from Contractor.

4.8 Cooperation.

(a) The Parties recognize that, during the term of this Agreement and for an undetermined time period thereafter, certain risk management issues, legal issues, claims or actions may arise that involve or could potentially involve the Parties and their respective employees and agents. The Parties further recognize the importance of cooperating with each other in good faith when such issues, claims or actions arise, to the extent such cooperation does not violate any applicable laws, cause the breach of any duties created by any policies of

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insurance or programs of self-insurance, or otherwise compromise the confidentiality of communications or information regarding the issues, claims or actions. As such, the Parties hereby agree to cooperate in good faith, using their best efforts, to address such risk management and legal issues, claims, or actions.

(b) The Parties further agree that if a controversy, dispute, claim, action or lawsuit (each, an **"Action"**) arises with a third party wherein both the Parties are included as defendants, each Party shall promptly disclose to the other Party in writing the existence and continuing status of the Action and any negotiations relating thereto. Each Party shall make every reasonable attempt to include the other Party in any settlement offer or negotiations. In the event the other Party is not included in the settlement, the settling Party shall immediately disclose to the other Party in writing the acceptance of any settlement and terms relating thereto, if allowed by the settlement agreement.

(c) Contractor shall cooperate with the individual designated by Hospital to have principal responsibility for the administration and operation of the Hospital and/or Clinic. Such cooperation shall include supervision, selection, assignment, and evaluation of personnel; management and direction of equipment maintenance; development of budgets; and oversight of the acquisition of materials, supplies, and equipment.

(d) Contractor shall assist Hospital, as reasonably requested by Hospital, in Hospital's compliance with applicable laws and the standards, requirements, guidelines and recommendations of any governing or advisory body having authority to set standards relating to the operation of Hospital, or any nationally recognized accrediting organization that Hospital designates from time to time.

4.9 Contractor's Performance. County or Hospital, at its option and within its sole discretion, may seek evaluation of contractual performance by requesting input from Hospital's Medical Director/Chief Medical Officer and from other professionals within Hospital.

4.10 Right of Inspection. Upon reasonable prior written notice, Hospital and County officials and their designees may inspect the books and records of Contractor which are necessary to determine that work performed by Contractor or Physician to patients hereunder is in accord with the requirements of this Agreement. Such inspection shall be made in a manner so as not to disrupt the operations of Hospital or Contractor.

4.11 Access to and Audit of Records. Hospital shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the Contractor and its subcontractors related to services provided under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of Ten Thousand Dollars ($10,000), the Parties may be subject, at the request of Hospital or as part of any audit of Hospital, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three (3) years after final payment under the Agreement.

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ARTICLE V.
TERM AND TERMINATION

5.1 Term. This Agreement shall become effective on October 1, 2025 (the **"Effective Date"**), and shall continue until September 30, 2027 (the **"Expiration Date"**), subject to the termination provisions of this Agreement.

5.2 Termination by Hospital. Hospital shall have the right to terminate this Agreement upon the occurrence of any one or more of the following events:

(a) breach of this Agreement by Contractor or Physician where the breach is not cured within thirty (30) calendar days after Hospital gives written notice of the breach to Contractor;

(b) death or permanent disability of Physician;

(c) Physician's voluntary retirement from the practice of medicine;

(d) neglect of professional duty by Contractor or Physician in a manner that poses an imminent danger to the health or safety of any individual, or violates Hospital's policies, rules or regulations;

(e) Physician is unable or reasonably expected to be unable to provide the Services for any reason for a period in excess of thirty (30) consecutive days or sixty (60) days in the aggregate over any three (3) month period;

(f) Physician's clinical privileges or medical staff membership at any hospital are denied, suspended, terminated, restricted, revoked or relinquished for any reason, whether voluntarily or involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(g) Physician's license to practice medicine in the State is restricted, suspended or terminated, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(h) Physician for any reason is not a member in good standing in the "active staff" category of the Medical Staff or does not hold all clinical privileges at Hospital necessary for Physician's performance of the Services or Physician is the subject of one or more investigations, proceedings or peer review or other disciplinary actions by the Medical Staff;

(i) Physician is charged with or convicted of a criminal offense;

(j) Physician's performance of this Agreement, in the sole determination of Hospital, jeopardizes the mental or physical health or well-being of patients of Hospital;

(k) Physician is debarred, suspended, excluded or otherwise ineligible to participate in any state or Federal Health Care Program or state equivalent;

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(l) Physician acts, or causes another person to act, in a manner which conflicts with or violates the Code;

(m) breach by Contractor or Physician of any HIPAA Obligation (as defined in **Exhibit 6.3**);

(n) Contractor makes an assignment for the benefit of creditors, admits in writing the inability to pay its debts as they mature, applies to any court for the appointment of a trustee or receiver over its assets, or upon commencement of any voluntary or involuntary proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution liquidation or other similar law of any jurisdiction;

(o) the insurance required to be maintained by Contractor under this Agreement is terminated, reduced below the minimum coverage requirements set forth in this Agreement, not renewed or cancelled (whether by action of the insurance company or Contractor) for any reason, and Contractor has not obtained replacement coverage as required by this Agreement prior to the effective date of such termination, reduction, non-renewal or cancellation;

(p) Contractor is rendered unable to comply with the terms of this Agreement for any reason; or

(q) upon a sale of all or substantially all assets comprising Hospital's acute care hospital facility, any change of control in Hospital's organization, or any change in control of its day to day operations, whether through a membership change or by management contract. Hospital shall notify Contractor in writing of such sale or change of control at least thirty (30) days prior to the closing date of any such sale or the effective date of any such change of control.

5.3 Termination by Contractor. Contractor shall have the right to terminate this Agreement upon breach of this Agreement by Hospital where the breach is not cured within thirty (30) calendar days after Contractor gives written notice of the breach to Hospital.

5.4 Termination or Modification in the Event of Government Action.

(a) If the Parties receive notice of any Government Action, the Parties shall attempt to amend this Agreement in order to comply with the Government Action.

(b) If the Parties, acting in good faith, are unable to make the amendments necessary to comply with the Government Action, or, alternatively, if either Party determines in good faith that compliance with the Government Action is impossible or infeasible, this Agreement shall terminate ten (10) calendar days after one Party notices the other of such fact.

(c) For the purposes of this Section, **"Government Action"** shall mean any legislation, regulation, rule or procedure passed, adopted or implemented by any federal, state or local government or legislative body or any private agency, or any notice of a decision, finding, interpretation or action by any governmental or private agency, court or other third party which, in the opinion of counsel to Hospital, because of the arrangement between the Parties pursuant to this Agreement, if or when implemented, would:

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(i) revoke or jeopardize the status of any health facility license granted to Hospital or any Affiliate of Hospital;

(ii) revoke or jeopardize the federal, state or local tax-exempt status of Hospital or any Affiliate of Hospital, or their respective tax-exempt financial obligations;

(iii) prevent Contractor or Physician from being able to access and use the facilities of Hospital or any Affiliate of Hospital;

(iv) constitute a violation of 42 U.S.C. Section 1395nn (commonly referred to as the Stark law) if Contractor or Physician referred patients to Hospital or any Affiliate of Hospital;

(v) prohibit Hospital or any Affiliate of Hospital from billing for services provided to patients referred to by Contractor or Physician;

(vi) subject Hospital or Contractor, Physician, or any Affiliate of Hospital, or any of their respective employees or agents, to civil or criminal prosecution (including any excise tax penalty under Internal Revenue Code Section 4958), on the basis of their participation in executing this Agreement or performing their respective obligations under this Agreement; or

(vii) jeopardize Hospital's full accreditation with any accrediting organization as Hospital designates from time to time.

(d) For the purposes of this Agreement, **"Affiliate"** shall mean any entity which, directly or indirectly, controls, is controlled by, or is under common control with Hospital.

5.5 Termination without Cause. Either Party may terminate this Agreement without cause, expense or penalty, effective sixty (60) calendar days after written notice of termination is given to the other Party.

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5.6 Effect of Termination or Expiration. Upon any termination or expiration of this Agreement:

(a) all rights and obligations of the Parties shall cease except: (i) those rights and obligations that have accrued and remain unsatisfied prior to the termination or expiration of this Agreement; (ii) those rights and obligations which expressly survive termination or expiration of this Agreement; and (iii) Contractor's obligation to continue to provide services to Hospital patients under Contractor's and Physician's care at the time of expiration or termination of this Agreement, until the patient's course of treatment is completed or the patient is transferred to the care of another physician;

(b) upon Hospital's request, Contractor and Physician shall immediately vacate the premises, removing any and all of Contractor's and Physician's personal property, and Hospital may remove and store, at Contractor's expense, any personal property that either Contractor or any Physician has not so removed;

(c) Contractor and Physician shall immediately return to Hospital all of Hospital's property, including Hospital's equipment, supplies, furniture, furnishings and patient records, in Contractor's or Physician's possession or under Contractor's or Physician's control;

(d) Contractor and Physician shall not do anything or cause any other person to do anything that interferes with Hospital's efforts to engage any other person or entity for the provision of the Services, or interferes in any way with any relationship between Hospital and any other person or entity who may be engaged to provide the Services to Hospital;

(e) The expiration or termination of this Agreement shall not entitle Contractor or Physician to the right to a "fair hearing" or any other similar rights or procedures more particularly set forth in the Medical Staff bylaws or otherwise; and

(f) This Section 5.6 shall survive the expiration or termination for any reason of this Agreement.

5.7 Return of Property. Upon any termination or expiration of this Agreement, Contractor shall immediately return to Hospital all of Hospital's property, including Hospital's equipment, supplies, furniture, furnishings and patient records, which is in Contractor's or Physician's possession or under Contractor's or Physician's control.

5.8 Termination or Amendment in Response to Reduction of Government Funding. Notwithstanding any other provision of this Agreement, if Federal, State or local government terminates or reduces its funding to the County for services that are to be provided under this Agreement, County, in its sole and absolute discretion after consultation with the Contractor, may elect to terminate this Agreement by giving written notice of termination to Contractor effective immediately or on such other date as County specifies in the notice. Alternatively, County and Contractor may mutually agree to amend the Agreement in response to a reduction in Federal, State or local funding.

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ARTICLE VI.
GENERAL PROVISIONS

6.1 Amendment. This Agreement may be modified or amended only by mutual written agreement of the Parties. Any such modification or amendment must be in writing, dated and signed by the Parties and attached to this Agreement.

6.2 Assignment. This Agreement is entered into by Hospital in reliance on the professional and administrative skills of Contractor. Contractor shall be solely responsible for providing the Services and otherwise fulfilling the terms of this Agreement, except as specifically set forth in this Agreement. Except for assignment by Hospital to an entity owned, controlled by, or under common control with Hospital, neither Party may assign any interest or obligation under this Agreement without the other Party's prior written consent. Subject to the foregoing, this Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns.

6.3 Compliance with HIPAA. Contractor and Physician shall comply with the obligations under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d et seq.), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and all rules and regulations promulgated thereunder (collectively, **"HIPAA,"** the obligations collectively referred to herein as **"HIPAA Obligations"**), as set forth in **Exhibit 6.3**. The HIPAA Obligations shall survive the expiration or termination of this Agreement for any reason.

6.4 Compliance with Laws and Accreditation. Contractor and Physician shall comply with all applicable laws, ordinances, codes and regulations of federal, state and local governments (collectively, **"Laws"**) applicable to Contractor and Physician, the provision of the Services, or the obligations of Contractor and Physician under this Agreement, including without limitation laws that require Contractor or Physician to disclose any economic interest or relationship with Hospital, the Emergency Medical Treatment and Active Labor Act and the rules and regulations thereunder (**"EMTALA"**), and California Health and Safety Code Section 1317 and the rules and regulations thereunder (**"Health and Safety Code §1317"**). Contractor shall perform and handle all patient transfers and reports in accordance with applicable Laws, including EMTALA, and Health and Safety Code §1317. Contractor and Physician shall take actions necessary to ensure that the Hospital and/or Clinic are operated in accordance with: all requirements of a nationally recognized accrediting organization that Hospital designates from time to time, all applicable licensing requirements, and all other relevant requirements promulgated by any federal, state or local agency.

6.5 Compliance with Medicare Rules. To the extent required by law or regulation, Contractor shall make available, upon written request from Hospital, the Secretary of Health and Human Services, the Comptroller General of the United States, or any other duly authorized agent or representative, a copy of this Agreement and Contractor's books, documents and records. Contractor shall preserve and make available such books, documents and records for a period of ten (10) years after the end of the term of this Agreement, or the length of time required by state or federal law. If Contractor is requested to disclose books, documents or records pursuant to this Section for any purpose, Contractor shall notify Hospital of the nature and scope

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of such request, and Contractor shall make available, upon written request of Hospital, all such books, documents or records. Contractor shall indemnify and hold harmless Hospital if any amount of reimbursement is denied or disallowed because of Contractor's failure to comply with the obligations set forth in this Section. Such indemnity shall include, but not be limited to, the amount of reimbursement denied, plus any interest, penalties and legal costs. This Section shall survive the expiration or termination for any reason of this Agreement.

If Contractor carries out any of the duties of the contract through a subcontract, with a value or cost of Ten Thousand Dollars ($10,000) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of ten (10) years after the furnishing of such Services pursuant to such subcontract, the related organization shall make available, upon written request by the Secretary, or upon request by the Comptroller General, or any of their duly authorized representatives, the subcontract and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

6.6 Confidential Information.

(a) During the term of this Agreement, Contractor and Physician may have access to and become acquainted with Trade Secrets and Confidential Information of Hospital. **"Trade Secrets"** includes information and data relating to payor contracts and accounts, clients, patients, patient groups, patient lists, billing practices and procedures, business techniques and methods, strategic plans, operations and related data. **"Confidential Information"** includes Trade Secrets and any information related to the past, current or proposed operations, business or strategic plans, financial statements or reports, technology or services of Hospital or any Affiliate that Hospital discloses or otherwise makes available in any manner to Contractor or Physician, or to which Contractor or Physician may gain access in the performance of the Services under this Agreement, or which Contractor or Physician knows or has reason to know is confidential information of Hospital or any Affiliate; whether such information is disclosed orally, visually or in writing, and whether or not bearing any legend or marking indicating that such information or data is confidential. By way of example, but not limitation, Confidential Information includes any and all know-how, processes, manuals, confidential reports, procedures and methods of Hospital, any Hospital patient's individually identifiable health information (as defined under HIPAA), and any information, records and proceedings of Hospital and/or Medical Staff committees, peer review bodies, quality committees and other committees or bodies charged with the evaluation and improvement of the quality of care. Confidential Information also includes proprietary or confidential information of any third party that may be in Hospital's or any Affiliate's possession.

(b) Confidential Information shall be and remain the sole property of Hospital, and shall, as applicable, be proprietary information protected under the Uniform Trade Secrets Act. Neither Contractor nor Physician shall use any Confidential Information for any purpose not expressly permitted by this Agreement, or disclose any Confidential Information to any person or entity, without the prior written consent of Hospital. Contractor and Physician shall protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Contractor and Physician protects his, her, or its own confidential or proprietary information of a similar nature and with no less than reasonable care. All documents that

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Contractor and Physician prepare, or Confidential Information that might be given to Contractor in the course of providing Services under this Agreement, are the exclusive property of Hospital, and, without the prior written consent of Hospital, shall not be removed from Hospital's premises.

(c) Contractor and Physician shall return to Hospital all Confidential Information and all copies thereof in Contractor's and Physician's possession or control, and permanently erase all electronic copies of such Confidential Information, promptly upon the written request of Hospital, or the termination or expiration of this Agreement. Neither Contractor nor Physician shall copy, duplicate or reproduce any Confidential Information without the prior written consent of Hospital.

(d) This Section shall survive the expiration or termination of this Agreement.

6.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

6.8 Disclosure of Interests. Contractor or Physician shall provide to Hospital, as requested by Hospital from time to time, information sufficient to disclose any ownership, investment or compensation interest or arrangement of Contractor, or any of Contractor's or Physician's immediate family members, in any entity providing "designated health services" (as such term is defined in the Stark Law (42 U.S.C. Section 1395nn) and its regulations) or any other health care services. This Section shall not impose on Hospital any disclosure or reporting requirements or obligations imposed on Contractor or Physician under any governmental program or create an assumption of such disclosure obligations by Hospital. Contractor and Physician shall have the sole responsibility to fulfill any such federal and/or state reporting requirements or obligations.

6.9 Dispute Resolution. In the event of any dispute, controversy, claim or disagreement arising out of or related to this Agreement or the acts or omissions of the Parties with respect to this Agreement (each, a **"Dispute"**), the Parties shall resolve such Dispute as follows:

(a) **Meet and Confer.** The Parties shall, as soon as reasonably practicable, but in no case more than ten (10) days after one Party gives written notice of a Dispute to the other Party (the **"Dispute Notice"**), meet and confer in good faith regarding such Dispute at such time and place as mutually agreed upon by the Parties (the **"Meet and Confer"**). The obligation to conduct a Meet and Confer pursuant to this Section does not obligate either Party to agree to any compromise or resolution of the Dispute that such Party does not determine, in its sole and absolute discretion, to be a satisfactory resolution of the Dispute. The Meet and Confer shall be considered a settlement negotiation for the purpose of all applicable Laws protecting statements, disclosures or conduct in such context, and any offer in compromise or other statements or conduct made at or in connection with any Meet and Confer shall be protected under such Laws.

(b) **Arbitration.** If any Dispute is not resolved to the mutual satisfaction of the Parties within ten (10) business days after delivery of the Dispute Notice (or such other

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period as may be mutually agreed upon by the Parties in writing), the Parties shall submit such Dispute to arbitration conducted by Judicial Arbitration and Mediation Services, Inc. (**"JAMS"**), or other arbitration and/or mediation services company as agreed to by the Parties, in accordance with the following rules and procedures:

(i) Each Party may commence arbitration by giving written notice to the other Party demanding arbitration (the **"Arbitration Notice"**). The Arbitration Notice shall specify the Dispute, the particular claims and/or causes of actions alleged by the Party demanding arbitration, and the factual and legal basis in support of such claims and/or causes of action.

(ii) The arbitration shall be conducted in the County in which the Hospital is located and in accordance with the commercial arbitration rules and procedures of JAMS (or other arbitration company as mutually agreed to by the Parties) to the extent such rules and procedures are not inconsistent with the provisions set forth in this Section. In the event of a conflict between any rules and/or procedures of JAMS (or other arbitration company as mutually agreed to by the Parties) and the rules and/or procedures set forth in this Section, the rules and/or procedures set forth in this Section shall govern.

(iii) The arbitration shall be conducted before a single impartial retired member of the JAMS panel of arbitrators (or panel of arbitrators from such other arbitration company as mutually agreed to by the Parties) covering the County in which the Hospital is located (the **"Panel"**). The Parties shall use their good faith efforts to agree upon a mutually acceptable arbitrator within thirty (30) days after delivery of the Arbitration Notice. If the Parties are unable to agree upon a mutually acceptable arbitrator within such time period, then each Party shall select one arbitrator from the Panel, and those arbitrators shall select a single impartial arbitrator from the Panel to serve as arbitrator of the Dispute.

(iv) The Parties expressly waive any right to any and all discovery in connection with the arbitration; provided, however, that each Party shall have the right to conduct no more than two (2) depositions and submit one set of interrogatories with a maximum of forty (40) questions, including subparts of such questions.

(v) The arbitration hearing shall commence within thirty (30) days after appointment of the arbitrator. The substantive internal law (and not the conflict of laws) of the State shall be applied by the arbitrator to the resolution of the Dispute, and the Evidence Code of the State shall apply to all testimony and documents submitted to the arbitrator. The arbitrator shall have no authority to amend or

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modify the limitation on the discovery rights of the Parties or any of the other rules and/or procedures set forth in this Section. As soon as reasonably practicable, but not later than thirty (30) days after the arbitration hearing is completed, the arbitrator shall arrive at a final decision, which shall be reduced to writing, signed by the arbitrator and mailed to each of the Parties and their respective legal counsel.

(vi) Any Party may apply to a court of competent jurisdiction for entry and enforcement of judgment based on the arbitration award. The award of the arbitrator shall be final and binding upon the Parties without appeal or review except as permitted by the Arbitration Act of the State.

(vii) The fees and costs of JAMS (or other arbitration company as mutually agreed to by the Parties) and the arbitrator, including any costs and expenses incurred by the arbitrator in connection with the arbitration, shall be borne equally by the Parties, unless otherwise agreed to by the Parties.

(viii) Except as set forth in Section 6.9(b)(vii), each Party shall be responsible for the costs and expenses incurred by such Party in connection with the arbitration, including its own attorneys' fees and costs; provided, however, that the arbitrator shall require one Party to pay the costs and expenses of the prevailing Party, including attorneys' fees and costs and the fees and costs of experts and consultants, incurred in connection with the arbitration if the arbitrator determines that the claims and/or position of a Party were frivolous and without reasonable foundation.

(c) **Waiver of Injunctive or Similar Relief.** The Parties hereby waive the right to seek specific performance or any other form of injunctive or equitable relief or remedy arising out of any Dispute, except that such remedies may be utilized for purposes of enforcing this Section and sections governing Confidential Information, Compliance with HIPAA, Compliance with Laws and Accreditation and Compliance with Medicare Rules of this Agreement. Except as expressly provided herein, upon any determination by a court or by an arbitrator that a Party has breached this Agreement or improperly terminated this Agreement, the other Party shall accept monetary damages, if any, as full and complete relief and remedy, to the exclusion of specific performance or any other form of injunctive or equitable relief or remedy.

(d) **Injunctive or Similar Relief.** Notwithstanding anything to the contrary in this Section, the Parties reserve the right to seek specific performance or any other form of injunctive relief or remedy in any state or federal court located within the County in which the Hospital is located for purposes of enforcing this Section and sections governing Confidential Information, Compliance with HIPAA, Compliance with Laws and Accreditation and Compliance with Medicare Rules of this Agreement. Contractor hereby consents to the jurisdiction of any such court and to venue therein, waives any and all rights under the Laws of

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any other state to object to jurisdiction within the State, and consents to the service of process in any such action or proceeding, in addition to any other manner permitted by applicable Law, by compliance with the notices provision of this Agreement. The non-prevailing Party in any such action or proceeding shall pay to the prevailing Party reasonable fees and costs incurred in such action or proceeding, including attorneys' fees and costs and the fees and costs of experts and consultants. The prevailing Party shall be the Party who is entitled to recover its costs of suit (as determined by the court of competent jurisdiction), whether or not the action or proceeding proceeds to final judgment or award.

(e) **Survival.** This Section shall survive the expiration or termination of this Agreement.

6.10 Entire Agreement. This Agreement is the entire understanding and agreement of the Parties regarding its subject matter, and supersedes any prior oral or written agreements, representations, understandings or discussions between the Parties. No other understanding between the Parties shall be binding on them unless set forth in writing, signed and attached to this Agreement.

6.11 Exhibits. The attached exhibits, together with all documents incorporated by reference in the exhibits, form an integral part of this Agreement and are incorporated by reference into this Agreement, wherever reference is made to them to the same extent as if they were set out in full at the point at which such reference is made.

6.12 Force Majeure. Neither Party shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's control, including acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each Party shall use its good faith efforts to perform its duties and obligations under this Agreement.

6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State.

6.14 Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

6.15 Litigation Consultation. Contractor shall ensure that Physician does not accept consulting assignments or otherwise contract, agree, or enter into any arrangement to provide expert testimony or evaluation on behalf of a plaintiff in connection with any claim against Hospital or any Affiliate named, or expected to be named as a defendant. Contractor shall ensure that Physician does not accept similar consulting assignments if (a) the defendants or anticipated defendants include a member of the medical staff of Hospital or any Affiliate, and (b) the matter

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relates to events that occurred at Hospital or any Affiliate; provided, however, the provisions of this Section shall not apply to situations in which Physician served as a treating physician.

6.16 Master List. The Parties acknowledge and agree that this Agreement, together with any other contracts between Hospital and Contractor, will be included on the master list of physician contracts maintained by Hospital.

6.17 Meaning of Certain Words. Wherever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa. Unless otherwise specified: (i) "days" shall be considered "calendar days;" (ii) "months" shall be considered "calendar months;" and (iii) "including" means "including, without limitation" in this Agreement and its exhibits and attachments.

6.18 No Conflicting Obligations. Contractor represents and warrants that the execution and delivery of this Agreement and the performance of its obligations hereunder do not and will not: (a) present a conflict of interest or materially interfere with the performance of Contractor's duties under any other agreement or arrangement; or (b) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice and/or lapse of time, would constitute a default) under, terminate, accelerate the performance required by, or result in a right of termination or acceleration under any of the terms, conditions or provisions of any other agreement, indebtedness, note, bond, indenture, security or pledge agreement, license, franchise, permit, or other instrument or obligation to which Contractor is a party or by which Contractor is bound. Contractor shall immediately inform Hospital of any other agreements to which Contractor is a party that may present a conflict of interest or materially interfere with performance of Contractor's or Physician's duties under this Agreement.

6.19 No Third Party Beneficiary Rights. The Parties do not intend to confer and this Agreement shall not be construed to confer any rights or benefits to any person, firm, group, corporation or entity other than the Parties.

6.20 Notices. All notices or communications required or permitted under this Agreement shall be given in writing and delivered personally or sent by United States registered or certified mail with postage prepaid and return receipt requested or by overnight delivery service (e.g., Federal Express, DHL). Notice shall be deemed given when sent, if sent as specified in this Section, or otherwise deemed given when received. In each case, notice shall be delivered or sent to:

If to Hospital, addressed to:

NATIVIDAD MEDICAL CENTER
1441 Constitution Blvd., Bldg. 300
Salinas, California 93906
Attention: Physician Services

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If to Contractor, addressed to:

ADVANCED GASTROENTEROLOGY OF MONTEREY
COUNTY MEDICAL CORPORATION
3151 Ocean Terrace Lane
Marina, CA 93933
Attention: Mumtaz G. Tabbaa, M.D.

6.21 Participation in Federal Health Care Programs. Contractor hereby represents that neither it nor Physician is debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program.

6.22 Representations. Each Party represents with respect to itself that: (a) no representation or promise not expressly contained in this Agreement has been made by any other Party or by any Parties' agents, employees, representatives or attorneys; (b) this Agreement is not being entered into on the basis of, or in reliance on, any promise or representation, expressed or implied, other than such as are set forth expressly in this Agreement; and (c) Party has been represented by legal counsel of Party's own choice or has elected not to be represented by legal counsel in this matter.

6.23 Severability. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and such severance shall have no effect upon the enforceability of the remainder of this Agreement.

6.24 Statutes and Regulations. Any reference in this Agreement to any statute, regulation, ruling, or administrative order or decree shall include, and be a reference to any successor statute, regulation, ruling, or administrative order or decree.

6.25 Waiver. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a Party must be in writing to be effective, and shall apply solely to the specific instance expressly stated.

[*signature page follows*]

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The Parties have executed this Agreement on the date first above written, and signify their agreement with duly authorized signatures.

CONTRACTOR

ADVANCED GASTROENTEROLOGY OF MONTEREY COUNTY MEDICAL CORPORATION, a California professional corporation

By: _____ Date: 8/26/25

Its Sole Shareholder

NATIVIDAD MEDICAL CENTER

_____ Date: _____

Deputy Purchasing Agent

APPROVED AS TO LEGAL PROVISIONS:

DocuSigned by:
Stacy Saetta
C0ECE1B99F444A9...

Date: 8/26/2025 | 5:00 PM PDT

Stacy Saetta, Deputy County Counsel

APPROVED AS TO FISCAL PROVISIONS:

DocuSigned by:
Patricia Ruiz
E79EF64E57454F6...

Date: 8/27/2025 | 12:04 PM PDT

Deputy Auditor/Controller

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Exhibit 1.2

TEACHING SERVICES TO BE PROVIDED BY CONTRACTOR

Contractor, through Physician, shall:

1. supervise patient care in a constructive and supportive way;

2. demonstrate effective interviewing, physical examination, procedures, use of diagnostic and therapeutic interventions, and medical records documentation;

3. create a professional role model; and

4. evaluate resident performance in a meaningful, objective fashion.

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Exhibit 1.3

ADDITIONAL SERVICES TO BE PROVIDED BY CONTRACTOR

Contractor, through Physician, shall:

1. provide teaching, educational or training services, as reasonably requested by Hospital;

2. participate in utilization review programs, as reasonably requested by Hospital;

3. participate in risk management, quality assurance and peer review programs, as reasonably requested by Hospital;

4. accept third party insured patients and referrals of patients which are made by members of the Medical Staff, subject only to the limitations of scheduling and Contractor's professional qualifications;

5. assist Hospital in monitoring and reviewing the clinical performance of health care professionals who provide services to Hospital's patients; including reviewing incident reports and patient satisfaction studies relevant to the Specialty, and assisting Hospital in implementing any necessary corrective actions to address any issues identified during the course of such review;

6. assist in monitoring the performance of those professionals who are not meeting Hospital quality and/or performance standards, including, without limitation, direct observation of the provision of care by such professionals, and in disciplining any professionals who continue poor performance, recognizing that the Hospital Board of Directors is ultimately responsible for maintaining the standards of care provided to patients;

7. assist Hospital management with all preparation for, and conduct of, any inspections and on-site surveys of Hospital or Clinic conducted by governmental agencies or accrediting organizations;

8. cooperate with Hospital in all litigation matters affecting Contractor or Hospital, consistent with advice from Contractor's legal counsel;

9. cooperate and comply with Hospital's policies and procedures which are pertinent to patient relations, quality assurance, scheduling, billing, collections and other administrative matters and cooperate with Hospital's efforts to bill and collect fees for services rendered to Hospital's patients. All business transactions related to the Services provided by Contractor, such as enrollment, verification and billings, shall be conducted by and in the name of Hospital; and

10. assist Hospital in developing, implementing and monitoring a program by which quality measures are reportable to Hospital with respect to the Specialty.

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Exhibit 1.6

CONTRACTOR'S MONTHLY TIME REPORT

(See attached.)

Natividad MEDICAL CENTER

Accurately document all time in quarter hour (.25 hour) increments. Do not exceed 24 hours in a single day.
Directions and examples are located on back of timesheet.

Name:
Employee #:
Dept Name:
Cost Center:
Period Ending:

			Direct			Hospital Administrations and Teaching Services							Other Admin		Non-billable Activities				Total
			00001			00002	00003	00004	00005	00006	00007	00008	00009		00010		00011	00012	
			Direct Patient Care Services												Non-Productive Hrs				
			Sched. (P) OP Care (PR)	In House On-Call (PR)	Off-Site Call (PR)	Supervision & Training of Nurses & Techs, etc.	Utilization Review and Other Committee Meetings	Quality Control, Medical Review, Autopsy	Supervision of Interns and Residents	Teaching of Interns & Residents	Teaching & Supervision of Allied Hlth Professionals	Other Administrative (specify)	CME (PR)	Conferences and Training (PR)	Paid Time Off (Sick/ Vacation) (PR)	Holiday (PR)	Research	Other Non-Billable Activities (specify)	TOTAL HOURS
1	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
2	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
3	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
4	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
5	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
6	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
7	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
8	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
9	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
10	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
11	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
12	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
13	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
14	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	

SIGN IN BLUE INK

I certify that the above information is a true and accurate statement of the hours and locations indicated.

Provider: _____

Telephone Number: _____ Date: _____

SIGN IN BLUE INK

I certify that the hours and types of service shown below are correct and that the employee performed satisfactorily, meeting all requirements.

Service Director: _____

Telephone Number: _____ Date: _____

REV. 4/20/2011

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Exhibit 1.11

CODE

Natividad
Inspiring healthy lives.

MEDICAL STAFF POLICY

Title: Practitioner Code of Conduct	**Number:** MSP004-2 BOT Approval: 1/2023
Standard: Medical Staff (MS)	MEC Approval: 12/22 Responsible: Medical Staff Services Manager

As a member of the Medical Staff or an Advanced Practice Professional (APP) of Natividad (collectively Practitioners), you must acknowledge that the ability of Practitioners and Natividad employees to jointly deliver high quality health care depends significantly upon their ability to communicate well, collaborate effectively, and work as a team, recognizing that patients, family members, visitors, colleagues and Natividad staff members must be treated in a dignified and respectful manner at all times.

POLICY

In keeping with the accepted standards of the health care profession as evidenced by the Hippocratic Oath, the Code of Ethics of the American Medical Association (AMA) and other professional societies, and the values of Natividad, Practitioners are leaders in maintaining professional standards of behavior. In keeping with this responsibility to maintain professional standards of behavior at Natividad, Practitioners:

1. Facilitate effective patient care by consistent, active, and cooperative participation as members of the Natividad health care team.

2. Recognize the individual and independent responsibilities of all other members of the Natividad health care team and their right to independently advocate on behalf of the patient.

3. Maintain respect for the dignity and sensitivities of patients and families, as well as colleagues, Natividad employees, and all other health care professionals.

4. Participate in the Medical Staff quality assessment and peer review activities, and in organizational performance improvement activities.

5. Reflect positively upon the reputation of the health care profession, the Medical Staff, and Natividad in their language, action, attitude, and behavior.

6. Commit and contribute to the overall educational mission of Natividad and promote an effective, inclusive, equitable and supportive clinical learning environment.

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Behaviors of Practitioners which do not meet the professional behavior standards established in this Code of Conduct (Code) shall be referred to as Disruptive or Unprofessional Behavior.

Disruptive or Unprofessional Behavior by Practitioners exhibited on the premises of Natividad, whether or not the Practitioner is on duty or functioning in his/her professional capacity, are subject to this Code.

EXAMPLES OF PROFESSIONAL BEHAVIOR

Practitioners are expected to exhibit professional behavior at Natividad, consistent with this Code, as follows:

1. Be consistently available with cooperative and timely responsiveness to appropriate requests from physicians, nurses, and all other members of the Natividad health care team in patient care and other professional responsibilities.

2. Provide for and communicate alternate coverage arrangements to assure the continuity and quality of care.

3. Demonstrate language, action, attitude, and behavior which consistently convey to patients, families, colleagues, and all other members of the Natividad health care team a sense of compassion and respect for human dignity.

4. Understand and accept individual cultural differences.

5. Maintain appropriate, timely, and legible medical record entries which enable all Natividad professionals to understand and effectively participate in a cohesive plan of management to assure continuity, quality, and efficiency of care and effective post- discharge planning and follow-up.

6. Respect the right of patients, families, or other designated surrogates to participate in an informed manner in decisions pertaining to patient care.

7. Treat patients and all persons functioning in any capacity within Natividad with courtesy, respect, and human dignity.

8. Conduct one's practice at Natividad in a manner that will facilitate timely commencement of medical/surgical procedures at Natividad, including but not limited to, timely arrival at the hospital, pre-ordering all needed special equipment and/or supplies, and timely notification of required staff.

EXAMPLES OF DISRUPTIVE OR UNPROFESSIONAL BEHAVIOR

Disruptive or Unprofessional Behavior, as characterized in this Code, includes but is not limited to:

1. Misappropriation or unauthorized removal or possession of Natividad owned property.

2. Falsification of medical records, including timekeeping records and other Natividad documents.

3. Working under the influence of alcohol or illegal drugs.

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4. Working under the influence of prescription or over-the-counter medications when use of such medications significantly affects the practitioner's level of cognitive functioning.

5. Possession, distribution, purchase, sale, transfer, transport, or use of illegal drugs in the workplace.

6. Possession of dangerous or unauthorized materials such as explosives, firearms, or other weapons in the workplace.

7. Writing derogatory and/or accusatory notes in the medical record which are not necessary for the provision of quality patient care services. Concerns regarding the performance of other Practitioners or Natividad employees should generate an Occurrence Report in Verge and submit pursuant to Natividad policy and should not be entered into the patient's medical record.

8. Harassment

    a. Harassment is verbal or physical contact that denigrates or shows hostility or aversion toward an individual based on race, religion, color, national origin, ancestry, age, disability, marital status, gender, sexual orientation, or any other basis protected by federal, state, or local law or ordinance, and that:

        1. Has the purpose or effect of creating an intimidating, hostile, or offensive working environment, or;

        2. Has the purpose or effect of unreasonably interfering with an individual's work performance, or;

        3. Otherwise aversely affects an individual's employment opportunity.

    b. Harassing conduct includes, but is not limited to:

        1. Epithets, slurs, negative stereotyping, threatening, intimidating, or hostile acts that relate to race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation.

        2. Written material or illustrations that denigrate or show hostility or aversion toward an individual or group because of race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation, and is placed on walls; bulletin boards, or elsewhere on Natividad's premises or circulated in the workplace.

9. Physical behavior that is harassing, intimidating, or threatening, from the viewpoint of the recipient, including touching, obscene or intimidating gestures, or throwing of objects.

10. Passive behaviors, such as refusing to perform assigned tasks or to answer questions, return phone calls, or pages.

11. Language that is a reasonable adult would consider to be foul, abusive, degrading, demeaning, or threatening, such as crude comments, degrading jokes or comments, yelling, or shouting at a person, or threatening violence or retribution.

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12. Single incident of egregious behavior, such as an assault or other criminal act.

13. Criticism of Natividad staff in front of patients, families, or other staff.

PROCEDURE

1. Any person who functions in any capacity at Natividad who observes Practitioner language, action, attitude, or behavior which may be unprofessional, harassing, or disruptive to the provision of quality patient care services should document the incident via an Occurrence Report in Verge.

2. Identified incidents involving Practitioners shall be reviewed pursuant to the current Road Map for Handling Reports of Disruptive or Unprofessional Behavior or the County Sexual Harassment Policy, as determined by the nature of the behavior and the person who exhibits it.

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Natividad
Inspiring healthy lives.

MEDICAL STAFF POLICY

Title: Practitioner Code of Conduct	**Effective:** 05/09 **Reviewed/Revised:** 12/22
Standard: MSP004-2	**Approved: MEC** 12/22 **BOT** 1/23

I acknowledge that I have received and read this Practitioner Code of Conduct. I acknowledge that hospitals are required to define and address disruptive and inappropriate conduct to comply with The Joint Commission standards for accreditation. I agree to adhere to the guidelines in this Code and conduct myself in a professional manner. I further understand that failure to behave in a professional fashion may result in disciplinary actions set forth in the RoadMap for Handling Reports of Disruptive or Unprofessional Behavior or as determined by the Medical Executive Committee pursuant to the Medical Staff Bylaws.

Printed name: Mumtaz Tabbaa, MD

Signature: _____ Date: 8/26/25

Exhibit 1.11-1

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Exhibit 2.1

COMPENSATION

1. **Professional Services.** Hospital shall pay to Contractor the amount of Two Hundred Sixty Dollars ($260) per hour for those Professional Services provided to Patients (the **"Professional Services"**) rendered by Contractor under this Agreement; provided, however, that Contractor is in compliance with the terms and conditions of this Agreement.

2. **Coverage Services Compensation.** Hospital shall pay to Contractor an amount equal to One Thousand Two Hundred Dollars ($1,200) per day for Coverage Services provided pursuant to this Agreement ("Coverage Stipend"); provided, however, that Contractor is in compliance with the terms and conditions of this Agreement.

3. **Response Payments.** Hospital shall pay to Contractor, in addition to the Coverage Stipend, an amount equal to Two Hundred Ten Dollars ($210) per hour for each hour that Contractor is required to be physically present to provide professional consultation or treatment in the ED pursuant to this Agreement (the **"Response Payments"**).

4. **Professional Liability Reimbursement**. In the event that Contractor does not purchase the professional liability insurance set forth in Article III of the Agreement, Hospital will deduct Two Hundred Thirty-Nine Dollars and Forty-One Cents ($239.41) per month from Contractor's invoice to compensate for Hospital's payment of professional liability insurance premiums on behalf of Contractor's Group Physician. This rate represents the then-current rate and is subject to change.

5. **Timing.** Hospital shall pay the compensation due for Services performed by Contractor after Contractor's submission of the monthly invoice of preceding month's activity and time report in accordance with this Agreement; provided, however, that if Contractor does not submit an invoice and time sheet within sixty (60) days of the end of the month during which Services were performed, Hospital shall not be obligated to pay Contractor for Services performed during that month. The County of Monterey Standard Payment Terms for contracts/PSAs and paying invoices is "30 days after receipt of the certified invoice in the Auditor-Controller's Office".

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Exhibit 6.3

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement"), effective October 1, 2025 ("Effective Date"), is entered into by and among the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center ("Covered Entity") and Advanced Gastroenterology of Monterey County Medical Corporation ("Business Associate") (each a "Party" and collectively the "Parties").

Business Associate provides certain services for Covered Entity ("Services") that involve the use and disclosure of Protected Health Information that is created or received by Business Associate from or on behalf of Covered Entity ("PHI"). The Parties are committed to complying with the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E as amended from time to time (the "Privacy Rule"), and with the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C as amended from time to time (the "Security Rule"), under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations ("HITECH"). Business Associate acknowledges that, pursuant to HITECH, 45 C.F.R. §§ 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), 164.316 (policies and procedures and documentation requirements) and 164.502 *et. seq.* apply to Business Associate in the same manner that such sections apply to Covered Entity. The additional requirements of Title XIII of HITECH contained in Public Law 111-005 that relate to privacy and security and that are made applicable with respect to covered entities shall also be applicable to Business Associate. The Parties are also committed to complying with the California Confidentiality of Medical Information Act, Ca. Civil Code §§ 56 *et seq.* ("CMIA"), where applicable. Business Associate acknowledges that the CMIA prohibits Business Associate from further disclosing the PHI it receives from Covered Entity where such disclosure would be violative of the CMIA. The Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 ("Red Flag Rules"). This Agreement sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information ("EPHI"), shall be handled. The Parties further acknowledge that state statutes or other laws or precedents may impose data breach notification or information security obligations, and it is their further intention that each shall comply with such laws as well as HITECH and HIPAA in the collection, handling, storage, and disclosure of personal data of patients or other personal identifying information exchanged or stored in connection with their relationship.

The Parties agree as follows:

1. DEFINITIONS

All capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in the Privacy Rule, Security Rule and HITECH.

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2. PERMITTED USES AND DISCLOSURES OF PHI

2.1 Unless otherwise limited herein, Business Associate may:

(a) use or disclose PHI to perform functions, activities or Services for, or on behalf of, Covered Entity as requested by Covered Entity from time to time, provided that such use or disclosure would not violate the Privacy or Security Rules or the standards for Business Associate Agreements set forth in 45 C.F.R. § 164.504(e), exceed the minimum necessary to accomplish the intended purpose of such use or disclosure, violate the additional requirements of HITECH contained in Public Law 111-005 that relate to privacy and security, or violate the CMIA;

(b) disclose PHI for the purposes authorized by this Agreement only: (i) to its employees, subcontractors and agents; (ii) as directed by this Agreement; or (iii) as otherwise permitted by the terms of this Agreement;

(c) use PHI in its possession to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

(d) use PHI in its possession for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) disclose the PHI in its possession to third parties for the proper management and administration of Business Associate to the extent and in the manner permitted under 45 C.F.R. § 164.504(e)(4)(ii); provided that disclosures are Required by Law , or Business Associate obtains reasonable assurances from the persons to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached;

(f) use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1);

(g) de-identify any PHI obtained by Business Associate under this Agreement for further use or disclosure only to the extent such de-identification is pursuant to this Agreement, and use such de-identified data in accordance with 45 C.F.R. § 164.502(d)(1).

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

3.1 Responsibilities of Business Associate. With regard to its use and/or disclosure of PHI, Business Associate shall:

(a) use and/or disclose the PHI only as permitted or required by this Agreement or as otherwise Required by Law;

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(b) report to the privacy officer of Covered Entity, in writing, (i) any use and/or disclosure of the PHI that is not permitted or required by this Agreement of which Business Associate becomes aware, and (ii) any Breach of unsecured PHI as specified by HITECH, within two (2) days of Business Associate's determination of the occurrence of such unauthorized use and/or disclosure. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure. The notification of any Breach of unsecured PHI shall include, to the extent possible, the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used or disclosed during the Breach.

(c) use commercially reasonable safeguards to maintain the security of the PHI and to prevent use and/or disclosure of such PHI other than as provided herein;

(d) obtain and maintain an agreement with all of its subcontractors and agents that receive, use, or have access to, PHI pursuant to which agreement such subcontractors and agents agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate pursuant to this Agreement;

(e) make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the use and/or disclosure of PHI to the Secretary for purposes of determining Covered Entity or Business Associate's compliance with the Privacy Rule;

(f) document disclosures of PHI and information related to such disclosure and, within ten (10) days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528, as well as provide an accounting of disclosures, as required by HITECH, directly to an individual provided that the individual has made a request directly to Business Associate for such an accounting. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within two (2) days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) subject to Section 4.4 below, return to Covered Entity within twenty-one (21) days of the termination of this Agreement, the PHI in its possession and retain no copies, including backup copies;

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(h) disclose to its subcontractors, agents or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) if all or any portion of the PHI is maintained in a Designated Record Set:

(i) upon ten (10) days' prior written request from Covered Entity, provide access to the PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, the individual to whom such PHI relates or his or her authorized representative to meet a request by such individual under 45 C.F.R. § 164.524; and

(ii) upon ten (10) days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526;

(j) maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules;

(k) notify the Covered Entity within five (5) days of the Business Associate's receipt of any request or subpoena for PHI. To the extent that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge;

(l) maintain a formal security program materially in accordance with all applicable data security and privacy laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security

The Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

3.2 Additional Responsibilities of Business Associate with Respect to EPHI. In the event that Business Associate has access to EPHI, in addition to the other requirements set forth in this Agreement relating to PHI, Business Associate shall:

(a) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity as required by 45 C.F.R. Part 164, Subpart C;

(b) ensure that any subcontractor or agent to whom Business Associate provides any EPHI agrees in writing to implement reasonable and appropriate safeguards to protect such EPHI; and

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(c) report to the privacy officer of Covered Entity, in writing, any Security Incident involving EPHI of which Business Associate becomes aware within two (2) days of Business Associate's discovery of such Security Incident. For purposes of this Section, a Security Incident shall mean (consistent with the definition set forth at 45 C.F.R. § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure.

3.3 Responsibilities of Covered Entity. Covered Entity shall, with respect to Business Associate:

(a) provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(b) notify Business Associate of any limitations in the Notice pursuant to 45 C.F.R.
§ 164.520, to the extent that such limitations may affect Business Associate's use or disclosure of PHI;

(c) notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's use or disclosure of PHI;

(d) notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the use or disclosure of PHI provided to Covered Entity pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

(e) notify Business Associate, in writing and in a timely manner, of any restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4. TERMS AND TERMINATION

4.1 Term. This Agreement shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Article 4. Certain provisions and requirements of this Agreement shall survive its expiration or other termination as set forth in Section 5.1 herein.

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4.2 Termination. Either Covered Entity or Business Associate may terminate this Agreement and any related agreements if the terminating Party determines in good faith that the terminated Party has breached a material term of this Agreement; provided, however, that no Party may terminate this Agreement if the breaching Party cures such breach to the reasonable satisfaction of the terminating Party within thirty (30) days after the breaching Party's receipt of written notice of such breach.

4.3 Automatic Termination. This Agreement shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

4.4 Effect of Termination. Upon termination or expiration of this Agreement for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(I) if, and to the extent that, it is feasible to do so. Prior to doing so, Business Associate shall recover any PHI in the possession of its subcontractors or agents. To the extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall provide Covered Entity a statement that Business Associate has determined that it is infeasible to return or destroy all or some portion of the PHI in its possession or in possession of its subcontractors or agents. Business Associate shall extend any and all protections, limitations and restrictions contained in this Agreement to any PHI retained after the termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed.

5. MISCELLANEOUS

5.1 Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 4.4, 5.1, 5.6, and 5.7, and Section 2.1 (solely with respect to PHI that Business Associate retains in accordance with Section 4.4 because it is not feasible to return or destroy such PHI), shall survive termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this Agreement, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

5.2 Amendments; Waiver. This Agreement may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of the HIPAA, HITECH or Red Flag Rules is materially amended in a manner that changes the obligations of Business Associates or Covered Entities, the Parties agree to negotiate in good faith appropriate amendment(s) to this Agreement to give effect to the revised obligations. Further, no provision of this Agreement shall be waived, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

5.3 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

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5.4 Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

ADVANCED GASTROENTEROLOGY OF
MONTEREY COUNTY MEDICAL CORPORATION
3151 Ocean Terrace Lane
Marina, CA 93933
Attention: Mumtaz G. Tabbaa, M.D.

If to Covered Entity, to:

NATIVIDAD MEDICAL CENTER
1441 Constitution Blvd., Bldg. 300
Salinas, California 93906
Attention: Compliance Officer
Phone: 831.755.4111
Fax: 831.755.6297

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

5.5 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

5.6 Choice of Law; Interpretation. This Agreement shall be governed by the laws of the State of California; as provided, however, that any ambiguities in this Agreement shall be resolved in a manner that allows Business Associate to comply with the Privacy Rule, and, if applicable, the Security Rule and the CMIA.

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5.7 Indemnification. Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter County), its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including the County's reasonable cost of providing notification of and of mitigating any acquisition, access, use or disclosure of PHI in a manner not permitted by this BAA, arising out of, or in connection with, performance of this BAA by Contractor and/or its agents, members, employees, or sub-contractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this BAA to provide the broadest possible indemnification for the County. Contractor shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred by the County with respect to any investigation, enforcement proceeding or litigation in which Contractor is obligated to indemnify, defend, and hold harmless the County under this BAA. This provision is in addition to and independent of any indemnification provision in any related or other agreement between the Covered Entity and the Business Associate.

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IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf as of the Effective Date.

ADVANCED GASTROENTEROLOGY OF MONTEREY COUNTY MEDICAL CORPORATION

By: _____

Print Name: Mumtaz Tabbaa

Print Title: MD

Date: 8/26/25

COUNTY OF MONTEREY, ON BEHALF OF *NATIVIDAD MEDICAL CENTER*

By: _____

Print Name: Dr. Charles R. Harris

Print Title: Chief Executive Officer

Date: _____

Introduced: 9/3/2025

Current Status: Natividad Medical Center - Consent

Version: 1

Matter Type: BoS Agreement

a. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute renewal & amendment No. 8 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one-year period (July 1, 2025 through June 30, 2026) for a revised full agreement term of October 1, 2016 through June 30, 2026 and adding $3,500,000 for a revised total aggregate amount for all contracts not to exceed $16,470,000.
b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than 10% ($240,000) of the original cost of the agreement.

RECOMMENDATION:

It is recommended the Board of Supervisors:

a. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute renewal & amendment No. 8 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one-year period (July 1, 2025 through June 30, 2026) for a revised full agreement term of October 1, 2016 through June 30, 2026 and adding $3,500,000 for a revised total aggregate amount for all contracts not to exceed $16,470,000.
b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than 10% ($240,000) of the original cost of the agreement.

SUMMARY/DISCUSSION:

Natividad Medical Center utilizes two outside contractors, per RFP 9600-64 to collect on Natividad Medical Center's self-pay patients and bad debt collections. The contractor shall receive four (4) daily data files of all self-pay patients from Natividad Medical Center's Meditech system. With this information, the contractors will be responsible to send three (3) collection notices to the patient within a 150-day time-frame requesting payment. The contractors are responsible for billing, collecting, arranging and setting up a payment plan for services incurred at Natividad Medical Center. If there is no response, the patients account is put into a bad debt collection for further collection efforts. Liens

are applied as appropriate.

Payment is based on the amount of debt collected and is, therefore, an unknown, so the agreement documents themselves do not state a total agreement amount specifically. Natividad Medical Center is requesting an increased aggregate dollar limit for both agreements not to exceed $12,970,000 which reflects an estimated amount Natividad Medical Center might pay for debt collection fees through June 30, 2025.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this renewal & amendment No. 8 as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. The Amendment is scheduled to be reviewed by Natividad Medical Center's Finance Committee and Board of Trustees on August 8, 2025.

FINANCING:

The cost for this renewal & amendment No. 8 is $3,500,000 of which is included in the Fiscal Year 2025-26 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate. Funding will be provided from NMC's Enterprise Fund 451-9600-6613.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Debt Collection Services agreements give Natividad Medica Center the ability to collect patient's monetary responsibilities for the services they have incurred at Natividad Medical Center and place liens as appropriate.

__ Economic Development
X Administration
__ Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Tracy Short, Director of Patient Financial Services, 783-2347
Approved by: Charles R. Harris, Chief Executive Officer, 783-2504

Attachments:
Receivable Solutions, Inc. Renewal & Amendment No. 8
Credit Consulting Services, Inc. Renewal & Amendment No. 8
Receivable Solutions, Inc. Amendment No. 7
Credit Consulting Services, Inc. Amendment No. 7
Receivable Solutions, Inc. Amendment No. 6
Credit Consulting Services, Inc. Amendment No. 6

Receivable Solutions, Inc. Renewal & Amendment No. 5
Credit Consulting Services, Inc. Renewal & Amendment No. 5
Receivable Solutions, Inc. Amendment No. 4
Credit Consulting Services, Inc. Amendment No. 4
Receivable Solutions, Inc. Amendment No. 3
Credit Consulting Services, Inc. Amendment No. 3
Receivable Solutions, Inc. Amendment No. 2
Credit Consulting Services, Inc. Amendment No. 2
Receivable Solutions, Inc. Amendment No. 1
Credit Consulting Services, Inc. Amendment No. 1
Receivable Solutions, Inc. Agreement
Credit Consulting Services, Inc. Agreement

Attachments on file with the Clerk of the Board

Introduced: 9/3/2025
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

a. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute renewal & amendment No. 8 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one-year period (July 1, 2025 through June 30, 2026) for a revised full agreement term of October 1, 2016 through June 30, 2026 and adding $3,500,000 for a revised total aggregate amount for all contracts not to exceed $16,470,000.
b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than 10% ($240,000) of the original cost of the agreement.

RECOMMENDATION:

It is recommended the Board of Supervisors:

a. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute renewal & amendment No. 8 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one-year period (July 1, 2025 through June 30, 2026) for a revised full agreement term of October 1, 2016 through June 30, 2026 and adding $3,500,000 for a revised total aggregate amount for all contracts not to exceed $16,470,000.
b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than 10% ($240,000) of the original cost of the agreement.

SUMMARY/DISCUSSION:

Natividad Medical Center utilizes two outside contractors, per RFP 9600-64 to collect on Natividad Medical Center's self-pay patients and bad debt collections. The contractor shall receive four (4) daily data files of all self-pay patients from Natividad Medical Center's Meditech system. With this information, the contractors will be responsible to send three (3) collection notices to the patient within a 150-day time-frame requesting payment. The contractors are responsible for billing, collecting, arranging and setting up a payment plan for services incurred at Natividad Medical Center. If there is no response, the patients account is put into a bad debt collection for further collection efforts. Liens are applied as appropriate.

Payment is based on the amount of debt collected and is, therefore, an unknown, so the agreement documents themselves do not state a total agreement amount specifically. Natividad Medical Center is requesting an increased aggregate dollar limit for both agreements not to exceed $12,970,000 which reflects an estimated amount Natividad Medical Center might pay for debt collection fees through June 30, 2025.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this renewal & amendment No. 8 as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. The Amendment is scheduled to be reviewed by Natividad Medical Center's Finance Committee and Board of Trustees on August 8, 2025.

FINANCING:

The cost for this renewal & amendment No. 8 is $3,500,000 of which is included in the Fiscal Year 2025-26 Adopted Budget. Amounts for remaining years of the agreement will be included in those budgets as appropriate. Funding will be provided from NMC's Enterprise Fund 451-9600-6613.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The Debt Collection Services agreements give Natividad Medica Center the ability to collect patient's monetary responsibilities for the services they have incurred at Natividad Medical Center and place liens as appropriate.

__ Economic Development
X Administration
__ Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Tracy Short, Director of Patient Financial Services, 783-2347
Approved by: Charles R. Harris, Chief Executive Officer, 783-2504

Attachments:
Receivable Solutions, Inc. Renewal & Amendment No. 8
Credit Consulting Services, Inc. Renewal & Amendment No. 8
Receivable Solutions, Inc. Amendment No. 7
Credit Consulting Services, Inc. Amendment No. 7
Receivable Solutions, Inc. Amendment No. 6
Credit Consulting Services, Inc. Amendment No. 6
Receivable Solutions, Inc. Renewal & Amendment No. 5

Credit Consulting Services, Inc. Renewal & Amendment No. 5
Receivable Solutions, Inc. Amendment No. 4
Credit Consulting Services, Inc. Amendment No. 4
Receivable Solutions, Inc. Amendment No. 3
Credit Consulting Services, Inc. Amendment No. 3
Receivable Solutions, Inc. Amendment No. 2
Credit Consulting Services, Inc. Amendment No. 2
Receivable Solutions, Inc. Amendment No. 1
Credit Consulting Services, Inc. Amendment No. 1
Receivable Solutions, Inc. Agreement
Credit Consulting Services, Inc. Agreement

Attachments on file with the Clerk of the Board

Docusign Envelope ID: EEB9D0DC-1AF1-4167-A2ED-62BECEC0B67A

Docusign Envelope ID: A56DA7B0-E161-4F63-AEE7-6DE0BAF8E534

RENEWAL AND AMENDMENT NO. 8
TO THE SERVICES AGREEMENT
BETWEEN NATIVIDAD MEDICAL CENTER (COUNTY OF MONTEREY) AND
CREDIT CONSULTING SERVICES, INC.
FOR
DEBT COLLECTION SERVICES

This Renewal and Amendment No. 8 to the County of Monterey, Natividad Medical Center (NMC) Agreement for Services is made and entered into, by and between the County of Monterey (hereinafter "County"), a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care hospital (hereinafter, "NMC"), and Credit Consulting Services, Inc. (hereinafter "CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Credit Consulting Services, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, on January 18, 2023 beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on September 1, 2023 to extend it for an additional one (1) year period (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 with a $1,000,000 increase for the total aggregate amount for both agreements of $10,270,000.

Docusign Envelope ID: EEB9D0DC-1AF1-4167-A2ED-62BECEC0B67A

WHEREAS, COUNTY and CONTRACTOR amended the Agreement via Amendment No. 7 to extend it for an additional nine (9) month period (October 1, 2024 through June 30, 2025) for a revised Agreement term October 1, 2016 through June 30, 2025 allow for services to continue with no additions to the scope and to increase the amount payable by $2,700,000 for a revised total aggregate amount not to exceed $12,970,000; and

WHEREAS, the Agreement expired on June 30, 2025; and

WHEREAS, COUNTY and CONTRACTOR wish to renew and amend the Agreement retroactive to July 1, 2025 to extend the term for an additional one (1) year period (July 1, 2025 through June 30, 2026) for a revised full Agreement term of October 1, 2016 through June 30, 2026 to allow for continued need of CONTRACTOR's services and to increase the amount payable by an additional $3,500,000 for a total Agreement amount not to exceed $16,470,000.

AGREEMENT

NOW THEREFORE, the Parties agree as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the original Agreement incorporated herein by this reference, except as specifically set forth below.

1. Section 5.4 under, "COMPENSATION AND PAYMENTS BY COUNTY" shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $16,470,000."

2. The first sentence of Section 3 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:
   "The term of this Agreement is from October 1, 2016 through June 30, 2026 unless sooner terminated pursuant to the terms of this Agreement."

3. If there is any conflict or inconsistency between the provisions of Agreement, Amendment No. 1, Amendment No. 3, Amendment No. 4, Renewal & Amendment No. 5, Amendment No. 6, and Amendment No. 7 or this Renewal & Amendment No. 8, the provisions of this Renewal and Amendment No. 8 shall govern.

4. This Renewal and Amendment is effective retroactively on July 1, 2025.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

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Docusign Envelope ID: A56DA7B0-E161-4F63-AEE7-6DE0BAF8E534

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 8 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: _____
Charles R. Harris, CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: _____ Signed by: Stacy Saetta 69BD21D44C4341D...
Monterey County Deputy County Counsel

Date: 8/27/2025 | 9:29 AM PDT

APPROVED AS TO FISCAL PROVISIONS

By: _____ DocuSigned by: Patricia Ruiz E79EF64E57454F6...
Monterey County Chief Deputy Auditor-Controller

Date: 9/3/2025 | 8:15 AM PDT

CONTRACTOR

CREDIT CONSULTING SERVICES

CONTRACTOR's Business Name
Signature instructions below

By: _____ DocuSigned by: Rodney Meeks 7567CCD525DD4A7...
(Signature of Chair, President, or Vice-President)

Rodney Meeks President
Name and Title

Date: 8/26/2025 | 11:39 AM PDT

By: _____ DocuSigned by: Rodney Meeks 7567CCD525DD4A7...
(Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Rodney Meeks CFO
Name and Title

Date: 8/26/2025 | 11:39 AM PDT

***SIGNATURE INSTRUCTIONS**

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. (2 signatures required)

If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. (2 signatures required)

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement. (1 signature required)

Docusign Envelope ID: A56DA7B0-E161-4F63-AEE7-6DE0BAF8E534

RENEWAL AND AMENDMENT NO. 8
TO THE SERVICES AGREEMENT
BETWEEN NATIVIDAD MEDICAL CENTER (COUNTY OF MONTEREY) AND
RECEIVABLE SOLUTIONS, INC.
FOR
DEBT COLLECTION SERVICES

This Renewal and Amendment No. 8 to the County of Monterey, Natividad Medical Center (NMC) Agreement for Services is made and entered into, by and between the County of Monterey (hereinafter "County"), a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care hospital (hereinafter, "NMC"), and Receivable Solutions, Inc. (hereinafter "CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Credit Consulting Services, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, on January 18, 2023 beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on September 1, 2023 to extend it for an additional one (1) year period (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 with a $1,000,000 increase for the total aggregate amount for both agreements of $10,270,000.

WHEREAS, COUNTY and CONTRACTOR amended the Agreement via Amendment No. 7 to extend it for an additional nine (9) month period (October 1, 2024 through June 30, 2025) for a revised Agreement term October 1, 2016 through June 30, 2025 allow for services to continue with no additions to the scope and to increase the amount payable by $2,700,000 for a revised total aggregate amount not to exceed $12,970,000; and

WHEREAS, the Agreement expired on June 30, 2025; and

WHEREAS, COUNTY and CONTRACTOR wish to renew and amend the Agreement retroactive to July 1, 2025 to extend the term for an additional one (1) year period (July 1, 2025 through June 30, 2026) for a revised full Agreement term of October 1, 2016 through June 30, 2026 to allow for continued need of CONTRACTOR's services and to increase the amount payable by an additional $3,500,000 for a total Agreement amount not to exceed $16,470,000.

AGREEMENT

NOW THEREFORE, the Parties agree as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the original Agreement incorporated herein by this reference, except as specifically set forth below.

1. Section 5.4 under, "COMPENSATION AND PAYMENTS BY COUNTY" shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $16,470,000."

2. The first sentence of Section 3 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:
   "The term of this Agreement is from October 1, 2016 through June 30, 2026 unless sooner terminated pursuant to the terms of this Agreement."

3. If there is any conflict or inconsistency between the provisions of Agreement, Amendment No. 1, Amendment No. 3, Amendment No. 4, Renewal & Amendment No. 5, Amendment No. 6, and Amendment No. 7 or this Renewal & Amendment No. 8, the provisions of this Renewal and Amendment No. 8 shall govern.

4. This Renewal and Amendment is effective retroactively on July 1, 2025.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: A56DA7B0-E161-4F63-AEE7-6DE0BAF8E534

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 8 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: _____
Charles R. Harris, CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: Signed by: Stacy Saetta
Monterey County Deputy County Counsel

Date: 8/27/2025 | 9:29 AM PDT

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Chief Deputy Auditor-Controller

Date: _____

CONTRACTOR

RECEIVABLE SOLUTIONS, INC.

CONTRACTOR's Business Name
Signature instructions below

By: _____
(Signature of Chair, President, or Vice-President)

Brent D. Rollins, CEO
Name and Title

Date: 08/22/2025

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

John Baker, CFO
Name and Title

Date: 8/22/2025

***SIGNATURE INSTRUCTIONS**

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. (2 signatures required)

If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. (2 signatures required)

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement. (1 signature required)

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Mary L. Adams to:

Agreement No.: A-13319 ; Amendment No.: 7	**Receivable Solutions, Inc**
Agreement No.: A-13320 ; Amendment No.: 7	**Credit Consulting Services, Inc.**

Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 7 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional nine-month period (October 1, 2024 through June 30, 2025) for a revised full agreement term of October 1, 2016 through June 30, 2025 and adding $2,700,000 for a revised total aggregate amount for all contracts not to exceed $12,970,000.

PASSED AND ADOPTED on this 10th day of September 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting September 10, 2023.

Dated: September 11, 2023
File ID: A 24-429
Agenda Item No.: 21

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

AMENDMENT NO. 7
TO SERVICES AGREEMENT
BETWEEN CREDIT CONSULTING SERVICES INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 7 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Credit Consulting Services, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Credit Consulting Services, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, on January 18, 2023 beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on September 1, 2023 to extend it for an additional one (1) year period (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 with a $1,000,000 increase for the total aggregate amount for both agreements of $10,270,000.

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement to extend it for an additional nine (9) month period (October 1, 2024 through June 30, 2025) for a revised Agreement term October 1, 2016 through June 30, 2025 allow for services to continue with no additions to the scope and to increase the amount payable by $2,700,000 for a revised total aggregate amount not to exceed $12,970,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Renewal and Amendment No. 5, and Amendment No. 6 incorporated herein by this reference, except as specifically set forth below.

1. Section 5.4 under, "COMPENSATION AND PAYMENTS BY COUNTY" shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $12,9700,000."

2. The first sentence of Section 3 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:
   "The term of this Agreement is from October 1, 2024 through June 30, 2025 unless sooner terminated pursuant to the terms of this Agreement."

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 6 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Renewal & Amendment No. 5 and in Amendment No. 6.

4. A copy of this Amendment No. 7 shall be attached to the Agreement.

5. This Amendment No. 7 shall be effective when both parties have signed.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 7 on the basis set forth in this document and have executed this Amendment No. 6 on the day and year set forth herein.

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:
By: Charles Harris
4E1E837D204E481...
Charles R. Harris, CEO

9/12/2024 | 9:42 AM PDT
Date: _____

APPROVED AS TO LEGAL PROVISIONS

Signed by:
By: Stacy Saetta
696D21D44C4341D...
Monterey County Deputy County Counsel

8/22/2024 | 8:06 AM PDT
Date: _____

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Jennifer Forsyth
4E7E657875454AE...
Monterey County Deputy Auditor/Controller

8/22/2024 | 3:19 PM PDT
Date: _____

CONTRACTOR

Credit Consulting Services, Inc.
CONTRACTOR's Business Name
See instructions below

DocuSigned by:
By: Rodney Meeks
7567CCD525DD4A7...
(Signature of: Chair, President, or Vice-President)

Rodney Meeks President
Name and Title

8/21/2024 | 9:15 AM PDT
Date: _____

DocuSigned by:
By: Rodney Meeks
7567CCD525DD4A7...
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Rodney Meeks President
Name and Title

8/21/2024 | 9:15 AM PDT
Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Mary L. Adams to:

Agreement No.: A-13319 ; Amendment No.: 7	**Receivable Solutions, Inc**
Agreement No.: A-13320 ; Amendment No.: 7	**Credit Consulting Services, Inc.**

Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 7 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional nine-month period (October 1, 2024 through June 30, 2025) for a revised full agreement term of October 1, 2016 through June 30, 2025 and adding $2,700,000 for a revised total aggregate amount for all contracts not to exceed $12,970,000.

PASSED AND ADOPTED on this 10th day of September 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting September 10, 2023.

Dated: September 11, 2023
File ID: A 24-429
Agenda Item No.: 21

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

AMENDMENT NO. 7
TO SERVICES AGREEMENT
BETWEEN RECEIVABLE SOLUTIONS, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 7 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Receivable Solutions, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Receivable Solutions, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, on January 18, 2023 beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on September 1, 2023 to extend it for an additional one (1) year period (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 with a $1,000,000 increase for the total aggregate amount for both agreements of $10,270,000; and

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement to extend it for an additional nine (9) month period (October 1, 2024 through June 30, 2025) for a revised Agreement term October 1, 2016 through June 30, 2025 allow for services to continue with no additions to the scope and to increase the amount payable by $2,700,000 for a revised total aggregate amount not to exceed $12,970,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Renewal and Amendment No. 5, and Amendment No. 6 incorporated herein by this reference, except as specifically set forth below.

1. Section 5.4 under, "COMPENSATION AND PAYMENTS BY COUNTY" shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $12,9700,000."

2. The first sentence of Section 3 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:
   "The term of this Agreement is from October 1, 2024 through June 30, 2025 unless sooner terminated pursuant to the terms of this Agreement."

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 6 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Renewal & Amendment No. 5 and in Amendment No. 6.

4. A copy of this Amendment No. 7 shall be attached to the Agreement.

5. This Amendment No. 7 shall be effective when both parties have signed.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 7 on the basis set forth in this document and have executed this Amendment No. 6 on the day and year set forth herein.

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:
By: Charles Harris
4E1F837D204E481...
Charles R. Harris, CEO

Date: 9/12/2024 | 9:42 AM PDT

APPROVED AS TO LEGAL PROVISIONS

Signed by:
By: Stacy Saetta
696D21D44C4341D...
Monterey County Deputy County Counsel

Date: 8/20/2024 | 1:34 PM PDT

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Jennifer Forsyth
4E7E657875454AE...
Monterey County Deputy Auditor/Controller

Date: 8/20/2024 | 3:32 PM PDT

CONTRACTOR

Receivable Solutions, Inc.
CONTRACTOR's Business Name
See instructions below

DocuSigned by:
By: Brent D. Rollins
713159E3C802460...
(Signature of: Chair, President, or Vice-President)

Brent D. Rollins CEO
Name and Title

Date: 8/8/2024

Signed by:
By: John Baker
ABB687DCA06C4A2...
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

John Baker CFO
Name and Title

Date: 8/8/2024

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

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Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Mary L. Adams to:

Agreement No.: A-13319	**Receivable Solutions, Inc.**
Agreement No.: A-13320	**Credit Consulting Services, Inc.**

a. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 6 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one year (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 and adding $1,000,000 for a revised total aggregate amount for all contracts not to exceed $10,270,000.
b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute a single amendment to the agreement that does not cause an increase of more than 10% ($240,000) of the original Agreement amount, that will not increase the total Agreement amount above 10,510,000 and which does not significantly alter the scope of work.

PASSED AND ADOPTED on this 29th day of August 2023, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting August 29, 2023.

Dated: August 30, 2023
File ID: A 23-409
Agenda Item No.: 25

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

DocuSign Envelope ID: 34E58841-1E07-403B-9BC9-FE2F897F4451

AMENDMENT NO. 6
TO SERVICES AGREEMENT
BETWEEN CREDIT CONSULTING SERVICES INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 6 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Credit Consulting Services, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Credit Consulting Services, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, on January 18, 2023 beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000; and

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement to extend it for an additional one (1) year period (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 with a $1,000,000 increase for the total aggregate amount for both agreements of $10,270,000.

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AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, and Renewal and Amendment No. 5 incorporated herein by this reference, except as specifically set forth below.

1. Section 4.1, "TERM OF AGREEMNT" shall be amended to the following:
   "The term of this Agreement is from October 1, 2016 through September 30, 2024 unless sooner terminated pursuant to the terms of this Agreement."

2. Section 5.4 under, "COMPENSATION AND PAYMENTS BY COUNTY" shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $10,270,00."

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 6 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4 and in Renewal & Amendment No. 5.

4. A copy of this Amendment No. 6 shall be attached to the Agreement.

5. This Amendment No. 6 shall be effective when both parties have signed.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

DocuSign Envelope ID: 34E58841-1E07-403B-9BC9-FE2F897F4451

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 6 on the basis set forth in this document and have executed this Amendment No. 6 on the day and year set forth herein.

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:
By: Charles Harris
4E1F837D204E481...
Charles R. Harris, CEO

Date: 9/1/2023 | 12:00 PM PDT

APPROVED AS TO LEGAL PROVISIONS

DocuSigned by:
By: Stacy Saetta
C0ECE1B99F444A9...
Monterey County Deputy County Counsel

Date: 7/13/2023 | 7:36 AM PDT

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Patricia Ruiz
E79EF64E57454F6...
Monterey County Deputy Auditor/Controller

Date: 7/13/2023 | 7:49 AM PDT

CONTRACTOR

Credit Consulting Services, Inc.
CONTRACTOR's Business Name
See instructions below

By: _____
(Signature of: Chair, President, or Vice-President)

RODNEY MEEKS, PRESIDENT/CEO
Name and Title

Date: 7/12/2023

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

RODNEY MEEKS, CFO
Name and Title

Date: 7/12/2023

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

DocuSign Envelope ID: 34E58841-1E07-403B-9BC9-FE2F897F4451

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Mary L. Adams to:

Agreement No.: A-13319	**Receivable Solutions, Inc.**
Agreement No.: A-13320	**Credit Consulting Services, Inc.**

a. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 6 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one year (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 and adding $1,000,000 for a revised total aggregate amount for all contracts not to exceed $10,270,000.
b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute a single amendment to the agreement that does not cause an increase of more than 10% ($240,000) of the original Agreement amount, that will not increase the total Agreement amount above 10,510,000 and which does not significantly alter the scope of work.

PASSED AND ADOPTED on this 29th day of August 2023, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting August 29, 2023.

Dated: August 30, 2023
File ID: A 23-409
Agenda Item No.: 25

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

DocuSign Envelope ID: 34E58841-1E07-403B-9BC9-FE2F897F4451

Agreement A-13320

AMENDMENT NO. 6
TO SERVICES AGREEMENT
BETWEEN RECEIVABLE SOLUTIONS, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 6 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Receivable Solutions, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Receivable Solutions, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, on January 18, 2023 beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000; and

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement to extend it for an additional one (1) year period (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 with a $1,000,000 increase for the total aggregate amount for both agreements of $10,270,000.

DocuSign Envelope ID: 34E58841-1E07-403B-9BC9-FE2F897F4451

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, and Renewal and Amendment No. 5 incorporated herein by this reference, except as specifically set forth below.

1. Section 4.1, "TERM OF AGREEMNT" shall be amended to the following:
   "The term of this Agreement is from October 1, 2016 through September 30, 2024 unless sooner terminated pursuant to the terms of this Agreement."

2. Section 5.4 under, "COMPENSATION AND PAYMENTS BY COUNTY" shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $10,270,00."

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 6 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4 and in Renewal & Amendment No. 5.

4. A copy of this Amendment No. 6 shall be attached to the Agreement.

5. This Amendment No. 6 shall be effective when both parties have signed.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

DocuSign Envelope ID: 34E58841-1E07-403B-9BC9-FE2F897F4451

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 6 on the basis set forth in this document and have executed this Amendment No. 6 on the day and year set forth herein.

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:
By: Charles Harris
4E1F837D204E481...
Charles R. Harris, CEO

Date: 9/1/2023 | 12:00 PM PDT

APPROVED AS TO LEGAL PROVISIONS

DocuSigned by:
By: Stacy Saetta
C0ECE1B99F444A9...
Monterey County Deputy County Counsel

Date: 7/13/2023 | 7:36 AM PDT

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Patricia Ruiz
E79EF64E57454F6...
Monterey County Deputy Auditor/Controller

Date: 7/13/2023 | 7:49 AM PDT

CONTRACTOR

Receivable Solutions, Inc.
CONTRACTOR's Business Name
~~***See instructions below***~~

By: _____
(Signature of: Chair, President, or Vice-President)

Brent D. Rollins, CEO
Name and Title

Date: 07/10/2023

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

John Baker, CFO
Name and Title

Date: 7/10/2023

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Mary L. Adams, seconded by Supervisor Glenn Church to:

Agreement No.: A-13319 ; Amendment No.: 5
Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute renewal & amendment No. 5 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one (1) year (October 1, 2022 through September 30, 2023) for a revised full agreement term of October 1, 2016 through September 30, 2023 and adding $1,300,000 for a revised total aggregate amount for all contracts not to exceed $9,270,000.

PASSED AND ADOPTED on this 10th day of January 2023, by roll call vote:

AYES: Supervisors Alejo, Church, Askew, and Adams
NOES: None
ABSENT: Supervisor Lopez
(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting January 10, 2023.

Dated: January 12, 2023
File ID: A 22-627
Agenda Item No.: 24

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

RENEWAL AND AMENDMENT NO. 5
TO THE SERVICES AGREEMENT
BETWEEN NATIVIDAD MEDICAL CENTER (COUNTY OF MONTEREY) AND
CREDIT CONSULTING SERVICES INC.
FOR
DEBT COLLECTION SERVICES

This Renewal and Amendment No. 5 to the County of Monterey, Natividad Medical Center (NMC) Agreement for Services is made and entered into, by and between the County of Monterey (hereinafter "County"), a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care hospital (hereinafter, "NMC"), and Credit Consulting Services, Inc. (hereinafter "CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Credit Consulting Services, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties wish to renew and amend the Agreement on the same or similar terms, beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000.

AGREEMENT

NOW THEREFORE, the Parties agree as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the original Agreement incorporated herein by this reference, except as specifically set forth below.

1. "TERM OF AGREEMENT" Section shall be amended to the following:
   "The term of this Agreement is from October 1, 2016 through September 30, 2023 unless sooner terminated pursuant to the terms of this Agreement".

2. "PAYMENTS BY NMC" Section shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $9,270,00"

3. If there is any conflict or inconsistency between the provisions of Agreement, or this Renewal and Amendment No. 5, the provisions of this Renewal and Amendment No. 5 shall govern.

4. This Renewal and Amendment is effective retroactively on October 1, 2022.

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 5 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: _____
Charles R. Harris MD, CEO

Date: 1/10/23

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 12/1/2022

APPROVED AS TO FISCAL PROVISIONS

By: Jennifer Forsyth
Monterey County Chief Deputy Auditor-Controller

Date: 12/2/2022

CONTRACTOR

CREDIT CONSULTING SERVICES, INC.

CONTRACTOR's Business Name
Signature instructions below

By: Rodney Meeks
(Signature of Chair, President, or Vice-President)

Rodney Meeks, President/CEO
Name and Title

Date: 12/1/2022

By: Rodney Meeks
(Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Rodney Meeks, CFO
Name and Title

Date: 12/1/2022

***SIGNATURE INSTRUCTIONS**

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. (2 signatures required)

If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. (2 signatures required)

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement. (1 signature required)

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Mary L. Adams, seconded by Supervisor Glenn Church to:

Agreement No.: A-13319 ; Amendment No.: 5
Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute renewal & amendment No. 5 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one (1) year (October 1, 2022 through September 30, 2023) for a revised full agreement term of October 1, 2016 through September 30, 2023 and adding $1,300,000 for a revised total aggregate amount for all contracts not to exceed $9,270,000.

PASSED AND ADOPTED on this 10th day of January 2023, by roll call vote:

AYES: Supervisors Alejo, Church, Askew, and Adams
NOES: None
ABSENT: Supervisor Lopez
(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting January 10, 2023.

Dated: January 12, 2023
File ID: A 22-627
Agenda Item No.: 24

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

Agreement A-13320

RENEWAL AND AMENDMENT NO. 5
TO THE SERVICES AGREEMENT
BETWEEN NATIVIDAD MEDICAL CENTER (COUNTY OF MONTEREY) AND
RECEIVABLE SOLUTIONS INC.
FOR
DEBT COLLECTION SERVICES

This Renewal and Amendment No. 5 to the County of Monterey, Natividad Medical Center (NMC) Agreement for Services is made and entered into, by and between the County of Monterey (hereinafter "County"), a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care hospital (hereinafter, "NMC"), and Receivable Solutions, Inc. (hereinafter "CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Receivable Solutions, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties wish to renew and amend the Agreement on the same or similar terms, beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000.

AGREEMENT

NOW THEREFORE, the Parties agree as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the original Agreement incorporated herein by this reference, except as specifically set forth below.

1. "TERM OF AGREEMENT" Section shall be amended to the following:
   "The term of this Agreement is from October 1, 2016 through September 30, 2023 unless sooner terminated pursuant to the terms of this Agreement".

2. "PAYMENTS BY NMC" Section shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $9,270,000"

3. If there is any conflict or inconsistency between the provisions of Agreement, or this Renewal and Amendment No. 5, the provisions of this Renewal and Amendment No. 5 shall govern.

4. This Renewal and Amendment is effective retroactively on October 1, 2022.

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 5 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: _____
Charles R. Harris MD, CEO

Date: 11/8/23

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 12/1/2022

APPROVED AS TO FISCAL PROVISIONS

By: Jennifer Forsyth
Monterey County Chief Deputy Auditor-Controller

Date: 12/2/2022

CONTRACTOR

RECEIVABLE SOLUTIONS, INC.

~~CONTRACTOR's Business Name~~
Signature instructions below

By: _____
(Signature of Chair, President, or Vice-President)

Brent D Rollins, CEO
Name and Title

Date: 11/07/2022

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

John Baker, CFO
Name and Title

Date: 11/7/2022

***SIGNATURE INSTRUCTIONS**

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. (2 signatures required)

If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. (2 signatures required)

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement. (1 signature required)

AMENDMENT NO. 4
TO SERVICES AGREEMENT
BETWEEN CREDIT CONSULTING SERVICES INC. AND
NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 4 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and Credit Consulting Services, Inc. (hereinafter "CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the Parties entered into an Agreement for Debt Collection Services pursuant to RFP # 9600-64 with a three (3) year term ending September 30, 2019 with the option to extend for two (2) additional one (1) year periods, and for which the Monterey County Board of Supervisors approved a total aggregate amount for both Agreements not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement, Amendment No. 1, in Amendment No. 2, and in Amendment No. 3 incorporated herein by this reference, except as specifically set forth below.

1. Section 5.1 under "TERM OF AGREEMENT" shall be amended to the following:
   "The initial term shall be effective on October 1, 2016 through September 30, 2022."

2. Except as provided herein, all remaining terms, conditions and provisions of the Original Agreement are unchanged and unaffected by this Amendment No. 4 and shall continue in full force and effect as

set forth in the Agreement, Amendment No. 1, in Amendment No. 2 and in Amendment No. 3.

3. A copy of this Amendment No. 4 shall be attached to the Original Agreement.

4. This Amendment No. 4 shall be effective when signed by both parties.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 4 on the basis set forth in this document and have executed this Amendment No. 4 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: Dr. Charles R. Harris
~~Gary R. Gray, DO, CEO~~
Charles R. Harris, MD, Interim CEO

Date: 8/13/21

APPROVED AS TO LEGAL PROVISIONS

By: Stacy L. Saetta
Monterey County Deputy County Counsel

Date: 8/9/2021

APPROVED AS TO FISCAL PROVISIONS

By: gary k giboney
Monterey County Deputy Auditor/Controller

Date: 8-10-2021

CONTRACTOR

Credit Consulting Services
CONTRACTOR's Business Name
See instructions below

By: _____
(Signature of: ~~Chair~~, President, or Vice-President)

RODNEY MEEKS, PRESIDENT
Name and Title

Date: 7/22/2021

By: _____, CFO
(Signature of: ~~Secretary~~, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

RODNEY MEEKS, CFO
Name and Title

Date: 7/22/2021

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

AMENDMENT NO. 4
TO SERVICES AGREEMENT
BETWEEN RECEIVABLE SOLUTIONS INC. AND
NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 4 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and Credit Consulting Services, Inc. (hereinafter "CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the Parties entered into an Agreement for Debt Collection Services pursuant to RFP # 9600-64 with a three (3) year term ending September 30, 2019 with the option to extend for two (2) additional one (1) year periods, and for which the Monterey County Board of Supervisors approved a total aggregate amount for both Agreements not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement, Amendment No. 1, in Amendment No. 2, and in Amendment No. 3 incorporated herein by this reference, except as specifically set forth below.

1. Section 5.1 under "TERM OF AGREEMENT" shall be amended to the following:
   "The initial term shall be effective on October 1, 2016 through September 30, 2022."

2. Except as provided herein, all remaining terms, conditions and provisions of the Original Agreement are unchanged and unaffected by this Amendment No. 4 and shall continue in full force and effect as set forth in the Agreement, Amendment No. 1, in Amendment No. 2 and in Amendment No. 3.

3. A copy of this Amendment No. 4 shall be attached to the Original Agreement.

4. This Amendment No. 4 shall be effective when signed by both parties.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 4 on the basis set forth in this document and have executed this Amendment No. 4 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: Dr. Charles R. Harris
~~Gary R. Gray, DO, CEO~~
Charles R. Harris, MD, Interim CEO

Date: 8/13/21

APPROVED AS TO LEGAL PROVISIONS

By: Stacy L. Saetta
Monterey County Deputy County Counsel

Date: 8/9/2021

APPROVED AS TO FISCAL PROVISIONS

By: gary k gibonsy
Monterey County Deputy Auditor/Controller

Date: 8-10-2021

CONTRACTOR

Receivable Solutions, INC.
CONTRACTOR's ~~Business Name~~
See instructions below

By: _____
(Signature of: Chair, President, or Vice-President)

Brent D. Rollins, CEO
Name and Title

Date: 07/30/2021

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership: the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Mary L. Adams seconded by Supervisor John M. Phillips to approve Consent Calendar Item Numbers 13 through 36 excluding Consent Item No.16 which was pulled via the additions and corrections and Item No. 32.1 which will have a separate vote taken on it.

Agreement No.: Receivable Solutions A-13319; and Credit Consulting Services A-13320, Amendment No. 3
Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 3 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one (1) year (October 1, 2020 through September 30, 2021) for a revised full agreement term of October 1, 2016 through September 30, 2021 and adding $1,000,000 for a revised total aggregate amount not to exceed $7,970,000.

PASSED AND ADOPTED on this 1st day of September 2020, by roll call vote:
AYES: Supervisors Alejo, Phillips, Lopez, Parker and Adams
NOES: None
ABSENT: None
(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting September 1, 2020.

Dated: September 1, 2020
File ID: A 20-336
Agenda Item No.: 13

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Joel G. Pablo, Deputy

AMENDMENT NO. 3
TO SERVICES AGREEMENT
BETWEEN CREDIT CONSULTING SERVICES INC. AND
NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 3 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and Credit Consulting Services, Inc. (hereinafter "CONTRACTOR"); (collectively, the County, NMC and CONTRACTOR are referred to as the "Parties"), with respect to the following:

RECITALS

WHEREAS, the Parties entered into an Agreement for Debt Collection Services pursuant to RFP # 9600-64 with a three (3) year term ending September 30, 2019 with the option to extend for two (2) additional one (1) year periods, and for which the Monterey County Board of Supervisors approved a total aggregate amount for both Agreements not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement, Amendment No. 1 and in Amendment No. 2 incorporated herein by this reference, except as specifically set forth below.

1. Section 5.4 under "COMPENSATION AND PAYMENTS" shall be omitted in its entirety and replaced with the following:
   "Because CONTRACTOR's compensation shall be based on the amount of debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services is not to exceed the sum of $7,970,000."

2. Except as provided herein, all remaining terms, conditions and provisions of the Original Agreement are unchanged and unaffected by this Amendment No. 3 and shall continue in full force and effect as set forth in the Agreement, Amendment No. 1 and in Amendment No. 2

3. A copy of this Amendment No. 3 shall be attached to the Original Agreement.

4. This Amendment No. 3 shall be effective when signed by both parties.

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 3 on the basis set forth in this document and have executed this Amendment No. 3 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: Dr. Gary R. Gray
Gary R. Gray, DO, CEO

Date: 9/14/20

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 7/14/2020

APPROVED AS TO FISCAL PROVISIONS

By: Gary K Giboney
Monterey County Deputy Auditor/Controller

Date: 7/14/2020

CONTRACTOR

Credit Consulting Services
CONTRACTOR's Business Name
See instructions below

By: _____
(Signature of: ~~Chair~~, President, or Vice-President)

RODNEY MEEKS, CEO
Name and Title

Date: 6/5/2020

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Christine Meeks
Name and Title

Date: 6/5/2020

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Monterey County
Board of Supervisors

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Board Order

A motion was made by Supervisor Mary L. Adams seconded by Supervisor John M. Phillips to approve Consent Calendar Item Numbers 13 through 36 excluding Consent Item No.16 which was pulled via the additions and corrections and Item No. 32.1 which will have a separate vote taken on it.

Agreement No.: Receivable Solutions A-13319; and Credit Consulting Services A-13320, Amendment No. 3
Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 3 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one (1) year (October 1, 2020 through September 30, 2021) for a revised full agreement term of October 1, 2016 through September 30, 2021 and adding $1,000,000 for a revised total aggregate amount not to exceed $7,970,000.

PASSED AND ADOPTED on this 1st day of September 2020, by roll call vote:
AYES: Supervisors Alejo, Phillips, Lopez, Parker and Adams
NOES: None
ABSENT: None
(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting September 1, 2020.

Dated: September 1, 2020
File ID: A 20-336
Agenda Item No.: 13

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Joel G. Pablo, Deputy

AMENDMENT NO. 3
TO SERVICES AGREEMENT
BETWEEN RECEIVABLE SOLUTIONS INC. AND
NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 3 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and ~~Credit Consulting Services~~ Receivable Solutions, Inc, Inc. (hereinafter "CONTRACTOR"); (collectively, the County, NMC and CONTRACTOR are referred to as the "Parties"), with respect to the following:

RECITALS

WHEREAS, the Parties entered into an Agreement for Debt Collection Services pursuant to RFP # 9600-64 with a three (3) year term ending September 30, 2019 with the option to extend for two (2) additional one (1) year periods, and for which the Monterey County Board of Supervisors approved a total aggregate amount for both Agreements not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement, Amendment No. 1 and in Amendment No. 2 incorporated herein by this reference, except as specifically set forth below.

1. Section 5.4 under "COMPENSATION AND PAYMENTS" shall be omitted in its entirety and replaced with the following:
   "Because CONTRACTOR's compensation shall be based on the amount of debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services is not to exceed the sum of $7,970,000."

2. Except as provided herein, all remaining terms, conditions and provisions of the Original Agreement are unchanged and unaffected by this Amendment No. 3 and shall continue in full force and effect as set forth in the Agreement, Amendment No. 1 and in Amendment No. 2

3. A copy of this Amendment No. 3 shall be attached to the Original Agreement.

4. This Amendment No. 3 shall be effective when signed by both parties.

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 3 on the basis set forth in this document and have executed this Amendment No. 3 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: Dr. Gary R. Gray
Gary R. Gray, DO, CEO

Date: 9/14/20

APPROVED AS TO LEGAL PROVISIONS

By: [signature]
Monterey County Deputy County Counsel

Date: 7/13/2020

APPROVED AS TO FISCAL PROVISIONS

By: Gary K Gibonsey
Monterey County Deputy Auditor/Controller

Date: 7/14/2020

CONTRACTOR

Receivable Solutions, INC.
CONTRACTOR's Business Name
~~***See instructions below***~~

By: [signature]
(Signature of: Chair, President, or Vice-President)

Brent D. Rollins, CEO
Name and Title

Date: 06/22/2020

By: [signature]
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

John Baker, CFO
Name and Title

Date: 6/22/2020

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Monterey County
Board of Supervisors

168 West Alisal Street,
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831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Chris Lopez to:

Agreement No. A-13319 & A-13320; Amendment No. 2
Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 2 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) for debt collection services, adding $2,400,000 for a revised total aggregate amount not to exceed $6,970,000 with no change to the agreement term of October 1, 2016 through September 30, 2020.

PASSED AND ADOPTED on this 19th day of November 2019, by the following vote, to wit:

AYES: Supervisors Alejo, Lopez, Phillips, Parker and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting November 19, 2019.

Dated: November 19, 2019
File ID.: A 19-392
Agenda Item No.: 20

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Julian Lorenzana, Deputy

AMENDMENT NO. 2
TO SERVICES AGREEMENT
BETWEEN CREDIT CONSULTING SERVICES INC. AND
NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 2 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and Credit Consulting Services, Inc. (hereinafter "CONTRACTOR"); (collectively, the County, NMC and CONTRACTOR are referred to as the "Parties"), with respect to the following:

RECITALS

WHEREAS, the Parties entered into an Agreement for Debt Collection Services pursuant to RFP # 9600-64 with a three (3) year term ending September 30, 2019 with the option to extend for two (2) additional one (1) year periods, and for which the Monterey County Board of Supervisors approved a total aggregate amount for both Agreements not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1 incorporated herein by this reference, except as specifically set forth below.

1. Section 5.4 under "COMPENSATION AND PAYMENTS" shall be omitted in its entirety and replaced with the following:
   "Because CONTRACTOR's compensation shall be based on the amount of debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services is not to exceed the sum of $6,970,000."

2. Except as provided herein, all remaining terms, conditions and provisions of the Original Agreement are unchanged and unaffected by this Amendment No. 2 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1.

3. A copy of this Amendment No. 2 shall be attached to the Original Agreement.

4. This Amendment No. 2 shall be effective when signed by both parties.

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 2 on the basis set forth in this document and have executed this Amendment No. 2 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: Andrea Rosenberg
for Gary R. Gray, DO, CEO

Date: 12/2/19

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 10/16/19

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: 10-17-19

CONTRACTOR

Credit Consulting Services
CONTRACTOR's Business Name
See instructions below

By: _____
(Signature of: Chair, President, or Vice-President)

RODNEY MEEKS
Name and Title

Date: 10/10/19

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Christine Meeks, Secretary
Name and Title

Date: 10/10/19

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Chris Lopez to:

Agreement No. A-13319 & A-13320; Amendment No. 2
Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 2 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) for debt collection services, adding $2,400,000 for a revised total aggregate amount not to exceed $6,970,000 with no change to the agreement term of October 1, 2016 through September 30, 2020.

PASSED AND ADOPTED on this 19th day of November 2019, by the following vote, to wit:

AYES: Supervisors Alejo, Lopez, Phillips, Parker and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting November 19, 2019.

Dated: November 19, 2019
File ID.: A 19-392
Agenda Item No.: 20

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Julian Lorenzana, Deputy

AMENDMENT NO. 2
TO SERVICES AGREEMENT
BETWEEN RECEIVABLE SOLUTIONS INC. AND
NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 2 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and Receivable Solutions, Inc. (hereinafter "CONTRACTOR"); (collectively, the County, NMC and CONTRACTOR are referred to as the "Parties"), with respect to the following:

RECITALS

WHEREAS, the Parties entered into an Agreement for Debt Collection Services pursuant to RFP # 9600-64 with a three (3) year term ending September 30, 2019 with the option to extend for two (2) additional one (1) year periods, and for which the Monterey County Board of Supervisors approved a total aggregate amount for both Agreements not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1 incorporated herein by this reference, except as specifically set forth below.

1. Section 5.4 under "COMPENSATION AND PAYMENTS" shall be omitted in its entirety and replaced with the following:
   "Because CONTRACTOR's compensation shall be based on the amount of debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services is not to exceed the sum of $6,970,000."

2. Except as provided herein, all remaining terms, conditions and provisions of the Original Agreement are unchanged and unaffected by this Amendment No. 2 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1.

3. A copy of this Amendment No. 2 shall be attached to the Original Agreement.

4. This Amendment No. 2 shall be effective when signed by both parties.

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 2 on the basis set forth in this document and have executed this Amendment No. 2 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: Andrew Rosenberg
for Gary R. Gray, DO, CEO

Date: 12/2/19

APPROVED AS TO LEGAL PROVISIONS

By: Jay Saetta
Monterey County Deputy County Counsel

Date: 10/25/19

APPROVED AS TO FISCAL PROVISIONS

By: [signature]
Monterey County Deputy Auditor/Controller

Date: 10-17-19

CONTRACTOR

Receivable Solutions Inc.
CONTRACTOR's Business Name
See instructions below

By: [signature]
(Signature of: Chair, President, or Vice-President)

Brent D. Rollins, President
Name and Title

Date: 10/08/2019

By: [signature]
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Dawnlow DuHart Secretary
Name and Title

Date: 10/8/2019

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Agreement No. A-13319, Amendment No. 1: Receivable Solutions
Agreement No. A-13320, Amendment No. 1: Credit Consulting Services, Inc.

Upon motion of Supervisor Adams, seconded by Supervisor Alejo and carried by those members present, the Board of Supervisors hereby:

Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 1 with Credit Consulting Services, Inc. (A-13320) and Receivable Solutions, Inc. (A-13319) for debt collection services at NMC pursuant to the Request for Proposals (RFP) #9600-64, extending the agreement an additional one (1) year period (October 1, 2019 through September 30, 2020) for a revised full agreement term of October 1, 2016 through September 30, 2020, with one remaining option to extend for one (1) additional year, and adding $2,177,000 for a revised total aggregate amount not to exceed $4,570,000.

PASSED AND ADOPTED on this 8th day of January 2019, by the following vote, to wit:

AYES: Supervisors Alejo, Phillips, Lopez, Parker and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 81 for the meeting January 8, 2019.

Dated: January 9, 2019
File ID: A 18-477

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Joel G. Pablo, Deputy

AMENDMENT NO. 1
TO SERVICES AGREEMENT
BETWEEN CREDIT CONSULTING SERVICES, INC. AND
NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 1 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and Credit Consulting Services, Inc. (hereinafter "CONTRACTOR"); (collectively, the County, NMC and CONTRACTOR are referred to as the "Parties"), with respect to the following:

RECITALS

WHEREAS, the Parties entered into an Agreement for Debt Collection Services pursuant to RFP #9600-64 with a three (3) year term ending September 30, 2019 with the option to extend for two (2) additional one (1) year periods, in which the Monterey County Board of Supervisors approved a total aggregate amount not to exceed $2,400,000 annually for all Agreements awarded per RFP #9600-64 for Debt Collection Services; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement to extend it for an additional one (1) year period through September 30, 2020 to allow for services to continue with no changes to the original scope of work or billing rates with an increase of $2,177,000 for a total aggregate amount of $4,570,000 annually for all Agreements awarded per RFP #9600-64.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and Amendment No 1 incorporated herein by this reference, except as specifically set forth below.

1. Section 4.1, "TERM OF AGREEMENT" shall be amended to the following:
   "The initial term shall be effective on October 1, 2016 for a four (4) year period through September 30, 2020 with the option to extend the Agreement for one (1) additional one (1) year period. NMC is not required to state a reason if it elects not to renew this Agreement."

2. Section 5.4 under "COMPENSATION AND PAYMENTS" is omitted in its entirety and replaced with the following:
   "Because CONTRACTOR's compensation shall be based on the amount of debt collected by CONTRACTOR which is not known certainty; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services is not to exceed the sum of $4,570,000"

3. Except as provided herein, all remaining terms, conditions and provisions of the Original Agreement are unchanged and unaffected by this Amendment No. 1 and shall continue in full force and effect as set forth in the Agreement.

4. A copy of this Amendment No. 1 shall be attached to the Original Agreement.

5. This Amendment No. 1 shall be effective when signed by both parties.

~ Signature page to follow ~

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 1 on the basis set forth in this document and have executed this Amendment No. 1 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: _____
Gary R. Gray, DO, CEO

Date: 11/4/15

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 10/31/18

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: 11/1/18

CONTRACTOR

Credit Consulting Services, Inc.
CONTRACTOR's Business Name
See instructions below

By: _____
(Signature of: ~~Chair,~~ President, or Vice-President)

RODNEY MEEKS, CEO
Name and Title

Date: 10/18/18

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Secretary
Name and Title

Date: 10.18.18

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Agreement No. A-13319, Amendment No. 1: Receivable Solutions
Agreement No. A-13320, Amendment No. 1: Credit Consulting Services, Inc.

Upon motion of Supervisor Adams, seconded by Supervisor Alejo and carried by those members present, the Board of Supervisors hereby:

Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 1 with Credit Consulting Services, Inc. (A-13320) and Receivable Solutions, Inc. (A-13319) for debt collection services at NMC pursuant to the Request for Proposals (RFP) #9600-64, extending the agreement an additional one (1) year period (October 1, 2019 through September 30, 2020) for a revised full agreement term of October 1, 2016 through September 30, 2020, with one remaining option to extend for one (1) additional year, and adding $2,177,000 for a revised total aggregate amount not to exceed $4,570,000.

PASSED AND ADOPTED on this 8th day of January 2019, by the following vote, to wit:

AYES: Supervisors Alejo, Phillips, Lopez, Parker and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 81 for the meeting January 8, 2019.

Dated: January 9, 2019
File ID: A 18-477

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Joel G. Pablo, Deputy

AMENDMENT NO. 1
TO SERVICES AGREEMENT
BETWEEN RECEIVABLE SOLUTIONS, INC. AND
NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 1 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), and Receivable Solutions, Inc. (hereinafter "CONTRACTOR"); (collectively, the County, NMC and CONTRACTOR are referred to as the "Parties"), with respect to the following:

RECITALS

WHEREAS, the Parties entered into an Agreement for Debt Collection Services pursuant to RFP #9600-64 with a three (3) year term ending September 30, 2019 with the option to extend for two (2) additional one (1) year periods, in which the Monterey County Board of Supervisors approved a total aggregate amount not to exceed $2,400,000 annually for all Agreements awarded per RFP #9600-64 for Debt Collection Services; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement to extend it for an additional one (1) year period through September 30, 2020 to allow for services to continue with no changes to the original scope of work or billing rates with an increase of $2,177,000 for a total aggregate amount of $4,570,000 annually for all Agreements awarded per RFP #9600-64.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and Amendment No 1 incorporated herein by this reference, except as specifically set forth below.

1. Section 4.1, "TERM OF AGREEMENT" shall be amended to the following:
   "The initial term shall be effective on October 1, 2016 for a four (4) year period through September 30, 2020 with the option to extend the Agreement for one (1) additional one (1) year period. NMC is not required to state a reason if it elects not to renew this Agreement."

2. Section 5.4 under "COMPENSATION AND PAYMENTS" is omitted in its entirety and replaced with the following:
   "Because CONTRACTOR's compensation shall be based on the amount of debt collected by CONTRACTOR which is not known certainty; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services is not to exceed the sum of $4,570,000"

3. Except as provided herein, all remaining terms, conditions and provisions of the Original Agreement are unchanged and unaffected by this Amendment No. 1 and shall continue in full force and effect as set forth in the Agreement.

4. A copy of this Amendment No. 1 shall be attached to the Original Agreement.

5. This Amendment No. 1 shall be effective when signed by both parties.

~ Signature page to follow ~

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 1 on the basis set forth in this document and have executed this Amendment No. 1 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: _____
Gary R. Gray, DO, CEO

Date: 10/4/18

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 10/31/18

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: 11/1/18

CONTRACTOR

Receivable Solutions, Inc.
CONTRACTOR's Business Name
See instructions below

By: _____
(Signature of: Chair, President, or Vice-President)

Brent D. Rollins, President
Name and Title

Date: 10/18/2018

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Paul A Reardon Chairman
Name and Title

Date: 10/18/18

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Agreement Nos.: A-13319 & A-13320

Upon motion of Supervisor Phillips, seconded by Supervisor Salinas and carried by those members present, the Board of Supervisors hereby:

a. Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute an Agreement with Receivable Solutions, Inc. (A-13319) and an Agreement with Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for Debt Collection Services, with an initial Agreement term retroactive to October 1, 2016 through September 30, 2019 with the option to extend for two (2) additional one (1) year periods, and for an original contract amount for both Agreements not to exceed $2,400,000: and
b. Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute up to two (2) amendments, each of which would exercise a one year option to extend and add $800,000 to the agreement, provided that the total cost for the agreement over a five year period does not exceed $4,000,000 and so long as an appropriation for the costs of the amendments is included in the County Adopted Budget.

PASSED AND ADOPTED on this 4th day of October 2016, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 79 for the meeting on October 4, 2016.

Dated: October 6, 2016
File ID: A 16-312

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

DEBT COLLECTION SERVICES AGREEMENT

This AGREEMENT is made and entered into by the County of Monterey on behalf of Natividad Medical Center, hereinafter referred to as "NMC", a political subdivision of the State of California, and Credit Consulting Services Inc., hereinafter referred to as "CONTRACTOR."

1.0 RECITALS

WHEREAS, NMC has invited proposals through the Request for Proposals (RFP # 9600-64) for Debt Collection Services Inc., in accordance with the specifications set forth in this AGREEMENT; and

WHEREAS, CONTRACTOR has submitted a responsive and responsible proposal to perform such services; and

WHEREAS, CONTRACTOR has the expertise and capabilities necessary to provide the services requested.

NOW THEREFORE, NMC and CONTRACTOR, for the consideration hereinafter named, agree as follows:

2.0 PERFORMANCE OF THE AGREEMENT

2.1 After consideration and evaluation of the CONTRACTOR'S proposal, NMC hereby engages CONTRACTOR to provide the services set forth in RFP # 9600-64 and in this AGREEMENT on the terms and conditions contained herein and in RFP # 9600-64. The intent of this AGREEMENT is to summarize the contractual obligations of the parties. The component parts of this AGREEMENT include the following:

RFP # 9600-64 dated January 22, 2016, including all attachments and exhibits
Addendum No. 1 to RFP # 9600-64
CONTRACTOR'S Proposal dated February 24, 2016
AGREEMENT
Certificate of Insurance
Additional Insured Endorsements

2.2 All of the above-referenced contract documents are intended to be complementary. Work required by one of the above-referenced contract documents and not by others shall be done as if required by all. In the event of a conflict between or among component parts of the contract, the contract documents shall be construed in the following order: AGREEMENT, CONTRACTOR'S Proposal, RFP 9600-64 including all attachments and Exhibits, RFP Addendum/Addenda issued, Certificate of Insurance, and Additional Insured Endorsements.

2.3 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this AGREEMENT are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this AGREEMENT and are not employees of NMC nor of the County of Monterey, or immediate family of an employee of Natividad Medical Center nor of the County of Monterey.

2.4 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this AGREEMENT that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

2.5 CONTRACTOR shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of the United States and of the State of California. The Agency will be in compliance with Title 22, OSHA, Federal and State Labor Laws and the Joint Commission on Accreditation of Health Care Organizations.

18.5.1 CONTRACTOR must maintain all applicable and required licenses throughout the term of the AGREEMENT.

2.6 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this AGREEMENT, except as otherwise specified in this AGREEMENT. CONTRACTOR shall not use Natividad Medical Center premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this AGREEMENT.

3.0 SCOPE OF SERVICE – DEBT COLLECTION SERVICES

3.1 **The Scope of Work is generally described as follows:** Contractor will perform Early-Out Collections Services, as well as Bad Debt Collections Services for recovery of monies owed for non-payment of patient accounts, including but not limited to fines, penalties and fees.

3.1.1 The accounts shall be assigned to CONTRACTOR within thirty (30) days from the "date of discharge/visit". CONTRACTOR shall pursue collection efforts for a period of ninety (90) days from date of assignment. At no cost to NMC all non-collectible accounts, excluding those accounts placed on scheduled payment plans and in good-standing, shall be returned to NMC at the end said ninety (90) day period.

3.1.2 CONTRACTOR shall take all reasonable and appropriate steps for the collection of accounts assigned hereunder, but shall avoid unwarranted harassment of individuals billed. CONTRACTOR shall comply with all Federal and State laws and regulations concerning the collection of debts, including but not limited to the Fair Debt Collection Practices Act and the Health Information and Portability Accountability Act and related regulations.

3.1.3 NMC shall have the right to recall from CONTRACTOR without charge or penalty, individual accounts assigned hereunder which NMC determines to be publicly sensitive or on which the best interest of NMC would not be served by efforts at collection.

3.1.4 CONTRACTOR agrees to return any account assigned as Self/Private Pay and later determined to have insurance coverage.

3.1.5 CONTRACTOR shall grant the Client a grace period of five (5) days from the date of assignment for all collection accounts under this agreement. The grace period shall cover accounts placed in error, payments received on accounts by the Client and/or verification of Insurance responsibility after assignment.

3.1.6 CONTRACTOR and NMC agree that compensation for all debt collections services shall be as defined in Section 5.0 and all subsections of Section 5 herein this AGREEMENT.

3.2 **Multilingual Capability**

Contractor shall service accounts in both English and Spanish.

3.3 **Early Out Collection. Contractor is responsible for the following:**

3.3.1 Provide Early-Out Collection for 90 days

3.3.2 Provide written notice (by letter) to Patient Account Debtor on behalf of NMC prior to assigning the account to collections

3.3.3 Written Notice (letter) shall reflect that payment is to be made to NMC during the 90 day Early-Out Collection period

3.3.4 Contractor shall make one phone call per month to Patient Account Debtor during the Early-Out Collection period

3.4 **Bad Debt Collection:**

3.4.1 Bad Debt Collection process to begin after 150 days for Medicare accounts, and 90 days for all other accounts.

3.4.2 Additional legal actions will be taken only after reasonable collection efforts have been made and only with written permission of NMC. CONTRACTOR shall only be allowed to litigate balances exceeding a certain dollar amount with NMC's prior written approval.

3.5 **Recipt of Accounts:**

3.5.1 Contractor shall furnish NMC with an acknowledgment of assigned accounts within 24 hours following receipt of accounts. Acknowledgement shall include:

3.5.1.1 An ALPHA-listing by name of Patient Account Debtor

3.5.1.2 NMC-assigned patient account number

3.5.1.3 Amount assigned

3.5.1.4 Total number of accounts

3.5.1.5 Total dollars assigned for collection

3.6 **Reports** Contractor shall furnish NMC a monthly report indicating all accounts with payments received by the 5th of the month. The report shall be:

3.6.1 An ALPHA-listing by name of debtor
3.6.2 NNC assigned account number
3.6.3 Dollar amount assigned
3.6.4 Any payments (including dates received)
3.6.5 Current balance due
3.6.6 A summary of collection efforts
3.6.7 Current status of each account
3.6.8 The Report shall also include an overall summary of the items listed above by account status and include the percentage of dollars collected on behalf of NMC
3.6.9 The Monthly Report must coincide and include payment to NMC for all cash received during the month.
3.6.10 The Monthly Report should include an inventory of all accounts for NMC including unpaid accounts.
3.6.11 NMC shall have the right during normal business hours of CONTRACTOR to examine all account records of the CONTRACTOR relative hereunder.

3.7 **Lock Box**
NMC will provide a Lock Box for all deposits. The Lock Box will be located at the bank.

3.8 **Data Analytics**
Searches for updated information shall be performed by CONTRACTOR on all accounts automatically as they are received through data analytics scoring software. Account data shall be compared against other databases to determine the most accurate contact information and the probability of collection.

3.9 **Automatic Generated Collection Notices**
Automated notices shall be generated and sent to the consumer by CONTRACTOR. Accounts remaining unpaid after the notice will be sent additional notices as appropriate.

3.10 **Active Collection Accounts**
Accounts shall be initiated with a request by CONTRACTOR for payment in full. CONTRACTOR shall establish patient financial profiles and documented and analyze information to establish viable payment options which shall be presented to patients.

3.11 **Problem or Sensitive Accounts**
CONTRACTOR shall defuse difficult situations by listening to the patient's complaints and addressing complaints. NMC shall be notified of any valid disputes promptly.

3.12 **Call Documentation**
All calls and correspondence shall be automatically recorded and added to CONTRACTOR's notes.

3.13 **Credit Reporting**
Accounts remaining unpaid after 60 days in collections shall be reported by CONTRACTOR against the patient's credit file (Experian, Equifax, and Trans Union).

3.14 **Partial Payment Arrangement**

Payment plans shall be accepted by CONTRACTOR if it is determined the patient cannot pay in full.

3.15 **Settlements**
CONTRACTOR shall not accept settlements unless authorized by NMC.

3.16 **Invoice Accuracy**
A remittance statement shall be provided monthly to NMC. The remittance shall be sent via mail and emailed at the beginning of each month.

3.17 **Account Reconciliation Process**
NMC shall provide the total number of accounts and total dollar amount assigned in order for CONTRACTOR to reconcile. Frequency of reconciliation shall be based upon NMC's preference.

4.0 TERM OF AGREEMENT

4.1 The initial term shall commence with the signing of the AGREEMENT for a period of three (3) years with the option to extend the AGREEMENT for two (2) additional one (1) year periods. NMC is not required to state a reason if it elects not to renew this AGREEMENT.

4.2 If NMC exercises its option to extend, all applicable parties shall mutually agree upon the extension, including any changes in rate and/or terms and conditions.

4.3 NMC reserves the right to cancel the AGREEMENT, or any extension of the AGREEMENT, without cause, with a thirty (30) day written notice, or immediately with cause.

5.0 COMPENSATION AND PAYMENTS

5.1 Collection Fees and Interest fees for Debt Monies Collected by CONTRACTOR. For all accounts assigned, CONTRACTOR is assigned ten percent (10%) of all Principal Sums calculated by NMC ("Principal Sums" is the dollar amount of the account as assigned by NMC during the first 30 days of assignment, including the interest and other costs as calculated by NMC), and eighteen percent (18%) after 30 days of assignment. On accounts where legal action is instituted or it becomes necessary to forward the account to an agency outside the geographic area, CONTRACTOR is assigned thirty five percent (35%) of all Principal Sums. **NMC shall retain fifty percent (50%) of all interest accrued and collected after the time of assignment.**

5.2 Interest. CONTRACTOR and NMC shall agree upon an interest rate to be added to the debt account at the time the account is provided to CONTARCTOR by NMC. In addition to the principal amount of the debt assigned, NMC assigns rights to 50% of all interest collected for the assigned account(s) which is accrued from the date the account is assigned to CONTRACTOR, and the remaining 50% of the interest collected shall be

kept by CONTRACTOR. Any interest which was applied and which accrued prior to the debt account being submitted to CONTRACTOR shall be considered part of the Principal Sum amount of the debt.

5.3 Payment to NMC of collected funds plus interest shall be made on or before the fifth (5^{th}) day of each month. CONTRACTOR shall deliver all payment in full and shall deposit it into the lock box provided by NMC. Such payment shall be accompanied by an alphabetical listing of individual accounts upon which payment have been received, specifying the payments received on each account and containing a grand total of payment received on all accounts assigned. All commission fees and amounts owed CONTRACTOR resulting from payment received directly by NMC or submitted by CONTRACTOR will be invoiced to NMC. Invoices shall be paid to CONTRACTOR by NMC within thirty (30) days after receipt.

5.3.1 CONTRACTOR shall be responsible for the loss of any funds collected on accounts assigned hereunder while such funds are in the custody of CONTRACTOR

5.4 Because CONTRACTOR's compensation shall be based on the amount of debt collected by CONTRACTOR, which is not a known certainty; this Agreement is not set at a specific dollar amount. The aggregate amount payable by NMC under all AGREEMENTS that are awarded per RFP 9600-64 for Debt Collection Services is not to exceed the sum of $2,400,000 for the first three (3) year period across all contracts awarded for services, and is and is not to exceed $4,000,000 should future Amendments to extend be executed.

5.5 NMC does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.

5.6 Collection fees shall remain firm for the initial term of this AGREEMENT and, thereafter, may be adjusted annually as provided in this paragraph. Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of this AGREEMENT.

5.7 CONTRACTOR shall levy no additional fees nor surcharges of any kind during the term of this AGREEMENT without first obtaining approval from NMC in writing.

5.8 Tax:

5.8.1 Pricing as per this AGREEMENT is inclusive of all applicable taxes.

5.8.2 County is registered with the Internal Revenue Service, San Francisco office, EIN number 94-6000524. The County is exempt from Federal Transportation Tax; an exemption certificate is not required where shipping documents show Monterey County as consignee.

6.0 INVOICES AND PURCHASE ORDERS

6.1 Invoices for all services rendered per this AGREEMENT shall be billed directly to the Natividad Medical Center Accounts Payable department at the following address:

Natividad Medical Center
Accounts Payable Department
P.O. Box 81611
Salinas, CA. 93912

Contact Information:
Phone: (831) 783-2367
Email: AccountsPayableEmail@natividad.com

6.2 CONTACTOR shall reference RFP # 9600-64 on all invoices submitted to NMC. CONTRACTOR shall submit such invoices periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. NMC shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this AGREEMENT, and shall promptly submit such invoice to the County Auditor-Controller for payment. County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.3 All NMC Purchase Orders issued for the AGREEMENT are valid only during the fiscal year in which they are issued (the fiscal year is defined as July 1 through June 30).

6.4 Unauthorized Surcharges or Fees: Invoices containing unauthorized surcharges or unauthorized fees of any kind shall be rejected by NMC. Surcharges and additional fees not included the AGREEMENT must be approved by NMC in writing via an Amendment.

7.0 STANDARD INDEMNIFICATION

7.1 CONTRACTOR shall indemnify, defend, and hold harmless the County of Monterey, including its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with CONTRACTOR's performance of this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County of Monterey. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

8.0 INSURANCE REQUIREMENTS

8.1 Evidence of Coverage:

8.1.1 Prior to commencement of this AGREEMENT, CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition CONTRACTOR upon request shall provide a certified copy of the policy or policies.

8.1.2 This verification of coverage shall be sent to the County of Monterey's Contracts/Purchasing Department, unless otherwise directed. CONTRACTOR shall not receive a "Notice to Proceed" with the work under this AGREEMENT until it has obtained all insurance required and such, insurance has been approved by County of Monterey. This approval of insurance shall neither relieve nor decrease the liability of CONTRACTOR.

8.1.3 Qualifying Insurers: All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by County of Monterey's Purchasing Officer.

8.2 Insurance Coverage Requirements:

8.2.1 Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this AGREEMENT a policy or policies of insurance with the following minimum limits of liability:

8.2.1.1 Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

8.2.1.2 Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

8.2.1.3 Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

8.2.1.4 Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in

a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, CONTRACTOR shall, upon the expiration or earlier termination of this AGREEMENT, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this AGREEMENT.

8.3 Other Insurance Requirements:

8.3.1 All insurance required by this AGREEMENT shall be with a company acceptable to County of Monterey and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this AGREEMENT.

8.3.2 Each liability policy shall provide that County of Monterey shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this AGREEMENT, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

8.3.3 *Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County of Monterey and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.*

8.3.4 Prior to the execution of this AGREEMENT by County of Monterey, CONTRACTOR shall file certificates of insurance with County of Monterey's contract administrator and County of Monterey's Contracts/Purchasing Division, showing that CONTRACTOR has in effect the insurance required by this

AGREEMENT. CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this AGREEMENT, which shall continue in full force and effect.

8.3.5 CONTRACTOR shall at all times during the term of this AGREEMENT maintain in force the insurance coverage required under this AGREEMENT and shall send, without demand by County of Monterey, annual certificates to County of Monterey's Contract Administrator and County of Monterey's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County of Monterey shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this AGREEMENT, which entitles County of Monterey, at its sole discretion, to terminate this AGREEMENT immediately.

9.0 NON-DISCRIMINATION

9.1 During the performance of this contract, CONTRACTOR shall not unlawfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sex, or sexual orientation. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination. CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code, §12900, et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, §7285.0, et seq.).

9.2 The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12900, et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full.

9.3 CONTRACTOR shall include the non-discrimination and compliance provisions of the clause in all AGREEMENTs with subcontractors to perform work under the contract.

10.0 ASSIGNMENT AND SUBCONTRACTING

10.1 Non-Assignment: CONTRACTOR shall not assign this contract or the work required herein without the prior written consent of NMC.

10.2 Subcontractors that have been approved by NMC: Any subcontractor utilized by CONTRACTOR shall comply with all of the County of Monterey requirements stated herein this Agreement including insurance and indemnification sections.

11.0 CONFLICT OF INTEREST

11.1 CONTRACTOR covenants that CONTRACTOR, its responsible officers, and its employees having major responsibilities for the performance of work under the AGREEMENT, presently have no interest and during the term of this AGREEMENT will not acquire any interests, direct or indirect, which might conflict in any manner or degree with the performance of CONTRACTOR'S services under this AGREEMENT.

12.0 COMPLIANCE WITH APPLICABLE LAWS

12.1 CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

12.2 CONTRACTOR shall report immediately to NMC, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

12.3 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations and guidelines that are in force at the time such documentation is prepared.

13.0 RECORDS AND CONFIDENTIALITY

13.1 Confidentiality: CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the NMC or prepared in connection with the performance of this AGREEMENT, unless NMC specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this AGREEMENT except for the sole purpose of carrying out CONTRACTOR's obligations under this AGREEMENT.

13.2 NMC Records: When this AGREEMENT expires or terminates, CONTRACTOR shall return to NMC any NMC records which CONTRACTOR used or received from NMC to perform services under this AGREEMENT.

13.3 Maintenance of Records: CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, County of Monterey and NMC rules and regulations related to services performed under this AGREEMENT.

13.4 Access to and Audit of Records: NMC and the County of Monterey shall have the right to examine, monitor and audit all records, documents, conditions, and activities of CONTRACTOR and its subcontractors related to services provided under this AGREEMENT. The parties to this AGREEMENT may be subject, at the request of NMC or as part of any audit of County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this AGREEMENT for a period of three years after final payment under the AGREEMENT.

14.0 INFORMATION PORTABILITY AND ACCOUNTABILITY ACT— HIPAA COMPLIANCE

14.1 CONTRACTOR agrees to operate its business in a manner as necessary to permit NMC to comply with its obligations under the Health Insurance Portability and Accountability Act of 1996, Subtitle F, Public Law 104-191, relating to the privacy and security of confidential health information, and any final regulations or rules promulgated by the U.S. Department of Health and Human Services thereunder (collectively, the "HIPAA Standards").

14.2 CONTRACTOR and NMC agree that the attached Business Associates Agreement shall be incorporated into this Agreement as Exhibit B and shall be signed by both parties.

15.0 FORCE MAJEURE

15.1 Neither NMC nor CONTRACTOR shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's reasonable control (a "**Force Majeure Event**"), including, without limitation, acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each Party shall in good faith use its best efforts to perform its duties and obligations under this Agreement.

If either NMC or CONTRACTOR wishes to claim protection with respect to a Force Majeure Event, it shall as soon as possible following the occurrence or date of such Force Majeure Event, notify the other Party of the nature and expected duration of the force majeure event and shall thereafter keep the other Party informed until such time as it is able to perform its obligations.

16.0 TRAVEL REIMBURSEMENT

16.1 Travel Reimbursement is not allowed for this AGREEMENT.

17.0 NOTICES

17.1 Notices required to be given to the respective parties under this AGREEMENT shall be deemed given by any of the following means: (1) when personally delivered to NMC contracts division manager or to CONTRACTOR'S responsible officer; (2) when personally delivered to the party's principle place of business during normal business hours, by leaving notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by FAX machine to the other party, at the party's FAX number specified pursuant to this AGREEMENT, provided that the party giving notice by FAX must promptly confirm receipt of the FAX by telephone to the receiving party's office; or, (4) three (3) days after the notice is deposited in the U. S. mail with first class or better postage fully prepaid, addressed to the party as indicated below.

Notices mailed or faxed to the parties shall be addressed as follows:

TO NMC:

Natividad Medical Center
CONTRACTS DIVISION
1441 Constitution Blvd
Salinas, CA 93906
Fax No.: (831) 757-2592

TO CONTRACTOR:

Credit Consulting Services, Inc.
201 John Street, Suite E
Salinas, CA 93901
Fax No.: (831) 424-3732

18.0 LEGAL DISPUTES

18.1 CONTRACTOR agrees that this AGREEMENT and any dispute arising from the relationship between the parties to this AGREEMENT, shall be governed and interpreted by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.

18.2 Any dispute that arises under or relates to this AGREEMENT (whether contract, tort, or both) shall be resolved in the Superior Court of California in Monterey County, California.

18.3 CONTRACTOR shall continue to perform under this AGREEMENT during any dispute.

18.4 The parties agree to waive their separate rights to a trial by jury. This waiver means that the trial will be before a judge.

-Signature page to follow-

Natividad Medical Center

By: _____
Gary R. Gray, DO, CEO

Date: 10/10/16

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 9/1/2016

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: 9-1-16

CONTRACTOR

Credit Consulting Services, Inc.
CONTRACTOR'S Business Name
*** See instructions below***

By: _____
(Signature of

Date: _____

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (2 signatures required).

If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (2 signatures required).

If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (1 signature required)

Natividad Medical Center

By: _____
Gary R. Gray, DO, CEO

Date: 9/10/16

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: _____

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: _____

CONTRACTOR

Credit Consulting Services, Inc.
CONTRACTOR'S Business Name
*** See instructions below***

By: _____
(Signature of ~~Chair,~~ President, or Vice-President)

Rodney Meeks, V.P.
Name and Title

Date: 9/15/16

By: Debra Meeks
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Debra Meeks, Secretary
Name and Title

Date: 9-5-16

Instructions

If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (2 signatures required).

If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (2 signatures required).

If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (1 signature required)

EXHIBIT A – Pricing Sheet

RFP # 9600-64

Criteria Description	Yes/No	Comments
NMC would like EO payments made directly to NMC. NMC will cut a check for your fees on a monthly basis. Wil you agree to this?	Yes	
NMC would like 100% of bad debt payments forwarded to NMC twice a month. NMC will cut a check for your fees on a monthly basis. Will you agree to this?	Yes	
	Fees	
What are your fees for early out (EO)?	9.5%	
What are your fees for primary placement accounts / 0-30 days?	10%	
What are your fees for primary placement accounts / >30 days?	18%	
What are your fees for primary placement accounts / legal accounts?	35%	

File ID A 16-312 No. 18

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Agreement Nos.: A-13319 & A-13320

Upon motion of Supervisor Phillips, seconded by Supervisor Salinas and carried by those members present, the Board of Supervisors hereby:

a. Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute an Agreement with Receivable Solutions, Inc. (A-13319) and an Agreement with Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for Debt Collection Services, with an initial Agreement term retroactive to October 1, 2016 through September 30, 2019 with the option to extend for two (2) additional one (1) year periods, and for an original contract amount for both Agreements not to exceed $2,400,000: and
b. Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute up to two (2) amendments, each of which would exercise a one year option to extend and add $800,000 to the agreement, provided that the total cost for the agreement over a five year period does not exceed $4,000,000 and so long as an appropriation for the costs of the amendments is included in the County Adopted Budget.

PASSED AND ADOPTED on this 4th day of October 2016, by the following vote, to wit:

AYES: Supervisors Armenta, Phillips, Salinas, Parker and Potter
NOES: None
ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 79 for the meeting on October 4, 2016.

Dated: October 6, 2016
File ID: A 16-312

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Denise Hancock
Deputy

DEBT COLLECTION SERVICES AGREEMENT

This AGREEMENT is made and entered into by the County of Monterey on behalf of Natividad Medical Center, hereinafter referred to as "NMC", a political subdivision of the State of California, and Receivable Solutions Inc., hereinafter referred to as "CONTRACTOR."

1.0 RECITALS

WHEREAS, NMC has invited proposals through the Request for Proposals (RFP # 9600-64) for Debt Collection Services Inc., in accordance with the specifications set forth in this AGREEMENT; and

WHEREAS, CONTRACTOR has submitted a responsive and responsible proposal to perform such services; and

WHEREAS, CONTRACTOR has the expertise and capabilities necessary to provide the services requested.

NOW THEREFORE, NMC and CONTRACTOR, for the consideration hereinafter named, agree as follows:

2.0 PERFORMANCE OF THE AGREEMENT

2.1 After consideration and evaluation of the CONTRACTOR'S proposal, NMC hereby engages CONTRACTOR to provide the services set forth in RFP # 9600-64 and in this AGREEMENT on the terms and conditions contained herein and in RFP # 9600-64. The intent of this AGREEMENT is to summarize the contractual obligations of the parties. The component parts of this AGREEMENT include the following:

RFP # 9600-64 dated January 22, 2016, including all attachments and exhibits
Addendum No. 1 to RFP # 9600-64
CONTRACTOR'S Proposal dated February 29, 2016
AGREEMENT
Certificate of Insurance
Additional Insured Endorsements

2.2 All of the above-referenced contract documents are intended to be complementary. Work required by one of the above-referenced contract documents and not by others shall be done as if required by all. In the event of a conflict between or among component parts of the contract, the contract documents shall be construed in the following order: AGREEMENT, CONTRACTOR'S Proposal, RFP 9600-64 including all attachments and Exhibits, RFP Addendum/Addenda issued, Certificate of Insurance, and Additional Insured Endorsements.

2.3 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this AGREEMENT are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this AGREEMENT and are not employees of NMC nor of the County of Monterey, or immediate family of an employee of Natividad Medical Center nor of the County of Monterey.

2.4 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this AGREEMENT that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

2.5 CONTRACTOR shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of the United States and of the State of California. The Agency will be in compliance with Title 22, OSHA, Federal and State Labor Laws and the Joint Commission on Accreditation of Health Care Organizations.

18.5.1 CONTRACTOR must maintain all applicable and required licenses throughout the term of the AGREEMENT.

2.6 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this AGREEMENT, except as otherwise specified in this AGREEMENT. CONTRACTOR shall not use Natividad Medical Center premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this AGREEMENT.

3.0 SCOPE OF SERVICE – DEBT COLLECTION SERVICES

3.1 **The Scope of Work is generally described as follows:** Contractor will perform Early-Out Collections Services, as well as Bad Debt Collections Services for recovery of monies owed for non-payment of patient accounts, including but not limited to fines, penalties and fees.

3.1.1 The accounts shall be assigned to CONTRACTOR within thirty (30) days from the "date of discharge/visit". CONTRACTOR shall pursue collection efforts for a period of ninety (90) days from date of assignment. At no cost to NMC all non-collectible accounts, excluding those accounts placed on scheduled payment plans and in good-standing, shall be returned to NMC at the end said ninety (90) day period.

3.1.2 CONTRACTOR shall take all reasonable and appropriate steps for the collection of accounts assigned hereunder, but shall avoid unwarranted harassment of individuals billed. CONTRACTOR shall comply with all Federal and State laws and regulations concerning the collection of debts, including but not limited to the Fair Debt Collection Practices Act and the Health Information and Portability Accountability Act and related regulations.

3.1.3 NMC shall have the right to recall from CONTRACTOR without charge or penalty, individual accounts assigned hereunder which NMC determines to be publicly sensitive or on which the best interest of NMC would not be served by efforts at collection.

3.1.4 CONTRACTOR agrees to return any account assigned as Self/Private Pay and later determined to have insurance coverage.

3.1.5 CONTRACTOR shall grant the Client a grace period of five (5) days from the date of assignment for all collection accounts under this agreement. The grace period shall cover accounts placed in error, payments received on accounts by the Client and/or verification of Insurance responsibility after assignment.

3.1.6 CONTRACTOR and NMC agree that compensation for all debt collections services shall be as defined in Section 5.0 and all subsections of Section 5 herein this AGREEMENT.

3.2 **Multilingual Capability**

Contractor shall service accounts in both English and Spanish.

3.3 **Early Out Collection. Contractor is responsible for the following:**

3.3.1 Provide Early-Out Collection for 90 days

3.3.2 Provide written notice (by letter) to Patient Account Debtor on behalf of NMC prior to assigning the account to collections

3.3.3 Written Notice (letter) shall reflect that payment is to be made to NMC during the 90 day Early-Out Collection period

3.3.4 Contractor shall make one phone call per month to Patient Account Debtor during the Early-Out Collection period

3.4 **Bad Debt Collection:**

3.4.1 Bad Debt Collection process to begin after 150 days for Medicare accounts, and 90 days for all other accounts.

3.4.2 Additional legal actions will be taken only after reasonable collection efforts have been made and only with written permission of NMC. CONTRACTOR shall only be allowed to litigate balances exceeding a certain dollar amount with NMC's prior written approval.

3.5 **Recipt of Accounts:**

3.5.1 Contractor shall furnish NMC with an acknowledgment of assigned accounts within 24 hours following receipt of accounts. Acknowledgement shall include:

3.5.1.1 An ALPHA-listing by name of Patient Account Debtor

3.5.1.2 NMC-assigned patient account number

3.5.1.3 Amount assigned

3.5.1.4 Total number of accounts

3.5.1.5 Total dollars assigned for collection

3.6 **Reports** Contractor shall furnish NMC a monthly report indicating all accounts with payments received by the 5th of the month. The report shall be:

- 3.6.1 An ALPHA-listing by name of debtor
- 3.6.2 NNC assigned account number
- 3.6.3 Dollar amount assigned
- 3.6.4 Any payments (including dates received)
- 3.6.5 Current balance due
- 3.6.6 A summary of collection efforts
- 3.6.7 Current status of each account
- 3.6.8 The Report shall also include an overall summary of the items listed above by account status and include the percentage of dollars collected on behalf of NMC
- 3.6.9 The Monthly Report must coincide and include payment to NMC for all cash received during the month.
- 3.6.10 The Monthly Report should include an inventory of all accounts for NMC including unpaid accounts.
- 3.6.11 NMC shall have the right during normal business hours of CONTRACTOR to examine all account records of the CONTRACTOR relative hereunder.

3.7 **Lock Box**

NMC will provide a Lock Box for all deposits. The Lock Box will be located at the bank.

3.8 **Data Analytics**

Searches for updated information shall be performed by CONTRACTOR on all accounts automatically as they are received through data analytics scoring software. Account data shall be compared against other databases to determine the most accurate contact information and the probability of collection.

3.9 **Automatic Generated Collection Notices**

Automated notices shall be generated and sent to the consumer by CONTRACTOR. Accounts remaining unpaid after the notice will be sent additional notices as appropriate.

3.10 **Active Collection Accounts**

Accounts shall be initiated with a request by CONTRACTOR for payment in full. CONTRACTOR shall establish patient financial profiles and documented and analyze information to establish viable payment options which shall be presented to patients.

3.11 **Problem or Sensitive Accounts**

CONTRACTOR shall defuse difficult situations by listening to the patient's complaints and addressing complaints. NMC shall be notified of any valid disputes promptly.

3.12 **Call Documentation**

All calls and correspondence shall be automatically recorded and added to CONTRACTOR's notes.

3.13 **Credit Reporting**

Accounts remaining unpaid after 60 days in collections shall be reported by CONTRACTOR against the patient's credit file (Experian, Equifax, and Trans Union).

3.14 **Partial Payment Arrangement**

Payment plans shall be accepted by CONTRACTOR if it is determined the patient cannot pay in full.

3.15 **Settlements**
CONTRACTOR shall not accept settlements unless authorized by NMC.

3.16 **Invoice Accuracy**
A remittance statement shall be provided monthly to NMC. The remittance shall be sent via mail and emailed at the beginning of each month.

3.17 **Account Reconciliation Process**
NMC shall provide the total number of accounts and total dollar amount assigned in order for CONTRACTOR to reconcile. Frequency of reconciliation shall be monthly by the 5th of the month.

4.0 TERM OF AGREEMENT

4.1 The initial term shall commence with the signing of the AGREEMENT for a period of three (3) years with the option to extend the AGREEMENT for two (2) additional one (1) year periods. NMC is not required to state a reason if it elects not to renew this AGREEMENT.

4.2 If NMC exercises its option to extend, all applicable parties shall mutually agree upon the extension, including any changes in rate and/or terms and conditions.

4.3 NMC reserves the right to cancel the AGREEMENT, or any extension of the AGREEMENT, without cause, with a thirty (30) day written notice, or immediately with cause.

5.0 COMPENSATION AND PAYMENTS

5.1 Collection Fees and Interest fees for Debt Monies Collected by CONTRACTOR. For all accounts assigned, CONTRACTOR is assigned 13.75% of all Principal Sums calculated by NMC ("Principal Sums" is the dollar amount of the account as assigned by NMC during the first 30 days of assignment, including the interest and other costs as calculated by NMC), and 17.50% after 30 days of assignment. On accounts where legal action is instituted or it becomes necessary to forward the account to an agency outside the geographic area, CONTRACTOR is assigned 33.33% of all Principal Sums. **NMC shall retain fifty percent (50%) of all interest accrued and collected after the time of assignment.**

5.2 Interest. CONTRACTOR and NMC shall agree upon an interest rate to be added to the debt account at the time the account is provided to CONTARCTOR by NMC. In addition to the principal amount of the debt assigned, NMC assigns rights to fifty percent (50%) of all interest collected for the assigned account(s) which is accrued from the date the account is assigned to CONTRACTOR, and the remaining fifty percent (50%) of the

interest collected shall be kept by CONTRACTOR. Any interest which was applied and which accrued prior to the debt account being submitted to CONTRACTOR shall be considered part of the Principal Sum amount of the debt.

5.3 Payment to NMC of collected funds plus interest shall be made on or before the fifth (5^{th}) day of each month. CONTRACTOR shall deliver all payment in full and shall deposit it into the lock box provided by NMC. Such payment shall be accompanied by an alphabetical listing of individual accounts upon which payment have been received, specifying the payments received on each account and containing a grand total of payment received on all accounts assigned. All commission fees and amounts owed CONTRACTOR resulting from payment received directly by NMC or submitted by CONTRACTOR will be invoiced to NMC. Invoices shall be paid to CONTRACTOR by NMC within thirty (30) days after receipt.

5.3.1 CONTRACTOR shall be responsible for the loss of any funds collected on accounts assigned hereunder while such funds are in the custody of CONTRACTOR

5.4 Because CONTRACTOR's compensation shall be based on the amount of debt collected by CONTRACTOR, which is not a known certainty; this Agreement is not set at a specific dollar amount. The aggregate amount payable by NMC under all AGREEMENTS that are awarded per RFP 9600-64 for Debt Collection Services is not to exceed the sum of $2,400,000 for the first three (3) year period across all contracts awarded for services, and is and is not to exceed $4,000,000 should future Amendments to extend be executed.

5.5 NMC does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.

5.6 Collection fees shall remain firm for the initial term of this AGREEMENT and, thereafter, may be adjusted annually as provided in this paragraph. Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of this AGREEMENT.

5.7 CONTRACTOR shall levy no additional fees nor surcharges of any kind during the term of this AGREEMENT without first obtaining approval from NMC in writing.

5.8 Tax:

5.8.1 Pricing as per this AGREEMENT is inclusive of all applicable taxes.

5.8.2 County is registered with the Internal Revenue Service, San Francisco office, EIN number 94-6000524. The County is exempt from Federal Transportation Tax; an exemption certificate is not required where shipping documents show Monterey County as consignee.

6.0 INVOICES AND PURCHASE ORDERS

6.1 Invoices for all services rendered per this AGREEMENT shall be billed directly to the Natividad Medical Center Accounts Payable department at the following address:

Natividad Medical Center
Accounts Payable Department
P.O. Box 81611
Salinas, CA. 93912

Contact Information:
Phone: (831) 783-2367
Email: AccountsPayableEmail@natividad.com

6.2 CONTACTOR shall reference RFP # 9600-64 on all invoices submitted to NMC. CONTRACTOR shall submit such invoices periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. NMC shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this AGREEMENT, and shall promptly submit such invoice to the County Auditor-Controller for payment. County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.3 All NMC Purchase Orders issued for the AGREEMENT are valid only during the fiscal year in which they are issued (the fiscal year is defined as July 1 through June 30).

6.4 Unauthorized Surcharges or Fees: Invoices containing unauthorized surcharges or unauthorized fees of any kind shall be rejected by NMC. Surcharges and additional fees not included the AGREEMENT must be approved by NMC in writing via an Amendment.

7.0 STANDARD INDEMNIFICATION

7.1 CONTRACTOR shall indemnify, defend, and hold harmless the County of Monterey, including its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with CONTRACTOR's performance of this AGREEMENT, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County of Monterey. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

8.0 INSURANCE REQUIREMENTS

8.1 Evidence of Coverage:

8.1.1 Prior to commencement of this AGREEMENT, CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition CONTRACTOR upon request shall provide a certified copy of the policy or policies.

8.1.2 This verification of coverage shall be sent to the County of Monterey's Contracts/Purchasing Department, unless otherwise directed. CONTRACTOR shall not receive a "Notice to Proceed" with the work under this AGREEMENT until it has obtained all insurance required and such, insurance has been approved by County of Monterey. This approval of insurance shall neither relieve nor decrease the liability of CONTRACTOR.

8.1.3 Qualifying Insurers: All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by County of Monterey's Purchasing Officer.

8.2 Insurance Coverage Requirements:

8.2.1 Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this AGREEMENT a policy or policies of insurance with the following minimum limits of liability:

8.2.1.1 Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

8.2.1.2 Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

8.2.1.3 Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

8.2.1.4 Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, CONTRACTOR shall, upon the expiration or earlier termination of this AGREEMENT, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this AGREEMENT.

8.3 Other Insurance Requirements:

8.3.1 All insurance required by this AGREEMENT shall be with a company acceptable to County of Monterey and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this AGREEMENT.

8.3.2 Each liability policy shall provide that County of Monterey shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this AGREEMENT, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

8.3.3 *Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County of Monterey and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.*

8.3.4 Prior to the execution of this AGREEMENT by County of Monterey, CONTRACTOR shall file certificates of insurance with County of Monterey's

contract administrator and County of Monterey's Contracts/Purchasing Division, showing that CONTRACTOR has in effect the insurance required by this AGREEMENT. CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this AGREEMENT, which shall continue in full force and effect.

8.3.5 CONTRACTOR shall at all times during the term of this AGREEMENT maintain in force the insurance coverage required under this AGREEMENT and shall send, without demand by County of Monterey, annual certificates to County of Monterey's Contract Administrator and County of Monterey's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County of Monterey shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this AGREEMENT, which entitles County of Monterey, at its sole discretion, to terminate this AGREEMENT immediately.

9.0 NON-DISCRIMINATION

9.1 During the performance of this contract, CONTRACTOR shall not unlawfully discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sex, or sexual orientation. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination. CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code, §12900, et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, §7285.0, et seq.).

9.2 The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12900, et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full.

9.3 CONTRACTOR shall include the non-discrimination and compliance provisions of the clause in all AGREEMENTs with subcontractors to perform work under the contract.

10.0 ASSIGNMENT AND SUBCONTRACTING

10.1 Non-Assignment: CONTRACTOR shall not assign this contract or the work required herein without the prior written consent of NMC.

10.2 Subcontractors that have been approved by NMC: Any subcontractor utilized by CONTRACTOR shall comply with all of the County of Monterey requirements stated herein this Agreement including insurance and indemnification sections.

11.0 CONFLICT OF INTEREST

11.1 CONTRACTOR covenants that CONTRACTOR, its responsible officers, and its employees having major responsibilities for the performance of work under the AGREEMENT, presently have no interest and during the term of this AGREEMENT will not acquire any interests, direct or indirect, which might conflict in any manner or degree with the performance of CONTRACTOR'S services under this AGREEMENT.

12.0 COMPLIANCE WITH APPLICABLE LAWS

12.1 CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

12.2 CONTRACTOR shall report immediately to NMC, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

12.3 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations and guidelines that are in force at the time such documentation is prepared.

13.0 RECORDS AND CONFIDENTIALITY

13.1 Confidentiality: CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the NMC or prepared in connection with the performance of this AGREEMENT, unless NMC specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this

AGREEMENT except for the sole purpose of carrying out CONTRACTOR's obligations under this AGREEMENT.

13.2 NMC Records: When this AGREEMENT expires or terminates, CONTRACTOR shall return to NMC any NMC records which CONTRACTOR used or received from NMC to perform services under this AGREEMENT.

13.3 Maintenance of Records: CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, County of Monterey and NMC rules and regulations related to services performed under this AGREEMENT.

13.4 Access to and Audit of Records: NMC and the County of Monterey shall have the right to examine, monitor and audit all records, documents, conditions, and activities of CONTRACTOR and its subcontractors related to services provided under this AGREEMENT. The parties to this AGREEMENT may be subject, at the request of NMC or as part of any audit of County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this AGREEMENT for a period of three years after final payment under the AGREEMENT.

14.0 INFORMATION PORTABILITY AND ACCOUNTABILITY ACT— HIPAA COMPLIANCE

14.1 CONTRACTOR agrees to operate its business in a manner as necessary to permit NMC to comply with its obligations under the Health Insurance Portability and Accountability Act of 1996, Subtitle F, Public Law 104-191, relating to the privacy and security of confidential health information, and any final regulations or rules promulgated by the U.S. Department of Health and Human Services thereunder (collectively, the "HIPAA Standards").

14.2 CONTRACTOR and NMC agree that the attached Business Associates Agreement shall be incorporated into this Agreement as Exhibit B and shall be signed by both parties.

15.0 FORCE MAJEURE

15.1 Neither NMC nor CONTRACTOR shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's reasonable control (a "**Force Majeure Event**"), including, without limitation, acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or

subcontractors); provided, however, that in any such event, each Party shall in good faith use its best efforts to perform its duties and obligations under this Agreement.

If either NMC or CONTRACTOR wishes to claim protection with respect to a Force Majeure Event, it shall as soon as possible following the occurrence or date of such Force Majeure Event, notify the other Party of the nature and expected duration of the force majeure event and shall thereafter keep the other Party informed until such time as it is able to perform its obligations.

16.0 TRAVEL REIMBURSEMENT

16.1 Travel Reimbursement is not allowed for this AGREEMENT.

17.0 NOTICES

17.1 Notices required to be given to the respective parties under this AGREEMENT shall be deemed given by any of the following means: (1) when personally delivered to NMC contracts division manager or to CONTRACTOR'S responsible officer; (2) when personally delivered to the party's principle place of business during normal business hours, by leaving notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by FAX machine to the other party, at the party's FAX number specified pursuant to this AGREEMENT, provided that the party giving notice by FAX must promptly confirm receipt of the FAX by telephone to the receiving party's office; or, (4) three (3) days after the notice is deposited in the U. S. mail with first class or better postage fully prepaid, addressed to the party as indicated below.

Notices mailed or faxed to the parties shall be addressed as follows:

TO NMC:

Natividad Medical Center
CONTRACTS DIVISION
1441 Constitution Blvd
Salinas, CA 93906
Fax No.: (831) 757-2592

TO CONTRACTOR:

Receivable Solutions, Inc.
625 Maryville Centre Drive, Suite 125
St. Louis, MO 63141
Fax No.: (803) 790-0447

18.0 LEGAL DISPUTES

18.1 CONTRACTOR agrees that this AGREEMENT and any dispute arising from the relationship between the parties to this AGREEMENT, shall be governed and interpreted

by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws.

18.2 Any dispute that arises under or relates to this AGREEMENT (whether contract, tort, or both) shall be resolved in the Superior Court of California in Monterey County, California.

18.3 CONTRACTOR shall continue to perform under this AGREEMENT during any dispute.

18.4 The parties agree to waive their separate rights to a trial by jury. This waiver means that the trial will be before a judge.

-Signature page to follow-

Natividad Medical Center

By: _____
Gary R. Gray, DO, CEO

Date: 10/10/16

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 9/1/2016

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: 9-1-16

CONTRACTOR

Receivable Solutions, Inc.
CONTRACTOR'S Business Name
*** See instructions below***

By
(Si

Da

By

Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (2 signatures required).

If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (2 signatures required).

If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (1 signature required)

Natividad Medical Center

By: _____
Gary R. Gray, DO, CEO

Date: 12/10/16

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: _____

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: _____

CONTRACTOR

Receivable Solutions, Inc.
CONTRACTOR'S Business Name
*** See instructions below***

By: _____
(Signature of Chair, President, or Vice-President)

Brent D. Rowins, President
Name and Title

Date: 09/02/2016

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Paul A Reardon, Chairman
Name and Title

Date: 9/2/2016

Instructions

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EXHIBIT A

RATE SHEET FOR DEBT COLLECTION SERVICES

Criteria Description	Yes/No	Comments
NMC would like EO payments made directly to NMC. NMC will cut a check for your fees on a monthly basis. Wil you agree to this?	Yes	This is our standard process.
NMC would like 100% of bad debt payments forwarded to NMC twice a month. NMC will cut a check for your fees on a monthly basis. Will you agree to this?	Yes	This is our standard process.
	Fees	
What are your fees for early out (EO)?	9.65%	
What are your fees for primary placement accounts / 0-30 days?	13.75%	
What are your fees for primary placement accounts / >30 days?	17.50%	
What are your fees for primary placement accounts / legal accounts?	33.33%	

Introduced: 9/4/2025

Current Status: Natividad Medical Center - Consent

Version: 1

Matter Type: BoS Agreement

a. Authorize the County Counsel to execute an Amendment No. 3 to an Agreement for Specialized Attorney Services ("Agreement") with Foley & Lardner, LLP for independent consulting and legal services with respect to healthcare matters at Natividad Medical Center ("Natividad"), adding two years for a revised full term of July 1, 2021, through June 30, 2028, and adding $300,000 for a revised total agreement amount not to exceed $1,400,000; and
b. Authorize the County Counsel to execute up to three (3) future amendments to this Agreement where the total amendments do not exceed 10% ($80,000) of the agreement amount, for a revise total agreement amount of $1,480,000 and do not significantly change the scope of work.

RECOMMENDATION:

It is recommended the Board of Supervisors:

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SUMMARY/DISCUSSION:

Foley & Lardner, LLP specializes in healthcare law, and has for years provided advice and counsel, in consultation with the Office of the County Counsel, on a variety of healthcare-related issues to NMC. The firm represents the California Association of Public Hospitals (CAPH) and works frequently with the state government and CAPH in drafting legislation for the benefit of public hospitals statewide. The firm's expertise in public hospital healthcare law, in areas such as Medi-Cal funding to hospitals, specifically regarding the structuring of Medicaid financing for safety net providers in the context of disproportionate share hospital payment programs and under federal Medicaid demonstrations authorized under Section 1115 of the Social Security Act, is of significant importance to Natividad Medical Center.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Agreement as to legal form, and the Auditor-Controller has reviewed and approved as to payment provisions. This Agreement has also been reviewed and approved by Natividad's Finance Committee and by its Board of Trustees on September 5, 2025.

FINANCING:

The cost for this amendment is $300,000, of which $200,000 is included in the Fiscal Year 2025-2026 Adopted Budget. Amounts for the remaining years of the agreement will be included in those budgets as appropriate. There is no impact to the General Fund.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The services rendered in this agreement provide legal consulting services, as needed, with respect to healthcare matters; the outcome of which contributes to assisting Natividad run efficient business operations.

__ Economic Development
X Administration
__ Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Daniel Leon, Chief Financial Officer, 783-2561
Approved by: Charles R. Harris, MD, Chief Executive Officer, 783-2504

Attachments:
Foley and Lardner LLP Original Agreement
Foley and Lardner LLP Amendment No. 1 to Original Agreement
Foley and Lardner LLP Amendment No. 2 to Original Agreement

Attachments on file with the Clerk of the Board

Introduced: 9/4/2025
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

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X Administration
__ Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Daniel Leon, Chief Financial Officer, 783-2561
Approved by: Charles R. Harris, MD, Chief Executive Officer, 783-2504

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Foley and Lardner LLP Amendment No. 2 to Original Agreement

Attachments on file with the Clerk of the Board

Docusign Envelope ID: 8B937841-3320-4DDE-A06D-5467F50C1E5F

AMENDMENT NO. 3
TO AGREEMENT FOR SPECIALIZED ATTORNEY SERVICES BY AND BETWEEN COUNTY OF MONTEREY AND FOLEY & LARDNER, LLP

THIS AMENDMENT NO. 3 to Agreement for Specialized Attorney Services ("AGREEMENT") for the provision of legal services is made by and between the COUNTY OF MONTEREY**,** a political subdivision of the State of California (hereinafter referred to as "COUNTY"), on behalf of Natividad Medical Center, and **FOLEY & LARDNER, LLP** (hereinafter referred to as "ATTORNEY"), with respect to the following.

WHEREAS, COUNTY and ATTORNEY entered into AGREEMENT in the amount of $500,000 with a term of July 1, 2021 to June 30, 2024; and

WHEREAS, COUNTY and ATTORNEY entered into an AMENDMENT NO. 1 effective January 1, 2021, adding $300,000, for a revised total liability of $800,000, with no change to the term of the AGREEMENT; and

WHEREAS, COUNTY and ATTORNEY entered into an AMENDMENT NO. 2 effective May 1, 2024, adding $300,000, for a revised total liability of $1,100,000, and two years, for a revised new term of July 1, 2021 to June 30, 2026; and

WHEREAS, COUNTY and ATTORNEY wish to enter into a further amendment, adding $300,000, for a revised total liability of $1,400,000, and adding two years, for a revised new term of July 1, 2021 to June 30, 2028.

NOW THEREFORE, COUNTY and ATTORNEY hereby agree to amend AGREEMENT in the following manner:

1. Paragraph 1.01 of Section 1, EFFECTIVE DATE AND TERM. Paragraph 1.01 shall be amended and restated in its entirety as follows:

   "1.01. This Agreement shall be effective as of July 1, 2021, and shall terminate on June 30, 2028, unless earlier terminated as set forth below. This Agreement may be amended from time-to-time upon the written mutual agreement of the parties."

2. Paragraph 3.02. Paragraph 3.02, Budget, shall be amended and restated in its entirety as follows:

   "3.02. Budget. ATTORNEY and COUNTY agree that the budget for services pursuant to this Agreement is the sum of $1,400,000.00. ATTORNEY and COUNTY shall revise the budget as necessary to reflect additional fees and expenses required

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for services, and this Agreement shall be amended accordingly to provide for such budget increases. Proposed budget increases must be approved by COUNTY before increased charges or expenditures are paid. ATTORNEY shall notify the County Counsel in writing when fifty percent (50%) and seventy-five percent (75%) of the Budget has been spent. If COUNTY does not approve additional fees and expenses required by the project beyond the initial and revised budget, COUNTY hereby agrees that ATTORNEY has the right to terminate work on the matter and that ATTORNEY need not perform further services pursuant to this Agreement. COUNTY will compensate ATTORNEY for all necessary and reasonable costs incurred on behalf of COUNTY as set forth herein.

3. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT that are unchanged and unaffected by this AMENDMENT NO. 3 shall continue in full force and effect as set forth in the AGREEMENT.

4. This AMENDMENT NO. 3 shall be effective September 15, 2025.

5. A copy of this AMENDMENT NO. 3 shall be attached to the original AGREEMENT executed by the County.

IN WITNESS WHEREOF, County and ATTORNEY have executed this AGREEMENT as of the day and year written below.

DATED: _____

COUNTY

By _____
Susan K. Blitch
County Counsel
County of Monterey

DATED: 8/31/25

ATTORNEY

By Claire Marblestone
Claire Marblestone, Partner
Foley & Lardner LLP

APPROVED AS TO FORM AND LEGALITY

DATED: 9/2/2025 | 9:47 AM PDT

DocuSigned by:
By Stacy Saetta
C0ECE1B99F444A9...
Stacy L. Saetta

Docusign Envelope ID: 8B937841-3320-4DDE-A06D-5467F50C1E5F

Chief Deputy County Counsel

APPROVED AS TO FINANCIAL TERMS

DATED: 9/3/2025 | 7:32 AM PDT

By DocuSigned by: Patricia Ruiz E79EF64E57454F6...

Title Auditor Controller Analyst I

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Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Mary L. Adams to:

Agreement No.: A-15425 ; Amendment No.: 1
a. Authorize the County Counsel to execute an Amendment No. 2 to an Agreement for Specialized Attorney Services ("Agreement") with Foley & Lardner, LLP for independent consulting and legal services with respect to healthcare matters at Natividad Medical Center ("Natividad"), adding one year for a revised full term of July 1, 2021, through June 30, 2026, and adding $300,000 for a revised total agreement amount not to exceed $1,100,000; and
b. Authorize the County Counsel to execute up to three (3) future amendments to this Agreement where the total amendments do not exceed 10% ($80,000) of the agreement amount, for a revise total agreement amount of $1,180,000, and do not significantly change the scope of work.

PASSED AND ADOPTED on this 9th day of July 2024, by roll call vote:

AYES: Supervisors Church, Lopez, Askew, and Adams
NOES: None
ABSENT: Supervisor Alejo

Motion passed 4 to 0

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting July 9, 2024.

Dated: July 9, 2024
File ID: A 24-313
Agenda Item No.: 18

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

DocuSign Envelope ID: 50BF8A7C-BA17-46AC-8D6E-6A1B960F928E

AMENDMENT NO. 2
TO AGREEMENT FOR SPECIALIZED ATTORNEY SERVICES BY AND BETWEEN COUNTY OF MONTEREY AND FOLEY & LARDNER, LLP

THIS AMENDMENT NO. 2 to Agreement for Specialized Attorney Services ("AGREEMENT") for the provision of legal services is made by and between the COUNTY OF MONTEREY, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), on behalf of Natividad Medical Center, and **FOLEY & LARDNER, LLP** (hereinafter referred to as "ATTORNEY"), with respect to the following.

WHEREAS, COUNTY and ATTORNEY entered into AGREEMENT in the amount of $500,000 with a term of July 1, 2021 to June 30, 2024; and

WHEREAS, COUNTY and ATTORNEY entered into an AMENDMENT NO. 1 effective January 1, 2021, adding $300,000, for a revised total liability of $800,000, with no change to the term of the AGREEMENT; and

WHEREAS, COUNTY and ATTORNEY wish to amend the AGREEMENT to increase the term of the AGREEMENT to June 30, 2026, for a revised new term of July 1, 2021 to June 30, 2026, and to add $300,000 for the provision of additional services, for a revised total liability of $1,100,000.

NOW THEREFORE, COUNTY and ATTORNEY hereby agree to amend AGREEMENT in the following manner:

1. Paragraph 1.01 of Section 1, EFFECTIVE DATE AND TERM. Paragraph 1.01 shall be amended and restated in its entirety as follows:

   "1.01. This Agreement shall be effective as of July 1, 2021, and shall terminate on June 30, 2026, unless earlier terminated as set forth below. This Agreement may be amended from time-to-time upon the written mutual agreement of the parties."

2. Paragraph 3.02. Paragraph 3.02, Budget, shall be amended and restated in its entirety as follows:

   "3.02. Budget. ATTORNEY and COUNTY agree that the budget for services pursuant to this Agreement is the sum of $1,100,000.00. ATTORNEY and COUNTY shall revise the budget as necessary to reflect additional fees and expenses required for services, and this Agreement shall be amended accordingly to provide for such budget increases. Proposed budget increases must be approved by COUNTY before increased charges or expenditures are paid. ATTORNEY shall notify the County

Counsel in writing when fifty percent (50%) and seventy-five percent (75%) of the Budget has been spent. If COUNTY does not approve additional fees and expenses required by the project beyond the initial and revised budget, COUNTY hereby agrees that ATTORNEY has the right to terminate work on the matter and that ATTORNEY need not perform further services pursuant to this Agreement. COUNTY will compensate ATTORNEY for all necessary and reasonable costs incurred on behalf of COUNTY as set forth herein.

2. Effective July 1, 2024, EXHIBIT B is replaced by EXHIBIT B as attached to this AMENDMENT NO. 2. All references in the AGREEMENT to EXHIBIT B shall be construed to refer to EXHIBIT B as attached to this AMENDMENT NO. 2 and incorporated herein.

3. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT that are unchanged and unaffected by this AMENDMENT NO. 2 shall continue in full force and effect as set forth in the AGREEMENT.

4. This AMENDMENT NO. 2 shall be effective May 1, 2024.

5. A copy of this AMENDMENT NO. 2 shall be attached to the original AGREEMENT executed by the County.

IN WITNESS WHEREOF, County and ATTORNEY have executed this AGREEMENT as of the day and year written below.

DATED: 6/8/24

COUNTY

By _____
Susan K. Blitch
County Counsel
County of Monterey

DATED: June 6, 2024

ATTORNEY

By _____
Kimberly Klinsport, Managing Partner
Foley & Lardner, LLP

APPROVED AS TO FORM AND LEGALITY

DATED: 6/7/2024 | 3:07 PM PDT

DocuSigned by:
By Stacy Saetta
696D21D44C4341D...
Stacy L. Saetta
Chief Deputy County Counsel

APPROVED AS TO FINANCIAL TERMS

DATED: 6/7/2024 | 3:04 PM PDT

DocuSigned by:
By Jennifer Forsyth
4F7E667875464AE...
Jennifer Forsyth
Title Auditor-Controller Analyst II

EXHIBIT B

FEES AND EXPENSES

COUNTY shall pay ATTORNEY the fees and necessary expenses for services performed under this Agreement. The attorney fees and expenses shall be calculated and charged in accordance with the hourly rates identified below and with the expense method of billing identified in this Agreement. ATTORNEY shall bill COUNTY for the professional services of its attorneys at their standard hourly billing rate applicable for the particular fiscal period, or rate as may otherwise be discounted and applied. These rates may change from time to time. Changes in attorney fees and expenses are not binding unless mutually agreed upon in a writing signed by the parties.

FEE SCHEDULE EFFECTIVE JULY 1, 2024 THROUGH JUNE 30, 2026

PARTNERS	
(All Offices)	$775 -- $1350
OF COUNSEL,	
(All Offices)	$770 -- $1350
SPECIAL COUNSEL	
(All Offices)	$650 -- $1350
SENIOR COUNSEL	
(All Offices)	$730 -- $850
ASSOCIATES	
(All Offices)	$500 -- $785
PARALEGALS, SUMMER CLERKS, LITIGATION/PROJECT SPECIALIST ASST.	
(All Offices)	$295 -- $595

Rates will reflect discount from the firm's published rates.

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Mary L. Adams, seconded by Supervisor Glenn Church to:

Agreement No.: A-15425 ; Amendment No.: 1
a. Authorize the County Counsel to execute an Amendment No. 1 to an Agreement for Specialized Attorney Services ("Agreement") with Foley & Lardner, LLP for independent consulting and legal services with respect to healthcare matters at Natividad Medical Center ("Natividad"), adding one year for a revised full term of July 1, 2021, through June 30, 2025, and adding $300,000 for a revised total agreement amount not to exceed $800,000; and
b. Authorize the County Counsel to execute up to three (3) future amendments to this Agreement where the total amendments do not exceed 10% ($80,000) of the agreement amount and do not significantly change the scope of work. (REVISED VIA SUPPLEMENTAL)

PASSED AND ADOPTED on this 11th day of July 2023, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew, and Adams
NOES: None
ABSENT: None
(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting July 11, 2022.

Dated: July 12, 2023
File ID: A 23-326
Agenda Item No.: 20

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

DocuSign Envelope ID: 7D926093-C947-470C-8093-DF40A36B1433

AMENDMENT NO. 1 TO AGREEMENT FOR SPECIALIZED ATTORNEY SERVICES BY AND BETWEEN COUNTY OF MONTEREY AND FOLEY & LARDNER, LLP

THIS AMENDMENT NO. 1 to Agreement for Specialized Attorney Services ("AGREEMENT") for the provision of legal services is made by and between the COUNTY OF MONTEREY, a political subdivision of the State of California (hereinafter referred to as "COUNTY"), on behalf of Natividad Medical Center, and **FOLEY & LARDNER, LLP** (hereinafter referred to as "ATTORNEY"), with respect to the following.

WHEREAS, COUNTY and ATTORNEY entered into AGREEMENT in the amount of $500,000 with a term of July 1, 2021 to June 30, 2024; and

WHEREAS, COUNTY and ATTORNEY wish to amend the AGREEMENT to increase the total amount of the AGREEMENT by $300,000 due to the provisions of additional services, for a total liability of $800,000, and to extend the AGREEMENT by one year to June 30, 2025.

NOW THEREFORE, COUNTY and ATTORNEY hereby agree to amend AGREEMENT in the following manner:

1. Paragraph 1.01 of Section 1, EFFECTIVE DATE AND TERM. Paragraph 1.01 shall be amended and restated in its entirety as follows:

   "1.01. This Agreement shall be effective as of July 1, 2021, and shall terminate on June 30, 2025, unless earlier terminated as set forth below. This Agreement may be amended from time-to-time upon the written mutual agreement of the parties."

2. Paragraph 3.02. Paragraph 3.02, Budget, shall be amended and restated in its entirety as follows:

   "3.02. Budget. ATTORNEY and COUNTY agree that the budget for services pursuant to this Agreement is the sum of $800,000.00. ATTORNEY and COUNTY shall revise the budget as necessary to reflect additional fees and expenses required for services, and this Agreement shall be amended accordingly to provide for such budget increases. Proposed budget increases must be approved by COUNTY before increased charges or expenditures are paid. ATTORNEY shall notify the County Counsel in writing when fifty percent (50%) and seventy-five percent (75%) of the Budget has been spent. If COUNTY does not approve additional fees and expenses required by the project beyond the initial and revised budget, COUNTY hereby agrees that ATTORNEY has the right to terminate work on the matter and that ATTORNEY need not perform further services pursuant to this Agreement. COUNTY will compensate ATTORNEY for all necessary and

reasonable costs incurred on behalf of COUNTY as set forth herein.

3. EXHIBIT B-1 FEES AND EXPENSES replaces EXHIBIT B FEES AND EXPENSES. All references in the AGREEMENT to EXHIBIT B shall be construed to refer to EXHIBIT B-1. This EXHIBIT B-1 modifies the Fee Schedules effective July 1, 2023 through June 30, 2025.

4. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT that are unchanged and unaffected by this AMENDMENT NO. 1 shall continue in full force and effect as set forth in the AGREEMENT.

5. This AMENDMENT NO. 1 shall be effective June 27, 2023.

6. A copy of this AMENDMENT NO. 1 shall be attached to the original AGREEMENT executed by the County.

IN WITNESS WHEREOF, County and ATTORNEY have executed this AMENDMENT NO. 1 as of the day and year written below.

DATED: 8/14/23

COUNTY

By _____
Leslie J. Girard
County Counsel-Risk Manager
County of Monterey

DATED: 8/8/2023

ATTORNEY

By _____
Kimberly A. Klinsport, Managing Partner
Foley & Lardner, LLP

APPROVED AS TO FORM AND LEGALIT

DATED: 6/28/2023 | 9:20 PM PDT

By _____ DocuSigned by: Stacy Saetta C0EGE1B09F444A0...
Stacy L. Saetta
Chief Deputy County Counsel

6/29/2023 | 7:59 AM PDT

DocuSigned by: Patricia Ruiz E79EF64E57454F6...
By Auditor/Controller Signers

EXHIBIT B-1

FEES AND EXPENSES

COUNTY shall pay ATTORNEY the fees and necessary expenses for services performed under this Agreement. The attorney fees and expenses shall be calculated and charged in accordance with the hourly rates identified below and with the expense method of billing identified in this Agreement. ATTORNEY shall bill COUNTY for the professional services of its attorneys at their standard hourly billing rate applicable for the particular fiscal period, or rate as may otherwise be discounted and applied. These rates may change from time to time. Changes in attorney fees and expenses are not binding unless mutually agreed upon in a writing signed by the parties.

FEE SCHEDULE EFFECTIVE JULY 1, 2023 THROUGH JUNE 30, 2025

PARTNERS	
(All Offices)	$695 -- $1250
OF COUNSEL, SPECIAL COUNSEL	
(All Offices)	$650 -- $995
SENIOR COUNSEL	
(All Offices)	$625 -- $735
ASSOCIATES	
(All Offices)	$400 -- $675
PARALEGALS	
(All Offices)	$325 -- $395
SUMMER ASSOCIATES	
(All Offices)	$250

Rates will reflect discount from the firm's published rates.

ALAS
Attorneys' Liability Assurance Society

December 12, 2022

Foley & Lardner LLP
777 East Wisconsin Avenue
Milwaukee, WI 53202-5306

To Whom It May Concern:

CONFIRMATION OF INSURANCE

We hereby confirm that Foley & Lardner LLP has Professional Liability Coverage under Policy LPL-1017-2023 with an annual limit of $100,000,000 per claim and $200,000,000 in the aggregate with the right, under stated conditions, to purchase extended reporting rights upon termination of such Policy by ALAS.

The self-insured retention under such Policy is $3,500,000 each claim up to an aggregate of $7,000,000 and $100,000 each claim thereafter.

The Policy effective date is from January 1, 2023 to January 1, 2024.

The Policy provides cyber liability coverage up to the full limits stated above for claims and circumstances arising from a "Cybersecurity Event" as that term is defined in the Policy.

Such Policy is subject to the terms, conditions, limitations and exclusions stated therein.

ATTORNEYS' LIABILITY ASSURANCE SOCIETY LTD.,
A RISK RETENTION GROUP

By: Nancy J. Montroy Date: 12/12/2022
Nancy J. Montroy
Vice President – Director of Underwriting

311 S. Wacker Drive, Suite 5700
Chicago, IL 60606-6629
tel 312 697 6900
fax 312 697 6901
alas.com

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor John M. Phillips, seconded by Supervisor Mary L. Adams to:

Agreement No.: A-15425
a. Authorize the County Counsel to execute an Agreement for Specialized Attorney Services ("Agreement") with Foley & Lardner, LLP for independent consulting and legal services with respect to healthcare matters at Natividad Medical Center ("Natividad"), for a term retroactive to July 1, 2021 through June 30, 2024 and for a total agreement amount not to exceed $500,000; and
b. Accept the recommendation of the Chief Executive Officer of Natividad to approve the non-standard indemnification and professional liability insurance provisions in the Agreement; and
c. Authorize the Deputy Purchasing Agent for Natividad or his designee to execute up to three (3) future amendments to this Agreement where the total amendments do not exceed 10% ($50,000) of the agreement amount and do not significantly change the scope of work.

PASSED AND ADOPTED on this 13th day of July 2021, by roll call vote:

AYES: Supervisors Alejo, Phillips, Lopez, Askew and Adams
NOES: None
ABSENT: None
(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting July 13, 2021.

Dated: July 15, 2021
File ID: A 21-374
Agenda Item No.: 31

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Julian Lorenzana, Deputy

AGREEMENT FOR SPECIALIZED ATTORNEY SERVICES

THIS AGREEMENT FOR SPECIALIZED ATTORNEY SERVICES ("Agreement") is made and entered by and between the **COUNTY OF MONTEREY** ("COUNTY"), on behalf of Natividad Medical Center ("Natividad"), COUNTY's owned and operated acute care facility, and **FOLEY & LARDNER,** a Limited Liability Partnership, ("ATTORNEY").

RECITALS

This Agreement is made with respect to the following facts:

A. The COUNTY Board of Supervisors may contract for legal services for the COUNTY when it is necessary and appropriate that special legal services be performed for the COUNTY and its officers and employees.

B. COUNTY desires to retain ATTORNEY to provide legal services to the COUNTY with respect to the provision of healthcare legal services.

C. ATTORNEY is specially trained, experienced, expert, and competent to perform the legal services required.

NOW, THEREFORE, the parties agree as follows:

1. EFFECTIVE DATE AND TERM

1.01 This Agreement shall be effective as of July 1, 2021, and shall terminate on June 30, 2026, unless earlier terminated as set forth below. This Agreement may be amended from time-to-time upon the written mutual agreement of the parties.

2. SERVICES TO BE PERFORMED

2.01. Services to be Performed by ATTORNEY. COUNTY hereby hires ATTORNEY to render independent legal services to COUNTY, subject to the terms of this Agreement. The primary attorney providing services hereunder shall be Diane Ung, although other attorneys in the firm may be utilized on an as-needed basis. ATTORNEY shall perform said services faithfully and well, when needed by and as requested by COUNTY. The services to be performed under this Agreement shall consist of providing advice to COUNTY regarding healthcare legal services. A specific scope of work is enclosed as Exhibit A and incorporated herein by reference. ATTORNEY shall perform only such services as are within the expertise of the individual attorneys on ATTORNEY's staff, and ATTORNEY shall notify COUNTY promptly if any work requested is beyond such expertise. ATTORNEY shall diligently provide such legal services as are necessary and approved by COUNTY in a professional, timely manner. ATTORNEY shall perform all of its services with due regard to ethical guidelines and the client's interests.

2.02. No Conflicts of Interest.

2.02.01. ATTORNEY does not have an actual or potential interest adverse to COUNTY.

2.02.02. ATTORNEY agrees that it shall not represent a person or firm with an interest that is either actually or potentially adverse to COUNTY without the COUNTY's written consent.

2.02.03. This section shall be governed by and interpreted in accordance with the applicable Rules of Professional Conduct.

2.03. Direction from and Consultation with County Counsel. ATTORNEY shall coordinate and consult with and receive direction from County Counsel in providing services under this Agreement. The primary attorneys from the County Counsel's Office working with ATTORNEY with respect to this agreement shall be Stacy L. Saetta, although other deputies in the County Counsel's Office may be designated from time-to-time to work on the matter. Unless otherwise directed by County Counsel, if ATTORNEY prepares any court pleadings or COUNTY documents in the performance of services under this Agreement, including but not limited to COUNTY resolutions, staff reports, and memoranda to the Board of Supervisors, Natividad Board of Trustees, or other County legislative or advisory bodies, ATTORNEY shall provide such drafts to County Counsel for review and consultation prior to finalizing any such drafts.

2.04. Reporting Requirements. ATTORNEY shall provide COUNTY with such reports as may be requested by COUNTY in connection with the performance of services hereunder.

2.05. Closing Report. If this Agreement is terminated as set forth herein, or if for any reason ATTORNEY is no longer retained by COUNTY with respect to this matter, ATTORNEY shall submit a Closing Report describing the status of the matter, setting forth any information needed by another attorney to handle the matter. The Closing Report will be expeditiously submitted, together with necessary executed Substitutions of Attorneys, to County Counsel.

2.06. Oral Reports. ATORNEY shall immediately report orally to County Counsel, in person or by telephone, any event or discovery which is of an urgent nature or requires the immediate attention of COUNTY. ATTORNEY shall promptly follow up such oral report with a Status Report or Status Update reiterating such event or discovery. ATTORNEY shall immediately advise County Counsel in writing if an actual or potential conflict of interest arises or is discovered.

3. COMPENSATION

3.01. Compensation to Attorney. As consideration for ATTORNEY's performance of services under this Agreement, COUNTY shall pay to ATTORNEY the fees and necessary expenses calculated in accordance with the hourly rate and expense method of billing. Fees and expenses are to be charged in accordance with the terms of this agreement and in accordance with the hourly rates for partners, associates, paralegals, and planners, if any, of ATTORNEY

and any other terms governing fees set forth in Exhibit B, attached hereto and incorporated herein by reference. COUNTY will pay ATTORNEY for travel time only with prior approval of COUNTY.

3.02. Budget. ATTORNEY and COUNTY agree that the initial budget for services pursuant to this Agreement is the sum of $500,000.00. ATTORNEY and COUNTY shall revise the budget as necessary to reflect additional fees and expenses required for services, and this Agreement shall be amended accordingly to provide for such budget increases. Proposed budget increases must be approved by COUNTY before increased charges or expenditures are paid. ATTORNEY shall notify the County Counsel in writing when fifty percent (50%) and seventy-five percent (75%) of the Budget has been spent. If COUNTY does not approve additional fees and expenses required by the project beyond the initial and revised budget, COUNTY hereby agrees that ATTORNEY has the right to terminate work on the matter and that ATTORNEY need not perform further services pursuant to this Agreement. COUNTY will compensate ATTORNEY for all necessary and reasonable costs incurred on behalf of COUNTY as set forth herein.

3.03. Maximum Liability. The maximum amount of COUNTY's liability over the full term of this Agreement (including all items paid under paragraph 3.04) shall include the initial budget amount and any revised budget amount as provided in paragraph 3.02.

3.04. Reimbursement for Expenses.

(a) COUNTY shall reimburse ATTORNEY for all actual and necessary expenses for the following items:

(1) Deposition and transcript fees;
(2) Filing fees;
(3) Postage;
(4) Consultant and expert witness fees;
(5) Photocopying;
(6) Computerized legal research; and
(7) Other expenses when approved in advance.

(b) COUNTY will not reimburse ATTORNEY for any non-attorney staff time or overtime for secretarial, clerical, or word processing costs connected with preparing required status reports. COUNTY will not pay ATTORNEY for time spent to provide information for a fee audit, or for work not authorized by COUNTY.

3.05. Monthly Claims by Attorney. Not later than 30 days after the last day of each month in which services were provided, ATTORNEY shall submit to COUNTY a claim, on a form or in a format approved by COUNTY, setting forth in detail any hourly time and expense items incurred by ATTORNEY during the previous month, for which payment is sought, and setting forth such other information pertinent to the claim as COUNTY may require. The fees charges shall be calculated correctly, contain no charges previously billed, and be consistent with

the approved fee and expense schedule set forth in Exhibit B. The following information, to the extent applicable to the services performed, shall be set forth accurately in or attached to the billing invoice:

(a) Case name, court number, County Counsel file number or other identification of subject matter for which ATTORNEY rendered services;

(b) Staffing level, hourly rate, and detailed time and activity descriptions for each attorney, paralegal, and/or planner, including but not limited to time spent with respect to conferences, correspondence, telephone calls, hearings, meetings, research, project review, depositions, document filing, and trials; and

(c) Invoices supporting all outside costs.

3.06. Payment of Monthly Claims by COUNTY. COUNTY, through the Office of the County Counsel, shall review ATTORNEY's claim and approve such claim either in the requested amount or in such other amount as County Counsel approves in conformity with this Agreement. County Counsel shall promptly submit such claim to Natividad. Natividad shall certify ATTORNEY's claim, either in the requested amount or in such other amount as Natividad approves in conformity with this Agreement, and thereafter County Auditor-Controller shall pay the balance of the certified claim not later than 30 days after County Auditor-Controller's receipt from Natividad of the certified claim.

3.07. Disputed Payment Amount. If for any claim COUNTY certifies a lesser amount than the amount requested, and if ATTORNEY desires to dispute the amount so certified, ATTORNEY must submit a written notice of protest to COUNTY within 20 days after ATTORNEY's receipt of the certification. The parties shall then promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such dispute until the parties have met and attempted to resolve the dispute in person.

4. INDEMNIFICATION AND INSURANCE

4.01. Indemnification. ATTORNEY shall indemnify the COUNTY from any claim, liability, loss, injury or damage caused by ATTORNEY'S and/or its agents' or employees' negligent acts or omissions in the performance of this Agreement, excepting only loss, injury or damage caused by the negligence or willful misconduct of COUNTY and their officers, agents, or employees. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the COUNTY subject to the terms and limits of ATTORNEY'S insurance coverage.

4.02. Evidence of Coverage. Prior to commencement of this Agreement, ATTORNEY shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, ATTORNEY upon request shall provide a certified copy of the policy or policies. This verification of coverage shall be sent to the COUNTY, unless otherwise directed. This approval of insurance shall neither relieve nor decrease the liability of ATTORNEY.

4.03. Qualifying Insurers. All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide, Fitch, or a company of equal financial stability that is approved by COUNTY.

4.04. Insurance Coverage Requirements. Without limiting ATTORNEY's duty to indemnify, ATTORNEY shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

(a) Commercial General Liability Insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

❑ Modification (Justification attached as Exhibit C; subject to approval).

(b) Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

❑ Modification (Justification attached as Exhibit C; subject to approval).

(c) Workers' Compensation Insurance, if ATTORNEY employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

❑ Modification (Justification attached as Exhibit C; subject to approval).

(d) Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the ATTORNEY shall, upon the expiration or earlier termination of this Agreement, make best efforts to maintain or obtain extended reporting coverage ("tail coverage") with substantially the same liability limits as stated above. Any such tail coverage shall, to the extent available, continue for at least one year following the expiration or earlier termination of this Agreement ("Initial Year"). As required by California Corporations Code Section 16956 (a)(1)(A), in the event of the dissolution and winding up of the CONTRACTOR, the CONTRACTOR shall, with respect to any insurance policy or policies then maintained pursuant to this Agreement, maintain or obtain an extended reporting period endorsement or equivalent tail coverage provision for at least the maximum total aggregate limit of liability required to comply with this Agreement for a minimum of three years beyond the Initial Year if reasonably available from an insurer.

❑ Modification (Justification attached; subject to approval).

(e) Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to COUNTY and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date ATTORNEY completes its performance of services under this Agreement.

ATTORNEY shall give COUNTY notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal of each liability policy. Each policy shall provide coverage for ATTORNEY and additional insureds (for those liability policies where ATTORNEY is required to name additional insureds under the terms of this Agreement, specifically commercial general liability and automobile liability) with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the COUNTY and County of Monterey, and their officers, agents, and employees as Additional Insureds with respect to liability arising out of the ATTORNEY's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the COUNTY or County of Monterey and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the ATTORNEY's insurance. The required endorsement form for Commercial General Liability Additional Insured is ***ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000).*** *The required endorsement form for Automobile Additional Insured endorsement is* ***ISO Form CA 20 48 02 99.***

Prior to the execution of this Agreement by COUNTY, ATTORNEY shall file certificates of insurance with the COUNTY showing that the ATTORNEY has in effect the insurance required by this Agreement. The ATTORNEY shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

ATTORNEY shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by COUNTY, annual certificates to COUNTY. If the certificate is not received by the expiration date, COUNTY shall notify ATTORNEY and ATTORNEY shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by ATTORNEY to maintain such insurance is a default of this Agreement which entitles COUNTY, at its sole

discretion, to terminate this Agreement immediately.

5. TERMINATION

5.01. Termination by COUNTY. COUNTY may terminate this Agreement at any time for its convenience and without cause. Upon such termination, ATTORNEY shall promptly comply with the provisions of paragraph 2.05. COUNTY shall pay to ATTORNEY all sums then due and owning for services performed through the effective date of the termination, subject to all other provisions of this Agreement.

5.02. Termination by ATTORNEY.

5.02.01 ATTORNEY may terminate this agreement at any time upon giving thirty (30) days written notice to COUNTY.

5.02.02 With respect to an active litigation matter only, upon such termination under this section, and unless COUNTY notifies ATTORNEY in writing that it will not need a substitute co-counsel, ATTORNEY shall continue to provide such services as COUNTY may require until such time as COUNTY is able to identify a substitute co-counsel to render necessary services. COUNTY shall not unreasonably delay in identifying such substitute co-counsel or in providing written notice that it will not require a substitute co-counsel. ATTORNEY shall also immediately comply with the provisions of paragraph 2.05. Notwithstanding section 3.02, COUNTY shall pay to ATTORNEY all sums due and owning for services performed through the effective date of the termination, subject to all other provisions of this Agreement.

5.02.03. This section shall be governed by and interpreted in accordance with the applicable Rules of Professional Conduct.

6. GENERAL PROVISIONS

6.01. Nonassignment. ATTORNEY shall not assign or transfer this Agreement, or any part thereof, without the written consent of COUNTY, nor shall ATTORNEY assign any monies due or to become due to ATTORNEY hereunder without the previous written consent of COUNTY.

6.02. Independent Contractor. Nothing in this Agreement shall be construed or interpreted to make ATTORNEY anything but an independent contractor and in all ATTORNEY's activities and operations pursuant to this Agreement, ATTORNEY shall for no purposes be considered an employee or agent of COUNTY.

6.03. Authority to Bind COUNTY. It is understood that ATTORNEY, in the performance of any and all duties under this Agreement, has no authority to bind COUNTY to any agreements or undertakings with respect to any and all persons or entities with whom ATTORNEY deals in the course of business.

6.04. Nondisclosure of Information. ATTORNEY shall not disclose, without express written consent of COUNTY, any information relating to COUNTY business which has been submitted by COUNTY to ATTORNEY pursuant to the services to be rendered pursuant to this Agreement. In the event that this Agreement is terminated, ATTORNEY shall immediately return to COUNTY all papers, documents and the like belonging to COUNTY.

Notwithstanding the foregoing, pursuant to the ATTORNEY'S document retention policy and Rules of Professional Conduct, ATTORNEY may retain the files pertaining to the matters handled by ATTORNEY for a minimum of 10 years following the conclusion of any such matter. After that time, ATTORNEY reserves the right to dispose of file materials without further notice, other than certain original trust and estate planning documents. ATTORNEY reserves the right to retain a copy of the COUNTY's files.

6.05. Notices.

(a) Notices permitted or required to be given to the respective parties under this Agreement shall be deemed given (1) when personally delivered to COUNTY care of the Office of the County Counsel or to ATTORNEY's principal partner contact; (2) when personally delivered to the party's principal place of business during normal business hours (i.e., to the office of the Monterey County Counsel in Salinas, California, or to ATTORNEY's office), by leaving the notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by fax machine to the other party, to the fax number indicated below; or (4) 3 days after the notice is deposited in the U.S. mail (by first class, certified, registered, or express mail), with postage fully prepaid, addressed to the party as indicated below.

(b) Notices mailed to the parties shall be addressed as follows:

To COUNTY:

Stacy L. Saetta
Deputy County Counsel
Office of the County Counsel
County of Monterey
168 West Alisal Street, Third Floor
Salinas, California 93901
Phone Number: (831) 755-5045
Fax Number: (831) 755-5283

To ATTORNEY:

Diane Ung, Esq.
Foley & Lardner, LLP
555 South Flower Street, Suite 3300
Los Angeles, CA 90071-2418
Phone Number: (213) 972-4500
Fax Number: (213) 486-0065

(c) The mailing addresses and fax numbers specified in paragraph (b) may be changed by either party, by giving notice to the other in the manner provided herein.

6.06. Subcontracting. ATTORNEY shall not subcontract or otherwise assign any portion of the work to be performed under this Agreement without prior written approval of

COUNTY. Any and all subcontracts shall be subject to the provisions contained in this Agreement.

6.07. Modifications. This Agreement may be modified or amended only by written agreement of the parties. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the parties hereto.

6.08. Nonwaiver. No covenant or condition of this Agreement can be waived except by the written consent of COUNTY. Forbearance or indulgence by COUNTY in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by ATTORNEY. COUNTY shall be entitled to invoke any remedy available to COUNTY under this Agreement or by law or in equity despite said forbearance or indulgence.

6.09. Sole Agreement. This Agreement contains the entire agreement of the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect excepting a subsequent modification in writing, signed by the parties hereto.

6.10. Venue. If any party herein initiates an action to enforce the terms hereof or declare rights hereunder, the parties agree that venue thereof shall be the County of Monterey, State of California.

6.11. Construed Pursuant to California Law. The parties hereto agree that the provisions of this Agreement will be construed pursuant to the laws of the State of California.

6.12. Exhibits. The following exhibits are attached hereto:

Exhibit A - Scope of Services
Exhibit B - Fees and Expenses

IN WITNESS WHEREOF, COUNTY and ATTORNEY have caused this Agreement to be executed:

DATED: 8/9/21

COUNTY

By _____
Leslie J. Girard, Esq.
County Counsel-Risk Manager
County of Monterey

DATED: June 10, 2021

FOLEY & LARDNER, LLP

By _____
Jeffery R. Atkin, Managing Partner

APPROVED AS TO FORM AND LEGALITY

LESLIE J. GIRARD
County Counsel-Risk Manager

DATED: 6/10/2021

By _____
Stacy L. Saetta, Esq.
Deputy County Counsel

EXHIBIT A

SCOPE OF SERVICES

ATTORNEY shall provide independent legal services to the COUNTY consisting of providing advice to COUNTY with respect to healthcare matters, including but not limited to Medicaid financing for safety net providers, healthcare transactions, provider agreements, and technology, privacy, and security matters.

EXHIBIT B

FEES AND EXPENSES

COUNTY shall pay ATTORNEY the fees and necessary expenses for services performed under this Agreement. The attorney fees and expenses shall be calculated and charged in accordance with the hourly rates identified below and with the expense method of billing identified in this Agreement. ATTORNEY shall bill COUNTY for the professional services of its attorneys at their standard hourly billing rate applicable for the particular fiscal period, or rate as may otherwise be discounted and applied. These rates may change from time to time. Changes in attorney fees and expenses are not binding unless mutually agreed upon in a writing signed by the parties.

FEE SCHEDULE EFFECTIVE JULY 1, 2021 THROUGH JUNE 30, 2023

PARTNERS	
(All Offices)	$615 -- $1150
OF COUNSEL, SPECIAL COUNSEL	
(All Offices)	$595 -- $995
SENIOR COUNSEL	
(All Offices)	$550 -- $695
ASSOCIATES	
(All Offices)	$340 -- $625
PARALEGALS	
(All Offices)	$285 -- $335
SUMMER ASSOCIATES	
(All Offices)	$250

Rates will reflect discount from the firm's published rates.

Introduced: 9/5/2025

Current Status: Natividad Medical Center - Consent

Version: 2

Matter Type: BoS Agreement

a. Authorize the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) or his designee to execute the Professional and Call Coverage Services Agreement with Mohamed Kerala Serio, M.D. to provide cardiology services for an amount not to exceed $1,268,800 for the period of October 1, 2025 to September 30, 2027; and
b. Authorize the CEO for NMC or his designee to sign up to three (3) future amendments to this Agreement where the total amendments do not significantly change the scope of work, do not exceed 10% ($126,880) of the original contract amount and do not increase the total contract amount above $1,395,680.

RECOMMENDATION:

It is recommended that the Board of Supervisors:
a. Authorize the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) or his designee to execute the Professional and Call Coverage Services Agreement with Mohamed Kerala Serio, M.D. to provide cardiology services for an amount not to exceed $1,268,800 for the period of October 1, 2025 to September 30, 2027; and
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SUMMARY/DISCUSSION:

NMC must arrange for the care and treatment of hospitalized patients and patients who present to the emergency department and outpatient clinic in need of medical care in the specialty of cardiology. NMC wishes to enter into a new agreement with Dr. Serio to provide cardiology call coverage in the emergency department, inpatient consults, daily (Monday through Friday) cardiology services in the outpatient clinic and clinical interpretation services to its cardiology patients.

Dr. Serio is paid a rate for services according to the terms of this agreement. Although the number of services may increase or decrease due to patient volumes and the need for coverage, the rate of pay remains the same. NMC has obtained an independent opinion of fair market value supporting the payment terms of this Agreement.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Agreement as to legal form. Auditor-Controller has

reviewed and approved this Agreement as to fiscal provisions. The Agreement has also been reviewed and approved by Natividad Medical Center's Finance Committee and Board of Trustees.

FINANCING:
The total cost of this Agreement is $1,268,800 for the period October 1, 2025 to September 30, 2027 (24 months). $634,400 is included in the Fiscal Year 2025/2026 adopted budget, the remaining balance will be budgeted in the subsequent fiscal years. Funding will be provided from NMC's Enterprise Fund 451-9600-6608.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
The services rendered in this agreement provide NMC with the additional support it needs in order to provide reliable and high-quality patient care which improves the health and quality of life for patients and their families.

__ Economic Development
__ Administration
X Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Jeanne-Ann Balza, Director of Physician Services, 783.2506
Approved by: Charles R. Harris, Chief Executive Officer, 783.2551

Attachments:
Agreement

Attachments on File at the Clerk of the Board

Introduced: 9/5/2025
Version: 2

Current Status: Agenda Ready
Matter Type: BoS Agreement

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__ Economic Development
__ Administration
X Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Jeanne-Ann Balza, Director of Physician Services, 783.2506
Approved by: Charles R. Harris, Chief Executive Officer, 783.2551

Attachments:
Agreement

Attachments on File at the Clerk of the Board

Docusign Envelope ID: 9C929E69-83BD-417D-96CF-683141EED6AA

PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

by and between

COUNTY OF MONTEREY ("County")

on behalf of NATIVIDAD MEDICAL CENTER ("Hospital")

and

MOHAMED KERALA SERIO, M.D. ("Contractor")

Docusign Envelope ID: 9C929E69-83BD-417D-96CF-683141EED6AA

PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

THIS PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT (this **"Agreement"**) is entered into as of October 1, 2025, by and between COUNTY OF MONTEREY (**"County"**) on behalf of NATIVIDAD MEDICAL CENTER (**"Hospital"**), and MOHAMED KERALA SERIO, M.D., an individual (**"Contractor"**). County, Hospital and Contractor are sometimes referred to in this Agreement as a **"Party"** or, collectively, as the **"Parties**."

RECITALS

A. County owns and operates Hospital, a general acute care teaching hospital facility located in Salinas, California and various outpatient clinics (collectively, the **"Clinic"**) under its acute care license.

B. Contractor is duly licensed to practice medicine in the State of California (the **"State"**). Contractor is board certified for the practice of medicine in the specialty of cardiology (the **"Specialty"**).

C. Hospital must arrange for the provision of professional consultation and treatment of patients who present to the emergency department (**"ED"**) and who are admitted as Hospital inpatients in need of medical care or treatment in the Specialty, including inpatient and outpatient procedures performed in Hospital's operating room and/or who present to Hospital's Clinic (collectively, the **"Patients"**), without regard to any consideration other than medical condition.

D. In order to ensure adequate and continued Specialty coverage for the Hospital as required by applicable federal and state laws, Hospital desires to engage a panel of physicians specializing in the Specialty, including Contractor (each, a **"Panel Member"** and, collectively, the **"Panel Members"**), to provide call coverage for the Hospital, upon the terms and subject to the conditions set forth in this Agreement.

E. Hospital has considered the following factors in determining the necessity and amount of compensation payable to Contractor pursuant to this Agreement:

1. The nature of Contractor's duties as contemplated by this Agreement.

2. Contractor's qualifications.

3. The difficulty in obtaining a qualified physician to provide the services described in this Agreement.

4. The benefits to Hospital's community resulting from Contractor's performance of the services described in this Agreement.

5. The economic conditions locally and in the health care industry generally.

Docusign Envelope ID: 9C929E69-83BD-417D-96CF-683141EED6AA

AGREEMENT

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I.
CONTRACTOR'S OBLIGATIONS

1.1 Professional and Coverage Services.

(a) Contractor shall provide professional services to Patients including inpatient consults, interpretation services and outpatient Clinic services, upon the terms and subject to the conditions set forth in this Agreement (the **"Professional Services"**).

(b) Contractor shall be available on an on-call basis to provide Specialty medical care and treatment to Patients (**"Coverage Services"**), along with other Panel Members, in a manner that is sufficient to ensure coverage of Hospital in the Specialty twenty-four (24) hours per day, seven (7) days per week, including all holidays, in accordance with the schedule developed by Hospital.

(c) Contractor shall provide timely initial follow-up care for all Hospital patients referred for care by the ED or attending physician. If Contractor is the physician on-call at the time of the referral, Contractor shall provide any necessary follow-up care for such patients regardless of the patient's ability to pay for services at the time of the first visit.

1.2 Teaching Services. Contractor shall provide to Hospital those teaching services set forth in **Exhibit 1.2** (collectively, the **"Teaching Services"**). Contractor shall not be separately compensated for the provision of Teaching Services under this Agreement.

1.3 Additional Services. Contractor shall provide to Hospital those additional services set forth in **Exhibit 1.3** (the **"Additional Services"**), upon the terms and subject to the conditions set forth in this Agreement. The Professional Services, Teaching Services, Coverage Services, and Additional Services are sometimes referred to collectively in this Agreement as the **"Services**."

1.4 Personal Services. This Agreement is entered into by Hospital in reliance on the professional skills of Contractor. Contractor shall be solely responsible for performing the Services and otherwise fulfilling the terms of this Agreement, except as specifically set forth in this Agreement.

1.5 Time Commitment. Contractor shall allocate time among the Professional Services, Teaching Services, Coverage Services and Additional Services as reasonably requested by Hospital from time to time.

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1.6 Availability. Contractor shall be available to provide the Services on a twenty-four (24) hour per day, seven (7) day per week basis. On or before the first (1st) day of each month, Contractor shall inform Hospital of Contractor's schedule of availability to perform the Services during the following month. Contractor shall use his or her best efforts to adjust such schedule of availability if reasonably requested by Hospital in order to meet Hospital's needs for the Services.

1.7 Absences. If Contractor is unable or reasonably expected to be unable to provide the Services for any reason for a period of greater than thirty (30) consecutive days or sixty (60) days in the aggregate over any three (3) month period, Contractor shall designate a qualified replacement to provide the Services on behalf of Contractor, subject to the prior written approval of Hospital. Contractor shall ensure that any such designated replacement meets any and all obligations and requirements of Contractor under this Agreement. If the length of Contractor's absence is anticipated to be or actually is longer than sixty (60) calendar days, the person who provides the Services in Contractor's absence shall execute a written acknowledgment in form and substance acceptable to Hospital agreeing to be bound by all terms of this Agreement. Except in the event of absence due to illness or disability, Hospital shall have the right to approve the length of Contractor's absence, and any unapproved absence shall constitute a breach of this Agreement.

1.8 Time Reports. Contractor shall maintain and submit to Hospital monthly time sheets that provide a true and accurate accounting of time spent on a daily basis providing the Services. Such time sheets shall be on the then-current form provided by Hospital attached hereto as **Exhibit 1.8**. Contractor shall submit all such time sheets to Hospital no later than the tenth (10th) day of each month for Services provided by Contractor during the immediately preceding month.

1.9 Medical Staff. Contractor shall be a member in good standing and active on the Hospital's medical staff (the "**Medical Staff**") and have and maintain all clinical privileges at Hospital necessary for the performance of Contractor's obligations under this Agreement. If, as of the Effective Date (as defined in Section 5.1), Contractor is not a member in good standing or active on the Medical Staff or does not hold all clinical privileges at Hospital necessary for the performance of Contractor's obligations hereunder, Contractor shall have a reasonable amount of time, which in no event shall exceed sixty (60) calendar days from the Effective Date, to obtain such membership and/or clinical privileges; provided, however, that Hospital may immediately terminate this Agreement if Hospital determines that Contractor is not diligently pursuing such membership and/or clinical privileges in accordance with the normal procedures set forth in the Medical Staff bylaws. Contractor may obtain and maintain medical staff privileges at any other hospital or health care facility at Contractor's sole expense.

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1.10 Professional Qualifications. Contractor shall have and maintain an unrestricted license to practice medicine in the State. Contractor shall be board certified in the Specialty by the applicable medical specialty board approved by the American Board of Medical Specialties. Contractor shall have and maintain a valid and unrestricted United States Drug Enforcement Administration (**"DEA"**) registration.

1.11 Review of Office of the Inspector General ("OIG") Medicare Compliance Bulletins. The OIG from time to time issues Medicare compliance alert bulletins. To the extent applicable to Contractor's performance under this Agreement, Contractor shall undertake to review, be familiar with and comply with all applicable requirements of such OIG compliance bulletins.

1.12 Performance Standards. Contractor shall comply with all bylaws, Medical Staff policies, rules and regulations of Hospital and the Medical Staff (collectively, the **"Hospital Rules"**), and all protocols applicable to the Services or the Hospital (the **"Protocols"**).

1.13 Code of Conduct. Contractor hereby acknowledges receipt of Hospital's Code of Conduct which is attached to this Agreement as **Exhibit 1.13** (the **"Code"**), and agrees that Contractor has been given ample opportunity to read, review and understand the Code. With respect to Contractor's business dealings with Hospital and Contractor's performance of the Services described in this Agreement, Contractor shall not act in any manner which conflicts with or violates the Code, and shall not cause another person to act in any manner which conflicts with or violates the Code. Contractor shall comply with the Code as it relates to Contractor's business relationship with Hospital or any Affiliate, subsidiaries, employees, agents, servants, officers, directors, contractors and suppliers of every kind.

1.14 Continuing Medical Education. Contractor shall participate in continuing medical education as necessary to maintain licensure, professional competence and skills commensurate with the standards of the medical community and as otherwise required by the medical profession.

1.15 Use of Space. Contractor shall use Hospital's premises and space solely and exclusively for the provision of the Services, except in an emergency or with Hospital's prior written consent.

1.16 Notification of Certain Events. Contractor shall notify Hospital in writing within twenty-four (24) hours after the occurrence of any one or more of the following events:

(a) Contractor becomes the subject of, or materially involved in, any investigation, proceeding, or disciplinary action by: Medicare and Medicaid programs or any other Federal health care program, as defined at 42 U.S.C. Section 1320a-7b(f) (collectively, the **"Federal Health Care Programs"**) or state equivalent, any state's medical board, any agency responsible for professional licensing, standards or behavior, or any medical staff;

(b) Contractor's medical staff membership or clinical privileges at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

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(c) Contractor becomes the subject of any suit, action or other legal proceeding arising out of Contractor's professional services;

(d) Contractor is required to pay damages or any other amount in any malpractice action by way of judgment or settlement;

(e) Contractor becomes the subject of any disciplinary proceeding or action before any state's medical board or similar agency responsible for professional standards or behavior;

(f) Contractor voluntarily or involuntarily retires from the practice of medicine;

(g) Contractor's license to practice medicine in the State is restricted, suspended or terminated, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(h) Contractor is charged with or convicted of a criminal offense;

(i) any act of nature or any other event occurs which has a material adverse effect on Contractor's ability to provide the Services; or

(j) Contractor is debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program or state equivalent.

1.17 Representations and Warranties by Contractor. Contractor represents and warrants that: (a) Contractor's license to practice medicine in any state has never been suspended, revoked or restricted; (b) Contractor has never been reprimanded, sanctioned or disciplined by any licensing board or medical specialty board; (c) Contractor has never been excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program; (d) Contractor has never been denied membership and/or reappointment to the medical staff of any hospital or health care facility; (e) Contractor's medical staff membership or clinical privileges at any hospital or health care facility have never been suspended, limited or revoked for a medical disciplinary cause or reason; and (f) Contractor has never been charged with or convicted of a felony, a misdemeanor involving fraud, dishonesty, controlled substances, or moral turpitude, or any crime relevant to the provision of medical services or the practice of medicine.

1.18 Nondiscrimination. Contractor shall not differentiate or discriminate in performing the Services on the basis of race, religion, creed, color, national origin, ancestry, sex, physical disability, mental disability, medical condition, marital status, age, sexual orientation or payor, or on any other basis prohibited by applicable law.

1.19 Non-Exclusive Services. The Services provided by Contractor hereunder are intended to be non-exclusive. Notwithstanding the above, during the term of this Agreement, Contractor shall undertake to retain the service capacity necessary to provide those Services described in this Agreement, to the extent necessary to serve the reasonably foreseeable patient needs for medical care at Hospital and the administrative services hereunder.

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1.20 Compliance with Grant Terms. If this Agreement has been or will be funded with monies received by Hospital or County pursuant to a contract with the state or federal government or private entity in which Hospital or County is the grantee, Contractor shall comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, Hospital shall deliver a copy of said contract to Contractor at no cost to Contractor.

1.21 Coordination with Attending Physicians. Contractor shall promptly report the results of all professional services furnished to an ED patient to such patient's attending physician(s) and any other physician(s) engaged in specialty consultation or treatment for such patient.

1.22 Medical Records and Claims.

(a) Contractor shall prepare complete, timely, accurate and legible medical and other records with respect to the services and treatment furnished by Contractor to ED patients, in accordance with the Hospital Rules, federal and state laws and regulations, and standards and recommendations of such nationally recognized accrediting organization as Hospital designates from time to time. All such information and records relating to any ED patient shall be: (i) prepared on forms developed, provided or approved by Hospital; (ii) the sole property of Hospital; and (iii) maintained at Hospital in accordance with the terms of this Agreement and for so long as is required by applicable laws and regulations.

(b) Contractor shall maintain and upon request provide to ED patients, Hospital, and state and federal agencies, all financial books and records and medical records and charts as may be necessary for Contractor and/or Hospital to comply with applicable state, federal, and local laws and regulations and with contracts between Hospital and third party payors. Contractor shall cooperate with Hospital in completing such claim forms for ED patients as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors. Contractor shall retain all such records and information for at least ten (10) years following the expiration or termination of this Agreement. This Section 1.22(b) shall survive the expiration or termination of this Agreement.

1.23 Records Available to Contractor. Both during and after the term of this Agreement, Hospital shall permit Contractor and Contractor's agents to inspect and/or duplicate, at Contractor's sole cost and expense, any medical chart and record to the extent necessary to meet Contractor's professional responsibilities to patients, to assist in the defense of any malpractice or similar claim to which such chart or record may be pertinent, and/or to fulfill requirements pursuant to provider contracts to provide patient information; provided, however, such inspection or duplication is permitted and conducted in accordance with applicable legal requirements and pursuant to commonly accepted standards of patient confidentiality. Contractor shall be solely responsible for maintaining patient confidentiality with respect to any information which Contractor obtains pursuant to this Section.

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1.24 Response Times. Contractor shall respond in person to a request for an emergency evaluation by the attending physician or the ED physician within a response time frame as required by the patient's medical condition and in accordance with Hospital Rules. Contractor shall respond within forty (40) minutes by phone, if asked to respond by phone, to any request for an ED or patient phone consultation and subsequent follow-up at Hospital.

ARTICLE II.
COMPENSATION

2.1 Compensation. Hospital shall pay to Contractor the amount determined in accordance with **Exhibit 2.1** (the **"Compensation"**), upon the terms and conditions set forth therein. The total amount payable by Hospital to Contractor under this Agreement shall not exceed the sum of One Million Two Hundred Sixty-Eight Thousand Dollars ($1,268,000). The Hospital's maximum obligation under this Agreement shall not exceed Six Hundred Thirty-Four Thousand Four Hundred Dollars ($634,400) per contract year.

2.2 Billing and Collection. Hospital shall have the sole and exclusive right to bill and collect for any and all Professional Services rendered to Patients by Contractor under this Agreement (the **"NMC Services"**). Hospital shall have the sole and exclusive right, title and interest in and to accounts receivable with respect to such NMC Services.

(a) **Assignment of Claims.** Contractor hereby assigns (or reassigns, as the case may be) to Hospital all claims, demands and rights of Contractor for any and all NMC Services rendered by Contractor pursuant to this Agreement. Contractor shall take such action and execute such documents (e.g., CMS Forms 855R and 855I), as may be reasonably necessary or appropriate to effectuate the assignment (or reassignment, as the case may be) to Hospital of all claims, demands and rights of Contractor for any and all NMC Services rendered by Contractor pursuant to this Agreement.

(b) **Cooperation with Billing and Collections.** Contractor shall cooperate with Hospital in the billing and collection of fees with respect to NMC Services rendered by Contractor. Without limiting the generality of the foregoing, Contractor shall cooperate with Hospital in completing such claim forms with respect to NMC Services rendered by Contractor pursuant to this Agreement as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors.

(c) **Hospital as Exclusive Source for Compensation for NMC Services.** Contractor shall seek and obtain compensation for the performance of NMC Services only from Hospital. Contractor shall not, bill, assess or charge any fee, assessment or charge of any type against any Hospital patient or any other person or entity for NMC Services rendered by Contractor pursuant to this Agreement. Contractor shall promptly deliver to Hospital any and all compensation, in whatever form, that is received by Contractor for NMC Services rendered by Contractor pursuant to this Agreement, including any amount received from any Managed Care Organization (as defined below) for NMC Services rendered by Contractor pursuant to this Agreement.

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(d) **Joint and Several Liability.** Hospital and Contractor acknowledge that they will be jointly and severally liable for any Federal Health Care Program overpayments relating to claims with respect to NMC Services furnished by Contractor pursuant to this Agreement. The foregoing is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the Parties' respective indemnification obligations under this Agreement.

(e) **Indemnification for Billing Information.** Contractor hereby agrees to indemnify County, Hospital, its officers, supervisors, trustees, employees and agents, from and against any and all liability, cost, loss, penalty or expense (including, without limitation, attorneys' fees and court costs) incurred by Hospital resulting from negligent acts or negligent omissions of Contractor which result in inaccurate and/or improper billing information furnished by Contractor and relied on by Hospital regarding Professional Services rendered by Contractor to Patients, to the extent such liability, cost, loss, penalty or expense exceeds the amount of payment or reimbursement actually received by Hospital for such services.

2.3 Third Party Payor Arrangements.

(a) Contractor shall cooperate in all reasonable respects necessary to facilitate Hospital's entry into or maintenance of any third party payor arrangements for the provision of services under Federal Health Care Programs or any other public or private health and/or hospital care programs, including insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations.

(b) To enable Hospital or the Clinic to participate in any third party payor arrangement, Contractor shall, not more than ten (10) business days following Hospital's request:

(i) Initiate enrollment as a provider (if required by the third party payor), separate from Hospital and Clinic, with any third party payor or intermediate organization (including any independent practice association) (each, a **"Managed Care Organization"**) designated by Hospital for the provision of Professional Services to Hospital patients covered by such Managed Care Organization;

(ii) Complete any documents (e.g., CAQH Universal Provider Datasource form) as may be reasonably necessary or appropriate to effectuate enrollment;

(iii) Enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision of Professional Services to Hospital patients covered by such Managed Care Organization; and/or

(iv) Enter into a written agreement with Hospital regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of Professional Services to Hospital patients covered by such Managed Care Organization.

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ARTICLE III.
INSURANCE AND INDEMNITY

3.1 Evidence of Coverage. Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies. This verification of coverage shall be sent to Hospital's Medical Staff Office, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and Hospital has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

3.2 Qualifying Insurers. All coverages except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by Hospital's Contracts/Purchasing Director.

3.3 Insurance Coverage Requirements. Without limiting Contractor's duty to indemnify, Contractor shall maintain in effect throughout the term of this Agreement, at Contractor's sole cost and expense, a policy or policies of insurance with the following minimum limits of liability:

(a) **Professional liability insurance**, covering Contractor with coverage of not less than One-Million Dollars ($1,000,000) per physician per occurrence and Three-Million Dollars ($3,000,000) per physician in the aggregate; or such other amount(s) of professional liability insurance as may be required by Article 2.2-1 of Hospital's Medical Staff Bylaws from time to time, to cover liability for malpractice and/or errors or omissions made in the course of rendering services under this Agreement. If any professional liability insurance covering Contractor is procured on a "Claims Made" rather than "Occurrence" basis, then Contractor shall either continue such coverage or obtain extended reporting coverage (**"Tail Coverage"**), as appropriate, upon the occurrence of any of the following: (i) termination or expiration of this Agreement; (ii) change of coverage if such change shall result in a gap in coverage; or (iii) amendment, reduction or other material change in the then existing professional liability coverage of Contractor if such amendment, reduction or other material change will result in a gap in coverage. Any Tail Coverage shall have liability limits in the amount set forth above and shall in all events continue in existence until the greater of: (a) three (3) years or (b) the longest statute of limitations for professional and general liability for acts committed has expired. All insurance required by this Agreement shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact insurance business in the State.

(b) **Commercial general liability insurance**, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence.

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☐ Exemption/Modification (Justification attached; subject to approval).

(c) **Business automobile liability insurance**, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

(d) **Workers' Compensation Insurance**, if Contractor employs others in the performance of this Agreement, in accordance with California Labor Code Section 3700 and with Employer's Liability limits not less than One Million Dollars ($1,000,000) each person, One Million Dollars ($1,000,000) each accident and One Million Dollars ($1,000,000) each disease.

☐ Exemption/Modification (Justification attached; subject to approval).

3.4 Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to Hospital and issued and executed by an admitted insurer authorized to transact insurance business in the State. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three (3) years following the date Contractor completes its performance of services under this Agreement.

Each liability policy shall provide that Hospital shall be given notice in writing at least thirty (30) days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance. The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

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Prior to the execution of this Agreement by Hospital, Contractor shall file certificates of insurance with Hospital's Medical Staff Office, showing that the Contractor has in effect the insurance required by this Agreement. The Contractor shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

Contractor shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by Hospital, annual certificates to Hospital's Medical Staff Office. If the certificate is not received by the expiration date, Hospital shall notify Contractor and Contractor shall have five (5) calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by Contractor to maintain such insurance is a default of this Agreement, which entitles Hospital, at its sole discretion, to terminate the Agreement immediately.

3.5 Right to Offset Insurance Costs.

(a) In the event that Contractor does not purchase or otherwise have the liability insurance set forth in this Section at any time during the term of this Agreement, and without limiting any rights or remedies of County, County may at its option and within its sole discretion provide the liability insurance required by this Section and continue to pay the premiums therefor. If Contractor does not promptly reimburse all such amounts, then County shall have the right to withhold and offset the compensation due to Contractor under this Agreement, in addition to such other rights or privileges as County may have at law or in equity.

(b) The County's option to provide such insurance and to offset the compensation otherwise due to the Contractor shall also apply to the "Tail Coverage" referenced in Section 3.3, including for general liability if during the term of the Agreement such coverage has been written on a claims made basis, which is required to remain effective after the expiration or termination of this Agreement for any reason.

3.6 Indemnification.

(a) **Indemnification by Contractor.** Contractor shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with Contractor's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "Contractor's performance" includes Contractor's acts or omissions and the acts or omissions of Contractor's officers, employees, agents and subcontractors.

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(b) **Indemnification by County.** County agrees to defend, indemnify, and hold harmless Contractor, to the extent permitted by applicable law, from and against any and all claims and losses whatsoever accruing or resulting to any person, firm or corporation for damages, injury or death arising out of or connected with any negligent act or omission or willful misconduct of County or any of its agents or employees.

3.7 Indemnification for Timely Payment of Tax Contributions. It is expressly agreed by the Parties hereto that no work, act, commission or omission of Contractor shall be construed to make or render Contractor the agent, employee or servant of County. Contractor agrees to indemnify, defend and hold harmless County and Hospital from and against any and all liability, loss, costs or obligations (including, without limitation, interest, penalties and attorney's fees in defending against the same) against County or Hospital based upon any claim that Contractor has failed to make proper and timely payment of any required tax contributions for itself, its employees, or its purported agents or independent contractors.

3.8 Hospital Services. Hospital shall retain professional and administrative responsibility for the operation of the Hospital and/or Clinic, as and to the extent required by Title 22, California Code of Regulations, Section 70713. Hospital's retention of such responsibility is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the obligations of Contractor under this Agreement, including, without limitation, the obligations under the insurance and indemnification provisions set forth in this Article III.

3.9 Survival of Obligations. The Parties' obligations under this Article III shall survive the expiration or termination of this Agreement for any reason.

ARTICLE IV.
RELATIONSHIP BETWEEN THE PARTIES

4.1 Independent Contractor.

(a) Contractor is and shall at all times be an independent contractor with respect to Hospital in the performance of Contractor's obligations under this Agreement. Nothing in this Agreement shall be construed to create an employer/employee, joint venture, partnership, lease or landlord/tenant relationship between Hospital and Contractor. Contractor shall not hold himself or herself out as an officer, agent or employee of Hospital, and shall not incur any contractual or financial obligation on behalf of Hospital without Hospital's prior written consent.

(b) If the Internal Revenue Service (**"IRS"**) or any other governmental agency should inquire about, question or challenge the independent contractor status of Contractor with respect to County, the Parties hereto mutually agree that: (i) each shall inform the other Party hereto of such inquiry or challenge; and (ii) County and Contractor shall each have the right to participate in any discussion or negotiation occurring with the taxing agency, regardless of who initiated such discussions or negotiations. In the event the taxing agency concludes that an independent contractor relationship does not exist, County may terminate this Agreement

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effective immediately upon written notice. In the event of such termination, the Parties remain free to negotiate an employer/employee contract.

4.2 Limitation on Control. Hospital shall neither have nor exercise any control or direction over Contractor's professional medical judgment or the methods by which Contractor performs professional medical services; provided, however, that Contractor shall be subject to and shall at all times comply with the Protocols and the bylaws, guidelines, policies and rules applicable to other members of the Medical Staff.

4.3 Practice of Medicine. Contractor and Hospital acknowledge that Hospital is neither authorized nor qualified to engage in any activity which may be construed or deemed to constitute the practice of medicine. To the extent that any act or service required of, or reserved to, Hospital in this Agreement is construed or deemed to constitute the practice of medicine, the performance of such act or service by Hospital shall be deemed waived or unenforceable, unless this Agreement can be amended to comply with the law, in which case the Parties shall make such amendment.

4.4 No Benefit Contributions. Hospital shall have no obligation under this Agreement to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Contractor or any other person employed or retained by Contractor. Notwithstanding the foregoing, if Hospital determines or is advised that it is required by law to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Contractor or any other person employed or retained by Contractor, Contractor shall reimburse Hospital for any such expenditure within thirty (30) calendar days after being notified of such expenditure.

4.5 Referrals. Contractor shall be entitled to refer patients to any hospital or other health care facility or provider deemed by Contractor best qualified to deliver medical services to any particular patient; provided, however, that Contractor shall not refer any Hospital patient to any provider of health care services which Contractor knows or should have known is excluded or suspended from participation in, or sanctioned by, any state or Federal Health Care Program. Nothing in this Agreement or in any other written or oral agreement between Hospital and Contractor, nor any consideration offered or paid in connection with this Agreement, contemplates or requires the admission or referral of any patients or business to Hospital or any Affiliate. In the event that any governmental agency, any court or any other judicial body of competent jurisdiction, as applicable, issues an opinion, ruling or decision that any payment, fee or consideration provided for hereunder is made or given in return for patient referrals, either Party may at its option terminate this Agreement with three (3) days' notice to the other Party. Contractor's rights under this Agreement shall not be dependent in any way on the referral of patients or business to Hospital or any Affiliate by Contractor or any person employed or retained by Contractor.

4.6 Form 1099 or W-2. If required to do so under applicable law, Hospital shall issue an Internal Revenue Service Form 1099 or Form W-2 to Contractor.

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4.7 Contractor Compensation Arrangements. Contractor represents and warrants to Hospital that the compensation paid or to be paid by Contractor to any physician is and will at all times be fair market value for services and items actually provided by such physician, not taking into account the value or volume of referrals or other business generated by such physician for Hospital or any Affiliate. Contractor further represents and warrants to Hospital that Contractor has and will at all times maintain a written agreement with each physician receiving compensation from Contractor.

4.8 Cooperation.

(a) The Parties recognize that, during the term of this Agreement and for an undetermined time period thereafter, certain risk management issues, legal issues, claims or actions may arise that involve or could potentially involve the Parties and their respective employees and agents. The Parties further recognize the importance of cooperating with each other in good faith when such issues, claims or actions arise, to the extent such cooperation does not violate any applicable laws, cause the breach of any duties created by any policies of insurance or programs of self-insurance, or otherwise compromise the confidentiality of communications or information regarding the issues, claims or actions. As such, the Parties hereby agree to cooperate in good faith, using their best efforts, to address such risk management and legal issues, claims, or actions.

(b) The Parties further agree that if a controversy, dispute, claim, action or lawsuit (each, an **"Action"**) arises with a third party wherein both the Parties are included as defendants, each Party shall promptly disclose to the other Party in writing the existence and continuing status of the Action and any negotiations relating thereto. Each Party shall make every reasonable attempt to include the other Party in any settlement offer or negotiations. In the event the other Party is not included in the settlement, the settling Party shall immediately disclose to the other Party in writing the acceptance of any settlement and terms relating thereto, if allowed by the settlement agreement.

(c) Contractor shall cooperate with the individual designated by Hospital to have principal responsibility for the administration and operation of the Hospital and/or Clinic. Such cooperation shall include supervision, selection, assignment, and evaluation of personnel; management and direction of equipment maintenance; development of budgets; and oversight of the acquisition of materials, supplies, and equipment.

(d) Contractor shall assist Hospital, as reasonably requested by Hospital, in Hospital's compliance with applicable laws and the standards, requirements, guidelines and recommendations of any governing or advisory body having authority to set standards relating to the operation of Hospital, or any nationally recognized accrediting organization that Hospital designates from time to time.

4.9 Contractor's Performance. County or Hospital, at its option and within its sole discretion, may seek evaluation of contractual performance by requesting input from Hospital's Medical Director/Chief Medical Officer and from other professionals within Hospital.

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4.10 Right of Inspection. Upon reasonable prior written notice, Hospital and County officials and their designees may inspect the books and records of Contractor which are necessary to determine that work performed by Contractor to patients hereunder is in accord with the requirements of this Agreement. Such inspection shall be made in a manner so as not to disrupt the operations of Hospital or Contractor.

4.11 Access to and Audit of Records. Hospital shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the Contractor and its subcontractors related to services provided under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of Ten Thousand Dollars ($10,000), the Parties may be subject, at the request of Hospital or as part of any audit of Hospital, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three (3) years after final payment under the Agreement.

ARTICLE V.
TERM AND TERMINATION

5.1 Term. This Agreement shall become effective on October 1, 2025 (the **"Effective Date"**), and shall continue until September 30, 2027 (the **"Expiration Date"**), subject to the termination provisions of this Agreement.

5.2 Termination by Hospital. Hospital shall have the right to terminate this Agreement upon the occurrence of any one or more of the following events:

(a) breach of this Agreement by Contractor where the breach is not cured within thirty (30) calendar days after Hospital gives written notice of the breach to Contractor;

(b) death or permanent disability of Contractor;

(c) Contractor's voluntary retirement from the practice of medicine;

(d) neglect of professional duty by Contractor in a manner that violates Hospital's policies, rules or regulations;

(e) Contractor is unable or reasonably expected to be unable to provide the Services for any reason for a period in excess of thirty (30) consecutive days or sixty (60) days in the aggregate over any three (3) month period;

(f) Contractor's clinical privileges or medical staff membership at any hospital are denied, suspended, terminated, restricted, revoked or relinquished for any reason, whether voluntarily or involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(g) Contractor's license to practice medicine in the State is restricted, suspended or terminated, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

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(h) Contractor for any reason is not a member in good standing in the "active staff" category of the Medical Staff or does not hold all clinical privileges at Hospital necessary for Contractor's performance of the Services or Contractor is the subject of one or more investigations, proceedings or peer review or other disciplinary actions by the Medical Staff;

(i) Contractor is charged with or convicted of a criminal offense;

(j) Contractor's performance of this Agreement, in the sole determination of Hospital, jeopardizes the mental or physical health or well-being of patients of Hospital;

(k) Contractor is debarred, suspended, excluded or otherwise ineligible to participate in any state or Federal Health Care Program or state equivalent;

(l) Contractor acts, or causes another person to act, in a manner which conflicts with or violates the Code;

(m) breach by Contractor of any HIPAA Obligation (as defined in **Exhibit 6.3**);

(n) Contractor makes an assignment for the benefit of creditors, admits in writing the inability to pay his or her debts as they mature, applies to any court for the appointment of a trustee or receiver over his or her assets, or upon commencement of any voluntary or involuntary proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution liquidation or other similar law of any jurisdiction;

(o) the insurance required to be maintained by Contractor under this Agreement is terminated, reduced below the minimum coverage requirements set forth in this Agreement, not renewed or cancelled (whether by action of the insurance company or Contractor) for any reason, and Contractor has not obtained replacement coverage as required by this Agreement prior to the effective date of such termination, reduction, non-renewal or cancellation;

(p) Contractor is rendered unable to comply with the terms of this Agreement for any reason; or

(q) upon a sale of all or substantially all assets comprising Hospital's acute care hospital facility, any change of control in Hospital's organization, or any change in control of its day to day operations, whether through a membership change or by management contract. Hospital shall notify Contractor in writing of such sale or change of control at least thirty (30) days prior to the closing date of any such sale or the effective date of any such change of control.

5.3 Termination by Contractor. Contractor shall have the right to terminate this Agreement upon breach of this Agreement by Hospital where the breach is not cured within thirty (30) calendar days after Contractor gives written notice of the breach to Hospital.

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5.4 Termination or Modification in the Event of Government Action.

(a) If the Parties receive notice of any Government Action, the Parties shall attempt to amend this Agreement in order to comply with the Government Action.

(b) If the Parties, acting in good faith, are unable to make the amendments necessary to comply with the Government Action, or, alternatively, if either Party determines in good faith that compliance with the Government Action is impossible or infeasible, this Agreement shall terminate ten (10) calendar days after one Party notices the other of such fact.

(c) For the purposes of this Section, **"Government Action"** shall mean any legislation, regulation, rule or procedure passed, adopted or implemented by any federal, state or local government or legislative body or any private agency, or any notice of a decision, finding, interpretation or action by any governmental or private agency, court or other third party which, in the opinion of counsel to Hospital, because of the arrangement between the Parties pursuant to this Agreement, if or when implemented, would:

(i) revoke or jeopardize the status of any health facility license granted to Hospital or any Affiliate of Hospital;

(ii) revoke or jeopardize the federal, state or local tax-exempt status of Hospital or any Affiliate of Hospital, or their respective tax-exempt financial obligations;

(iii) prevent Contractor from being able to access and use the facilities of Hospital or any Affiliate of Hospital;

(iv) constitute a violation of 42 U.S.C. Section 1395nn (commonly referred to as the Stark law) if Contractor referred patients to Hospital or any Affiliate of Hospital;

(v) prohibit Hospital or any Affiliate of Hospital from billing for services provided to patients referred to by Contractor;

(vi) subject Hospital or Contractor, or any Affiliate of Hospital, or any of their respective employees or agents, to civil or criminal prosecution (including any excise tax penalty under Internal Revenue Code Section 4958), on the basis of their participation in executing this Agreement or performing their respective obligations under this Agreement; or

(vii) jeopardize Hospital's full accreditation with any accrediting organization as Hospital designates from time to time.

(d) For the purposes of this Agreement, **"Affiliate"** shall mean any entity which, directly or indirectly, controls, is controlled by or is under common control with Hospital.

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5.5 Termination without Cause. Either Party may terminate this Agreement without cause, expense or penalty, effective sixty (60) calendar days after written notice of termination is given to the other Party.

5.6 Effect of Termination or Expiration. Upon any termination or expiration of this Agreement:

(a) All rights and obligations of the Parties shall cease except: (i) those rights and obligations that have accrued and remain unsatisfied prior to the termination or expiration of this Agreement; (ii) those rights and obligations which expressly survive termination or expiration of this Agreement; and (iii) Contractor's obligation to continue to provide services to Hospital patients under Contractor's care at the time of expiration or termination of this Agreement, until the patient's course of treatment is completed or the patient is transferred to the care of another physician.

(b) Contractor shall not do anything or cause any other person to do anything that interferes with Hospital's efforts to engage any other person or entity for the provision of the Services, or interfere in any way with any relationship between Hospital and any other person or entity who may be engaged to provide the Services to Hospital.

(c) Contractor shall not have any right to a "fair hearing" or any other similar rights or procedures under the Medical Staff bylaws or otherwise.

(d) This Section 5.6 shall survive the expiration or termination for any reason of this Agreement.

5.7 Return of Property. Upon any termination or expiration of this Agreement, Contractor shall immediately return to Hospital all of Hospital's property, including Hospital's equipment, supplies, furniture, furnishings and patient records, which is in Contractor's possession or under Contractor's control.

5.8 Termination or Amendment in Response to Reduction of Government Funding. Notwithstanding any other provision of this Agreement, if Federal, State or local government terminates or reduces its funding to the County for services that are to be provided under this Agreement, County, in its sole and absolute discretion after consultation with the Contractor, may elect to terminate this Agreement by giving written notice of termination to Contractor effective immediately or on such other date as County specifies in the notice. Alternatively, County and Contractor may mutually agree to amend the Agreement in response to a reduction in Federal, State or local funding.

ARTICLE VI.
GENERAL PROVISIONS

6.1 Amendment. This Agreement may be modified or amended only by mutual written agreement of the Parties. Any such modification or amendment must be in writing, dated and signed by the Parties and attached to this Agreement.

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6.2 Assignment. Except for assignment by Hospital to an entity owned, controlled by, or under common control with Hospital, neither Party may assign any interest or obligation under this Agreement without the other Party's prior written consent. Subject to the foregoing, this Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns.

6.3 Compliance with HIPAA. Contractor shall comply with the obligations under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d et seq.), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and all rules and regulations promulgated thereunder (collectively, **"HIPAA,"** the obligations collectively referred to herein as **"HIPAA Obligations"**), as set forth in **Exhibit 6.3**. The HIPAA Obligations shall survive the expiration or termination of this Agreement for any reason.

6.4 Compliance with Laws and Accreditation. Contractor shall comply with all applicable laws, ordinances, codes and regulations of federal, state and local governments (collectively, **"Laws"**) applicable to Contractor, the provision of the Services, or the obligations of Contractor under this Agreement, including without limitation laws that require Contractor to disclose any economic interest or relationship with Hospital, the Emergency Medical Treatment and Active Labor Act and the rules and regulations thereunder (**"EMTALA"**), and California Health and Safety Code Section 1317 and the rules and regulations thereunder (**"Health and Safety Code §1317"**). Contractor shall perform and handle all patient transfers and reports in accordance with applicable Laws, including EMTALA, and Health and Safety Code §1317. Contractor shall take actions necessary to ensure that the Hospital and/or Clinic are operated in accordance with: all requirements of a nationally recognized accrediting organization that Hospital designates from time to time, all applicable licensing requirements, and all other relevant requirements promulgated by any federal, state or local agency.

6.5 Compliance with Medicare Rules. To the extent required by law or regulation, Contractor shall make available, upon written request from Hospital, the Secretary of Health and Human Services, the Comptroller General of the United States, or any other duly authorized agent or representative, this Agreement and Contractor's books, documents and records. Contractor shall preserve and make available such books, documents and records for a period of ten (10) years after the end of the term of this Agreement, or the length of time required by state or federal law. If Contractor is requested to disclose books, documents or records pursuant to this Section for any purpose, Contractor shall notify Hospital of the nature and scope of such request, and Contractor shall make available, upon written request of Hospital, all such books, documents or records. Contractor shall indemnify and hold harmless Hospital if any amount of reimbursement is denied or disallowed because of Contractor's failure to comply with the obligations set forth in this Section. Such indemnity shall include, but not be limited to, the amount of reimbursement denied, plus any interest, penalties and legal costs. This Section shall survive the expiration or termination for any reason of this Agreement.

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6.6 Confidential Information.

(a) During the term of this Agreement, Contractor may have access to and become acquainted with Trade Secrets and Confidential Information of Hospital. **"Trade Secrets"** includes information and data relating to payor contracts and accounts, clients, patients, patient groups, patient lists, billing practices and procedures, business techniques and methods, strategic plans, operations and related data. **"Confidential Information"** includes Trade Secrets and any information related to the past, current or proposed operations, business or strategic plans, financial statements or reports, technology or services of Hospital or any Affiliate that Hospital discloses or otherwise makes available in any manner to Contractor, or to which Contractor may gain access in the performance of the Services under this Agreement, or which Contractor knows or has reason to know is confidential information of Hospital or any Affiliate; whether such information is disclosed orally, visually or in writing, and whether or not bearing any legend or marking indicating that such information or data is confidential. By way of example, but not limitation, Confidential Information includes any and all know-how, processes, manuals, confidential reports, procedures and methods of Hospital, any Hospital patient's individually identifiable health information (as defined under HIPAA), and any information, records and proceedings of Hospital and/or Medical Staff committees, peer review bodies, quality committees and other committees or bodies charged with the evaluation and improvement of the quality of care. Confidential Information also includes proprietary or confidential information of any third party that may be in Hospital's or any Affiliate's possession.

(b) Confidential Information shall be and remain the sole property of Hospital, and shall, as applicable, be proprietary information protected under the Uniform Trade Secrets Act. Contractor shall not use any Confidential Information for any purpose not expressly permitted by this Agreement, or disclose any Confidential Information to any person or entity, without the prior written consent of Hospital. Contractor shall protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Contractor protects his or her own confidential or proprietary information of a similar nature and with no less than reasonable care. All documents that Contractor prepares, or Confidential Information that might be given to Contractor in the course of providing Services under this Agreement, are the exclusive property of Hospital, and, without the prior written consent of Hospital, shall not be removed from Hospital's premises.

(c) Contractor shall return to Hospital all Confidential Information and all copies thereof in Contractor's possession or control, and permanently erase all electronic copies of such Confidential Information, promptly upon the written request of Hospital, or the termination or expiration of this Agreement. Contractor shall not copy, duplicate or reproduce any Confidential Information without the prior written consent of Hospital.

(d) This Section shall survive the expiration or termination of this Agreement.

6.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

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6.8 Disclosure of Interests. Contractor shall provide to Hospital, as requested by Hospital from time to time, information sufficient to disclose any ownership, investment or compensation interest or arrangement of Contractor, or any of Contractor's immediate family members, in any entity providing "designated health services" (as such term is defined in the Stark Law (42 U.S.C. Section 1395nn) and its regulations) or any other health care services. This Section shall not impose on Hospital any disclosure or reporting requirements or obligations imposed on Contractor under any governmental program or create an assumption of such disclosure obligations by Hospital. Contractor shall have the sole responsibility to fulfill any such federal and/or state reporting requirements or obligations.

6.9 Dispute Resolution. In the event of any dispute, controversy, claim or disagreement arising out of or related to this Agreement or the acts or omissions of the Parties with respect to this Agreement (each, a **"Dispute"**), the Parties shall resolve such Dispute as follows:

(a) **Meet and Confer.** The Parties shall, as soon as reasonably practicable, but in no case more than ten (10) days after one Party gives written notice of a Dispute to the other Party (the **"Dispute Notice"**), meet and confer in good faith regarding such Dispute at such time and place as mutually agreed upon by the Parties (the **"Meet and Confer"**). The obligation to conduct a Meet and Confer pursuant to this Section does not obligate either Party to agree to any compromise or resolution of the Dispute that such Party does not determine, in its sole and absolute discretion, to be a satisfactory resolution of the Dispute. The Meet and Confer shall be considered a settlement negotiation for the purpose of all applicable Laws protecting statements, disclosures or conduct in such context, and any offer in compromise or other statements or conduct made at or in connection with any Meet and Confer shall be protected under such Laws.

(b) **Arbitration.** If any Dispute is not resolved to the mutual satisfaction of the Parties within ten (10) business days after delivery of the Dispute Notice (or such other period as may be mutually agreed upon by the Parties in writing), the Parties shall submit such Dispute to arbitration conducted by Judicial Arbitration and Mediation Services, Inc. (**"JAMS"**), or other arbitration and/or mediation services company as agreed to by the Parties, in accordance with the following rules and procedures:

(i) Each Party may commence arbitration by giving written notice to the other Party demanding arbitration (the **"Arbitration Notice"**). The Arbitration Notice shall specify the Dispute, the particular claims and/or causes of actions alleged by the Party demanding arbitration, and the factual and legal basis in support of such claims and/or causes of action.

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(ii) The arbitration shall be conducted in the County in which the Hospital is located and in accordance with the commercial arbitration rules and procedures of JAMS (or other arbitration company as mutually agreed to by the Parties) to the extent such rules and procedures are not inconsistent with the provisions set forth in this Section. In the event of a conflict between any rules and/or procedures of JAMS (or other arbitration company as mutually agreed to by the Parties) and the rules and/or procedures set forth in this Section, the rules and/or procedures set forth in this Section shall govern.

(iii) The arbitration shall be conducted before a single impartial retired member of the JAMS panel of arbitrators (or panel of arbitrators from such other arbitration company as mutually agreed to by the Parties) covering the County in which the Hospital is located (the **"Panel"**). The Parties shall use their good faith efforts to agree upon a mutually acceptable arbitrator within thirty (30) days after delivery of the Arbitration Notice. If the Parties are unable to agree upon a mutually acceptable arbitrator within such time period, then each Party shall select one arbitrator from the Panel, and those arbitrators shall select a single impartial arbitrator from the Panel to serve as arbitrator of the Dispute.

(iv) The Parties expressly waive any right to any and all discovery in connection with the arbitration; provided, however, that each Party shall have the right to conduct no more than two (2) depositions and submit one set of interrogatories with a maximum of forty (40) questions, including subparts of such questions.

(v) The arbitration hearing shall commence within thirty (30) days after appointment of the arbitrator. The substantive internal law (and not the conflict of laws) of the State shall be applied by the arbitrator to the resolution of the Dispute, and the Evidence Code of the State shall apply to all testimony and documents submitted to the arbitrator. The arbitrator shall have no authority to amend or modify the limitation on the discovery rights of the Parties or any of the other rules and/or procedures set forth in this Section. As soon as reasonably practicable, but not later than thirty (30) days after the arbitration hearing is completed, the arbitrator shall arrive at a final decision, which shall be reduced to writing, signed by the arbitrator and mailed to each of the Parties and their respective legal counsel.

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(vi) Any Party may apply to a court of competent jurisdiction for entry and enforcement of judgment based on the arbitration award. The award of the arbitrator shall be final and binding upon the Parties without appeal or review except as permitted by the Arbitration Act of the State.

(vii) The fees and costs of JAMS (or other arbitration company as mutually agreed to by the Parties) and the arbitrator, including any costs and expenses incurred by the arbitrator in connection with the arbitration, shall be borne equally by the Parties, unless otherwise agreed to by the Parties.

(viii) Except as set forth in Section 6.9(b)(vii), each Party shall be responsible for the costs and expenses incurred by such Party in connection with the arbitration, including its own attorneys' fees and costs; provided, however, that the arbitrator shall require one Party to pay the costs and expenses of the prevailing Party, including attorneys' fees and costs and the fees and costs of experts and consultants, incurred in connection with the arbitration if the arbitrator determines that the claims and/or position of a Party were frivolous and without reasonable foundation.

(c) **Waiver of Injunctive or Similar Relief.** The Parties hereby waive the right to seek specific performance or any other form of injunctive or equitable relief or remedy arising out of any Dispute, except that such remedies may be utilized for purposes of enforcing this Section and sections governing Confidential Information, Compliance with HIPAA, Compliance with Laws and Accreditation and Compliance with Medicare Rules of this Agreement. Except as expressly provided herein, upon any determination by a court or by an arbitrator that a Party has breached this Agreement or improperly terminated this Agreement, the other Party shall accept monetary damages, if any, as full and complete relief and remedy, to the exclusion of specific performance or any other form of injunctive or equitable relief or remedy.

(d) **Injunctive or Similar Relief.** Notwithstanding anything to the contrary in this Section, the Parties reserve the right to seek specific performance or any other form of injunctive relief or remedy in any state or federal court located within the County in which the Hospital is located for purposes of enforcing this Section and sections governing Confidential Information, Compliance with HIPAA, Compliance with Laws and Accreditation and Compliance with Medicare Rules of this Agreement. Contractor hereby consents to the jurisdiction of any such court and to venue therein, waives any and all rights under the Laws of any other state to object to jurisdiction within the State, and consents to the service of process in any such action or proceeding, in addition to any other manner permitted by applicable Law, by compliance with the notices provision of this Agreement. The non-prevailing Party in any such action or proceeding shall pay to the prevailing Party reasonable fees and costs incurred in such action or proceeding, including attorneys' fees and costs and the fees and costs of experts and consultants. The prevailing Party shall be the Party who is entitled to recover its costs of suit (as determined by the court of competent jurisdiction), whether or not the action or proceeding proceeds to final judgment or award.

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(e) **Survival.** This Section shall survive the expiration or termination of this Agreement.

6.10 Entire Agreement. This Agreement is the entire understanding and agreement of the Parties regarding its subject matter, and supersedes any prior oral or written agreements, representations, understandings or discussions between the Parties. No other understanding between the Parties shall be binding on them unless set forth in writing, signed and attached to this Agreement.

6.11 Exhibits. The attached exhibits, together with all documents incorporated by reference in the exhibits, form an integral part of this Agreement and are incorporated into this Agreement wherever reference is made to them to the same extent as if they were set out in full at the point at which such reference is made.

6.12 Force Majeure. Neither Party shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's control, including acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each Party shall use its good faith efforts to perform its duties and obligations under this Agreement.

6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State.

6.14 Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

6.15 Litigation Consultation. Contractor shall not accept consulting assignments or otherwise contract, agree, or enter into any arrangement to provide expert testimony or evaluation on behalf of a plaintiff in connection with any claim against Hospital or any Affiliate named, or expected to be named as a defendant. Contractor shall not accept similar consulting assignments if (a) the defendants or anticipated defendants include a member of the medical staff of Hospital or any Affiliate, and (b) the matter relates to events that occurred at Hospital or any Affiliate; provided, however, the provisions of this Section shall not apply to situations in which Contractor served as a treating physician.

6.16 Master List. The Parties acknowledge and agree that this Agreement, together with any other contracts between Hospital and Contractor, will be included on the master list of physician contracts maintained by Hospital.

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6.17 Meaning of Certain Words. Wherever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa. Unless otherwise specified: (i) "days" shall be considered "calendar days;" (ii) "months" shall be considered "calendar months;" and (iii) "including" means "including, without limitation" in this Agreement and its exhibits and attachments.

6.18 No Conflicting Obligations. Contractor represents and warrants that the execution and delivery of this Agreement and the performance of his or her obligations hereunder do not and will not: (a) present a conflict of interest or materially interfere with the performance of Contractor's duties under any other agreement or arrangement; or (b) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice and/or lapse of time, would constitute a default) under, terminate, accelerate the performance required by, or result in a right of termination or acceleration under any of the terms, conditions or provisions of any other agreement, indebtedness, note, bond, indenture, security or pledge agreement, license, franchise, permit, or other instrument or obligation to which Contractor is a party or by which Contractor is bound. Contractor shall immediately inform Hospital of any other agreements to which Contractor is a party that may present a conflict of interest or materially interfere with performance of Contractor's duties under this Agreement.

6.19 No Third Party Beneficiary Rights. The Parties do not intend to confer and this Agreement shall not be construed to confer any rights or benefits to any person, firm, group, corporation or entity other than the Parties.

6.20 Notices. All notices or communications required or permitted under this Agreement shall be given in writing and delivered personally or sent by United States registered or certified mail with postage prepaid and return receipt requested or by overnight delivery service (e.g., Federal Express, DHL). Notice shall be deemed given when sent, if sent as specified in this Section, or otherwise deemed given when received. In each case, notice shall be delivered or sent to:

If to Hospital, addressed to:

NATIVIDAD MEDICAL CENTER
1441 Constitution Blvd., Bldg. 300
Salinas, California 93906
Attention: * Physician Services

If to Contractor, addressed to:

MOHAMED KERALA SERIO, M.D.
25990 Rotunda Drive
Carmel, CA 92923
Attn: Dr. Serio

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6.21 Participation in Federal Health Care Programs. Contractor hereby represents that Contractor is not debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program.

6.22 Representations. Each Party represents with respect to itself that: (a) no representation or promise not expressly contained in this Agreement has been made by any other Party or by any Parties' agents, employees, representatives or attorneys; (b) this Agreement is not being entered into on the basis of, or in reliance on, any promise or representation, expressed or implied, other than such as are set forth expressly in this Agreement; and (c) Party has been represented by legal counsel of Party's own choice or has elected not to be represented by legal counsel in this matter.

6.23 Severability. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and such severance shall have no effect upon the enforceability of the remainder of this Agreement.

6.24 Statutes and Regulations. Any reference in this Agreement to any statute, regulation, ruling, or administrative order or decree shall include, and be a reference to any successor statute, regulation, ruling, or administrative order or decree.

6.25 Waiver. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a Party must be in writing to be effective, and shall apply solely to the specific instance expressly stated.

[*signature page follows*]

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The Parties have executed this Agreement on the date first above written, and signify their agreement with duly authorized signatures.

CONTRACTOR

MOHAMED KERALA SERIO, M.D., an Individual

Signed by:
Mohamed kerala Serio
B1A142AA1FE04CA...

Date: 8/29/2025 | 3:15 PM PDT

NATIVIDAD MEDICAL CENTER

_____ Date: _____
Deputy Purchasing Agent

APPROVED AS TO LEGAL PROVISIONS:

DocuSigned by:
Stacy Saetta
C0ECE1B99F444A9...

Date: 8/29/2025 | 3:42 PM PDT

Stacy Saetta, Deputy County Counsel

APPROVED AS TO FISCAL PROVISIONS:

DocuSigned by:
Patricia Ruiz
E79EF64E57454E6...

Date: 9/2/2025 | 8:44 AM PDT

Deputy Auditor/Controller

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Exhibit 1.2

TEACHING SERVICES TO BE PROVIDED BY CONTRACTOR

Contractor shall:

1. supervise patient care in a constructive and supportive way;

2. demonstrate effective interviewing, physical examination, procedures, use of diagnostic and therapeutic interventions, and medical records documentation;

3. create a professional role model; and

4. evaluate resident performance in a meaningful, objective fashion.

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Exhibit 1.3

ADDITIONAL SERVICES TO BE PROVIDED BY CONTRACTOR

Contractor shall:

1. provide teaching, educational or training services, as reasonably requested by Hospital;

2. participate in utilization review programs, as reasonably requested by Hospital;

3. participate in risk management, quality assurance and peer review programs, as reasonably requested by Hospital;

4. accept third party insured patients and referrals of patients which are made by members of the Medical Staff, subject only to the limitations of scheduling and Contractor's professional qualifications;

5. assist Hospital in monitoring and reviewing the clinical performance of health care professionals who provide services to Hospital's patients; including reviewing incident reports and patient satisfaction studies relevant to the Specialty, and assisting Hospital in implementing any necessary corrective actions to address any issues identified during the course of such review;

6. assist in monitoring the performance of those professionals who are not meeting Hospital quality and/or performance standards, including, without limitation, direct observation of the provision of care by such professionals, and in disciplining any professionals who continue poor performance, recognizing that the Hospital Board of Directors is ultimately responsible for maintaining the standards of care provided to patients;

7. assist Hospital management with all preparation for, and conduct of, any inspections and on-site surveys of Hospital or Clinic conducted by governmental agencies or accrediting organizations;

8. cooperate with Hospital in all litigation matters affecting Contractor or Hospital, consistent with advice from Contractor's legal counsel;

9. cooperate and comply with Hospital's policies and procedures which are pertinent to patient relations, quality assurance, scheduling, billing, collections and other administrative matters and cooperate with Hospital's efforts to bill and collect fees for services rendered to Hospital's patients. All business transactions related to the Services provided by Contractor, such as enrollment, verification and billings, shall be conducted by and in the name of Hospital; and

10. assist Hospital in developing, implementing and monitoring a program by which quality measures are reportable to Hospital with respect to the Specialty.

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Exhibit 1.8

CONTRACTOR'S MONTHLY TIME REPORT

(See attached.)

Natividad MEDICAL CENTER

Accurately document all time in quarter hour (.25 hour) increments. Do not exceed 24 hours in a single day.
Directions and examples are located on back of timesheet.

Name:
Employee #:
Dept Name:
Cost Center:
Period Ending:

			Direct			Hospital Administrations and Teaching Services							Other Admin		Non-billable Activities				Total
			00001			00002	00003	00004	00005	00006	00007	00008	00009		00010		00011	00012	
			Direct Patient Care Services												Non-Productive Hrs				
			Sched. IP/ OP Care (PR)	In House On-Call (PR)	Off-Site Call (PR)	Supervision & Training of Nurses & Techs, etc.	Utilization Review and Other Committee Meetings	Quality Control, Medical Review, Autopsy	Supervision of Interns and Residents	Teaching of Interns & Residents	Teaching & Supervision of Allied Hlth Professionals	Other Administrative (specify)	CME (PR)	Conferences and Training (PR)	Paid Time Off (Sick/ Vacation) (PR)	Holiday (PR)	Research	Other Non-Billable Activities (specify)	TOTAL HOURS
1	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
2	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
3	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
4	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
5	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
6	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
7	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
8	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
9	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
10	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
11	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
12	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
13	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
14	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	

SIGN IN BLUE INK

I certify that the above information is a true and accurate statement of the hours and locations indicated.

Provider: _____

Telephone Number: _____ Date: _____

SIGN IN BLUE INK

I certify that the hours and types of service shown below are correct and that the employee performed satisfactorily, meeting all requirements.

Service Director: _____

Telephone Number: _____ Date: _____

REV. 4/20/2011

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Natividad
Inspiring healthy lives

MEDICAL STAFF POLICY

Title: Practitioner Code of Conduct	**Number:** MSP004-2 BOT Approval: 1/2023
Standard: Medical Staff (MS)	MEC Approval: 12/22 Responsible: Medical Staff Services Manager

As a member of the Medical Staff or an Advanced Practice Professional (APP) of Natividad (collectively Practitioners), you must acknowledge that the ability of Practitioners and Natividad employees to jointly deliver high quality health care depends significantly upon their ability to communicate well, collaborate effectively, and work as a team, recognizing that patients, family members, visitors, colleagues and Natividad staff members must be treated in a dignified and respectful manner at all times.

ARTICLE VII.POLICY

In keeping with the accepted standards of the health care profession as evidenced by the Hippocratic Oath, the Code of Ethics of the American Medical Association (AMA) and other professional societies, and the values of Natividad, Practitioners are leaders in maintaining professional standards of behavior. In keeping with this responsibility to maintain professional standards of behavior at Natividad, Practitioners:

1. Facilitate effective patient care by consistent, active, and cooperative participation as members of the Natividad health care team.

2. Recognize the individual and independent responsibilities of all other members of the Natividad health care team and their right to independently advocate on behalf of the patient.

3. Maintain respect for the dignity and sensitivities of patients and families, as well as colleagues, Natividad employees, and all other health care professionals.

4. Participate in the Medical Staff quality assessment and peer review activities, and in organizational performance improvement activities.

5. Reflect positively upon the reputation of the health care profession, the Medical Staff, and Natividad in their language, action, attitude, and behavior.

6. Commit and contribute to the overall educational mission of Natividad and promote an effective, inclusive, equitable and supportive clinical learning environment.

Behaviors of Practitioners which do not meet the professional behavior standards established in this Code of Conduct (Code) shall be referred to as Disruptive or Unprofessional Behavior.

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Disruptive or Unprofessional Behavior by Practitioners exhibited on the premises of Natividad, whether or not the Practitioner is on duty or functioning in his/her professional capacity, are subject to this Code.

ARTICLE VIII.EXAMPLES OF PROFESSIONAL BEHAVIOR

Practitioners are expected to exhibit professional behavior at Natividad, consistent with this Code, as follows:

1. Be consistently available with cooperative and timely responsiveness to appropriate requests from physicians, nurses, and all other members of the Natividad health care team in patient care and other professional responsibilities.

2. Provide for and communicate alternate coverage arrangements to assure the continuity and quality of care.

3. Demonstrate language, action, attitude, and behavior which consistently convey to patients, families, colleagues, and all other members of the Natividad health care team a sense of compassion and respect for human dignity.

4. Understand and accept individual cultural differences.

5. Maintain appropriate, timely, and legible medical record entries which enable all Natividad professionals to understand and effectively participate in a cohesive plan of management to assure continuity, quality, and efficiency of care and effective post-discharge planning and follow-up.

6. Respect the right of patients, families, or other designated surrogates to participate in an informed manner in decisions pertaining to patient care.

7. Treat patients and all persons functioning in any capacity within Natividad with courtesy, respect, and human dignity.

8. Conduct one’s practice at Natividad in a manner that will facilitate timely commencement of medical/surgical procedures at Natividad, including but not limited to, timely arrival at the hospital, pre-ordering all needed special equipment and/or supplies, and timely notification of required staff.

ARTICLE IX.EXAMPLES OF DISRUPTIVE OR UNPROFESSIONAL BEHAVIOR

Disruptive or Unprofessional Behavior, as characterized in this Code, includes but is not limited to:

1. Misappropriation or unauthorized removal or possession of Natividad owned property.

2. Falsification of medical records, including timekeeping records and other Natividad documents.

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3. Working under the influence of alcohol or illegal drugs.

4. Working under the influence of prescription or over-the-counter medications when use of such medications significantly affects the practitioner's level of cognitive functioning.

5. Possession, distribution, purchase, sale, transfer, transport, or use of illegal drugs in the workplace.

6. Possession of dangerous or unauthorized materials such as explosives, firearms, or other weapons in the workplace.

7. Writing derogatory and/or accusatory notes in the medical record which are not necessary for the provision of quality patient care services. Concerns regarding the performance of other Practitioners or Natividad employees should generate an Occurrence Report in Verge and submit pursuant to Natividad policy and should not be entered into the patient's medical record.

8. Harassment

    a. Harassment is verbal or physical contact that denigrates or shows hostility or aversion toward an individual based on race, religion, color, national origin, ancestry, age, disability, marital status, gender, sexual orientation, or any other basis protected by federal, state, or local law or ordinance, and that:

        1. Has the purpose or effect of creating an intimidating, hostile, or offensive working environment, or;

        2. Has the purpose or effect of unreasonably interfering with an individual's work performance, or;

        3. Otherwise aversely affects an individual's employment opportunity.

    b. Harassing conduct includes, but is not limited to:

        1. Epithets, slurs, negative stereotyping, threatening, intimidating, or hostile acts that relate to race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation.

        2. Written material or illustrations that denigrate or show hostility or aversion toward an individual or group because of race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation, and is placed on walls; bulletin boards, or elsewhere on Natividad's premises or circulated in the workplace.

9. Physical behavior that is harassing, intimidating, or threatening, from the viewpoint of the recipient, including touching, obscene or intimidating gestures, or throwing of objects.

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10. Passive behaviors, such as refusing to perform assigned tasks or to answer questions, return phone calls, or pages.

11. Language that is a reasonable adult would consider to be foul, abusive, degrading, demeaning, or threatening, such as crude comments, degrading jokes or comments, yelling, or shouting at a person, or threatening violence or retribution.

12. Single incident of egregious behavior, such as an assault or other criminal act.

13. Criticism of Natividad staff in front of patients, families, or other staff.

ARTICLE X.PROCEDURE

1. Any person who functions in any capacity at Natividad who observes Practitioner language, action, attitude, or behavior which may be unprofessional, harassing, or disruptive to the provision of quality patient care services should document the incident via an Occurrence Report in Verge.

2. Identified incidents involving Practitioners shall be reviewed pursuant to the current Road Map for Handling Reports of Disruptive or Unprofessional Behavior or the County Sexual Harassment Policy, as determined by the nature of the behavior and the person who exhibits it.

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Natividad
Inspiring healthy lives

MEDICAL STAFF POLICY

Title: Practitioner Code of Conduct	**Effective:** 05/09 **Reviewed/Revised:** 12/22
Standard: MSP004-2	**Approved:** **MEC** 12/22 **BOT** 1/23

I acknowledge that I have received and read this Practitioner Code of Conduct. I acknowledge that hospitals are required to define and address disruptive and inappropriate conduct to comply with The Joint Commission standards for accreditation. I agree to adhere to the guidelines in this Code and conduct myself in a professional manner. I further understand that failure to behave in a professional fashion may result in disciplinary actions set forth in the RoadMap for Handling Reports of Disruptive or Unprofessional Behavior or as determined by the Medical Executive Committee pursuant to the Medical Staff Bylaws.

Printed name: Mohamed Kerala Serio

Signature: Signed by: Mohamed Kerala Serio B1A142AA1FE04CA... Date: 8/29/2025 | 3:15 PM PDT

Docusign Envelope ID: 9C929E69-83BD-417D-96CF-683141EED6AA

Exhibit 2.1

COMPENSATION

1. **Professional Services.** Hospital shall pay to Contractor the amount of Two Hundred Sixty-Eight Dollars ($268) per hour for those Professional Services provided to Patients in the Hospital or Clinic rendered by Contractor under this Agreement when Contractor is not otherwise scheduled to provide Coverage Services; provided, however, that Contractor is in compliance with the terms and conditions of this Agreement.

2. **Coverage Services.** While Contractor is scheduled to provide Coverage Services:

(a) Hospital shall pay to Contractor an amount equal to Six Hundred Twenty-Four Dollars ($624) per day for Coverage Services provided pursuant to this Agreement (**"Coverage Stipend"**); provided, however, that Contractor is in compliance with the terms and conditions of this Agreement.

(b) Hospital shall pay to Contractor, in addition to the Coverage Stipend, an amount equal to Two Hundred Forty-Two Dollars ($242) per hour to provide Professional Services to this Agreement (the **"Response Payments"**).

3. **Timing.** Hospital shall pay the compensation due for Services performed by Contractor after Contractor's submission of the monthly invoice of preceding month's activity and time report in accordance with this Agreement; provided, however, that if Contractor does not submit an invoice and time sheet within sixty (60) days of the end of the month during which Services were performed, Hospital shall not be obligated to pay Contractor for Services performed during that month. The County of Monterey Standard Payment Terms for contracts/PSAs and paying invoices is "30 days after receipt of the certified invoice in the Auditor-Controller's Office".

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Exhibit 6.3

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement"), effective October 1, 2025 ("Effective Date"), is entered into by and among the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center ("Covered Entity") and MOHAMED KERALA SERIO, M.D., an individual ("Business Associate") (each a "Party" and collectively the "Parties").

Business Associate provides certain services for Covered Entity ("Services") that involve the use and disclosure of Protected Health Information that is created or received by Business Associate from or on behalf of Covered Entity ("PHI"). The Parties are committed to complying with the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E as amended from time to time (the "Privacy Rule"), and with the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C as amended from time to time (the "Security Rule"), under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations ("HITECH"). Business Associate acknowledges that, pursuant to HITECH, 45 C.F.R. §§ 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), 164.316 (policies and procedures and documentation requirements) and 164.502 *et. seq.* apply to Business Associate in the same manner that such sections apply to Covered Entity. The additional requirements of Title XIII of HITECH contained in Public Law 111-005 that relate to privacy and security and that are made applicable with respect to covered entities shall also be applicable to Business Associate. The Parties are also committed to complying with the California Confidentiality of Medical Information Act, Ca. Civil Code §§ 56 *et seq.* ("CMIA"), where applicable. Business Associate acknowledges that the CMIA prohibits Business Associate from further disclosing the PHI it receives from Covered Entity where such disclosure would be violative of the CMIA. The Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 ("Red Flag Rules"). This Agreement sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information ("EPHI"), shall be handled. The Parties further acknowledge that state statutes or other laws or precedents may impose data breach notification or information security obligations, and it is their further intention that each shall comply with such laws as well as HITECH and HIPAA in the collection, handling, storage, and disclosure of personal data of patients or other personal identifying information exchanged or stored in connection with their relationship.

The Parties agree as follows:

1. DEFINITIONS

All capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in the Privacy Rule, Security Rule and HITECH.

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2. PERMITTED USES AND DISCLOSURES OF PHI

2.1 Unless otherwise limited herein, Business Associate may:

(a) use or disclose PHI to perform functions, activities or Services for, or on behalf of, Covered Entity as requested by Covered Entity from time to time, provided that such use or disclosure would not violate the Privacy or Security Rules or the standards for Business Associate Agreements set forth in 45 C.F.R. § 164.504(e), exceed the minimum necessary to accomplish the intended purpose of such use or disclosure, violate the additional requirements of HITECH contained in Public Law 111-005 that relate to privacy and security, or violate the CMIA;

(b) disclose PHI for the purposes authorized by this Agreement only: (i) to its employees, subcontractors and agents; (ii) as directed by this Agreement; or (iii) as otherwise permitted by the terms of this Agreement;

(c) use PHI in its possession to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

(d) use PHI in its possession for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) disclose the PHI in its possession to third parties for the proper management and administration of Business Associate to the extent and in the manner permitted under 45 C.F.R. § 164.504(e)(4)(ii); provided that disclosures are Required by Law , or Business Associate obtains reasonable assurances from the persons to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached;

(f) use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1);

(g) de-identify any PHI obtained by Business Associate under this Agreement for further use or disclosure only to the extent such de-identification is pursuant to this Agreement, and use such de-identified data in accordance with 45 C.F.R. § 164.502(d)(1).

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

3.1 Responsibilities of Business Associate. With regard to its use and/or disclosure of PHI, Business Associate shall:

(a) use and/or disclose the PHI only as permitted or required by this Agreement or as otherwise Required by Law;

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(b) report to the privacy officer of Covered Entity, in writing, (i) any use and/or disclosure of the PHI that is not permitted or required by this Agreement of which Business Associate becomes aware, and (ii) any Breach of unsecured PHI as specified by HITECH, within two (2) days of Business Associate's determination of the occurrence of such unauthorized use and/or disclosure. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure. The notification of any Breach of unsecured PHI shall include, to the extent possible, the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used or disclosed during the Breach.

(c) use commercially reasonable safeguards to maintain the security of the PHI and to prevent use and/or disclosure of such PHI other than as provided herein;

(d) obtain and maintain an agreement with all of its subcontractors and agents that receive, use, or have access to, PHI pursuant to which agreement such subcontractors and agents agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate pursuant to this Agreement;

(e) make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the use and/or disclosure of PHI to the Secretary for purposes of determining Covered Entity or Business Associate's compliance with the Privacy Rule;

(f) document disclosures of PHI and information related to such disclosure and, within ten (10) days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528, as well as provide an accounting of disclosures, as required by HITECH, directly to an individual provided that the individual has made a request directly to Business Associate for such an accounting. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within two (2) days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) subject to Section 4.4 below, return to Covered Entity within twenty-one (21) days of the termination of this Agreement, the PHI in its possession and retain no copies, including backup copies;

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(h) disclose to its subcontractors, agents or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) if all or any portion of the PHI is maintained in a Designated Record Set:

(i) upon ten (10) days' prior written request from Covered Entity, provide access to the PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, the individual to whom such PHI relates or his or her authorized representative to meet a request by such individual under 45 C.F.R. § 164.524; and

(ii) upon ten (10) days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526;

(j) maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules;

(k) notify the Covered Entity within five (5) days of the Business Associate's receipt of any request or subpoena for PHI. To the extent that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge;

(l) maintain a formal security program materially in accordance with all applicable data security and privacy laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security

The Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

3.2 Additional Responsibilities of Business Associate with Respect to EPHI. In the event that Business Associate has access to EPHI, in addition to the other requirements set forth in this Agreement relating to PHI, Business Associate shall:

(a) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity as required by 45 C.F.R. Part 164, Subpart C;

(b) ensure that any subcontractor or agent to whom Business Associate provides any EPHI agrees in writing to implement reasonable and appropriate safeguards to protect such EPHI; and

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(c) report to the privacy officer of Covered Entity, in writing, any Security Incident involving EPHI of which Business Associate becomes aware within two (2) days of Business Associate's discovery of such Security Incident. For purposes of this Section, a Security Incident shall mean (consistent with the definition set forth at 45 C.F.R. § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure.

3.3 Responsibilities of Covered Entity. Covered Entity shall, with respect to Business Associate:

(a) provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(b) notify Business Associate of any limitations in the Notice pursuant to 45 C.F.R.
§ 164.520, to the extent that such limitations may affect Business Associate's use or disclosure of PHI;

(c) notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's use or disclosure of PHI;

(d) notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the use or disclosure of PHI provided to Covered Entity pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

(e) notify Business Associate, in writing and in a timely manner, of any restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4. TERMS AND TERMINATION

4.1 Term. This Agreement shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Article 4. Certain provisions and requirements of this Agreement shall survive its expiration or other termination as set forth in Section 5.1 herein.

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4.2 Termination. Either Covered Entity or Business Associate may terminate this Agreement and any related agreements if the terminating Party determines in good faith that the terminated Party has breached a material term of this Agreement; provided, however, that no Party may terminate this Agreement if the breaching Party cures such breach to the reasonable satisfaction of the terminating Party within thirty (30) days after the breaching Party's receipt of written notice of such breach.

4.3 Automatic Termination. This Agreement shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

4.4 Effect of Termination. Upon termination or expiration of this Agreement for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(I) if, and to the extent that, it is feasible to do so. Prior to doing so, Business Associate shall recover any PHI in the possession of its subcontractors or agents. To the extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall provide Covered Entity a statement that Business Associate has determined that it is infeasible to return or destroy all or some portion of the PHI in its possession or in possession of its subcontractors or agents. Business Associate shall extend any and all protections, limitations and restrictions contained in this Agreement to any PHI retained after the termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed.

5. MISCELLANEOUS

5.1 Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 4.4, 5.1, 5.6, and 5.7, and Section 2.1 (solely with respect to PHI that Business Associate retains in accordance with Section 4.4 because it is not feasible to return or destroy such PHI), shall survive termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this Agreement, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

5.2 Amendments; Waiver. This Agreement may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of the HIPAA, HITECH or Red Flag Rules is materially amended in a manner that changes the obligations of Business Associates or Covered Entities, the Parties agree to negotiate in good faith appropriate amendment(s) to this Agreement to give effect to the revised obligations. Further, no provision of this Agreement shall be waived, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

5.3 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

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5.4 Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

MOHAMED KERALA SERIO, M.D.
25990 Rotunda Drive
Carmel, CA 92923
Attn: Dr. Serio

If to Covered Entity, to:

NATIVIDAD MEDICAL CENTER
1441 Constitution Blvd., Bldg. 300
Salinas, California 93906
Attention: Compliance Officer
Phone: 831.755.4111
Fax: 831.755.6297

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

5.5 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

5.6 Choice of Law; Interpretation. This Agreement shall be governed by the laws of the State of California; as provided, however, that any ambiguities in this Agreement shall be resolved in a manner that allows Business Associate to comply with the Privacy Rule, and, if applicable, the Security Rule and the CMIA.

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5.7 Indemnification. Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter County), its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including the County's reasonable cost of providing notification of and of mitigating any acquisition, access, use or disclosure of PHI in a manner not permitted by this BAA, arising out of, or in connection with, performance of this BAA by Contractor and/or its agents, members, employees, or sub-contractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this BAA to provide the broadest possible indemnification for the County. Contractor shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred by the County with respect to any investigation, enforcement proceeding or litigation in which Contractor is obligated to indemnify, defend, and hold harmless the County under this BAA. This provision is in addition to and independent of any indemnification provision in any related or other agreement between the Covered Entity and the Business Associate.

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IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf as of the Effective Date.

MOHAMED KERALA SERIO, M.D.

By: Signed by: Mohamed Kerala Serio B1A142AA1FE04CA...

Print Name: Mohamed Kerala Serio

Print Title: MD

Date: 8/29/2025 | 3:15 PM PDT

COUNTY OF MONTEREY, ON BEHALF OF
NATIVIDAD MEDICAL CENTER

By: _____

Print Name: Dr. Charles R. Haris

Print Title: Chief Executive Officer

Date: _____

Introduced: 9/5/2025

Current Status: Natividad Medical Center - Consent

Version: 1

Matter Type: BoS Agreement

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 2 to the agreement (A-16005) with Experian Health, Inc. for Meditrack Enterprise for access to Medicare Direct Data Entry Screens services adding $300,000 for a revised total agreement amount not to exceed $795,000 with no change to the term of Agreement (July 1, 2021 through June 30, 2026).

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 2 to the agreement (A-16005) with Experian Health, Inc. for Meditrack Enterprise for access to Medicare Direct Data Entry Screens services adding $300,000 for a revised total agreement amount not to exceed $795,000 with no change to the term of Agreement (July 1, 2021 through June 30, 2026).

SUMMARY/DISCUSSION:

Experian health provides NMC with web based licensed software which is used to submit claims to insurance companies and identify self-pay patients who might have qualified for Medi-Cal reimbursement to the hospital. As part of the billing process, NMC must submit claims within a certain number of days after the patient services have been rendered. This system provides a daily crosscheck of patients to the Medi-Cal system as well as other various insurances. This system with its platform upgrade also provides electronic remittance advices from the insurances, direct access to Medicare claims for checking status of claims, and claim acceptance files from insurances.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this amendment No. 2 as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The amendment No. 2 has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on September 5, 2025.

FINANCING:

The cost for this amendment No. 2 is $300,000 which is included in the FY 2025-26 Adopted Budget. Funding will be provided from NMC's Enterprise Fund 451-9600-6408.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Improve health and quality of life through County supported policies, programs and services, promoting access to equitable opportunities for health choices and health environments in collaboration with communities.

__ Economic Development
__ Administration
X Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Tracy Short, Director Patient Financial Services, 783-2347
Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachments:
Experian Health, Inc. Amendment 2
Experian Health, Inc. Renewal and Amendment 1
Experian Health, Inc. Agreement

Attachments on file with the Clerk of the Board

Introduced: 9/5/2025
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 2 to the agreement (A-16005) with Experian Health, Inc. for Meditrack Enterprise for access to Medicare Direct Data Entry Screens services adding $300,000 for a revised total agreement amount not to exceed $795,000 with no change to the term of Agreement (July 1, 2021 through June 30, 2026).

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 2 to the agreement (A-16005) with Experian Health, Inc. for Meditrack Enterprise for access to Medicare Direct Data Entry Screens services adding $300,000 for a revised total agreement amount not to exceed $795,000 with no change to the term of Agreement (July 1, 2021 through June 30, 2026).

SUMMARY/DISCUSSION:

Experian health provides NMC with web based licensed software which is used to submit claims to insurance companies and identify self-pay patients who might have qualified for Medi-Cal reimbursement to the hospital. As part of the billing process, NMC must submit claims within a certain number of days after the patient services have been rendered. This system provides a daily crosscheck of patients to the Medi-Cal system as well as other various insurances. This system with its platform upgrade also provides electronic remittance advices from the insurances, direct access to Medicare claims for checking status of claims, and claim acceptance files from insurances.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this amendment No. 2 as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The amendment No. 2 has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on September 5, 2025.

FINANCING:

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BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Improve health and quality of life through County supported policies, programs and services, promoting access to equitable opportunities for health choices and health environments in collaboration with communities.

__ Economic Development
__ Administration
X Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Tracy Short, Director Patient Financial Services, 783-2347
Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachments:
Experian Health, Inc. Amendment 2
Experian Health, Inc. Renewal and Amendment 1
Experian Health, Inc. Agreement

Attachments on file with the Clerk of the Board

Docusign Envelope ID: AA27B11E-9514-406A-A302-E336A931BAA5

AMENDMENT NO. 2
TO SERVICES AGREEMENT
BETWEEN EXPERIAN HEALTH, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
MEDITRACK ENTERPRISE FOR ACCESS TO MEDICARE DIRECT DATA ENTRY ("DDE") SCREENS SERVICES

This Amendment No. 2 to the Services Agreement ("Agreement") which was effective on July 1, 2021 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Experian Health, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, COUNTY and CONTRACTOR had previously entered into an Agreement for Services (hereinafter "Agreement") on July 1, 2021 to provide Meditrack Enterprise for access to Medicare DDE screens services for Natividad Medical Center with a three (3) year term (July 1, 2021 through June 30, 2024) and a total Agreement amount not to exceed $450,000; and

WHEREAS, the Agreement expired on June 30, 2024; and

WHEREAS, the Parties renewed and amended the Agreement via Renewal and Amendment No. 1 retroactive to July 1, 2024, to extend the term for an additional two (2) year period through June 30, 2026 for a revised full Agreement term of July 1, 2021 through June 30, 2026 to allow for continued need of CONTRACTOR's services with no changes to the original scope of work and to increase the amount payable by an additional $45,000 for a revised total Agreement amount not to exceed $495,000; and

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement via Amendment No. 2 to increase the amount payable by an additional $300,000 for a revised total Agreement amount not to exceed $795,000 with no changes to the scope of work or to the term of Agreement (July 1, 2021 through June 30, 2026).

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Renewal and Amendment No. 1 incorporated herein by this reference, except as specifically set forth below.

1. **Section 2 / Paragraph titled, "PAYMENTS BY COUNTY" shall be amended to the following:**
   "COUNTY shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by COUNTY to CONTRACTOR shall not exceed the sum of $795,000."

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2. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 2 and shall continue in full force and effect as set forth in the Agreement and in Renewal and Amendment No. 1.

3. A copy of this Amendment No. 2 shall be attached to the Agreement.

4. This Amendment No. 2 is effective when signed by both Parties.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: AA27B11E-9514-406A-A302-E336A931BAA5

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 2 on the basis set forth in this document and have executed this Amendment No. 2 on the day and year set forth herein.

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: _____
Charles R. Harris, CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: Signed by: Stacy Saetta 696D21D44C4341D...
Monterey County Deputy County Counsel

Date: 8/11/2025 | 6:34 PM PDT

APPROVED AS TO FISCAL PROVISIONS

By: DocuSigned by: Patricia Ruiz E79EF64E57454F6...
Monterey County Deputy Auditor/Controller

Date: 8/12/2025 | 8:12 AM PDT

CONTRACTOR

Experian Health

CONTRACTOR's Business Name
See instructions below

By: Signed by: Jeff Corley F94007DF5C9C4CE...
(Signature of: Chair, President, or Vice-President)

Jeff Corley Senior Director - Operations
Name and Title

Date: Aug 5, 2025 | 9:25 AM CDT

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Docusign Envelope ID: 086582DA-CB6E-4FCC-9F73-78C8305A64A2

RENEWAL AND AMENDMENT NO. 1
TO SERVICES AGREEMENT
BETWEEN EXPERIAN HEALTH, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
MEDITRACK ENTERPRISE FOR ACCESS TO MEDICARE DIRECT DATA ENTRY ("DDE") SCREENS SERVICES

This Renewal and Amendment No. 1 to the Services Agreement ("Agreement") which was effective on July 1, 2021 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Experian Health, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, COUNTY and CONTRACTOR had previously entered into an Agreement for Services (hereinafter "Agreement") on July 1, 2021 to provide Meditrack Enterprise for access to Medicare DDE screens services for Natividad Medical Center with a three (3) year term (July 1, 2021 through June 30, 2024) and a total Agreement amount not to exceed $450,000; and

WHEREAS, the Agreement expired on June 30, 2024; and

WHEREAS, COUNTY and CONTRACTOR wish to renew and amend the Agreement retroactive to July 1, 2024, to extend the term for an additional two (2) year period through June 30, 2026 for a revised full Agreement term of July 1, 2021 through June 30, 2026 to allow for continued need of CONTRACTOR's services with no changes to the original scope of work and to increase the amount payable by an additional $45,000 for a total Agreement amount not to exceed $495,000.

AGREEMENT

NOW THEREFORE, the Parties agree as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the original Agreement incorporated herein by this reference, except as specifically set forth below.

1. **The first sentence of Section 3.1 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:**

   "The term of this Agreement is from July 1, 2021 through June 30, 2026 unless sooner terminated pursuant to the terms of this Agreement".

Docusign Envelope ID: 086582DA-CB6E-4FCC-9F73-78C8305A64A2

2. **Section 2 / Paragraph titled, "PAYMENTS BY COUNTY" shall be amended to the following:**

   "COUNTY shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by COUNTY to CONTRACTOR shall not exceed the sum of $495,000."

3. If there is any conflict or inconsistency between the provisions of Agreement, the provisions of this Renewal and Amendment No. 1 shall govern.

4. A copy of this Amendment No. shall be attached to the Agreement.

5. This Renewal and Amendment is effective retroactively on July 1, 2024.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: 086582DA-CB6E-4FCC-9F73-78C8305A64A2

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 1 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: DocuSigned by: Charles R. Harris
4E1F837CD04B481...
Charles R. Harris, CEO

Date: 6/27/2025 | 10:21 AM PDT

APPROVED AS TO LEGAL PROVISIONS

By: Signed by: Stacy Saetta
696D21D44C4341D...
Monterey County Deputy County Counsel

Date: 6/26/2025 | 5:43 PM PDT

APPROVED AS TO FISCAL PROVISIONS

By: DocuSigned by: Patricia Ruiz
E795F64E57454E6...
Monterey County Deputy Auditor/Controller

Date: 6/27/2025 | 10:03 AM PDT

CONTRACTOR

Experian Health

CONTRACTOR's Business Name
See instructions below

By: Jeff Corley Signed by: Jeff Corley
E94007DE5C9C4CE...
(Signature of: Chair, President, or Vice-President)

Jeff Corley Senior Director - Operations

Name and Title

Date: Jun 23, 2025 | 10:40 AM CDT

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor John M. Phillips to:

Agreement No.: A-16005
a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with Experian Health, Inc. for Meditrack Enterprise for access to Medicare DDE Screens services at NMC for an amount not to exceed $450,000 with an agreement term retroactive to July 1, 2021 through June 30, 2024.
b. Authorize the Chief Executive Officer for NMC or his designee to execute up to three (3) future amendments to the agreement which do not significantly alter the scope of work and do not cause an increase of more than ten percent (10%) ($45,000) of the original cost of the agreement.

PASSED AND ADOPTED on this 30th day of August 2022, by roll call vote:

AYES: Supervisors Alejo, Phillips, Lopez, and Adams
NOES: None
ABSENT: Supervisor Askew
(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting August 30, 2022.

Dated: September 1, 2022
File ID: A 22-448
Agenda Item No.: 23

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Julian Lorenzana, Deputy

Natividad MEDICAL CENTER

COUNTY OF MONTEREY AGREEMENT FOR SERVICES
(MORE THAN $100,000)

This Agreement for Services (hereinafter "Agreement") is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter, "the County"), on behalf of Natividad Medical Center ("NMC"), a general acute care teaching hospital wholly owned and operated by the County, and Experian Health, Inc. (hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **GENERAL DESCRIPTION OF SERVICES TO BE PROVIDED.** NMC hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of the Agreement. The services are generally described as follows: Medical Billing, Eligibility and Medicare DDE Access Services.

2. **PAYMENTS BY NMC.** NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of $ 450,000.

3. **TERM OF AGREEMENT.**

   3.1. The term of this Agreement is from July 1, 2021 through June 30, 2024 unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and NMC and with NMC signing last and CONTRACTOR may not commence work before NMC signs this Agreement.

   3.2. NMC reserves the right to cancel this Agreement, or an extension of this Agreement, without cause, with a thirty (30) day written notice, or with cause immediately.

4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

   Exhibit A: Scope of Services/Payment Provisions
   Exhibit B: Addendum No. 1
   Exhibit C: Business Associate Agreement

5. **PERFORMANCE STANDARDS.**

   5.1. CONTRACTOR warrants that CONTRACTOR and Contractor's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required

under this Agreement and are not employees of NMC, or immediate family of an employee of NMC.

5.2. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.3. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use NMC premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. PAYMENT CONDITIONS.

6.1. Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provide in this paragraph. NMC does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

6.2. Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety (90) days prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County (NMC) and the CONTRACTOR.

6.3. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement, and then only in accordance with any applicable County policies.

6.4. Invoice amounts shall be billed directly to the ordering department.

6.5. CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. NMC shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

7. TERMINATION.

7.1. During the term of this Agreement, NMC may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.2. NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to Contractor. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If

NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to Contractor, and NMC may proceed with the work in any manner, which NMC deems proper. The cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.3 NMC's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for NMC's purchase of the indicated quantity of services, then NMC may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8. INDEMNIFICATION.

8.1 CONTRACTOR shall indemnify, defend, and hold harmless the County of Monterey (hereinafter "County"), its officers, agents and employees from any and all claims, liability and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9. INSURANCE.

9.1 Evidence of Coverage:
Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the CONTRACTOR upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to NMC's Contracts/Purchasing Department, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and NMC has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of CONTRACTOR.

9.2 Qualifying Insurers: All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by NMC's Contracts/Purchasing Director.

9.3 Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, If CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

☐ Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

☐ Exemption/Modification (Justification attached; subject to approval).

9.4 Other Requirements:

All insurance required by this Agreement shall be with a company acceptable to NMC and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that NMC shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, **and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance.** The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by NMC, CONTRACTOR shall file certificates of insurance with NMC's Contracts/Purchasing Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by NMC, annual certificates to NMC's Contracts/Purchasing Department. If the certificate is not received by the expiration date, NMC shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles NMC, at its sole discretion, to terminate the Agreement immediately.

10. RECORDS AND CONFIDENTIALITY.

10.1 Confidentiality. CONTRACTOR and its officers, employees, agents and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from NMC or prepared in connection with the performance of this Agreement, unless NMC specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.2 NMC Records. When this Agreement expires or terminates, CONTRACTOR shall return to NMC any NMC records which CONTRACTOR used or received from NMC to perform services under this Agreement.

10.3 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

10.4 Access to and Audit of Records. NMC shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess or $10,000, the parties to this Agreement may be subject, at the request of NMC or as part of any audit of NMC, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.5 Royalties and Inventions. NMC shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize other to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of NMC.

11. **NON-DISCRIMINATION**. During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, full comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT**. If this Agreement has been or will be funded with monies received by NMC pursuant to a contract with the state or federal government in which NMC is the grantee, CONTRACTOR will comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, NMC will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not as an employee of NMC. No offer or obligation of permanent

employment with NMC or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from NMC any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold NMC and the County of Monterey harmless from any and all liability, which NMC may incur because of CONTRACTOR's failure to pay such taxes.

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage per-paid mail to NMC and CONTRACTOR's contract administrators at the addresses listed below

NATIVIDAD MEDICAL CENTER:	**CONTRACTOR:**
Natividad Medical Center Attn: Contracts Division 1441Constitution Blvd Salinas, CA. 93906 FAX: 831-757-2592	Business Name: Experian Health, Inc. Attn: Legal Department Address: 720 Cool Springs Blvd., Suite 200 City, State, Zip: Franklin, TN 37067 FAX: 877-442-2150 Email: Contract&Setup@experianhealth.com

15. MISCELLANEOUS PROVISIONS.

15.1 Conflict of Interest: CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

15.2 Amendment: This Agreement may be amended or modified only by an instrument in writing signed by NMC and the CONTRACTOR.

15.3 Waiver: Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

15.4 Contractor: The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

15.5 Disputes: CONTRACTOR shall continue to perform under this Agreement during any dispute.

15.6 Assignment and Subcontracting: The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of NMC. None of the services covered by this Agreement shall be subcontracted without the prior written approval of NMC. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

15.7 Successors and Assigns: This Agreement and the rights, privileges, duties, and obligations of NMC and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

15.8 Compliance with Applicable Law: The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

15.9 Headings: The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

15.10 Time is of the Essence: Time is of the essence in each and all of the provisions of this Agreement

15.11 Governing Law: This Agreement shall be governed by and interpreted under the laws of the State of California.

15.12 Non-exclusive Agreement: This Agreement is non-exclusive and each of NMC and CONTRACTOR expressly reserves the right to contract with other entities for the same or similar services.

15.13 Construction of Agreement: NMC and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

15.14 Counterparts: This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

15.15 Integration: This Agreement, including the exhibits, represents the entire Agreement between NMC and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations representations, or agreements, either written or oral, between NMC and CONTRACTOR as of the effective date of this Agreement, which is the date that NMC signs the Agreement.

15.16 Interpretation of Conflicting Provisions: In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

NATIVIDAD MEDICAL CENTER

By: _____
Charles R. Harris, CEO

Date: 8/31/22

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: Chief Deputy County Counsel, 7/14/2022

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor Controller

Date: 7/14/2022

CONTRACTOR

Experian Health, Inc.
Contractor's Business Name*** (see instructions)

_____
Signature of Chair, President, or Vice-President

_____
Name and Title

Date: _____

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Jeff Corley Senior Director - Operations
Name and Title

Date: Jul 7, 2022

***Instructions:**

If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).
If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).
If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

EXHIBIT A to AGREEMENT

I. Description of All Services to be Rendered by CONTRACTOR:

1.1 System Software is currently installed and has been operational since 2002. Contractor provides software designed to process healthcare claims for adjudication by Medicaid (Medi-Cal), Medicare, and Commercial Insurance payers. The services are generally described as follows: Medical Billing, Eligibility and Medicare DDE access. The purpose of this Add product and Renewal Amendment is to provide NMC with an upgrade in Products to the new ClaimSource Products set forth below. As of the date of first productive use of the ClaimSource Products NMC will then be able to request a termination of the "Legacy Products". All as is set forth more specifically hereinafter

II. CONTRACTOR Obligations:

2.1 System Software will accept data file(s) in specified format(s) containing data elements for UB04 and CMS1500 medical claims provided to the System via network connection or other Contractor approved method. The System Software will accurately recognize and process data elements as a warranted function.

2.2 The System Software provides data file outputs conforming to the requirements of the State Medi-Cal program for Medi-Cal claims submission to the designated fiscal intermediary for the State or the designated recipient Health Plan. Contractor will provide update services for on-going enhancements of the System Software to meet billing requirements set forth by the State Medi-Cal Program. The System Software provides data file(s) conforming to the requirements of the Centers for Medicare and Medicaid Services (CMS) for Medicare Part A and Part B. Contractor will provide update services to meet billing requirements for Medicare Part A & B claims for submission to the designated Medicare intermediary for the Licensee. Contractor will provide updates to meet the billing requirements of Commercial Payers.

2.3 Any modifications provided to extract from licensee's billing system will be warranted to function correctly as part of the combined system and will include all data elements on the claim form provided from the Hospital Financial System and any missing data elements will be included as data entry elements within the biller correction screens.

2.4 It is understood that the Software may require modification. Contractor will confer with licensee regarding such modification necessary to interface with the existing billing system and as considered by the Licensee necessary for optimal use of the software. Such modifications shall be made by Contractor, at the rates specified in Schedule A, to include specialized programming and training approved by Licensee.

III. NMC Obligations:

3.1 NMC will provide Contractor access to the system server to update the software and provide system troubleshooting and maintenance.

IV. DELETE PRODUCTS.

4.1 One hundred -eighty (180) days following the go-live date of the Products listed hereinafter. Contractor will terminate Customer's access to the products listed immediately below this paragraph (the "Legacy Products") from the Agreement in their entirety. During the 180 day period when both the Legacy Products and the new Products are Live, Contractor will waive the subscription fees for the Legacy Products and any associated subscription or transaction fees for the Legacy Products will be deleted from the Agreement.

- DSG - ClaimSource - Automated Secondary Billing - 1500 to 1500 (ClaimSource Direct - Automated Secondary Billing - 1500 to 1500
- DSG - ClaimSource - Automated Secondary Billing - UB to UB (ClaimSource Direct - Automated Secondary Billing - UB to UB
- DSG - ClaimSource - Institutional (UB) Claims Editor (ClaimSource Direct - UB Editor - Institutional (UB) Claims Editor (Includes up to 20 Send Connections)
- DSG - ClaimSource - Professional (1500) Claims Editor (ClaimSource Direct - Professional (1500) Claims Editor (Includes up to 20 Send Connections)
- DSG - Database Management System (Database Management System
- DSG - Denial Manager (ClaimSource Direct Denial Manager identifies denied claims for analysis and maximizes reimbursement. Direct access to the billed claim from the Denial Manager screens allows staff to quickly review and resubmit denied claims.
- DSG - EV Engine - Business Office/Post Claim Eligibility Batch Eligibility Medicare (ClaimSource Direct Eligibility – Business Office Post Claim – Medicare
- ClaimSource Direct Eligibility – Business Office Post Claim – Medi-Cal
- DSG - EV Engine - Registration/Pre Reg Real-Time Eligibility - Stand Alone (ClaimSource Direct - EV Engine - Registration/Pre Reg Real-Time Eligibility - Stand Alone
- DSG - Remittance Manager - ERA - Custom Posting - 10 Payers (ClaimSource Direct Remittance Manager - ERA - Custom Posting for up to 30 Payers

V. MONTHLY SUBSCRIPTION AND TRANSACTION FEES:

PRODUCT DISCRIPTION	Implementation Fee (One-time)	Monthly Subscription Fee
The Products immediately below are new Products being added.		

ClaimSource Institutional/Professional + ERA is a full service claims management system that allows clients to submit claims files from their host billing system(s) for processing, performing pre-submission edits and error checking, formatting outbound claims and submitting claims to payers. ClaimSource applies a full set of pre-submission edits including standard, payer specific, provider specific (custom) and medical necessity edits before claims are submitted to the payers.	**Previously Paid**	**Included** **The ClaimSource Transaction Fee shall be billed as provided below.**
Automated Secondary Billing is an optional ancillary module that requires the purchase of the ClaimSource product to be used. This module allows for the ClaimSource system to generate secondary claims based on the payer's adjudication of the primary claim. Automated Secondary Billing accomplishes this by creating the secondary claim when the electronic remit (ANSI 835) file is received from the primary payer and the primary claim is designated as Paid.	**Previously Paid**	**Included**
ClaimSource Eligibility (Requires client to have an Experian Eligibility product under contract to be used in ClaimSource) runs an eligibility check for patients against the Experian Health eligibility repository during the claim load and validation process. If a valid response is found, that response will be re-purposed at no additional cost, and the eligibility edits will run against it. If a valid eligibility response is not found, then a new eligibility check is triggered, and that response will be used for editing on the claim. All new eligibility transactions will be counted as part of the monthly transaction volume and appropriate fees will apply per the eligibility product's contractual agreement.	**Previously Paid**	**Included** **ClaimSource Eligibility may run an Eligibility Verification Transaction as described in the product description.**
ClaimSource Archive Historical Claim Load allows new ClaimSource clients to load historical claims into an archive file for viewing purposes only. These claims cannot be reported on, re-worked and/or re-submitted. The historical claims data must be provided for import in the ANSI 837 format.	**Previously Paid**	**Included**
ClaimSource Archive Historical Remit Load allows new ClaimSource clients to load historical remits into an archive file for viewing purposes only. Remits cannot be reported on or used for posting purposes. The historical data must be provided for import in the ANSI 835 format.	**Previously Paid**	**Included**
Electronic Attachments are attachments that are sent electronically to a payer that has agreed to accept them via an electronic interface. A unique identifier in the electronic attachment file and the PWK segment in the claim file is used to connect these two transactions on the payer's side.	**Previously Paid**	**Included** **The Electronic Attachments Transaction Fee shall be billed as provided below.**

The Products immediately below are existing Products being renewed.

ClaimSource Direct - Automated Secondary Billing - 1500 to 1500	**Previously Paid**	**Included**
ClaimSource Direct - Automated Secondary Billing - UB to UB	**Previously Paid**	**Included**
ClaimSource Direct - UB Editor - Institutional (UB) Claims Editor (Includes up to 20 Send Connections)	**Previously Paid**	**$5,000** **The ClaimSource Transaction Fee shall be billed as provided below.**
ClaimSource Direct - Professional (1500) Claims Editor (Includes up to 20 Send Connections)	**Previously Paid**	
Database Management System	**Previously Paid**	**$230**
ClaimSource Direct - Denial Manager identifies denied claims for analysis and maximizes reimbursement. Direct access to the billed claim from the Denial Manager screens allows staff to quickly review and resubmit denied claims.	**Previously Paid**	**Included**
ClaimSource Direct - Remittance Manager - ERA - Custom Posting for up to 30 Payers	**Previously Paid**	**Included**

ClaimSource Direct Eligibility – Business Office Post Claim – Medicare	**Previously Paid**	**$650**
ClaimSource Direct Eligibility – Business Office Post Claim – Medi-Cal	**Previously Paid**	**$650**
ClaimSource Direct - EV Engine - Registration/Pre Reg Real-Time Eligibility - Stand Alone	**Previously Paid**	**The Eligibility Verification Transaction Fee shall be billed as provided below.**
MediTrak Enterprise - VPN tunnel established between "Experian Health" and "Customer" Client supplies secure 3270 emulation, supports unlimited users, Medicare claim submission, remit retrieval, access to Medicare DDE screens	**Previously Paid**	**Included**
OneSource Install Hospital plus Eligibility includes the initial install of the OneSource solutions for one hospital and provides individual payer eligibility, benefits data, claim status, view/submit referrals, online coding tools, pre-certification, authorization, and notice of admission.	**Previously Paid**	**Included** **The Eligibility Verification Transaction Fee shall be billed as provided below.**
First Year Estimated Totals (does not include any Excess Usage Fee)	**$0.00**	**$ 6,530**

5.1 **PASS-THROUGH FEES.** Fees exclude pass-through fees ("Pass-Through Fees") from state and federal governmental entities ("Governmental Entities"), Medicaid and Medicare Managed Care Organizations ("MCOs"), third-party payers, communication tariffs, and/or other similar fees. Without prior notice, Pass-Through Fees will be billed monthly in addition to all other Fees at the cost that Experian Health pays to obtain transaction data. Notwithstanding any other provision of the Agreement to the contrary, Experian Health shall have the right to increase the Pass-Through Fees to offset any increases in rates, changes, or other costs from Governmental Entities, MCOs and other third parties, including without limitation Medicaid and Medicare administrators, or any increase in the cost of providing services hereunder resulting from rules, regulations and operating procedures of any federal, state or local agency or regulatory authority. The Pass-Through Fees are not subject to approval by Experian Health.

5.2 **SUBSCRIPTION FEES.** Subscription fees relate to the ongoing availability of the product offering(s) to Customer. These fees are presented on an annual basis but billed on a monthly basis for the duration of the Agreement. Billing begins the earlier of: i) Customer's first productive use or ii) the- full calendar month following the Amendment Effective Date.

5.3 **ONLINE TRAINING AND CUSTOM PROGRAMMING FEES.** Experian Health shall provide online training for products listed above. The training shall be scheduled at such dates and times that are acceptable to Experian Health and Customer. Further, custom programming is available, to the extent requested in writing by Customer, for a fee set forth in an amendment to the Agreement.

VI. TRANSACTION FEES

6.1 **TRANSACTION FEES.** Transaction Fees are billed per each successful transaction processed. A "successful" transaction shall be defined as an electronic transaction that returns a valid payer, data source, or business associate response to Customer from Experian Health as an inquiry sent to Experian Health from Customer's HIS/PMS system(s). Transactions become billable to Customer once Customer is eligible for training and will be billed on a monthly basis for the duration of the Agreement.

6.2 **CLAIMSOURCE TRANSACTION FEES.** The ClaimSource transaction fee ("ClaimSource Transaction Fee") shall be equal to the sum of the Monthly Base Rate plus the Excess Usage Fee, if any, and shall be billed based on Customer's selection below. These fees are billed on a monthly basis beginning the earlier of: i) Customer's first productive use or ii) nine (9) months following the Amendment Effective Date ("ClaimSource Billing Date"). The ClaimSource® Transaction Fee does not include Pass-Through Fees. In no event will the ClaimSource Transaction Fee be less than the Monthly Base Rate for Customer's selected pricing tier. Prior to the ClaimSource Billing Date, Customer shall be billed at the Excess Usage Rate corresponding to Customer's selection below.

6.3 Customer may change pricing tiers to a lower tier ("Downward Price Change") once per calendar quarter by providing written notice to Experian Health ("Price Change Notice"). Customer may change pricing tiers to a higher tier at any time ("Upward Price Change") by providing a Price Change Notice. Any Price Change shall be effective the first day of the calendar month following Experian Health's receipt of the Price Change Notice.

ClaimSource Transaction Fee			
Pricing Tier (Select One)	Monthly Base Rate	Monthly Max Transactions	Excess Usage Fees
1 ☐	$5,230 per month	25,000 transactions per month	$0 24 per transaction in excess of 25,000 transactions per month
2 ☑	$6,650 per month	35,000 transactions per month	$0.23 per transaction in excess of 35,000 transactions per month

6.4 **ELECTRONIC ATTACHMENTS TRANSACTION FEES.** The Electronic Attachments transaction fee ("Electronic Attachments Transaction Fee") shall be equal to the sum of the Monthly Base Rate plus the Excess Usage Fee, if any, and shall be billed based on Customer's selection below These fees are billed on a monthly basis beginning the earlier of: i) Customer's first productive use or ii) nine months following the Amendment Effective Date ("Electronic Attachments Billing Date") In no event will the Electronic Attachments Transaction Fee be less than the Monthly Base Rate for Customer's selected pricing tier Prior to the Electronic Attachments Billing Date, Customer shall be billed at the Excess Usage Rate corresponding to Customer's selection below

Customer may change pricing tiers to a lower tier ("Downward Price Change") once per calendar quarter by providing written notice to Experian Health ("Price Change Notice"). Customer may change pricing tiers to a higher tier at any time ("Upward Price Change") by providing a Price Change Notice Any Price Change shall be effective the first day of the calendar month following Experian Health's receipt of the Price Change Notice

Electronic Attachments Transaction Fee			
Pricing Tier (Select One)	Monthly Base Rate	Monthly Max Transactions	Excess Usage Fees
1 ☒	$225 per month	1,500 transactions per month	$0 16 per transaction in excess of 1,500 transactions per month
2 ☐	$375 per month	2,500 transactions per month	$0 16 per transaction in excess of 2,500 transactions per month

6.5 **ELIGIBILITY VERIFICATION TRANSACTION FEES.** The Eligibility Verification transaction fee ("Eligibility Transaction Fee") includes eligibility verification transactions across all product platforms, including eCare NEXT®, IntelliSource, EDI, OneSource, BatchSource and Claims as well as any other transactions triggered by another Product, including Patient Estimates and ClaimSource The Eligibility Transaction Fee shall be equal to the sum of the Monthly Base Rate plus the Excess Usage Fee, if any, and shall be billed based on Customer's selection below These fees are billed on a monthly basis beginning the earlier of: i) Customer's first productive use or ii) nine (9) months following the Amendment Effective Date ("EV Billing Date"). The Eligibility Transaction Fee does not include Pass-Through Fees In no event will the Eligibility Transaction Fee be less than the Monthly Base Rate for Customer's selected pricing tier. Prior to the EV Billing Date, Customer shall be billed at the Excess Usage Rate corresponding to Customer's selection below

Customer may change pricing tiers to a lower tier ("Downward Price Change") once per calendar quarter by providing written notice to Experian Health ("Price Change Notice"). Customer may change pricing tiers to a higher tier at any time ("Upward Price Change") by providing a Price Change Notice Any Price Change shall be effective the first day of the calendar month following Experian Health's receipt of the Price Change Notice

Eligibility Verification Transaction Fee			
Pricing Tier (Select One)	Monthly Base Rate	Monthly Max Transactions	Excess Usage Fees
1 ☒	$1,875 per month	12,500 transactions per month	$0 15 per transaction in excess of 12,500 transactions per month
2 ☐	$2,900 per month	20,000 transactions per month	$0 155 per transaction in excess of 20,000 transactions per month
3 ☐	$3,925 per month	25,000 transactions per month	$0 155 per transaction in excess of 25,000 transactions per month
4 ☐	$4,950 per month	30,000 transactions per month	$0 155 per transaction in excess of 30,000 transactions per month

VI. PRODUCT SPECIFIC TERMS

7.1 ADDITIONAL TERMS APPLICABLE TO CLAIMSOURCE

ELECTRONIC INTERFACES AND SYSTEM SOFTWARE. Customer is responsible for providing electronic file(s), containing data elements for UB04 and or CMS 1500 medical claims ("Claims File") for use with the system software. The Claims File shall be delivered in an industry standard file format(s), or mutually agreed upon non-standard format, by a secure network connection, or other Experian Health approved method

Additional charges shall apply for programming changes to the system software resulting from Customer changes in the format(s) of the Claims File. These changes will be billed to the Customer based on Experian Health's current hourly programming rate.

The system software accepts HIPAA compliant remittance advice data file(s) containing data elements related to payments and adjustments for medical claims for the contracted payers. The system software provides an output file format for transfer to accounts receivable systems. The Customer is responsible for the file transfer of remittance advice data file(s) from the Experian Health system to all other systems for the purposes of updating accounts receivable.

7.2 ADDITIONAL TERMS APPLICABLE TO ELECTRONIC ATTACHMENTS INTERFACE

CLAIMS ATTACHMENT PASS-THROUGH FEES. Fees exclude pass-through fees from state and federal governmental entities, Medicaid and Medicare Managed Care Organizations, third-party payers, third-party data service providers (including but not limited to pass through fees associated with processing of Veterans Affairs claims), communication tariffs and/or other similar fees ("Attachments Pass-Through Fees"). Attachments Pass-Through Fees will be billed monthly in addition to all other fees at the cost, without any markup, that Experian Health pays to obtain transaction data. The Attachments Pass-Through Fees are not subject to approval by Experian Health.

VIII. ADDITIONAL FEES/PRICING TERMS:

- Support services requested outside standard business hours may be billable at the standard hourly rate. Standard business hours are Monday to Friday, 6am to 5pm PST.
- Custom programming routines specific to Natividad Medical Center are billed at the standard rate. Current Hourly Programming Rates: $300 per hour.
- Equipment and hardware are the responsibility of NMC as long as the system is hosted by NMC. Contractor can host the system software at no additional cost.
- Travel and other reimbursable expenses are not allowed for this Agreement.
- CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.
- Payment may be based upon satisfactory acceptance of each deliverable, payment after completion of each major part of the Agreement, payment at conclusion of the Agreement, etc.
- NMC may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for disputed services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement, provided that NMC provides written notice to CONTRACTOR of any disputed fees.
- No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.
- CONTRACTOR may terminate this Agreement for cause if NMC fails to make any payment when due on any undisputed Services.

IX. BUSINESS ASSOCIATE AGREEMENT:

9.1 The Business Associate Agreement of even date herewith between the parties shall is hereby incorporated by reference into the Agreement and is subject to Section XII herein.

X. LICENSED RIGHTS:

10.1. **Grant:** Subject to the terms and conditions of this Agreement, and for so long as NMC is not in breach of the terms and conditions, CONTRACTOR grants the NMC a perpetual, nonexclusive, non-assignable, and non-transferable right to use the Products and Services at the site(s) designated in the Agreement for the purposes of internal data processing, report and claim generation and conveyance for the Initial Term or Amended Term, as applicable ("License Term"). The License Term will remain in effect until the Agreement is terminated. These license grants also apply to any user documentation provided by CONTRACTOR ("Documentation"). Upon termination of this Agreement for any reason, NMC shall immediately return all copies of the software comprising the Products and Services all other intellectual property of CONTRACTOR. To the extent necessary, NMC shall grant CONTRACTOR access to its premises during regular business hours to allow CONTRACTOR to remove or delete such intellectual property. CONTRACTOR shall deliver the data to NMC in X12 format.

10.2 **Limitation:** The NMC may not: (1) reverse engineer the Products; (2) use the Products to provide time-sharing or service-bureau services, either for profit or not, except as stated above; (3) allow third-parties to access or use the Products; (4) give copies of the Products to any other party including parent or sister company(ies), subsidiaries, or contractors; and (5) reproduce the Products or user Documentation except as stated above. NMC will not copy or modify the Products except as expressly permitted in this Agreement. NMC will not alter any trademark, copyright notice, or other proprietary notice on the Products or Documentation, and will duplicate each such trademark or notice on each copy of

the Products and Documentation. All Products used to provide the Services are herein identified as proprietary to CONTRACTOR, its licensors or vendors as applicable, and may not be copied, reproduced, modified, reverse engineered, translated, decompiled, disassembled, emulated, sublicensed, rented, leased, conveyed, assigned or used in any way other than as specifically authorized in this Agreement except to the extent and for the express purposes authorized by applicable law notwithstanding this limitation. All copies and partial copies of the Products will remain the property of CONTRACTOR.

10.3 Changes To Services: CONTRACTOR reserves the right at any time to (i) change, add, or modify any Product or Service or the manner in which such Product or Service is delivered or (ii) withdraw any Product or Service. Customer requests for changes to an existing Product may result in modifications to scope of service. The Experian team will review requested changes and if material change in scope is needed, the additional work will be documented and priced according to the Change Order process, as described herein. If Customer request is out of scope of the current version/configuration of the Product, and Experian Health determines, in its sole discretion, that the work is feasible Experian Health will prepare a Change Order proposal with appropriate costs. The Change Order proposal shall document any Customer-requested customization or deviation from a best practice workflow and will include all associated fees. Prior to the commencement of any work, Customer must agree to a Change Order document in writing, which will include all fees and the proposed timeline based on the requested changes.

10.4 Scope Changes. Customer requests for changes to an existing Product may result in modifications to scope of service. The Experian Team will review requested changes and if material change in scope is needed, the additional work will be documented and priced according to the Change Order process, as described herein. If Customer request is out of scope of the current version/configuration of the Product, and Experian Health determines, in its sole discretion, that the work is feasible Experian Health will prepare a Change Order proposal with appropriate costs. The Change Order proposal shall document any Customer-requested customization or deviation from a best practice workflow and will include all associated fees. Prior to the commencement of any work, Customer must agree to a Change Order document in writing, which will include all fees and the proposed timeline based on the requested changes.

10.5 System Requirements. CONTRACTOR has previously installed and configured and will continue to provide all technical support to maintain operations of the Linux Red Hat operating system software as part of this Agreement. CONTRACTOR assumes complete responsibility for the application software installed by CONTRACTOR on the System Server. The NMC is responsible for regular system backups, for archiving of backups and data files, for maintaining the network, for maintaining VPN access to the System Server and for reporting system difficulties to CONTRACTOR. CONTRACTOR System Support includes system maintenance via VPN access, assistance in the diagnosis of hardware or network related problems and technical assistance for all system operations.

XI. DATA:

11.1 Data Authority. The state or federal government, commercial payer and/or various data source's records are the final authority on eligibility, benefits, claims or other patient data. The data NMC and CONTRACTOR may exchange pursuant to this Agreement may change as a result of changes in law or regulation, or actions taken in accordance with the terms and conditions of certain health care benefits contracts, or changes made to those contracts.

11.2 Non-Guarantee of Reimbursement. CONTRACTOR does not warrant the accuracy or completeness of the data it sends to NMC as it is returned directly from a payer or data source. Acceptance by NMC of the data CONTRACTOR sends electronically does not constitute guarantee of reimbursement. CONTRACTOR exercises no control whatsoever over any third-party content, data and information entered into or displayed by the Products or any third-party content, data and information passing to/from NMC via the Products. NMC's use of any third-party content, data and information obtained via the Products is at NMC's own risk and CONTRACTOR specifically disclaims any warranty or responsibility for the accuracy or quality of third-party content, data and information obtained or provided through such use. CONTRACTOR shall have no responsibility or liability with regard to actions of third parties, including but not limited to disputes concerning payment of claims, eligibility status of a patient, or any other payer-submitted information. Information submitted by a payer through CONTRACTOR is no guarantee of payment and does not constitute a promise to pay; eligibility information is subject to change and waiting periods may apply.

11.3 System Testing: CONTRACTOR reserves the right to process test transactions on NMC's behalf in order to monitor service performance and quality assurance, but NMC shall not be responsible for any fees associated with such monitoring.

11.4 Proprietary Rights and Confidentiality. NMC, and on behalf of its employees, agents, vendors and clients, recognizes, acknowledges, and hereby agrees that CONTRACTOR and its licensors and vendors, as applicable, retain a proprietary interest in the Products and Services provided hereunder, and also to any and all copies, versions and derivative works of the same. NMC, and on behalf of its employees, agents, vendors and clients, shall not use or disclose the Products and Services, or any equipment, provided hereunder except for purposes consistent with this Agreement. To the extent that CONTRACTOR's employees or agents obtain access to NMC's proprietary information (i.e., a patient's Protected Health Information), CONTRACTOR shall use the information for the sole purpose of providing the Products and Services offered under this Agreement. CONTRACTOR shall not disclose such proprietary information to any third party except where the third party is contractually obligated to CONTRACTOR to facilitate the delivery of Products and Services. NMC also acknowledges and agrees that certain payers, fiscal intermediaries, government entities, and other third-party information suppliers may require compliance with obligations involving confidentiality, liability, and scope of use, as a condition of accessing their information. In the event such compliance obligations are directed to CONTRACTOR then CONTRACTOR will convey such written obligations to NMC as a requirement to access data. NMC also acknowledges and agrees that this Agreement and all pricing information and performance standards contained within and any of its related amendments, addendums, exhibits and schedules is considered confidential, competitive health care information and trade secrets and shall not be disclosed to any third party without the prior written consent of CONTRACTOR. This entire section shall survive the termination of this Agreement.

11.5 Warranties, Remedies, Indemnities and Liabilities. CONTRACTOR warrants that it has the authority to provide the Products and Services to NMC under this Agreement, and as of the Effective Date and to the best of CONTRACTOR's knowledge, the use of the Products and Services by NMC in accordance with the terms of this Agreement shall not infringe upon the United States patent, trademark or copyrights of any

third party. NMC's sole and exclusive remedy and CONTRACTOR's sole and exclusive liability in the event of a breach of the foregoing representation or warranty is the indemnification set forth in Section XIII below. In the event of a breach of the foregoing warranty, CONTRACTOR shall use commercially reasonable efforts to repair or replace the affected Product.

CONTRACTOR warrants that the Products and Services will accept data file(s) in specified format(s) containing data elements for institutional and professional medical claims provided to the system via network connection or other CONTRACTOR approved method. The Products and Services will accurately recognize and process data elements as a warranted function. Changes to the Products and Services that relate to the use of additional data file formats for medical claims data may incur additional programming charges from CONTRACTOR. These charges will be billed to the NMC based at CONTRACTOR's current hourly programming rate and will be provided prior to programming for approval.

If NMC requests warranty service that results in the determination that the licensed software was not deficient or at fault, then NMC agrees to pay all expenses and labor costs incurred by CONTRACTOR at the then current rate.

EXCEPT AS OTHERWISE PROVIDED HEREIN, the Services and products are provided "AS IS" without warranty of any kind, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, NONINFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE. ALL OF WHICH ARE EXPRESSLY DISCLAIMED. **NMC AGREES THAT CONTRACTOR WILL NOT BE LIABLE FOR ANY CLAIM OR DEMAND AGAINST NMC BY ANY OTHER PARTY. DUE TO THE NATURE OF THE SERVICES BEING PERFORMED BY CONTRACTOR, IT IS AGREED THAT IN NO EVENT WILL CONTRACTOR BE LIABLE FOR ANY CLAIM, LOSS, LIABILITY, CORRECTION, COST, DAMAGE, OR EXPENSE CAUSED BY CONTRACTOR'S PERFORMANCE OR FAILURE TO PERFORM HEREUNDER WHICH IS NOT REPORTED BY NMC WITHIN NINETY (90) DAYS OF SUCH FAILURE TO PERFORM.**

NMC ACKNOWLEDGES THAT, IN CONNECTION WITH THE SERVICES PROVIDED UNDER THIS AGREEMENT, INFORMATION SHALL BE TRANSMITTED OVER LOCAL EXCHANGE, INTEREXCHANGE AND INTERNET BACKBONE CARRIER LINES AND THROUGH ROUTERS, SWITCHES AND OTHER DEVICES OWNED, MAINTAINED AND SERVICED BY THIRD PARTY LOCAL EXCHANGE AND LONG DISTANCE CARRIERS, UTILITIES, INTERNET SERVICE PROVIDERS, AND OTHERS, ALL OF WHICH ARE BEYOND THE CONTROL AND JURISDICTION OF CONTRACTOR. ACCORDINGLY, CONTRACTOR ASSUMES NO LIABILITY FOR OR RELATING TO THE DELAY, FAILURE, OR INTERRUPTION OF INFORMATION TRANSMITTED IN CONNECTION WITH THE SERVICES PROVIDED UNDER THIS AGREEMENT.

IN NO EVENT SHALL EITHER PARTY, ITS LICENSORS, SUPPLIERS AND/OR SUBCONTRACTORS BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF REVENUE OR PROFITS, COST OF CAPITAL, CLAIMS OF NMCS FOR SERVICE INTERRUPTIONS OR FAILURE OF SUPPLY, AND COSTS AND EXPENSES INCURRED IN CONNECTION WITH LABOR, OVERHEAD, TRANSPORTATION, INSTALLATION, OR REMOVAL OF EQUIPMENT OR PROGRAMMING OR SUBSTITUTE FACILITIES OR SUPPLY RESOURCES, EVEN IF CONTRACTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. The obligations under this section shall survive termination of this Agreement.

XII. INTELLECTUAL PROPERTY INDEMNIFICATION.

12.1 CONTRACTOR will indemnify, defend and hold harmless NMC from any action or other proceeding brought against NMC to the extent that it is based on a claim that the use of the Products or Services delivered under this Agreement infringes any U.S. copyright or U.S. patent of a third party; provided that NMC gives CONTRACTOR commercially reasonable notice in writing of a complaint, gives CONTRACTOR sole authority to defend the same and gives CONTRACTOR all available information assistance and authority (at NMC's expense) in connection therewith. CONTRACTOR will have control of the defense of such proceeding including appeals and of all negotiations for, including the right to effect the settlement or compromise thereof. In the event of such a complaint or if in CONTRACTOR's reasonable opinion such a complaint is likely to be successfully made, CONTRACTOR shall, at its option and expense, to the extent necessary to provide substantially equivalent and compatible Product and/or Service, procure for NMC the right to continue using the Product and/or Service, replace the same with non-infringing Product and/or Service, or modify the same so that it becomes non-infringing and conforms in all material respects. In the event that the infringing Product and/or Service cannot be replaced or modified as set forth herein in a commercially reasonable manner, CONTRACTOR may discontinue the Product and/or Service, or that portion of the Product and/or Service, and the access granted hereunder will terminate. CONTRACTOR will not have any liability to NMC if any such infringement, or complaint thereof, is based upon or arises out of (a) non-compliance with the design, plans or specifications furnished by or on behalf of CONTRACTOR or the Documentation or this Agreement; (b) the use of the Product and/or Service in a manner for which the same was neither designated nor contemplated; (c) modifications made to the Products or Services by or on behalf of NMC; or (d) the claimed infringement of any patent in which NMC or any subsidiary or affiliate of NMC has any direct or indirect interest, by license or otherwise. **THE FOREGOING ARE CONTRACTOR'S SOLE AND EXCLUSIVE OBLIGATIONS, AND NMC'S SOLE AND EXCLUSIVE REMEDIES, WITH RESPECT TO INTELLECTUAL PROPERTY INFRINGEMENT.**

END OF EXHIBIT A

ADDENDUM NO. 1

TO AGREEMENT BY AND BETWEEN EXPERIAN HEALTH, INC.AND THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER FOR MEDICAL BILLING, ELIGIBILITY AND MEDICARE DDE ACCESS SERVICES

This Addendum No. 1 amends, modifies, and supplements the County of Monterey Agreement for Services (hereinafter "Agreement") by and between Experian Health, Inc., (hereinafter "CONTRACTOR") and the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"). This Addendum #1 has the full force and effect as if set forth within the Terms. To the extent that any of the terms or conditions contained in this Addendum #1 may contradict or conflict with any of the terms and conditions of the Agreement, it is expressly understood and agreed that the terms and conditions of this Addendum #1 shall take precedence and supersede the attached Agreement.

NOW, THEREFORE, NMC and CONTRACTOR agree that the Agreement terms and conditions shall be amended, modified, and supplemented as follows:

I. Paragraph 3.2 shall be deleted in its entirety.

II. Paragraph 6.1 shall be amended:

6.1. Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provide in this paragraph. NMC does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement other than the monthly Subscription Fees as set forth in Exhibit A.

III. Paragraph 7.1 shall be deleted in its entirety.

IV. Paragraph 7.2 shall be renumbered as Paragraph 7.1 and amended:

7.1 NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If NMC terminates this Agreement for good cause, NMC may be relieved of the payment ofany consideration to Contractor for any services not yet received or disputed within ninety (90) days of NMC's receipt of invoice, and NMC may proceed with the work in any manner, which NMC deems proper. The cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement. CONTRACTOR shall have the right to terminate this Agreement for good cause upon ninety (90) days' notice if NMC fails to pay any undisputed invoice when due.

VI. Paragraph 7.3 shall be renumbered as Paragraph 7.2.

VII. Paragraph 8.1 shall be amended:

8.1 Subject to the applicable insurance policy limits set forth in Section 9.3 herein, CONTRACTOR shall indemnify, defend, and hold harmless The County of Monterey on behalf of Natividad Medical Center, its officers, agents and employees (hereinafter NMC), from any finally-awarded claim, liability, loss, injury or damage but only to the proportional extent arising out of, or in connection with the negligent acts or omissions of CONTRACTOR, the willful misconduct of CONTRACTOR or any contractual breach associated with the performance of this Agreement by CONTRACTOR and/or its agents, members, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by NMC or other third party.

VIII. Paragraph 9.2 shall be amended:

9.2 Qualifying Insurers: All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by NMC's Contracts/Purchasing Director or an equivalent rating from a similar rating agency.

IX. Paragraph 10.1 shall be amended:

10.1 Confidentiality. CONTRACTOR and its officers, employees, agents and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from NMC or prepared in connection with the performance of this Agreement, unless NMC specifically permits CONTRACTOR to disclose such records or information. NMC specifically grants CONTRACTOR permission to use NMC's patients' protected Health Information ("PHI") as required to provide the services set forth in Exhibit A Scope of Services/Payment provisions of this Agreement as per the attached Exhibit C Business Associates Agreement. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out Contractor's obligations under this Agreement.

X. Paragraph 10.2 shall be amended:

10.2 NMC Records. When this Agreement expires or terminates, to the extent feasible, CONTRACTOR shall return to NMC any NMC records which CONTRACTOR used or received from NMC to perform services under this Agreement.

XI. Paragraph 10.5 shall be amended:

10.5 Royalties and Inventions. NMC shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize other to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced exclusively for NMC in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of NMC.

XII. Paragraph 15.6 shall be amended:

15.6 Assignment and Subcontracting: The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of NMC. None of the services covered by this Agreement shall be subcontracted without the prior written approval of NMC. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement. Notwithstanding anything contained in the foregoing, a merger with an existing parent or affiliate entity shall not constitute an assignment for purposes of this Section 15.6.

Signature page to follow.

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Addendum No.1 on the basis set forth in this document and have executed this Addendum No. 1 the day and year set forth herein. This Addendum No. 1 shall be attached to and incorporated into the County of Monterey Agreement for Services (More Than $100,000)

The County of Monterey on behalf of Natividad Medical Center	**Experian Health, Inc.**
Charles R. Harris, CEO	Signature of Chair, President or Vice-President
8/31/22 Date	Printed Name and Title
Approved as to Form:	Date
Monterey County Deputy County Counsel	Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer
Chief Deputy County Counsel, 7/14/2022 Date	Jeff Corley Senior Director - Operations Printed Name and Title
Approved as to Fiscal provisions:	Jeff Corley Date Jul 7, 2022
Monterey County Chief-Deputy Auditor-Controller	Signature Instructions For a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).
7/14/2022 Date	

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("BAA") effective July 5, 2022 ("Effective Date"), is entered into by and among between the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center ("Covered Entity") and Experian Health, Inc. ("BusinessAssociate") (each a "Party" and collectively the "Parties").

RECITALS

A. WHEREAS, Business Associate provides certain Services for Covered Entity that involve the Use and Disclosure of Protected Health Information ("PHI") that is created, received, transmitted, or maintained by Business Associate for or on behalf of Covered Entity.

B. WHEREAS, The Parties are committed to complying with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), and their implementing regulations, including the Standards for the Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E (the "Privacy Rule"), the Breach Notification Standards, 45 C.F.R. Part 160 and 164 subparts A and D (the "Breach Notification Rule"), and the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C (the "Security Rule"), (collectively "HIPAA"), all as amended from time to time.

C. WHEREAS, The Parties are also committed to complying with the California Confidentiality Laws (defined below).

D. WHEREAS, To the extent that Business Associate is performing activities in connection with covered accounts for or on behalf of Covered Entity, the Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 ("Red Flag Rules").

E. WHEREAS, The Privacy and Security Rules require Covered Entity and Business Associate to enter into a business associate agreement that meets certain requirements with respect to the Use and Disclosure of PHI. This BAA, sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information ("EPHI") shall be handled, in accordance with such requirement.

NOW THEREFORE, in consideration of the mutual promises below and the exchange of information pursuant to this BAA, the Parties agree as follows:

AGREEMENT

1. DEFINITIONS

1.1 All capitalized terms used in this BAA but not otherwise defined shall have the meaning set forth in the Privacy Rule, the Breach Notification Rule, or the Security Rule.

(a) "Breach" shall have the same meaning as "breach" as defined in 45 C.F.R. § 164.402 and shall mean the access, acquisition, Use, or Disclosure of PHI in a manner not permitted under the Privacy Rule that compromises the privacy or security of the PHI; the term "Breach" as used in this BAA shall also mean the unlawful or unauthorized access to, Use or Disclosure of a patient's "medical information" as defined under Cal. Civil Code § 56.05(j), for which notification is required pursuant to Cal. Health & Safety Code 1280.15, or a "breach of the security of the system" under Cal. Civil Code §1798.29.

(b) "California Confidentiality Laws" shall mean the applicable laws of the State of California governing the confidentiality of PHI or Personal Information, including, but not limited to, the California Confidentiality of Medical Information Act (Cal. Civil Code §56, et seq.), the patient access law (Cal. Health & Safety Code §123100 et seq.), the HIV test result confidentiality law (Cal. Health & Safety Code §120975, et seq.), the Lanterman-Petris-Short Act (Cal. Welf. & Inst. Code §5328, et seq.), and the medical identity theft law (Cal. Civil Code 1798.29).

(c) "Protected Health Information" or "PHI" shall mean any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual or the past, present or future payment for the provision of health care to an individual; (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information that can be used to identify the individuals, and (iii) is provided by Covered Entity to Business Associate or created, maintained, received, or transmitted by Business Associate on Covered Entity's behalf. **PHI includes EPHI**.

(d) "Services" shall mean the services for or functions on behalf of Covered Entity performed by Business Associate pursuant to a Services Agreement between Covered Entity and Business Associate to which this BAA applies.

2. PERMITTED USES AND DISCLOSURES OF PHI

Unless otherwise limited herein, Business Associate may:

(a) Use or Disclose PHI to perform Services for, or on behalf of, Covered Entity, provided that such Use or Disclosure would not violate the Privacy or Security Rules, this BAA, or California Confidentiality Laws;

(b) Use or Disclose PHI for the purposes authorized by this BAA or as otherwise Required by Law;

(c) Use PHI to provide Data Aggregation Services for the Health Care Operations of Covered Entity, if required by the Services Agreement and as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

(d) Use PHI if necessary for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) Disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted under 45 C.F.R. § 164.504(e)(4)(ii), provided that Disclosures are Required by Law, or Business Associate obtains reasonable assurances from the person to whom the information is Disclosed that it will remain confidential and be Used or further Disclosed only as Required by Law or for the purpose for which it was Disclosed to the person, and that such person will notify the Business Associate of any instances of which such person is aware that the confidentiality of the information has been breached;

(f) Use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1); and

(g) De-identify any PHI obtained by Business Associate under this BAA in accordance with 45 C.F.R. § 164.514 and Use or Disclose such de-identified information only as required to provide Services pursuant to the Services Agreement between the Parties, or with the prior written approval of Covered Entity.

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

3.1. Responsibilities of Business Associate. With regard to its Use and/or Disclosure of PHI, Business Associate shall:

(a) Notify the Privacy Officer of Covered Entity, in writing, of: (i) any Use and/or Disclosure of the PHI that is not permitted or required by this BAA; (ii) any successful Security Incident that results in unauthorized access, use, disclosure, modification or destruction of EPHI ("Successful Security Incident") of which Business Associate becomes aware; and (iii) any Breach. Such notice shall be provided within five (5) business days of Business Associate's discovery of such unauthorized access, acquisition, Use and/or Disclosure. Notwithstanding the foregoing, the Parties acknowledge the ongoing existence and occurrence of attempted but ineffective Security Incidents that are trivial in nature, such aspings and other broadcast service attacks, and unsuccessful log-in attempts. The Parties acknowledge and agree that this Section 3.1(a) constitutes notice by Business Associate toCovered Entity of such ineffective Security Incidents and no additional notification to Covered Entity of such ineffective Security Incidents is required, provided that no such Security Incident results in a Breach. A ransomware attack shall not be considered an ineffective Security Incident and shall be reported to Covered Entity if such Security Incident results in a Breach. Business Associate shall investigate each Successful Security Incident or unauthorized access, acquisition, Use, or Disclosure of PHI, or Breach that it discovers and shall provide a summary of its investigation to Covered Entity, upon request. If Business Associate or Covered Entity determines that such Security Incident or unauthorized access, acquisition, Use, or Disclosure, or suspected Breach constitutes a Breach, then Business Associate shall comply with the requirements of Section 3.1(a)(i) below;

(i) Business Associate shall provide a supplemental written report in accordance with 45 C.F.R. § 164.410(c), which shall include, to the extent possible, the identification of each individual whose PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, Used or Disclosed during the Breach, to Covered Entity without unreasonable delay, but no later than five (5) business days after discovery of the Breach;

(ii) Covered Entity shall have sole control over the timing and method of providing notification of such Breach to the affected individual(s), the appropriate government agencies, and, if applicable, the media. Business Associate shall assist with the implementation of any decisions by Covered Entity to notify individuals or potentially impacted individuals;

(b) In consultation with the Covered Entity, Business Associate shall use commercially reasonable efforts to mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper access, acquisition, Use, or Disclosure, Successful Security Incident, or Breach. Business Associate shall take prompt corrective action, including any action required by applicable State or federal laws and regulations relating to such Successful Security Incident or non-permitted access, acquisition, Use, or Disclosure. Subject to the limitation of liability in Section 5.8 herein, Business Associate shallreimburse Covered Entity for its reasonable costs and expenses in providing any required notification to affected individuals, appropriate government agencies, and, if necessary themedia, including, but not limited to, any administrative costs associated with providing notice, printing and mailing costs, public relations costs, reasonable attorney fees, and reasonable costs of mitigating the harm (which may include the costs of obtaining up to one year of credit monitoring services and identity theft insurance) for affected individuals whose PHI or Personal Information has or may have been compromised as a result of the Breach;

(c) Implement appropriate administrative, physical, and technical safeguards and comply with the Security Rule to prevent Use and/or Disclosure of EPHI other than as provided for by this BAA;

(d) Obtain and maintain a written agreement with each of its Subcontractors that creates, maintains, receives, Uses, transmits or has access to PHI that requires such Subcontractors to adhere to the substantially the same restrictions and conditions with respect to PHI that apply to Business Associate pursuant to this BAA;

(e) Make available all internal practices, books, and records relating to the Use and/or Disclosure of PHI received from, created, maintained, or transmitted by Business Associate on behalf of Covered Entity to the Secretary of the Department of Health and Human Services ("Secretary") in atime and manner designated by the Secretary for purposes of determining Covered Entity'sor Business Associate's compliance with the Privacy Rule.

(f) Document Disclosures of PHI and information related to such Disclosure and, within thirty (30) days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the Disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the Disclosure; (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief descriptionof the PHI Disclosed; and (iv) a brief statement of the purpose of such Disclosure which includes an explanation of the basis for such Disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within ten (10) days, forward such request to the Covered Entity. The Business Associateshall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) Subject to Section 4.4 below, return to Covered Entity within thirty (30) days of the termination of this BAA, the PHI in its possession and retain no copies, including backup copies;

(h) Disclose to its Subcontractors or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) If all or any portion of the PHI is maintained in a Designated Record Set:

(i) Upon ten (10) days' prior written request from Covered Entity, provide access to the PHI to Covered Entity to meet a request by an individual under 45 C.F.R. § 164.524. Business Associate shall notify Covered Entity within ten (10)days of its receipt of a request for access to PHI from an Individual; and

(ii) Upon ten (10) days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526. Business Associate shall notify Covered Entity within ten (10) days of its receipt of a request for amendment of PHI from an Individual;

(j) If applicable, maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules;

(k) To the extent that Business Associate carries out one or more of Covered Entity's obligations under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to Covered Entity in the performanceof such obligations;

(l) Unless prohibited by law, notify the Covered Entity within five (5) days of the Business Associate's receipt of any request or subpoena for PHI. To the extent

that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge; and

(m) Maintain policies and procedures materially in accordance with State Confidentiality Laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security.

3.2 Business Associate Acknowledgment.

(a) Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

(b) Business Associate further acknowledges that it is obligated by law to comply, and represents and warrants that it shall comply, with HIPAA and the HITECH Act. Business Associate shall comply with all California Confidentiality Laws, to the extent that such state laws are not preempted by HIPAA or the HITECH Act.

(c) Business Associate further acknowledges that uses and disclosures of protected health information must be consistent with NMC's privacy practices, as stated in NMC's Notice of Privacy Practices. The current Notice of Privacy Practices can be retrieved online at: http://www.natividad.com/quality-and-safety/patient-privacy . Business Associate agrees to review the NMC Notice of Privacy Practices at this URL at least once annually while doing business with NMC to ensure it remains updated on any changes to the Notice of Privacy Practices NMC may make.

3.3 Responsibilities of Covered Entity. Covered Entity shall, with respect to Business Associate:

(a) Provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(b) Notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI;

(c) Notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the Use or Disclosure of PHI provided to Covered Entity pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI; and

(d) Notify Business Associate of any restrictions on Use and/or Disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's Use or Disclosure of PHI.

4. TERM AND TERMINATION

4.1 Term. This BAA shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Section 4. Certain provisions and requirements of this BAA shall survive its expiration or other termination as set forth in Section 5 herein.

4.2 Termination. If Covered Entity determines in good faith that Business Associate has breached a material term of this BAA, Covered Entity may either: (i) immediately terminate this BAA if the breach is not curable; or (ii) terminatethis BAA within thirty (30) days of Business Associate's receipt of written notice of such breach, if the breach is not cured to the satisfaction of Covered Entity.

4.3 Automatic Termination. This BAA shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

4.4 Effect of Termination. Upon termination or expiration of this BAA for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. §164.504(e)(2)(ii)(J) if, and to the extent that, it is feasible to do so. Prior to returning the PHI, Business Associate shall recover any PHI in the possession of its Subcontractors. Tothe extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall: (i) retain only that PHI which is necessary for Business Associate to continue its proper management and administration or carry out its legal responsibilities; (ii) return to Covered Entity the remaining PHI that the Business Associate maintains in any form; (iii) continue to extend the protections of this BAA to the PHI for as long as Business Associate retains PHI; (iv) limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction of the PHI not feasible and subject to thesame conditions as set out in Section 2 above, which applied prior to termination; and (vi)return to Covered Entity the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry outits legal responsibilities.

5. MISCELLANEOUS

5.1 Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 2.1, 4.4, 5.7, 5.8, 5.11, and 5.12 shall survive termination of this BAA until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this BAA, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

5.2 Amendments; Waiver. This BAA may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of HIPAA, the HITECH Act, or California Confidentiality

Laws is materially amended in a manner that changes the obligations of the Parties, the Parties agree to negotiate in good faith appropriate amendment(s) to this BAA to give effect to the revised obligations. Further, no provision of this BAA shall be waived, exceptin a writing duly signed by authorized representatives of the Parties. A waiver with respectto one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

5.3 No Third Party Beneficiaries. Nothing express or implied in this BAA is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

5.4 Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

Experian Health, Inc.
720 Cool Springs Boulevard, Suite 200
Franklin, TN 37067
Attn: Head of Legal
contract&setup@experianhealth.com

If to Covered Entity, to:
Natividad Medical Center
Attn: Compliance/Privacy Officer
1441 Constitution Blvd.
Salinas, CA 93906
Phone: 831-755-4111
Fax: 831-755-6254

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

5.5 Counterparts; Facsimiles. This BAA may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

5.6 Relationship of Parties. Notwithstanding anything to the contrary in the Services Agreement, Business Associate is an independent contractor and not an agent of Covered Entity under this BAA. Business Associate has the sole right and obligation to supervise, manage, contract, direct, procure, perform, or cause to be performed all Business Associate obligations under this BAA.

5.7 Choice of Law; Interpretation. This BAA shall be governed by the laws of the State of California. Any ambiguities in this BAA shall be resolved in a manner that allows Covered Entity and Business Associate to comply with the Privacy Rule, the Security Rule, and the California Confidentiality Laws.

5.8 Indemnification; Limitation of Liability. Subject to the limitation of liability provided herein, Business Associate shall indemnify, defend, and hold harmless the County of Monterey (the "County"), its officers, agents, and employees fromany third-party claim, liability, loss, injury, reasonable cost, reasonable expense, penalty or damage, including costs incurredby the County with respect to any investigation, enforcement proceeding, or third party action, arising out of, or in connection with, a violation of this BAA or a Breach that is attributable to an act or omission of Business Associate and/or its agents, members, employees, or Subcontractors, excepting only loss, injury, cost, expense, penalty ordamage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the Parties to provide the broadest possible indemnification for the County. This provision is in addition to, and independent of, any indemnification provision in any related or other agreement between the Parties. Notwithstanding anything to the contrary in this BAA or in any Services Agreement, Business Associate's maximum liability under this BAA, from any cause whatsoever, and regardless of the form of action, whether in contract or in tort, including negligence, will be limited to the lesser of: (1) five times (5x) the total amount payable for the services under the applicable Services Agreement during the twelve (12) months before the cause of action arose or (2) the actual damages incurred. The foregoing limitation of liability shall not include County's reasonable costs and expenses associated with providing notice, including but not limited to printing and mailing costs, and the costs of credit monitoring services from a vendor selected by the Business Associate (for a period not to exceed one year) for affected individuals whose PHI has or may have been compromised as a result of the Breach ("Costs of Notice and Credit Monitoring"). Any such Costs of Notice and Credit Monitoring shall not be included in the cap on liability set forth herein, and Business Associate shall be liable for all such Costs of Notice and Credit Monitoring. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, PUNITIVE, SPECIAL OR INCREASED DAMAGES, OR DAMAGES TO BUSINESS REPUTATION, DAMAGES ARISING FROM LOSS OF BUSINESS WITH THIRD PARTIES, OR LOSS OF PROFITS FROM TRANSACTIONS WITH THIRD PARTIES, OR WILLFUL INFRINGEMENT BY THE OTHER PARTY, WHETHER ANY OF THE FOREGOING ARE FORESEEABLE OR NOT AND HOWEVER CAUSED, EVEN IF SUCH PARTY IS ADVISED OF THE POSSIBILITY THAT SUCH DAMAGES OR LOST PROFITS MIGHT ARISE.

5.8 Applicability of Terms. This BAA applies to all present and future Service Agreements and Business Associate relationships, written or unwritten, formal orinformal, in which Business Associate creates, receives, transmits, or maintains any PHI for or on behalf of Covered Entity in any form whatsoever. This BAA shall automatically be incorporated in all subsequent agreements between Business Associate and Covered Entity involving the Use or Disclosure of PHI whether or not specifically referenced therein. In the event of any conflict or inconsistency between a provision of this BAA anda provision of any other agreement between Business Associate and Covered Entity, the provision of this BAA shall control unless the provision in such other agreement establishes additional

rights for Business Associate or additional duties for or restrictions on Business Associate with respect to PHI, in which case the provision of such other agreement will control.

5.9 Insurance. In addition to any general and/or professional liability insurance required of Business Associate, Business Associate agrees to obtain and maintain, at its sole expense, liability insurance on an occurrence basis, covering any and all claims, liabilities, demands, damages, losses, costs and expenses arising from a breach of the obligations of Business Associate, its officers, employees, agents and Subcontractors under this BAA. Such insurance coverage will be maintained for the term of this BAA, and a copy of such policy or a certificate evidencing the policy shall be provided to Covered Entity at Covered Entity's request.

5.10 Legal Actions. Promptly, but no later than five (5) business days after notice thereof, Business Associate shall advise Covered Entity of any actual or potential action, proceeding, regulatory or governmental orders or actions, or any material threat thereof that becomes known to it that may affect the interests of Covered Entity or jeopardize this BAA, and of any facts and circumstances that may be pertinent to the prosecution or defense of any such actual or potential legal action or proceeding, except to the extent prohibited by law.

5.11 Audit or Investigations. Promptly, but no later than five (5) calendar days after notice thereof, Business Associate shall advise Covered Entity of any audit, compliant review, or complaint investigation by the Secretary or other state or federal agency related to compliance with HIPAA, the HITECH Act, or the California Confidentiality Laws.

IN WITNESS WHEREOF, each of the undersigned has caused this BAA to be duly executed in its name and on its behalf as of the Effective Date.

BUSINESS ASSOCIATE	**COVERED ENTITY**
By: Jeff Corley	By:
Print Name Jeff Corley	Print Name: Charles Harris
Print Title Senior Director-Operations	Print Title: CEO
Date: Jul 5, 2022	Date: 8/31/22

County of Monterey

Board Report

Legistar File Number: A 25-384

Item No.36

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/8/2025

Current Status: Natividad Medical Center - Consent

Version: 1

Matter Type: BoS Agreement

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute Amendment No. 6 to the Agreement (A-13995) with AMN Healthcare, Inc. dba AMN Leadership Solutions for interim management-level services at NMC, extending the Agreement for an additional one-year term (January 1, 2026 through December 31, 2026) for a revised full Agreement term of July 18, 2018 through December 31, 2026, and no change to the total not-to-exceed amount of $1,300,000.

RECOMMENDATION:

It is recommended the Board of Supervisors:

Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute Amendment No. 6 to the Agreement (A-13995) with AMN Healthcare, Inc. dba AMN Leadership Solutions for interim management-level services at NMC, extending the Agreement for an additional one-year term (January 1, 2026 through December 31, 2026) for a revised full Agreement term of July 18, 2018 through December 31, 2026, and no change to the total not-to-exceed amount of $1,300,000.

SUMMARY/DISCUSSION:

AMN Healthcare, Inc. dba AMN Leadership Solutions is a nationally recognized expert in hospital interim management and has proven its ability to respond in a swift manner when the need to fill a critical position arises. AMN Healthcare, Inc. dba AMN Leadership Solutions has delivered reliable services to NMC, thereby allowing NMC to provide quality patient care to the residents of the Monterey County.

Hospital and Clinic Management is characterized by a continuous commitment to maintaining legal, ethical, and professional standards within a healthcare organization. Effective management in this field requires the development of processes, policies, and procedures that clearly articulate acceptable conduct, educate staff, and ensure compliance with all relevant guidelines and regulations.

Management encompasses several critical areas, including patient care, reimbursement, billing, managed care, and adherence to OSHA and HIPAA regulations concerning privacy and security.

The role of Interim Leadership is essential during the recruitment and selection process, particularly when the hospital lacks internal expertise for these vital positions. This leadership ensures that the hospital remains compliant with all requirements. The significance of these management roles is crucial for the operation of key departments upon which the community depends. It is imperative to have qualified individuals in place to oversee these departments, especially during times of vacancy.

NMC requests approval to extend services with AMN through 12/31/2026 to allow the hospital to quickly obtain interim staff to fill critical leadership roles as they arise.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this Amendment No. 6 as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The Amendment No. 6 has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on September 5, 2025.

FINANCING:

There is no additional cost to the Agreement associated with this Amendment No. 6.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This Amendment No. 6 to the Agreement will provide NMC with any interim management-level support it may need to ensure that reliable and quality patient care will not affect when a vacancy should unexpectedly occur.

__ Economic Development
__ Administration
X Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Janine Bouyea, Chief People Operations Officer, 831-783-2701
Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachments:

AMN Leadership Solutions Amendment No. 6
B.E. Smith Renewal and Amendment No. 5
B.E. Smith Renewal and Amendment No. 4
B.E. Smith Renewal and Amendment No. 3
B.E. Smith Amendment No. 2
B.E. Smith Amendment No. 1
B.E. Smith Agreement

Attachments on file with the Clerk of the Board

Introduced: 9/8/2025
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

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Management encompasses several critical areas, including patient care, reimbursement, billing, managed care, and adherence to OSHA and HIPAA regulations concerning privacy and security.

The role of Interim Leadership is essential during the recruitment and selection process, particularly

when the hospital lacks internal expertise for these vital positions. This leadership ensures that the hospital remains compliant with all requirements. The significance of these management roles is crucial for the operation of key departments upon which the community depends. It is imperative to have qualified individuals in place to oversee these departments, especially during times of vacancy.

NMC requests approval to extend services with AMN through 12/31/2026 to allow the hospital to quickly obtain interim staff to fill critical leadership roles as they arise.

OTHER AGENCY INVOLVEMENT:

The Office of County Counsel has reviewed and approved this Amendment No. 6 as to form, and the Auditor-Controller has reviewed and approved as to payment provisions. The Amendment No. 6 has also been reviewed and approved by NMC's Finance Committee and by its Board of Trustees on September 5, 2025.

FINANCING:

There is no additional cost to the Agreement associated with this Amendment No. 6.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

This Amendment No. 6 to the Agreement will provide NMC with any interim management-level support it may need to ensure that reliable and quality patient care will not affect when a vacancy should unexpectedly occur.

__ Economic Development
__ Administration
X Health and Human Services
__ Infrastructure
__ Public Safety

Prepared by: Janine Bouyea, Chief People Operations Officer, 831-783-2701
Approved by: Charles R. Harris, Chief Executive Officer, 783-2553

Attachments:

AMN Leadership Solutions Amendment No. 6
B.E. Smith Renewal and Amendment No. 5
B.E. Smith Renewal and Amendment No. 4
B.E. Smith Renewal and Amendment No. 3
B.E. Smith Amendment No. 2
B.E. Smith Amendment No. 1
B.E. Smith Agreement

Attachments on file with the Clerk of the Board

Docusign Envelope ID: D62069C3-13D6-43FF-9CE6-FC8A9FC0B71D

Original Agreement No. (A-13995)

AMENDMENT NO. 6
TO SERVICES AGREEMENT
BETWEEN AMN HEALTHCARE, INC. DBA AMN LEADERSHIP SOLUTIONS AND THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
INTERIM MANAGEMENT-LEVEL SERVICES

This Amendment No. 6 to the Services Agreement ("Agreement") which was effective on July 1, 2018 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and AMN Healthcare, Inc. dba AMN Leadership Solutions ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the Agreement was executed with B.E. Smith, Inc. for interim management-level services with a term July 1, 2018 through June 30, 2021 and a total Agreement amount not to exceed $300,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 1 to extend it for an additional two (2) year period through June 30, 2023 for a revised full Agreement term (July 1, 2018 through June 30, 2023) to allow for services to continue with revisions to the original scope of work attached hereto as "Exhibit A-1 per Amendment No. 1" with a $300,000 increase for a revised total Agreement amount not to exceed $600,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 2 to allow for services to continue with no changes to the scope of work or term of Agreement (July 1, 2018 through June 30, 2023) with a $450,000 increase for a revised total Agreement amount not to exceed $1,050,000; and

WHEREAS, the Agreement expired on June 30, 2023; and

WHEREAS, the Parties amended the Agreement via Renewal and Amendment No. 3 on the same or similar terms, beginning July 1, 2023 and to extend the term for an additional six (6) month period through December 31, 2023 for a revised full Agreement term (July 1, 2018 through December 31, 2023) to allow for services to continue with no changes to the scope of work or total Agreement amount of $1,050,000; and

WHEREAS, the Agreement expired on December 31, 2023; and

WHEREAS, the Parties amended the Agreement via Renewal and Amendment No. 4 retroactive to January 1, 2024 to extend the term for an additional one (1) year period through December 31, 2024 for a revised full Agreement term of (July 1, 2018 through December 31, 2024), and to add an additional $250,000 for a revised total Agreement amount not to exceed $1,300,000; and

WHEREAS, the Agreement expired on December 31, 2024; and

WHEREAS, the Parties amended the Agreement via Renewal and Amendment No. 5 retroactive to January 1, 2025 to extend it for an additional one (1) year period (January 1, 2025 through December 31, 2025) for a revised full Agreement term of July 1, 2018 through December 31, 2025, to allow services to continue with no changes to the scope of work or the total Agreement amount of not to exceed $1,300,000; and

Docusign Envelope ID: D62069C3-13D6-43FF-9CE6-FC8A9FC0B71D

WHEREAS, B.E. Smith, Inc. assigned all of its right, title, interest in and to all of its terms, covenants, conditions, and obligations on October 1, 2023, to AMN Healthcare, Inc. dba AMN Leadership Solutions, who accepts the assignment and expressly assumes and agrees to keep, perform, and fulfill all of the terms, covenants, and conditions and obligations required to be kept, performed, and fulfilled. The County of Monterey consented to the foregoing assignment and assumption on March 20, 2024; and

WHEREAS, the Parties wish to amend the Agreement to extend it for an additional one (1) year period (January 1, 2026 through December 31, 2026) for a revised full Agreement term of July 1, 2018 through December 31, 2026, to allow for services to continue with no changes to the scope of work or the total not-to-exceed amount of $1,300,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, and Renewal Amendment No. 3, Renewal and Amendment No. 4, and in Renewal and Amendment No. 5 incorporated herein by this reference, except as specifically set forth below.

1. Whenever appearing in the Agreement, the term **CONTRACTOR shall refer to AMN Healthcare, Inc. dba AMN Leadership Solutions, rather than B.E. Smith, Inc.**

2. The first sentence of Section 3.1 shall be amended to the following:
"The term of this Agreement is from July 1, 2018 through December 31, 2026 unless sooner terminated pursuant to the terms of this Agreement."

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 6 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Renewal and Amendment No. 3, Renewal and Amendment No. 4, and Renewal and Amendment No. 5.

4. A copy of this Amendment No. 6 shall be attached to the Agreement.

5. This Amendment No. 6 shall be effective when signed by the Parties.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: D62069C3-13D6-43FF-9CE6-FC8A9FC0B71D

IN WITNESS WHEREOF, the Parties hereby execute this Amendment No. 6 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: _____
Charles R. Harris, CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

Signed by:
By: Stacy Saetta
696D21D44C4341D...
Monterey County Deputy County Counsel

Date: 8/18/2025 | 1:39 PM PDT

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Patricia Ruiz
E79EF64E57454F6...
Monterey County Deputy Auditor/Controller

Date: 8/19/2025 | 9:21 AM PDT

AMN LEADERSHIP SOLUTIONS

DocuSigned by:
By: Joseph Beam
2F310B175FE44A9...
(Signature of: Chair, President, or Vice-President)

Joseph Beam Vice President Client Organization
Name and Title

Date: 7/25/2025

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Docusign Envelope ID: D62069C3-13D6-43FF-9CE6-FC8A9FC0B71D

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Wendy Root Askew, seconded by Supervisor Kate Daniels to:

Agreement No.: A-13995 ; Amendment No.: 5
Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute renewal and amendment No. 5 to the agreement (A-13995) with B.E. Smith, Inc. for interim management-level services at NMC, extending the agreement for an additional one year term (January 1, 2025 through December 31, 2025) for a revised full agreement term of July 18, 2018 through December 31, 2025, with no change to the total contract amount of $1,300,000.

PASSED AND ADOPTED on this 18th day of February 2025, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew and Daniels
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting February 18, 2025.

Dated: February 21, 2025
File ID: A 25-018
Agenda Item No.: 24

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Vicente Ramirez, Deputy

Docusign Envelope ID: D62069C3-13D6-43FF-9CE6-FC8A9FC0B71D

Original Agreement No. (A-13995)

RENEWAL AND AMENDMENT NO. 5
TO SERVICES AGREEMENT
BETWEEN B.E. SMITH, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
INTERIM MANAGEMENT-LEVEL SERVICES

This Renewal and Amendment No. 5 to the Services Agreement ("Agreement") which was effective on July 1, 2018 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and B.E. Smith, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the Agreement was executed with B.E. Smith Inc. for interim management-level services with a term July 1, 2018 through June 30, 2021 and a total Agreement amount not to exceed $300,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 1 to extend it for an additional two (2) year period through June 30, 2023 for a revised full Agreement term (July 1, 2018 through June 30, 2023) to allow for services to continue with revisions to the original scope of work attached hereto as "Exhibit A-1 per Amendment No. 1" with a $300,000 increase for a revised total Agreement amount not to exceed $600,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 2 to allow for services to continue with no changes to the scope of work or term of Agreement (July 1, 2018 through June 30, 2023) with a $450,000 increase for a revised total Agreement amount not to exceed $1,050,000; and

WHEREAS, the Agreement expired on June 30, 2023; and

WHEREAS, the Parties amended the Agreement via Renewal and Amendment No. 3 on the same or similar terms, beginning July 1, 2023 and to extend the term for an additional six (6) month period through December 31, 2023 for a revised full Agreement term (July 1, 2018 through December 31, 2023) to allow for services to continue with no changes to the scope of work or total Agreement amount of $1,050,000; and

WHEREAS, the Agreement expired on December 31, 2023; and

WHEREAS, the Parties amended the Agreement via Renewal and Amendment No. 4 retroactive to January 1, 2024 to extend the term for an additional one (1) year period through December 31, 2024 for a revised full Agreement term of (July 1, 2018 through December 31, 2024), and to add an additional $250,000 for a revised total Agreement amount not to exceed $1,300,000; and

WHEREAS, the Agreement expired on December 31, 2024; and

WHEREAS, the Parties wish to amend the Agreement retroactive to January 1, 2025 to extend it for an additional one (1) year period (January 1, 2025 through December 31, 2025) for a revised full Agreement term of July 1, 2018 through December 31, 2025, to allow services to continue with no changes to the scope of work or the total Agreement amount of not to exceed $1,300,000.

Docusign Envelope ID: D62069C3-13D6-43FF-9CE6-FC8A9FC0B71D

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, and Renewal Amendment No. 3, and Renewal and Amendment No. 4 incorporated herein by this reference, except as specifically set forth below.

1. The first sentence of Section 3.1 shall be amended to the following:
   "The term of this Agreement is from July 1, 2018 through December 31, 2025 unless sooner terminated pursuant to the terms of this Agreement."

2. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Renewal and Amendment No. 5 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Renewal and Amendment No. 3, and Renewal and Amendment No. 4.

3. A copy of this Renewal and Amendment No. 5 shall be attached to the Agreement.

4. This Renewal and Amendment No. 5 shall be effective retroactive to January 1, 2025.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: D62069C3-13D6-43FF-9CE6-FC8A9FC0B71D

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 5 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: DocuSigned by: Charles R. Harris 4E1F837D204E481...
Charles R. Harris, CEO

Date: 2/21/2025 | 2:58 PM PST

APPROVED AS TO LEGAL PROVISIONS

By: Signed by: Stacy Saetta 696D21D44C4341D...
Monterey County Deputy County Counsel

Date: 2/20/2025 | 4:14 PM PST

APPROVED AS TO FISCAL PROVISIONS

By: DocuSigned by: Jennifer Forsyth 4E7E657875454AE...
Monterey County Deputy Auditor/Controller

Date: 2/21/2025 | 2:41 PM PST

CONTRACTOR

B.E. Smith, Inc.
CONTRACTOR's Business Name
See instructions below

By: Signed by: Andrew S. O'Neill A76C872EE94B4C2...
(Signature of: Chair, President, or Vice-President)

Andrew S. O'Neill - Vice President,ClientPartnerships
Name and Title

Date: 12/5/2024

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

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Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Wendy Root Askew, seconded by Supervisor Kate Daniels to:

Agreement No.: A-13995 ; Amendment No.: 5
Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute renewal and amendment No. 5 to the agreement (A-13995) with B.E. Smith, Inc. for interim management-level services at NMC, extending the agreement for an additional one year term (January 1, 2025 through December 31, 2025) for a revised full agreement term of July 18, 2018 through December 31, 2025, with no change to the total contract amount of $1,300,000.

PASSED AND ADOPTED on this 18th day of February 2025, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew and Daniels
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting February 18, 2025.

Dated: February 21, 2025
File ID: A 25-018
Agenda Item No.: 24

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Vicente Ramirez, Deputy

Docusign Envelope ID: F0ECAD48-A5C6-448B-BB17-37F596B6A72A

Original Agreement No. (A-13995)

RENEWAL AND AMENDMENT NO. 5
TO SERVICES AGREEMENT
BETWEEN B.E. SMITH, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
INTERIM MANAGEMENT-LEVEL SERVICES

This Renewal and Amendment No. 5 to the Services Agreement ("Agreement") which was effective on July 1, 2018 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and B.E. Smith, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the Agreement was executed with B.E. Smith Inc. for interim management-level services with a term July 1, 2018 through June 30, 2021 and a total Agreement amount not to exceed $300,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 1 to extend it for an additional two (2) year period through June 30, 2023 for a revised full Agreement term (July 1, 2018 through June 30, 2023) to allow for services to continue with revisions to the original scope of work attached hereto as "Exhibit A-1 per Amendment No. 1" with a $300,000 increase for a revised total Agreement amount not to exceed $600,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 2 to allow for services to continue with no changes to the scope of work or term of Agreement (July 1, 2018 through June 30, 2023) with a $450,000 increase for a revised total Agreement amount not to exceed $1,050,000; and

WHEREAS, the Agreement expired on June 30, 2023; and

WHEREAS, the Parties amended the Agreement via Renewal and Amendment No. 3 on the same or similar terms, beginning July 1, 2023 and to extend the term for an additional six (6) month period through December 31, 2023 for a revised full Agreement term (July 1, 2018 through December 31, 2023) to allow for services to continue with no changes to the scope of work or total Agreement amount of $1,050,000; and

WHEREAS, the Agreement expired on December 31, 2023; and

WHEREAS, the Parties amended the Agreement via Renewal and Amendment No. 4 retroactive to January 1, 2024 to extend the term for an additional one (1) year period through December 31, 2024 for a revised full Agreement term of (July 1, 2018 through December 31, 2024), and to add an additional $250,000 for a revised total Agreement amount not to exceed $1,300,000; and

WHEREAS, the Agreement expired on December 31, 2024; and

WHEREAS, the Parties wish to amend the Agreement retroactive to January 1, 2025 to extend it for an additional one (1) year period (January 1, 2025 through December 31, 2025) for a revised full Agreement term of July 1, 2018 through December 31, 2025, to allow services to continue with no changes to the scope of work or the total Agreement amount of not to exceed $1,300,000.

Docusign Envelope ID: F0ECAD48-A5C6-448B-BB17-37F596B6A72A

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, and Renewal Amendment No. 3, and Renewal and Amendment No. 4 incorporated herein by this reference, except as specifically set forth below.

1. The first sentence of Section 3.1 shall be amended to the following:
   "The term of this Agreement is from July 1, 2018 through December 31, 2025 unless sooner terminated pursuant to the terms of this Agreement."

2. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Renewal and Amendment No. 5 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Renewal and Amendment No. 3, and Renewal and Amendment No. 4.

3. A copy of this Renewal and Amendment No. 5 shall be attached to the Agreement.

4. This Renewal and Amendment No. 5 shall be effective retroactive to January 1, 2025.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: F0ECAD48-A5C6-448B-BB17-37F596B6A72A

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 5 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:
By: Charles R. Harris
4E1F837D204E481...
Charles R. Harris, CEO

Date: 2/21/2025 | 2:58 PM PST

APPROVED AS TO LEGAL PROVISIONS

Signed by:
By: Stacy Saetta
696D21D44C4341D...
Monterey County Deputy County Counsel

Date: 2/20/2025 | 4:14 PM PST

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Jennifer Forsyth
4E7E057875454AE...
Monterey County Deputy Auditor/Controller

Date: 2/21/2025 | 2:41 PM PST

CONTRACTOR

B.E. Smith, Inc.
CONTRACTOR's Business Name
See instructions below

Signed by:
By: Andrew S. O'Neill
A76C872EE94B4C2...
(Signature of: Chair, President, or Vice-President)

Andrew S. O'Neill - Vice President,ClientPartnerships
Name and Title

Date: 12/5/2024

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

DocuSign Envelope ID: C10F84AA-A992-4DE4-8715-38D0484A10C7

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Chris Lopez to:

Agreement No.: A-13995 ; Amendment No.: 4
Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute renewal and amendment No. 4 to the agreement (A-13995) with B.E. Smith, Inc. for interim management-level services, extending the agreement an additional one (1) year period (January 1, 2024 through December 31, 2024) for a revised full agreement term of July 1, 2018 through December 31, 2024, and adding $250,000 for a revised total agreement amount not to exceed $1,300,000.

PASSED AND ADOPTED on this 30th day of January 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting January 30, 2024.

Dated: February 2, 2024
File ID: A 24-017
Agenda Item No.: 18

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Vicente Ramirez, Deputy

DocuSign Envelope ID: C10F84AA-A992-4DE4-8715-38D0484A10C7

DocuSign Envelope ID: FF9A714F-0DE5-4F7E-86E8-1302DAD8D716

Original Agreement No. (A-13995)

RENEWAL AND AMENDMENT NO. 4
TO SERVICES AGREEMENT
BETWEEN B.E. SMITH, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
INTERIM MANAGEMENT-LEVEL SERVICES

This Renewal and Amendment No. 4 to the Services Agreement ("Agreement") which was effective on July 1, 2018 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and B.E. Smith, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the Agreement was executed with B.E. Smith Inc. for interim management-level services with a term July 1, 2018 through June 30, 2021 and a total Agreement amount not to exceed $300,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 1 to extend it for an additional two (2) year period through June 30, 2023 for a revised full Agreement term (July 1, 2018 through June 30, 2023) to allow for services to continue with revisions to the original scope of work attached hereto as "Exhibit A-1 per Amendment No. 1" with a $300,000 increase for a revised total Agreement amount not to exceed $600,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 2 to allow for services to continue with no changes to the scope of work or term of Agreement (July 1, 2018 through June 30, 2023) with a $450,000 increase for a revised total Agreement amount not to exceed $1,050,000; and

WHEREAS, the Agreement expired on June 30, 2023; and

WHEREAS, the Parties amended the Agreement via Renewal and Amendment No. 3 on the same or similar terms, beginning July 1, 2023 and to extend the term for an additional six (6) month period through December 31, 2023 for a revised full Agreement term (July 1, 2018 through December 31, 2023) to allow for services to continue with no changes to the scope of work or total Agreement amount of $1,050,000; and

WHEREAS, the Agreement expired on December 31, 2023; and

WHEREAS, the Parties wish to renew and amend the Agreement via Renewal and Amendment No. 4 retroactive to January 1, 2024 to extend the term for an additional one (1) year period through December 31, 2024 for a revised full Agreement term of (July 1, 2018 through December 31, 2024) to allow for continued need of CONTRACTOR's services with no changes to the scope of work and to add an additional $250,000 for a revised total Agreement amount not to exceed $1,300,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

DocuSign Envelope ID: C10F84AA-A992-4DE4-8715-38D0484A10C7

DocuSign Envelope ID: FF9A714F-0DE5-4F7E-86E8-1302DAD8D716

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, and Renewal and Amendment No. 3 incorporated herein by this reference, except as specifically set forth below.

1. Section 2/ Paragraph titled, "PAYMENTS BY COUNTY" shall be amended to the following:
   "COUNTY shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A-1 as per Amendment No. 1 attached hereto this Amendment No. 1. The total amount payable by COUNTY to CONTRACTOR under this Agreement shall not exceed the sum of $1,300,000."

2. The first sentence of Section 3.1 shall be amended to the following:
   "The term of this Agreement is from July 1, 2018 through December 31, 2024 unless sooner terminated pursuant to the terms of this Agreement."

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Renewal and Amendment No. 4 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, and Renewal and Amendment No. 3.

4. A copy of this Renewal and Amendment No. 4 shall be attached to the Agreement.

5. This Renewal and Amendment No. 4 is effective retroactively on January 1, 2024.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

DocuSign Envelope ID: C10F84AA-A992-4DE4-8715-38D0484A10C7

DocuSign Envelope ID: FF9A714F-0DE5-4F7E-86E8-1302DAD8D716

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 4 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:

By: Charles R. Harris
4E1F837D204E481...
Charles R. Harris, CEO

Date: 2/6/2024 | 9:23 AM PST

APPROVED AS TO LEGAL PROVISIONS

DocuSigned by:

By: Stacy Saetta
C0ECE1B09E444A9...
Monterey County Deputy County Counsel

Date: 1/5/2024 | 2:29 PM PST

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:

By: Jennifer Forsyth
4E7E6576754C4AE...
Monterey County Deputy Auditor/Controller

Date: 1/5/2024 | 4:35 PM PST

CONTRACTOR

B.E. Smith, Inc.
CONTRACTOR's Business Name
See instructions below

DocuSigned by:

By: Steve Leatherman
881CFED924FC4E5...
(Signature of: Chair, President, or Vice-President)

Steve Leatherman, Division Director, West
Name and Title

Date: 1/2/2024 | 4:07 PM PST

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

DocuSign Envelope ID: B353BAB6-BD23-42B5-9C17-4DFE965D21AD

RENEWAL AND AMENDMENT NO. 3
TO SERVICES AGREEMENT
BETWEEN B.E. SMITH, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
INTERIM MANAGEMENT-LEVEL SERVICES

This Renewal and Amendment No. 3 to the Services Agreement ("Agreement") which was effective on July 1, 2018 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and B.E. Smith, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the Agreement was executed with B.E. Smith Inc. for interim management-level services with a term July 1, 2018 through June 30, 2021 and a total Agreement amount not to exceed $300,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 1 to extend it for an additional two (2) year period through June 30, 2023 for a revised full Agreement term (July 1, 2018 through June 30, 2023) to allow for services to continue with no revisions to the original scope of work attached hereto as "Exhibit A-1 per Amendment No. 1" with a $300,000 increase for a revised Agreement amount not to exceed $600,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 2 to allow for services to continue with no changes to the scope of work or term of Agreement (July 1, 2018 through June 30, 2023) with a $450,000 increase for a revised Agreement amount not to exceed $1,050,000; and

WHEREAS, the Agreement expired on June 30, 2023; and

WHEREAS, the Parties wish to renew and amend the Agreement via Renewal and Amendment No. 3 on the same or similar terms, beginning July 1, 2023 and to extend the term for an additional six (6) month period through December 31, 2023 for a revised full Agreement term (July 1, 2018 through December 31, 2023) to allow for services to continue with no changes to the scope of work or Agreement amount of $1,050,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1 and Amendment No. 2 incorporated herein by this reference, except as specifically set forth below.

1. The first sentence of Section 3.1 shall be amended to the following:
   "The term of this Agreement is from July 1, 2018 through December 31, 2023 unless sooner terminated pursuant to the terms of this Agreement."

DocuSign Envelope ID: B353BAB6-BD23-42B5-9C17-4DFE965D21AD

2. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Renewal and Amendment No. 3 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1 and Amendment No. 2.

3. A copy of this Renewal and Amendment No. 3 shall be attached to the Agreement.

4. This Renewal and Amendment No. 3 is effective retroactively on July 1, 2023.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

DocuSign Envelope ID: B353BAB6-BD23-42B5-9C17-4DFE965D21AD

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 3 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: DocuSigned by: Charles R. Harris 4E1F837D2DAE481...
Charles R. Harris, CEO

Date: 10/10/2023 | 1:31 PM PDT

APPROVED AS TO LEGAL PROVISIONS

By: DocuSigned by: Stacy Saetta C0ECE1B99F444A9...
Monterey County Deputy County Counsel

Date: 10/5/2023 | 7:28 PM PDT

APPROVED AS TO FISCAL PROVISIONS

By: DocuSigned by: Jennifer Forsyth 4E7E657875454AE...
Monterey County Deputy Auditor/Controller

Date: 10/9/2023 | 9:05 AM PDT

CONTRACTOR

B.E. Smith, Inc.
CONTRACTOR's Business Name
See instructions below

By: DocuSigned by: Steve Leatherman 6B1CFED9347C4E5...
(Signature of: Chair, President, or Vice-President)

Steve Leatherman, Division Director, West
Name and Title

Date: 10/3/2023 | 8:17 AM PDT

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Mary L. Adams, seconded by Supervisor Luis A. Alejo to:

Agreement No.: A-13995: Amendment No.: 2
Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 2 with B.E. Smith, Inc. to the agreement (A-13995) for interim management-level services at NMC, adding $450,000 for a revised total agreement amount not to exceed $1,050,000 with no changes to the term or scope.

PASSED AND ADOPTED on this 27th day of April 2021, by roll call vote:

AYES: Supervisors Alejo, Phillips, Lopez, Askew and Adams
NOES: None
ABSENT: None
(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting April 27, 2021.

Dated: May 5, 2021
File ID: A 21-108
Agenda Item No.: 17

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Julian Lorenzana, Deputy

AMENDMENT NO. 2
TO SERVICES AGREEMENT
BETWEEN B.E. SMITH, INC. AND
NATIVIDAD MEDICAL CENTER
FOR
INTERIM MANAGEMENT-LEVEL SERVICES

This Amendment No. 2 to the Services Agreement ("Agreement") which was effective on June 26, 2018 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), B.E. Smith, Inc. (hereinafter "CONTRACTOR"); (collectively, the County, NMC and CONTRACTOR are referred to as the "Parties"), with respect to the following:

RECITALS

WHEREAS, the Agreement was executed for interim management-level services with a term of July 1, 2018 through June 30, 2021 and a total Agreement amount not to exceed $300,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on April 30, 2020 to extend it for an additional two (2) year period (July 1, 2021 through June 30, 2023) for a revised full agreement term of July 1, 2018 through June 30, 2023 with an $300,000 increase to allow for services to continue for a total Agreement amount of $600,000 with changes to the scope of work attached hereto as "Exhibit A-1 per Amendment No. 1"; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement with a $450,000 increase to allow for services to continue for a total Agreement amount of $1,050,000 with no change to the scope or Agreement term.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement incorporated herein by this reference, except as specifically set forth below.

1. Section 2 / Paragraph titled, "PAYMENTS BY NMC" shall be amended to the following:
   "The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of $1,050,000."

2. Except as provided herein, all remaining terms, conditions and provisions of the Agreement and Amendment No. 1 are unchanged and unaffected by this Amendment No. 2 and shall continue in full force and effect as set forth in the Agreement.

3. A copy of this Amendment No. 2 shall be attached to the Agreement.

4. This Amendment No. 2 shall be effective when both parties have signed.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 2 on the basis set forth in this document and have executed this Amendment No. 2 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: Dr. Gary R. Gray
Gary R. Gray, DO, CEO

Date: 5/12/21

APPROVED AS TO LEGAL PROVISIONS

By: Stacy L. Saetta
Monterey County Deputy County Counsel

Date: 3/25/2021

APPROVED AS TO FISCAL PROVISIONS

By: Gary Giboney
Monterey County Deputy Auditor/Controller

Date: 3-25-2021

CONTRACTOR

B.E. Smith, Inc.
CONTRACTOR's Business Name
*****S**ee instructions below***

By: _____
(Signature of: Chair, President, or Vice-President)

Amanda Leatherman Division Director, West
Name and Title

Date: 2/26/2021

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor John M. Phillips to:

Agreement No.: A-13995
Authorize the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute amendment No. 1 with B.E. Smith, Inc. to the agreement (A-13995) for interim management-level services at NMC, extending the agreement an additional two (2) year period (July 1, 2021 through June 30, 2023) for a revised full agreement term of July 1, 2018 through June 30, 2023 and adding $300,000 for a revised total agreement amount not to exceed $600,000.

PASSED AND ADOPTED on this 28th day of April 2020, by roll call vote:

AYES: Supervisors Alejo, Phillips, Lopez, Parker and Adams
NOES: None
ABSENT: None
(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting April 28, 2020.

Dated: April 28, 2020
File ID: A 20-083
Agenda Item No.: 26

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Joel G. Pablo, Deputy

AMENDMENT NO. 1
TO SERVICES AGREEMENT
BETWEEN B.E. SMITH, INC. AND
NATIVIDAD MEDICAL CENTER
FOR
INTERIM MANAGEMENT-LEVEL SERVICES

This Amendment No. 1 to the Services Agreement ("Agreement") which was effective on June 26, 2018 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter "NMC"), B.E. Smith, Inc. (hereinafter "CONTRACTOR"); (collectively, the County, NMC and CONTRACTOR are referred to as the "Parties"), with respect to the following:

RECITALS

WHEREAS, the Agreement was executed for interim management-level services with a term of July 1, 2018 through June 30, 2021 and a total Agreement amount not to exceed $300,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement to extend it for an additional two (2) year period (July 1, 2021 through June 30, 2023) for a revised full agreement term of July 1, 2018 through June 30, 2023 with an $300,000 increase to allow for services to continue for a total Agreement amount of $600,000 with changes to the scope of work attached hereto as "Exhibit A-1 per Amendment No. 1".

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement incorporated herein by this reference, except as specifically set forth below.

1. Section 2 / Paragraph titled, "PAYMENTS BY NMC" shall be amended to the following:
   "NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in EXHIBIT A per the Original Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of $600,000."

2. The first sentence of Section 3 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:
   "The term of this Amendment is from July 1, 2021 through June 30, 2023 unless sooner terminated pursuant to the terms of this Agreement."

3. Section 4/ Paragraph titled, "SCOPE OF SERVICES AND ADDITIONAL PROVISIONS/EXHIBITS" shall be amended to the following:
   "The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
   Exhibit A: Scope of Services/Payment Provisions
   Exhibit A-1: revised Scope of Services/Payment Provisions per Amendment No. 1"

4. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 1 and shall continue in full force and effect as set forth in the Agreement.

5. A copy of this Amendment No. 1 shall be attached to the Agreement.

6. This Amendment No. 1 shall be effective when both parties have signed.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 1 on the basis set forth in this document and have executed this Amendment No. 1 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: _____
Gary R. Gray, DO, CEO

Date: 4/3/2020

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 3/17/2020

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: 3/18/2020

CONTRACTOR

B.E. Smith, Inc.
CONTRACTOR's Business Name
See instructions below

By: Cody Burch
(Signature of: Chair, President, or Vice-President)

Cody Burch, Executive Vice President
Name and Title

Date: 3/9/20

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Jacob Meyer, Finance Manager
Name and Title

Date: 3/9/20

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

EXHIBIT A-1 SCOPE OF SERVICES/PAYMENT PROVISIONS

I. CONTRACTOR agrees to provide NMC, a general acute care teaching hospital wholly owned and operated by the County of Monterey, interim management-level professionals (hereinafter "Professional"), both clinical and non-clinical, on as as-needed basis per NMC's request.

II. CONTRACTOR Obligations:

a. CONTRACTOR will interview NMC's NMC Human Resources Administrator or authorized delegate to determine NMC's requirements for Professional's leadership, managerial, operational, and/or clinical background.

b. CONTRACTOR will present to NMC a Professional whom CONTRACTOR believes meets NMC's requirements for the NMC position.

c. Upon acceptance of Professional by NMC, Professional will be paid by CONTRACTOR as an employee of CONTRACTOR, and CONTRACTOR assumes responsibility for such payment.

d. Professional will not be considered an employee of NMC or the County of Monterey. NMC will direct Professional only as to the ultimate outcome of the work to be performed.

e. If Professional does not meet NMC's requirements for the position once the Professional is working for NMC, CONTRACTOR will replace the Professional with a different candidate at no additional expense to NMC.

f. CONTRACTOR shall be responsible for conforming to all applicable Federal and State labor laws and regulations.

g. Billing rates shall be presented to NMC by CONTRACTOR once the need for a Professional has been defined and presented to CONTRACTOR by NMC. All billing rates shall be submitted in the form of a flat weekly billing rates; assuming a forty (40) hour work week unless otherwise specified. NMC reserves the right to negotiate the presented billing rate for each Professional. Overtime compensation shall not be permitted unless approved in advance and in writing by NMC.

h. CONTRACTOR agrees that neither the CONTRACTOR nor its employees shall have any claim under this Agreement, or otherwise, against the County of Monterey for employment compensation, Workers' Compensation, unemployment compensation or insurance, vacation pay sick leave, retirement benefits, Social Security benefits, disability insurance benefits, or any other form of employee benefits.

i. It will be expressly agreed by the parties that no work, act, commission or omission of CONTRACTOR or any of CONTRACTOR's employees shall be construed to make or render CONTRACTOR or any CONTRACTOR's employees, the agent, employee or servant of the County.

j. CONTRACTOR Invoicing:
CONTRACTOR shall provide to NMC once monthly an invoice for any and all Professionals sent by CONTRACTOR to NMC. The invoice shall state the name of the

Professional and the job title that the Professional is temporarily rendering services as for NMC. Invoices shall be itemized on a weekly basis with the billing period/days worked clearly specified.

k. Permanent Hiring of Professional: In the event Professional or any candidate presented by CONTRACTOR is subsequently hired, retained, contracted or otherwise engaged by NMC within twelve months after the later of (i) the presentation by CONTRACTOR or (ii) the termination of this Agreement, NMC agrees to pay CONTRACTOR a placement fee equal to a percentage of their salary. Percentage is determined on length of time NMC contracts the interim candidate. Within the first three months: 25% of salary. Within three through twelve months: 15% of salary and after twelve months: 10% of salary. This placement fee is due in full to CONTRACTOR when the Professional or candidate is hired, retained, or contracted by NMC other than under the auspices of CONTRACTOR.

III. Other Terms and Conditions Associated with Temporary Employees:

a. CONTRACTOR shall identify in writing to NMC any individual with prior PERS affiliation who is sent to report for NMC service under the AGREEMENT, at least two days prior to the individual being assigned by CONTRACTOR for service to NMC.

b. CONTRACTOR shall identify in writing to NMC any PERS annuitant who is sent to report for NMC service under the AGREEMENT, at least two days prior to the individual being assigned by CONTRACTOR for service to NMC.

c. The term "identify" is defined for purposes of this section to include both (1) the CONTRACTOR's employee name and (2) the last four digits of the employee's Social Security Number.

d. The term "PERS affiliation" is defined for purposes of this section to mean the CONTRACTOR's employee had previously worked for a governmental entity that participates or participated in CalPERS.

e. Should CONTRACTOR fail to properly identify a PERS annuitant or a CONTRACTOR employee with prior PERS affiliation, CONTRACTOR shall be held responsible for any costs assessed, or eligible to be assessed, by CalPERS relating to the assignment to the County of such individual.

f. The term "PERS annuitant" is defined for purposes of this section as a person who has retired from a CalPERS agency and who is receiving a retirement allowance from CalPERS.

g. TEMPORARY EMPLOYMENT ASSIGNMENT: CONTRACTOR shall be responsible for tracking cumulative hours per employee for all assignments at NMC. CONTRACTOR shall notify the NMC Human Resources Administrator at BouyeaJ@natividad.com when the Professional's hours working for the NMC are approaching 650 hours within a fiscal year (7/1-6/30).

h. An employee of the CONTRACTOR shall not be assigned to work at the NMC for more than 720 hours in a fiscal year (7/1-6/30).

i. NMC nor the County of Monterey shall not pay CONTRACTOR for services rendered beyond 720 hours per fiscal year.

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Agreement No.: A-13995

Upon motion of Supervisor Adams, seconded by Supervisor Salinas and carried by those members present, the Board of Supervisors hereby:

Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute an agreement with B.E. Smith, Inc. for interim management-level services at NMC, with a term of July 1, 2018 through June 30, 2021 and a total agreement amount not to exceed $300,000.

PASSED AND ADOPTED on this 26th day of June 2018, by the following vote, to wit:

AYES: Supervisors Alejo, Salinas, Phillips, Parker and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 81 for the meeting June 26, 2018.

Dated: June 28, 2018
File ID: A 18-297

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Joel G. Pablo, Deputy

Natividad MEDICAL CENTER

COUNTY OF MONTEREY AGREEMENT FOR SERVICES
(MORE THAN $100,000)

This Agreement for Services (hereinafter "Agreement") is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter, "the County"), on behalf of Natividad Medical Center ("NMC"), a general acute care teaching hospital wholly owned and operated by the County, and B.E. Smith Inc. (hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **GENERAL DESCRIPTION OF SERVICES TO BE PROVIDED.** NMC hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of the Agreement. The services are generally described as follows: Interim management level positions.

2. **PAYMENTS BY NMC.** NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of **$300,000.**

3. **TERM OF AGREEMENT.**

   3.1. The term of this Agreement is from July 1, 2018 through June 30, 2021 unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and NMC and with NMC signing last and CONTRACTOR may not commence work before NMC signs this Agreement.

   3.2. NMC reserves the right to cancel this Agreement, or an extension of this Agreement, without cause, with a thirty (30) day written notice, or with cause immediately.

4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

   Exhibit A: Scope of Services/Payment Provisions

5. **PERFORMANCE STANDARDS.**

   5.1. CONTRACTOR warrants that CONTRACTOR and Contractor's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of NMC, or immediate family of an employee of NMC.

   5.2. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work

performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.3. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use NMC premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. **PAYMENT CONDITIONS.**

6.1. Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provide in this paragraph. NMC does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

6.2. Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety (90) days prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County (NMC) and the CONTRACTOR.

6.3. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement, and then only in accordance with any applicable County policies.

6.4. Invoice amounts shall be billed directly to the ordering department.

6.5. CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. NMC shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

7. **TERMINATION.**

7.1. During the term of this Agreement, NMC may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.2. NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to Contractor. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to Contractor, and NMC may proceed with the work in any manner, which NMC deems proper. The cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.3 NMC's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for NMC's purchase of the indicated quantity of services, then NMC may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8. INDEMNIFICATION.

8.1 CONTRACTOR shall indemnify, defend, and hold harmless the County of Monterey (hereinafter "County"), its officers, agents and employees from any and all claims, liability and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9. INSURANCE.

9.1 Evidence of Coverage:
Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the CONTRACTOR upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to NMC's Contracts/Purchasing Department, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and NMC has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.2 Qualifying Insurers: All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by NMC's Contracts/Purchasing Director.

9.3 Insurance Coverage Requirements: Without limiting Contractor's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed

Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, If CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

☐ Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

☐ Exemption/Modification (Justification attached; subject to approval).

9.4 Other Requirements:

All insurance required by this Agreement shall be with a company acceptable to NMC and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that NMC shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, **and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance.** The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by NMC, CONTRACTOR shall file certificates of insurance with NMC's Contracts/Purchasing Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by NMC, annual certificates to NMC's Contracts/Purchasing Department. If the certificate is not received by the expiration date, NMC shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles NMC, at its sole discretion, to terminate the Agreement immediately.

10. RECORDS AND CONFIDENTIALITY.

10.1 Confidentiality. CONTRACTOR and its officers, employees, agents and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from NMC or prepared in connection with the performance of this Agreement, unless NMC specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out Contractor's obligations under this Agreement.

10.2 NMC Records. When this Agreement expires or terminates, CONTRACTOR shall return to NMC any NMC records which CONTRACTOR used or received from NMC to perform services under this Agreement.

10.3 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is

pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

10.4 Access to and Audit of Records. NMC shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess or $10,000, the parties to this Agreement may be subject, at the request of NMC or as part of any audit of NMC, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.5 Royalties and Inventions. NMC shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize other to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of NMC.

11. **NON-DISCRIMINATION**. During the performance of this Agreement, Contractor, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in Contractor's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, full comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT**. If this Agreement has been or will be funded with monies received by NMC pursuant to a contract with the state or federal government in which NMC is the grantee, CONTRACTOR will comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, NMC will deliver a copy of said contract to Contractor, at no cost to Contractor.

13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not as an employee of NMC. No offer or obligation of permanent employment with NMC or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from NMC any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold NMC and the County of Monterey harmless from any and all liability, which NMC may incur because of Contractor's failure to pay such taxes.

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage per-paid mail to NMC and Contractor's contract administrators at the addresses listed below

NATIVIDAD MEDICAL CENTER:	**CONTRACTOR:**
Natividad medical Center Attn: Contracts Division Natividad Medical Center 1441Constitution Blvd Salinas, CA. 93906 FAX: 831-757-2592	Name: B.E. Smith Inc. Attn: Amanda Myers Address: 8801 Renner Blvd. City, State, Zip: Lenexa, KS 66219 FAX: Email: Amanda.Myers@besmith.com

15. MISCELLANEOUS PROVISIONS.

15.1 Conflict of Interest: CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

15.2 Amendment: This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.

15.3 Waiver: Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC and the Contractor. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

15.4 Contractor: The term "Contractor" as used in this Agreement includes Contractor's officers, agents, and employees acting on Contractor's behalf in the performance of this Agreement.

15.5 Disputes: CONTRACTOR shall continue to perform under this Agreement during any dispute.

15.6 Assignment and Subcontracting: The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of NMC. None of the services covered by this Agreement shall be subcontracted without the prior written approval of NMC. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

15.7 Successors and Assigns: This Agreement and the rights, privileges, duties, and obligations of NMC and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

15.8 Compliance with Applicable Law: The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

15.9 Headings: The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

15.10 Time is of the Essence: Time is of the essence in each and all of the provisions of this Agreement

15.11 Governing Law: This Agreement shall be governed by and interpreted under the laws of the State of California.

15.12 Non-exclusive Agreement: This Agreement is non-exclusive and each of NMC and CONTRACTOR expressly reserves the right to contract with other entities for the same or similar services.

15.13 Construction of Agreement: NMC and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

15.14 Counterparts: This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

15.15 Integration: This Agreement, including the exhibits, represents the entire Agreement between NMC and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations representations, or agreements, either written or oral, between NMC and CONTRACTOR as of the effective date of this Agreement, which is the date that NMC signs the Agreement.

15.16 Interpretation of Conflicting Provisions: In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

NATIVIDAD MEDICAL CENTER

By: _____
Gary R. Gray, DO, CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 6-7-18

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: 6-8-18

CONTRACTOR

B.E. Smith Inc.
Contractor's Business Name*** (see instructions)

_____
Signature of Chair, President, or Vice-President

Executive Vice President
Name and Title

Date: 6/1/2018

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Division Director, West
Name and Title

Date: 6/1/2018

***__Instructions__:

If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).
If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).
If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

EXHIBIT A SCOPE OF SERVICES/PAYMENT PROVISIONS

I. CONTRACTOR agrees to provide NMC, a general acute care teaching hospital wholly owned and operated by the County of Monterey, which is a political subdivision of the State of California, interim management-level professionals (hereinafter "Professional"), both clinical and non-clinical, on as as-needed basis per NMC's request.

II. CONTRACTOR Obligations:

a. CONTRACTOR will interview NMC's NMC Human Resources Administrator or authorized delegate to determine NMC's requirements for Professional's leadership, managerial, operational, and/or clinical background.

b. CONTRACTOR will present to NMC a Professional whom CONTRACTOR believes meets NMC's requirements for the NMC position.

c. Upon acceptance of Professional by NMC, Professional will be paid by CONTRACTOR as an employee of CONTRACTOR, and CONTRACTOR assumes responsibility for such payment.

d. Professional will not be considered an employee of NMC. NMC will direct Professional only as to the ultimate outcome of the work to be performed.

e. If Professional does not meet NMC's requirements for the position once the Professional is working for NMC, CONTRACTOR will replace the Professional with a different candidate at no additional expense to NMC.

f. CONTRACTOR shall be responsible for conforming to all applicable Federal and State labor laws and regulations.

g. Billing rates shall be presented to NMC by CONTRACTOR once the need for a Professional has been defined and presented to CONTRACTOR by NMC. All billing rates shall be submitted in the form of a flat weekly billing rates; assuming a forty (40) hour work week unless otherwise specified. NMC reserves the right to negotiate the presented billing rate for each Professional. Overtime compensation shall not be permitted unless approved in advance and in writing by NMC.

h. CONTRACTOR agrees that neither the CONTRACTOR nor its employees shall have any claim under this Agreement, or otherwise, against the County of Monterey for employment compensation, Workers' Compensation, unemployment compensation or insurance, vacation pay sick leave, retirement benefits, Social Security benefits, disability insurance benefits, or any other form of employee benefits.

i. It will be expressly agreed by the parties that no work, act, commission or omission of CONTRACTOR or any of CONTRACTOR's employees shall be construed to make or render CONTRACTOR or any CONTRACTOR's employees, the agent, employee or servant of the County.

j. CONTRACTOR Invoicing:
CONTRACTOR shall provide to NMC once monthly an invoice for any and all

Professionals sent by CONTRACTOR to NMC. The invoice shall state the name of the Professional and the job title that the Professional is temporarily rendering services as for NMC. Invoices shall be itemized on a weekly basis with the billing period/days worked clearly specified.

k. Permanent Hiring of Professional: In the event Professional or any candidate presented by CONTRACTOR is subsequently hired, retained, contracted or otherwise engaged by NMC within twenty four months after the later of (i) the presentation by CONTRACTOR or (ii) the termination of this Agreement, NMC agrees to pay CONTRACTOR a placement fee equal to a percentage of their salary. Percentage is determined on length of time NMC contracts the interim candidate. Within the first three months: 25% of salary. Within three through twelve months: 15% of salary and after twelve months: 10% of salary. This placement fee is due in full to CONTRACTOR when the Professional or candidate is hired, retained, or contracted by NMC other than under the auspices of CONTRACTOR.

III. Other Terms and Conditions Associated with Temporary Employees:

a. CONTRACTOR shall identify in writing to NMC any individual with prior PERS affiliation who is sent to report for NMC service under the AGREEMENT, at least two days prior to the individual being assigned by CONTRACTOR for service to NMC.
b. CONTRACTOR shall identify in writing to NMC any PERS annuitant who is sent to report for NMC service under the AGREEMENT, at least two days prior to the individual being assigned by CONTRACTOR for service to NMC.
c. The term "identify" is defined for purposes of this section to include both (1) the CONTRACTOR's employee name and (2) the last four digits of the employee's Social Security Number.
d. The term "PERS affiliation" is defined for purposes of this section to mean the CONTRACTOR's employee had previously worked for a governmental entity that participates or participated in CalPERS.
e. Should CONTRACTOR fail to properly identify a PERS annuitant or a CONTRACTOR employee with prior PERS affiliation, CONTRACTOR shall be held responsible for any costs assessed, or eligible to be assessed, by CalPERS relating to the assignment to the County of such individual.
f. The term "PERS annuitant" is defined for purposes of this section as a person who has retired from a CalPERS agency and who is receiving a retirement allowance from CalPERS.
g. TEMPORARY EMPLOYMENT ASSIGNMENT: CONTRACTOR shall be responsible for tracking cumulative hours per employee for all assignments at NMC. CONTRACTOR shall notify the NMC Human Resources Administrator at BouyeaJ@natividad.com when the Professional's hours working for the NMC are approaching 650 hours within a fiscal year (7/1-6/30).
h. An employee of the CONTRACTOR shall not be assigned to work at the NMC for more than 720 hours in a fiscal year (7/1-6/30).
i. NMC nor the County of Monterey shall not pay CONTRACTOR for services rendered beyond 720 hours per fiscal year.

Introduced: 9/2/2025

Current Status: Health Department - Consent

Version: 1

Matter Type: BoS Agreement

a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and Psynergy Programs, Inc. for the provision of mental health services to adults with severe psychiatric disabilities for a maximum County obligation of $4,704,973 for the term of July 1, 2025 through June 30, 2026; and
b. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($470,497) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over $5,175,470.

RECOMMENDATION:

It is recommended that the County of Monterey Board of Supervisors:
a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and Psynergy Programs, Inc. for the provision of mental health services to adults with severe psychiatric disabilities for a maximum County obligation of $4,704,973 for the term of July 1, 2025 through June 30, 2026; and
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SUMMARY/DISCUSSION

Psynergy Programs, Inc. operates three (3) licensed residential care facilities that Monterey County Behavioral Health Bureau has used for many years: Cielo Vista, located in the City of Greenfield, which provides the maximum level of care to assist clients who are at risk of being admitted to a facility requiring a high level of care; Nueva Vista, located in the City of Morgan Hill, which provides intensive levels of care for clients recently discharged from locked skilled facilities; and Tres Vista, also in Morgan Hill, which provides 24-hour adult independent housing and outpatient clinic. In addition to these facilities, we have also utilized their facilities that offer similar services in the Sacramento area called Nueva Vista Sacramento and Vista de Robles and another facility in North Highlands, California called Vista Esperanza. All of these facilities provide crucial mental health and residential care services to the County of Monterey residents, which provide normalizing experiences and the supervision that is necessary for clients with serious and persistent mental illnesses.

The County contracted with Psynergy Programs, Inc. for mental health services to Monterey County adult residents with severe psychiatric disabilities in these varying facilities for the periods of FY

2007-2025. This Agreement with Psynergy Programs, Inc. is for one (1) fiscal year term from July 1, 2025 to June 30, 2026, which renews and updates Agreement A-17005 ending in June 30, 2025. This agreement renews the same contract provisions but with an increase of services from twenty-nine (29) clients to thirty-six (36) clients provided by Psynergy Programs, Inc.

Due to late and ongoing contract negotiations, with the direction for an effective date of July 1, 2025, the agreement took additional time to review and agendize, which by necessity makes the agreement retroactive when presented to your board.

Approval of this Agreement complies with the requirements of the Welfare and Institutions Code Section 5600 (Bronzan-McCorquodale Act).This Agreement contains the County's standard 30-day "no cause" provision (Section V, B) and an additional defunding provision (Section V, D), which provides the County the ability to amend or terminate the Agreement in the event of a reduction and/or termination of funding.

This work supports the following County of Monterey Health Department 2025-2028 Strategic Plan Goal(s):" 3) Ensure access to culturally and linguistically appropriate, customer-friendly, quality health services. It also supports one of the ten essential public health services, specifically: 7) Link people to needed personal health services and assure the provisions of health care when otherwise unavailable.

OTHER AGENCY INVOLVEMENT:
The Office of the County Counsel and Auditor-Controller have reviewed and approved this Agreement as to form and fiscal provisions, respectively.

FINANCING:
This Agreement is funded by 1991 Realignment funding and FFP/Medi-Cal funding. The funds for this Agreement are included in the Health Department's Behavioral Health (HEA012, Unit 8410) Fiscal Year 2025-26 Adopted Budget.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
Check the related Board of Supervisors Strategic Initiatives:

☐ Economic Development:
- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

☐ Administration:
- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

☒ Health & Human Services:
- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

☐ Infrastructure:
- Plan and develop a sustainable, physical infrastructure that improves the quality of life for

County residents and supports economic development results.

☐ Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared By: Tami Nguyen, Management Analyst II, 279-4740
Approved by: Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachment:
Board Report
Agreement

Introduced: 9/2/2025
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

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Check the related Board of Supervisors Strategic Initiatives:

☐ Economic Development:
- Through collaboration, strengthen economic development to ensure a diversified and healthy economy.

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- Promote an organization that practices efficient and effective resource management and is recognized for responsiveness, strong customer orientation, accountability and transparency.

☒ Health & Human Services:
- Improve health and quality of life through County supported policies, programs, and services; promoting access to equitable opportunities for healthy choices and healthy environments in collaboration with communities.

☐ Infrastructure:
- Plan and develop a sustainable, physical infrastructure that improves the quality of life for County residents and supports economic development results.

☐ Public Safety:

- Create a safe environment for people to achieve their potential, leading businesses and communities to thrive and grow by reducing violent crimes as well as crimes in general.

Prepared By: Tami Nguyen, Management Analyst II, 279-4740
Approved by: Elsa Mendoza Jimenez, Director of Health Services, 755-4526

Attachment:
Board Report
Agreement

Docusign Envelope ID: 025E9BC0-DC94-4FEE-9157-8C225D08C8E3

COUNTY OF MONTEREY
MENTAL HEALTH SERVICES AGREEMENT

Contract Number: _____

COUNTY Department Contract Representative:

Elsa M. Jimenez, Director of Health Services
1270 Natividad Road, Salinas, CA 93906

THIS CONTRACT is made and entered into by and between the **COUNTY OF MONTEREY**, a political subdivision of the State of California (hereinafter "COUNTY") and **PSYNERGY PROGRAMS, INC.** (hereinafter "CONTRACTOR").

RECITALS

WHEREAS, COUNTY desires to enter into an Agreement whereby CONTRACTOR shall provide community mental health services in accordance with the requirements of the Bronzan-McCorquodale Act (California Welfare and Institutions Code § 5600, et seq.), Part 2.5 of Division 5 of the California Welfare & Institutions Code, and Titles 9 and 22 of the California Code of Regulations; and

WHEREAS, CONTRACTOR is able to furnish such services under the terms and conditions of this Agreement and in accordance with applicable law, including all Federal, State of California (State), and local laws, regulations, rules, and guidelines pertaining to the provision of mental health services.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

I. DEFINITIONS

A. BEHAVIORAL HEALTH INFORMATION NOTICE (BHIN)

"Behavioral Health Information Notice" or "BHIN" means guidance from DHCS to inform counties and contractors of changes in policy or procedures at the federal or state levels. These were previously referred to as Mental Health and Substance Use Disorder Services Information Notices (MHSUDS IN). BHINs and MHSUDS INs are available on the DHCS website.

B. BENEFICIARY OR CLIENT

"Beneficiary" or "client" mean the individual(s) receiving services.

C. DHCS

"DHCS" means the California Department of Health Care Services.

Docusign Envelope ID: 025E9BC0-DC94-4FEE-9157-8C225D08C8E3

II. SERVICES TO BE PROVIDED

CONTRACTOR shall provide the services set forth in this Agreement, including the program services detailed in Exhibit A, to the recipient population and to the COUNTY, in compliance with the terms of this Agreement. These services can be summarized as follows: **Provide community-based living and normalizing experiences for adults with severe psychiatric disabilities.**

III. EXHIBITS

The following exhibits are attached to this Agreement and incorporated herein by reference:

EXHIBIT A: PROGRAM DESCRIPTION
EXHIBIT B: PAYMENT AND BILLING PROVISIONS
EXHIBIT C: CONFIDENTIALITY OF PATIENT INFORMATION
EXHIBIT D: ASSURANCE OF COMPLIANCE WITH SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED
EXHIBIT E: ASSURANCE OF COMPLIANCE WITH MONTEREY COUNTY CULTURAL COMPETENCY POLICY
EXHIBIT F: BUSINESS ASSOCIATE AGREEMENT
EXHIBIT G: BEHAVIORAL HEALTH INVOICE FORM
EXHIBIT H: BUDGET AND EXPENDITURE REPORT
EXHIBIT I: AUDITS AND AUDIT APPEALS
EXHIBIT J: COMPLEX CARE LEVEL OF SERVICE FORM

IV. PAYMENT BY COUNTY

A. The COUNTY shall pay CONTRACTOR in arrears, as applicable, for eligible services provided under this Agreement and in accordance with the terms and conditions set forth in Exhibit B. Payments are made at applicable rates up to the amounts identified for each Funded Program as shown in Exhibit B and as otherwise may be limited under this Agreement and the attachments thereto. If CONTRACTOR is paid at Cash Flow Advances, COUNTY payments are provisional, until the completion of all settlement activities and audits, as such payments are subject to future Federal, State and/or COUNTY adjustments. For the purposes of this Agreement, a "Funded Program" is a set of services paid through a particular funding source identified in Exhibit A: Program Description, Exhibit B: Payment and Billing Provisions, and Exhibit H: Budget and Expenditure Report, all of which are made part of this Agreement.

B. CONTRACTOR shall hold harmless the State and any recipients of services in the event COUNTY does not reimburse CONTRACTOR for services performed under this Agreement.

V. TERM AND TERMINATION

A. Term. This Agreement shall be effective **July 1, 2025** and shall remain in effect until **June 30, 2026.**

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B. Termination without Cause. Either party may terminate this Agreement at any time without cause by serving thirty (30) calendar days' advance written notice upon the other party. The notice shall state the effective date of the termination.

C. Termination with Cause. COUNTY, in its sole and absolute discretion, may terminate this Agreement immediately upon the occurrence of any of the following events:

1. CONTRACTOR'S failure to comply with COUNTY'S Utilization Review procedures;

2. CONTRACTOR'S failure to abide by Grievance decisions;

3. CONTRACTOR'S failure to meet COUNTY qualification criteria;

4. CONTRACTOR'S failure to submit any reports requested by the COUNTY pursuant to this Agreement, including but not limited to Provider's Certification and accompanying audited financial statement, other supporting documents in accordance with the terms of a written notice from COUNTY to CONTRACTOR, and/or, if made part of this Agreement, Exhibit I;

5. CONTRACTOR is unable or reasonably expected to be unable to provide the Services for any reason for a period in excess of thirty (30) consecutive days or sixty (60) days in the aggregate over any three (3) month period;

6. CONTRACTOR'S performance of this Agreement poses an imminent danger to the health and safety of any individual client of COUNTY;

7. CONTRACTOR loses its licensure or certification;

8. CONTRACTOR is suspended, excluded or otherwise becomes ineligible to participate in the Medicare, Medi-Cal, or any other government-sponsored health program;

9. Breach by CONTRACTOR of any confidentiality obligation;

10. Breach by CONTRACTOR of the Health Insurance Portability and Accountability Act (HIPAA) and Protected Health Information (PHI);

11. CONTRACTOR makes an assignment for the benefit of creditors, admits in writing the inability to pay its debts as they mature, applies to any court for the appointment of a trustee or receiver over its assets, or upon commencement of any voluntary or involuntary proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution liquidation or other similar law or any jurisdiction;

12. The insurance required to be maintained by CONTRACTOR under this Agreement is terminated, reduced below the minimum coverage requirements set forth in this Agreement, not renewed or cancelled (whether by action of the insurance company or CONTRACTOR) for any reason, and CONTRACTOR has not obtained replacement

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coverage as required by this Agreement by the effective date of such termination, reduction, non-renewal or cancellation;

13. CONTRACTOR is rendered unable to comply with the terms of this Agreement for any reason; or

14. COUNTY determines that CONTRACTOR is in violation or breach of any provision of this Agreement or violation of Federal, State or local laws, and thirty (30) calendar days have passed since written notice of the violation or breach has been given by COUNTY, without remedy thereof by CONTRACTOR to the satisfaction of COUNTY.

D. Termination or Amendment in Response to Reduction of Government Funding. Notwithstanding any other provision of this Agreement, if Federal, State or local government terminates or reduces its funding to the COUNTY for services that are to be provided under this Agreement, COUNTY, in its sole and absolute discretion after consultation with the CONTRACTOR, may elect to terminate this Agreement by giving written notice of termination to CONTRACTOR effective immediately or on such other date as COUNTY specifies in the notice. Alternatively, COUNTY and CONTRACTOR may mutually agree to amend the Agreement in response to a reduction in Federal, State or local funding.

E. Survival of Obligations after Termination. Termination of this Agreement shall be effected by notice of termination to CONTRACTOR specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. Upon termination of this Agreement, COUNTY shall no longer refer clients to the CONTRACTOR under this Agreement, and the rights and duties of the parties shall be terminated, except that the following obligations shall survive termination:

1. CONTRACTOR shall, pursuant to this Agreement and upon approval of the Behavioral Health Director, continue treatment of clients who are receiving care from CONTRACTOR until completion of treatment or until continuation of the client's care by another provider can be arranged by COUNTY;

2. COUNTY shall arrange for such transfer of treatment no later than sixty (60) calendar days after Agreement termination if the client's treatment is not by then completed;

3. COUNTY, any payer, and CONTRACTOR shall continue to remain obligated under this Agreement with regard to payment for services rendered prior to termination or required to be rendered after termination;

4. Upon termination or expiration of this Agreement, CONTRACTOR shall continue to remain obligated with respect to any confidentiality obligation as described in Section XII and in accordance with Exhibit C to this Agreement, HIPAA and PHI in accordance with Exhibit F to this Agreement, indemnification described in Section XIV to this Agreement, professional liability insurance described in Section XV to this Agreement, and access to and audit of records described in Section XVII to this Agreement, and in accordance with all applicable laws; and

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5. CONTRACTOR shall not do anything or cause any other person to do anything that interferes with COUNTY'S efforts to engage any other person or entity for the provision of the services set forth in this Agreement, or interfere in any way with any relationship between COUNTY and any other person or entity who may be engaged to provide the services to COUNTY.

VI. COMPLIANCE WITH APPLICABLE LAWS AND TERMS OF FEDERAL, STATE AND/OR LOCAL STATUTES AND FEDERAL AND/OR STATE GRANTS

A. Compliance with Laws. In providing services and meeting requirements for payment reimbursement for mental health treatment services under this Agreement, CONTRACTOR shall comply with all applicable Federal, State, and local laws, regulations, rules, and guidelines, including, but not limited to, Title XIX of the Social Security Act; California Welfare and Institutions Code, Divisions 5, 6, and 9; California Code of Regulations, Titles 9 and 22; any Short-Doyle and Short-Doyle/Medi-Cal policies as identified in the State Letters, Office of Management and Budget (OMB Uniform Guidance) 2 CFR part 230 and 2 CFR part 200, subpart E 2 CFR 230 - COST PRINCIPLES FOR NON-PROFIT ORGANIZATIONS (OMB CIRCULAR A-122) - Content Details - CFR-2012-title2-vol1-part230 (govinfo.gov) and Federal Register : Federal Acquisition Regulation; OMB Circular Citation Update, and the Mental Health policies issued by the COUNTY of Monterey.

B. Compliance with Terms of Federal and/or State Grants. If this Agreement is funded with monies received by the COUNTY pursuant to contract(s) with the Federal and/or State government in which the COUNTY is the grantee, CONTRACTOR shall comply with all provisions of said contract(s), to the extent applicable to CONTRACTOR as a sub-grantee under said contract(s), and said provisions shall be deemed a part of this Agreement as if fully set forth herein. Upon request, COUNTY shall deliver a copy of said contract(s) to CONTRACTOR at no cost to CONTRACTOR.

VII. AUTHORIZATION AND DOCUMENTATION PROVISIONS

A. ICD-10

1. CONTRACTOR shall use the criteria set forth in the current edition of the DSM as the clinical tool to make diagnostic determinations.

2. Once a DSM diagnosis is determined, the CONTRACTOR shall determine the corresponding mental health diagnosis in the current edition of ICD. CONTRACTOR shall use the ICD diagnosis code(s) to submit a claim for SMHS to receive reimbursement from COUNTY.

3. The ICD Tabular List of Diseases and Injuries is maintained by CMS and may be updated during the term of this Agreement. Changes to the lists of ICD diagnoses do not require an amendment to this Agreement, and COUNTY may implement these changes as provided by CMS.

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VIII. PROGRAM INTEGRITY

A. GENERAL

As a condition of receiving payment under a Medi-Cal managed care program, the CONTRACTOR shall comply with the provisions of 42 C.F.R. §§ 438.604, 438.606, 438.608 and 438.610. (42 C.F.R. § 438.600(b)).

B. CREDENTIALING AND RE-CREDENTIALING OF PROVIDERS

1. CONTRACTOR must follow the uniform process for credentialing and recredentialing of service providers established by COUNTY, including disciplinary actions such as reducing, suspending, or terminating provider's privileges. Failure to comply with specified requirements can result in suspension or termination of a provider.

2. Upon request, the CONTRACTOR must demonstrate to the COUNTY that each of its providers are qualified in accordance with current legal, professional, and technical standards, and that they are appropriately licensed, registered, waivered, and/or certified.

3. CONTRACTOR must not employ or subcontract with providers debarred, suspended or otherwise excluded (individually, and collectively referred to as "Excluded") from participation in Federal Health Care Programs, including Medi-Cal/Medicaid or procurement activities, as set forth in 42 C.F.R. §438.610. See relevant section below regarding specific requirements for exclusion monitoring.

4. CONTRACTOR shall ensure that all of their network providers delivering covered services, sign and date an attestation statement on a form provided by COUNTY, in which each provider attests to the following:

    a. Any limitations or inabilities that affect the provider's ability to perform any of the position's essential functions, with or without accommodation;

    b. A history of loss of license or felony convictions;

    c. A history of loss or limitation of privileges or disciplinary activity;

    d. A lack of present illegal drug use; and

    e. The application's accuracy and completeness

5. CONTRACTOR must file and keep track of attestation statements for all of their providers and must make those available to the COUNTY upon request at any time.

6. CONTRACTOR is required to sign an annual attestation statement at the time of Agreement renewal, but at least every three years, in which they will attest that they

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will follow COUNTY's Credentialing Policy and MHSUDS IN 18-019 and ensure that all of their rendering providers are credentialed as per established guidelines.

7. CONTRACTOR is required to verify and document at a minimum every three years that each network provider that delivers covered services continues to possess valid credentials, including verification of each of the credentialing requirements as per the COUNTY's uniform process for credentialing and recredentialing. If any of the requirements are not up-to-date, updated information shall be obtained from network providers to complete the re-credentialing process.

C. SCREENING AND ENROLLMENT REQUIREMENTS

1. COUNTY shall ensure that all CONTRACTOR providers are enrolled with the State as Medi-Cal providers consistent with the provider disclosure, screening, and enrollment requirements of 42 C.F.R. Part 455, subparts B and E. (42 C.F.R. § 438.608(b))

2. COUNTY may execute this Agreement, pending the outcome of screening, enrollment, and revalidation of CONTRACTOR of up to 120 days but shall terminate this Agreement immediately upon determination that CONTRACTOR cannot be enrolled, or the expiration of one 120-day period without enrollment of the CONTRACTOR, and notify affected clients. (42 C.F.R. § 438.602(b)(2))

3. CONTRACTOR shall ensure that all Providers and/or subcontracted Providers consent to a criminal background check, including fingerprinting to the extent required under state law and 42 C.F.R. § 455.434(a). CONTRACTOR shall provide evidence of completed consents when requested by the COUNTY, DHCS or the US Department of Health & Human Services (US DHHS).

IX. CONTRACT MONITORING AND QUALITY CONTROL

A. The Federal government, State, and COUNTY shall have the right to inspect and evaluate the quality, appropriateness and timeliness of services performed under this Agreement.

B. The Behavioral Health Director shall assign a Contract Monitor to ensure compliance with the terms and conditions of this Agreement. The Contract Monitor and CONTRACTOR shall meet at intervals deemed appropriate by COUNTY. In addition, the Contract Monitor shall review at regular intervals all statistical reports, financial records, clinical records, and other documents concerning services provided under this Agreement. In addition, CONTRACTOR shall at all times cooperate with the COUNTY'S Quality Improvement ("QI") Plan.

C. CONTRACTOR shall conduct reviews at regular intervals of the quality and utilization of services for all recipients of service under this Agreement. CONTRACTOR shall furnish all required data and reports in compliance with State Client and Service Information System ("CSI"). Units of time reporting are subject to special review and audit.

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D. If CONTRACTOR is an in-patient facility, CONTRACTOR shall submit its patient admissions and length of stay requests for utilization review through existing hospital systems or professional standards review organizations.

X. LICENSURE, CERTIFICATION AND STAFFING REQUIREMENTS

A. Licensure and Certification. CONTRACTOR shall furnish qualified professional personnel as prescribed by Title 9 of the California Code of Regulations, the California Business and Professions Code, the California Welfare and Institutions Code, and all other applicable laws for the type of services rendered under this Agreement. All personnel providing services pursuant to this Agreement shall be fully licensed in accordance with all applicable law and shall remain in good professional standing throughout the entire duration of this Agreement. CONTRACTOR shall comply with all COUNTY and State certification and licensing requirements and shall ensure that all services delivered by staff are within their scope of licensure and practice.

B. Medi-Cal Certification. If CONTRACTOR is an organizational provider of Medi-Cal specialty mental health services, CONTRACTOR shall maintain certification during the term of this Agreement. This includes meeting all staffing and facility standards required for organizational providers of Medi-Cal specialty mental health services which are claimed and notifying COUNTY'S Contract Monitor in writing of anticipated changes in service locations at least sixty (60) days prior to such change.

C. Staff Training and Supervision. CONTRACTOR shall ensure that all personnel, including any subcontractor(s) performing services under this Agreement, receive appropriate training and supervision. CONTRACTOR shall also maintain appropriate levels of staffing at all times when performing services under this Agreement.

D. Exclusion from Participation in Federal Health Care Program or State Equivalent.

1. CONTRACTOR shall not employ or contract with providers or other individuals and entities excluded from participation in Federal health care programs under either Section 1128 or 1128A of the Social Security Act. Federal Financial Participation (FFP) is not available for providers excluded by Medicare, Medicaid, or the State Children's Insurance Program, except for emergency services.

2. CONTRACTOR shall not employ or contract with services to be provided under the terms of this Agreement by any officer, employee, subcontractor, agent or any other individual or entity that is on the List of Excluded Individuals/Entities maintained by the U.S. Department of Health and Human Services, Office of the Inspector General ("OIG") or the California State Medi-Cal Suspended and Ineligible Provider List ("S&I") maintained by the California Department of Health Care Services (DHCS).

   a. CONTRACTOR shall be responsible to determine on a monthly basis whether any of its officers, employees, subcontractors, agents, or other individuals or entities are on either or both excluded lists of OIG and S&I and shall immediately notify the COUNTY upon discovery that any of its officers, employees, subcontractors, agents, or other individuals or entities appears on either or both excluded lists.

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b. The OIG list is currently found at the following web address: http://exclusions.oig.hhs.gov. The S&I list is currently found at the following web address: http://www.medi-cal.ca.gov/references.asp.

XI. PATIENT RIGHTS

A. CONTRACTOR shall comply with all applicable patients' rights laws including, but not limited to, the requirements set forth in California Welfare and Institutions Code, Division 5, Part 1, sections 5325, et seq., and California Code of Regulations, Title 9, Division 1, Chapter 4, Article 6 (sections 860, et seq.).

B. As a condition of reimbursement under this Agreement, CONTRACTOR shall ensure that all recipients of services under this Agreement shall receive the same level of services as other patients served by CONTRACTOR. CONTRACTOR shall ensure that recipients of services under this Agreement are not discriminated against in any manner including, but not limited to, admissions practices, evaluation, treatment, access to programs and or activities, placement in special wings or rooms, and the provision of special or separate meals. CONTRACTOR shall comply with Assurance of Compliance requirements as set forth in Exhibit D and incorporated by reference as if fully set forth herein.

C. CONTRACTOR must comply with all COUNTY policies and procedures regarding Advanced Directives in compliance with the requirements of 42 C.F.R. §§ 422.128 and 438.6(i) (l), (3) and (4).

D. Continuity of Care

CONTRACTOR shall follow the COUNTY's continuity of care policy that is in accordance with applicable state and federal regulations, MHSUDS IN 18-059 and any BHINs issued by DHCS for parity in mental health and substance use disorder benefits subsequent to the effective date of this Agreement (42 C.F.R. § 438.62(b)(1)-(2).)

E. Network Adequacy

1. The CONTRACTOR shall ensure that all services covered under this Agreement are available and accessible to clients in a timely manner and in accordance with the network adequacy standards required by regulation. (42 C.F.R. §438.206 (a), (c)).

2. CONTRACTOR shall submit, when requested by COUNTY and in a manner and format determined by the COUNTY, network adequacy certification information to the COUNTY, utilizing a provided template or other designated format.

3. CONTRACTOR shall submit updated network adequacy information to the COUNTY any time there has been a significant change that would affect the adequacy and capacity of services.

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4. To the extent possible and appropriately consistent with CCR, Title 9, §1830.225 and 42 C.F.R. §438.3 (l), the CONTRACTOR shall provide a client the ability to choose the person providing services to them.

F. Practice Guidelines

1. CONTRACTOR shall adopt practice guidelines (or adopt COUNTY's practice guidelines) that meet the following requirements:

   a. They are based on valid and reliable clinical evidence or a consensus of health care professionals in the applicable field;

   b. They consider the needs of the clients;

   c. They are adopted in consultation with contracting health care professionals; and

   d. They are reviewed and updated periodically as appropriate (42 C.F.R.§ 438.236(b) and CCR, Title 9, Section 1810.326).

2. CONTRACTOR shall disseminate the guidelines to all affected providers and, upon request, to clients and potential clients (42 C.F.R. § 438.236(c)).

G. Provider Application and Validation for Enrollment (PAVE)

1. CONTRACTOR shall ensure that all of its required clinical staff, who are rendering SMHS to Medi-Cal clients on behalf of CONTRACTOR, are registered through DHCS' Provider Application and Validation for Enrollment (PAVE) portal, pursuant to BHIN 20-071 requirements, the 21st Century Cures Act and the CMS Medicaid and Children's Health Insurance Program (CHIP) Managed Care Final Rule.

2. SMHS licensed individuals required to enroll via the "Ordering, Referring and Prescribing" (ORP) PAVE enrollment pathway (i.e. PAVE application package) available through the DHCS PED Pave Portal, include: Licensed Clinical Social Worker (LCSW), Licensed Marriage and Family Therapist (LMFT), Licensed Professional Clinical Counselor (LPCC), Psychologist, Licensed Educational Psychologist, Physician (MD and DO), Physician Assistant, Registered Pharmacist/Pharmacist, Certified Pediatric/Family Nurse Practitioner, Nurse Practitioner, Occupational Therapist, and Speech-Language Pathologist. Interns, trainees, and associates are not eligible for enrollment.

H. Physician Inventive Plan

If CONTRACTOR wants to institute a Physician Incentive Plan, CONTRACTOR shall submit the proposed plan to the COUNTY which will in turn submit the Plan to the State for approval, in accordance with the provisions of 42 C.F.R. § 438.6(c).

I. Reporting Unusual Occurrences

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1. CONTRACTOR shall report unusual occurrences to the Behavioral Health Director. An unusual occurrence is any event which jeopardizes the health and/or safety of clients, staff and/or members of the community, including, but not limited to, physical injury and death.

2. Unusual occurrences are to be reported to the COUNTY within timelines specified in COUNTY policy after becoming aware of the unusual event. Reports are to include the following elements:

   a. Complete written description of event including outcome;

   b. Written report of CONTRACTOR's investigation and conclusions;

   c. List of persons directly involved and/or with direct knowledge of the event.

3. COUNTY and DHCS retain the right to independently investigate unusual occurrences and CONTRACTOR will cooperate in the conduct of such independent investigations.

J. Client Informing Materials

1. Basic Information Requirements

   a. CONTRACTOR shall provide information in a manner and format that is easily understood and readily accessible to clients. (42 C.F.R. § 438.10(c)(1)) CONTRACTOR shall provide all written materials for clients in easily understood language, format, and alternative formats that take into consideration the special needs of clients in compliance with 42 C.F.R. § 438.10(d)(6). CONTRACTOR shall inform clients that information is available in alternate formats and how to access those formats in compliance with 42 C.F.R. § 438.10.

   b. CONTRACTOR shall provide the required information in this section to each client receiving SMHS under this Agreement and upon request. (1915(b) Medi-Cal Specialty Mental Health Services Waiver, § (2), subd. (d), at p. 26., attachments 3, 4; Cal. Code Regs., tit. 9, § 1810.360(e).)

   c. CONTRACTOR shall utilize the COUNTY's website that provides the content required in this section and 42 C.F.R. § 438.10 and complies with all requirements regarding the same set forth 42 C.F.R. § 438.10.

   d. CONTRACTOR shall use DHCS/COUNTY developed beneficiary handbook and client notices. (42 C.F.R. §§ 438.10(c)(4)(ii), 438.62(b)(3))

   e. Client information required in this section may only be provided electronically by the CONTRACTOR if all of the following conditions are met:

      i. The format is readily accessible;

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ii. The information is placed in a location on the CONTRACTOR's website that is prominent and readily accessible;

iii. The information is provided in an electronic form which can be electronically retained and printed;

iv. The information is consistent with the content and language requirements of this agreement;

v. The client is informed that the information is available in paper form without charge upon request and the CONTRACTOR provides it upon request within 5 business days. (42 C.F.R. § 438.10(c)(6).)

2. Language and Format

a. CONTRACTOR shall provide all written materials for potential clients and clients in a font size no smaller than 12 point. (42 C.F.R. 438.10(d)(6)(ii))

b. CONTRACTOR shall ensure its written materials that are critical to obtaining services are available in alternative formats, upon request of the client or potential client at no cost.

c. CONTRACTOR shall make its written materials that are critical to obtaining services, including, at a minimum, provider directories, beneficiary handbook, appeal and grievance notices, denial and termination notices, and the CONTRACTOR's mental health education materials, available in the prevalent non-English languages in the county. (42 C.F.R. § 438.10(d)(3))

i. CONTRACTOR shall notify clients, prospective clients, and members of the public that written translation is available in prevalent languages free of cost and how to access those materials. (42 C.F.R. § 438.10(d)(5)(i), (iii); Welfare & Inst. Code § 14727(a)(1); Cal. Code Regs. tit. 9 § 1810.410, subd. (e), para. (4))

d. CONTRACTOR shall make auxiliary aids and services available upon request and free of charge to each client. (42 C.F.R. § 438.10(d)(3)- (4))

e. CONTRACTOR shall make oral interpretation and auxiliary aids, such as Teletypewriter Telephone/Text Telephone (TTY/TDY) and American Sign Language (ASL), available and free of charge for any language in compliance with 42 C.F.R. § 438.10(d)(2), (4)-(5).

f. Taglines for written materials critical to obtaining services must be printed in a conspicuously visible font size.

3. Beneficiary Informing Materials

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a. Each client must receive and have access to the beneficiary informing materials upon request by the client and when first receiving SMHS from CONTRACTOR. Beneficiary informing materials include but are not limited to:

   i. Guide to Medi-Cal Mental Health Services

   ii. COUNTY Beneficiary Handbook (BHIN 22-060)

   iii. Provider Directory

   iv. Advance Health Care Directive Form (required for adult clients only)

   v. Notice of Language Assistance Services available upon request at no cost to the client

   vi. Language Taglines

   vii. Grievance/Appeal Process and Form

   viii. Notice of Privacy Practices

   ix. Early & Periodic Screening, Diagnostic and Treatment (EPSDT) poster (if serving clients under the age of 21)

b. CONTRACTOR shall provide each client with a beneficiary handbook at the time the client first accesses services. The beneficiary handbook shall be provided to beneficiaries within 14 business days after receiving notice of enrollment.

c. CONTRACTOR shall give each client notice of any significant change to the information contained in the beneficiary handbook at least 30 days before the intended effective date of change as per BHIN 22-060.

d. Required informing materials must be electronically available on CONTRACTOR's website and must be physically available at the CONTRACTOR agency facility lobby for clients' access.

e. Informing materials must be made available upon request, at no cost, in alternate formats (i.e., Braille or Audio) and Auxiliary Aids (i.e., California Relay Service (CRS) 711 and American Sign Language) and must be provided to clients within five business days. Large print materials shall be in a minimum 18-point font size.

f. Informing materials will be considered provided to the client if CONTRACTOR does one or more of the following:

   i. Mails a printed copy of the information to the client's mailing address before the client first receives a specialty mental health service;

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ii. Mails a printed copy of the information upon the client's request to the client's mailing address;

iii. Provides the information by email after obtaining the client's agreement to receive the information by email;

iv. Posts the information on the CONTRACTOR's website and advises the client in paper or electronic form that the information is available on the internet and includes applicable internet addresses, provided that clients with disabilities who cannot access this information online are provided auxiliary aids and services upon request and at no cost; or,

v. Provides the information by any other method that can reasonably be expected to result in the client receiving that information. If CONTRACTOR provides informing materials in person, when the client first receives specialty mental health services, the date and method of delivery shall be documented in the client's file.

4. Provider Directory

a. CONTRACTOR must follow the COUNTY's provider directory policy, in compliance with MHSUDS IN 18-020.

b. CONTRACTOR must make available to clients, in paper form upon request and electronic form, specified information about the county provider network as per 42 C.F.R. § 438.10(h). The most current provider directory is electronically available on the COUNTY website and is updated by the COUNTY no later than 30 calendar days after information is received to update provider information. A paper provider directory must be updated as set forth in 42 C.F.R. § 438.10(h)(3)(i).

c. Any changes to information published in the provider directory must be reported to the COUNTY within two weeks of the change.

d. CONTRACTOR will only need to report changes/updates to the provider directory for licensed, waivered, or registered mental health providers.

XII. MAINTENANCE AND CONFIDENTIALITY OF PATIENT INFORMATION

A. CONTRACTOR shall maintain clinical records for each recipient of service in compliance with all Federal and State requirements. Such records shall include a description of all services provided by the CONTRACTOR in sufficient detail to make possible an evaluation of services, and all data necessary to prepare reports to the State, including treatment plans, records of client interviews, and progress notes.

B. CONTRACTOR shall retain clinical records for a minimum of ten (10) years and, in

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the case of minors, for at least one (1) year after the minor has reached the age of majority, but for a period of no less than ten (10) years. Clinical records shall be the property of the COUNTY and maintained by the CONTRACTOR in accordance with Federal, State and COUNTY standards.

C. CONTRACTOR shall comply with the requirements set forth in Exhibit C: Confidentiality of Patient Information and Exhibit F: Business Associate Agreement, incorporated by reference as if fully set forth herein.

XIII. REPORTS OF DEATH, INJURY, DAMAGE, OR ABUSE

A. Reports of Death, Injury, or Damage. If death, serious personal injury, or substantial property damage occur in connection with the performance of this Agreement, CONTRACTOR shall immediately notify the Behavioral Health Director by telephone. In addition, CONTRACTOR shall promptly submit to COUNTY a written report including: (1) the name and address of the injured/deceased person; (2) the time and location of the incident; (3) the names and addresses of CONTRACTOR'S employees or agents who were involved with the incident; (4) the names of COUNTY employees, if any, involved with the incident; and (5) a detailed description of the incident.

B. Child Abuse Reporting. CONTRACTOR shall ensure that all known or suspected instances of child abuse or neglect are promptly reported to proper authorities as required by the Child Abuse and Neglect Reporting Act, California Penal Code sections 11164, et seq. CONTRACTOR shall require all of its employees, consultants, and agents performing services under this Agreement who are mandated reporters under the Act to sign statements indicating that they know of and shall comply with the Act's reporting requirements.

C. Elder Abuse Reporting. CONTRACTOR shall ensure that all known or suspected instances of abuse or neglect of elderly people 65 years of age or older and dependent adults age 18 or older are promptly reported to proper authorities as required by the Elder Abuse and Dependent Adult Protection Act (California Welfare and Institutions Code, sections 15600 Code, et seq.). CONTRACTOR shall require all of its employees, consultants, and agents performing services under this Agreement who are mandated reporters under the Act to sign statements indicating that they know of and shall comply with the Act's reporting requirements.

XIV. INDEMNIFICATION

CONTRACTOR shall indemnify, defend, and hold harmless the COUNTY, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies, in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR'S performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the COUNTY. "CONTRACTOR'S

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performance" includes CONTRACTOR'S action or inaction and the action or inaction of CONTRACTOR'S officers, employees, agents and subcontractors.

XV. INSURANCE

A. Evidence of Coverage. Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the CONTRACTOR upon request shall provide a certified copy of the policy or policies.
This verification of coverage shall be sent to the COUNTY'S Contracts/Purchasing Office, unless otherwise directed. The CONTRACTOR shall not receive approval for services for work under this Agreement until all insurance has been obtained as required and approved by the COUNTY. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.

B. Qualifying Insurers. All coverage, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current A. M. Best's Key Rating Guide or a company of equal financial stability that is approved by the COUNTY'S Contracts/Purchasing Officer.

C. Insurance Coverage Requirements. Without limiting CONTRACTOR'S duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

1. Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence, and $2,000,000 in the aggregate.

2. Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

3. Workers Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

4. Professional Liability Insurance, if required for the professional service being provided, (e.g., those persons authorized by a license to engage in business or profession regulated by the California Business and Professional Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional

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services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three (3) years following the expiration or earlier termination of this Agreement.

D. Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to the COUNTY and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three (3) years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the COUNTY shall be given notice in writing at least thirty (30) calendar days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, officials, employees, and volunteers as Additional Insured with respect to liability arising out of the CONTRACTOR'S work, including ongoing and complete operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the COUNTY and that the insurance of the Additional Insured shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance.

The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against COUNTY, its officers, officials, employees, agents, or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by CONTRACTOR. Should CONTRACTOR be self-insured for workers' compensation, CONTRACTOR hereby agrees to waive its right of subrogation against COUNTY, its officers, officials, employees, agents, or volunteers.

Prior to the execution of this Agreement by the COUNTY, CONTRACTOR shall file certificates of insurance and endorsements with the COUNTY'S contract administrator and the COUNTY'S Contracts/Purchasing Office, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

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CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by COUNTY, annual certificates to COUNTY'S Contract Administrator and COUNTY'S Contracts/Purchasing Office. If the certificate is not received by the expiration date, CONTRACTOR shall have five (5) calendar days to send the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance coverage is a breach of this Agreement, which entitles COUNTY, at its sole and absolute discretion, to (1) immediately disallow claim(s) for payment and/or withhold payment(s) by COUNTY to CONTRACTOR, pursuant to Section IV (A), for services rendered on or after the effective date of termination, reduction, non-renewal, or cancellation of the insurance coverage maintained by CONTRACTOR, and/or (2) terminate this Agreement pursuant to Section V.

XVI. BUDGET

CONTRACTOR shall submit the Budget and Expenditure Report provided as Exhibit H, identifying CONTRACTOR'S allowable costs and program revenues. COUNTY shall identify program revenues for COUNTY funds, and CONTRACTOR shall identify allowable costs and other program revenues as defined in Exhibit B, Section VI, paragraph B of this Agreement, if applicable. The budget shall be the basis for payment reimbursements, cost settlement activities, and audits.

XVII. ACCESS TO AND AUDIT OF RECORDS

A. Right to Inspect Records. At any time during the term of this Agreement or after the expiration or termination of this Agreement, in accordance with Federal and State laws including, but not limited to the California Welfare and Institutions Code (WIC) Sections 14170 et seq., the COUNTY or its representative, Federal or State governments may conduct an audit, review or other monitoring procedures of the CONTRACTOR regarding the services/activities provided under this Agreement. The COUNTY or its representative, Federal or State governments shall have the right to inspect any and all books, records, and facilities maintained by CONTRACTOR during normal business hours and without advance notice to evaluate the use of funds and the cost, quality, appropriateness, and timeliness of services.

B. Maintenance of Records. CONTRACTOR shall maintain any and all records documenting all services set forth under this Agreement for a period of ten (10) years from the end of the fiscal year in which such services were provided or until three (3) years after final resolution of any audits, or appeals, whichever occurs later. CONTRACTOR shall maintain such records in a form comporting with generally accepted accounting and auditing standards and all applicable laws.

C. Overpayment. If the results of any audit show that the funds paid to CONTRACTOR under this Agreement exceeded the amount due, then CONTRACTOR shall pay the excess amount to COUNTY in cash not later than thirty (30) calendar days after the COUNTY notifies the CONTRACTOR of such overpayment; or, at COUNTY'S election, COUNTY may recover the excess or any portion of it by offsets made by COUNTY

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against any payment(s) owed to CONTRACTOR under this or any other Agreement or as set forth in Exhibit I, if made part of this Agreement.

D. Responsibility for Audit Exceptions. Any and all audit exceptions by COUNTY or any Federal or State agency resulting from an audit of CONTRACTOR'S performance of this Agreement, or actions by CONTRACTOR, its officers, agents, and employees shall be the sole responsibility of the CONTRACTOR.

E. Availability of Records for Grievances and Complaints by Recipients of Service. CONTRACTOR shall ensure the availability of records for the prompt handling of grievances or complaints filed by recipients of services. Release of records shall be subject to the confidentiality provisions set forth in this Agreement.

F. Reports. CONTRACTOR shall prepare any reports and furnish all information required for reports to be prepared by the COUNTY as may be required by the State of California or applicable law, including, but not limited to Budgets, Cost Allocation Methodologies, Tax Returns, Accounting Policies, Audited Financial Statements, Organization Charts, Personnel Policies, Bank Reconciliations, and Depreciation Schedules.

XVIII. NON-DISCRIMINATION

A. Non-discrimination. During the performance of this Agreement, CONTRACTOR shall not unlawfully discriminate against any person because of race, religion, color, sex, gender, gender identity, genetic information, national origin, ethnic group identification, ancestry, mental or physical handicap, medical condition, health status or need for health care services, marital status, age (over 40), or sexual orientation, either in CONTRACTOR'S employment practices or in the furnishing of services to recipients. CONTRACTOR shall insure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be unlawful discrimination. In addition, CONTRACTOR'S facility access for the disabled shall comply with § 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794).

B. Discrimination defined. The term "discrimination," as used in this Agreement, is the same term that is used in Monterey County Code, Chapter 2.80 ("Procedures for Investigation and Resolution of Discrimination Complaints"); it means the illegal denial of equal employment opportunity, harassment (including sexual harassment and violent harassment), disparate treatment, favoritism, subjection to unfair or unequal working conditions, and/or discriminatory practice by any Monterey County official, employee or agent, due to an individual's race, color, ethnic group, sex, national origin, ancestry, religious creed, sexual orientation, age, veteran's status, cancer-related medical condition, physical handicap (including AIDS) or disability. The term also includes any act of retaliation.

C. Application of Monterey County Code Chapter 2.80. The provisions of Monterey County Code Chapter 2.80 apply to activities conducted pursuant to this Agreement.

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CONTRACTOR and its officers and employees, in their actions under this Agreement, are agents of the COUNTY within the meaning of Chapter 2.80 and are responsible for ensuring that their workplace and the services that they provide are free from discrimination, as required by Chapter 2.80. Complaints of discrimination made by recipients of services against CONTRACTOR may be pursued by using the procedures established by or pursuant to Chapter 2.80. CONTRACTOR shall establish and follow its own written procedures for prompt and fair investigation and resolution of discrimination complaints made against CONTRACTOR by its own employees and agents or recipients of services pursuant to this Agreement, and CONTRACTOR shall provide a copy of such procedures to COUNTY on demand by COUNTY.

D. Compliance with Applicable Law. During the performance of this Agreement, CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations which prohibit discrimination including, but not limited to, the following:

1. California Code of Regulations, Title 9, §§ 526, 527;
2. California Fair Employment and Housing Act, (Govt. Code § 12900, et seq.), and the administrative regulations issued thereunder, Cal. Code of Regulations, Title 2, § 7285, et seq.;
3. California Government Code, sections 11135-11139.5 (Title 2, Div. 3, Part 1, Chap. 1, Art. 9.5) and any applicable administrative rules and regulations issued under these sections;
4. Federal Civil Rights Acts of 1964 and 1991 (see especially Title VI, 42 U.S.C. § 2000(d), et seq.), as amended, and all administrative rules and regulations issued thereunder (see especially 45 C.F.R. Parts 80);
5. Sections 503 and 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §§ 793 and 794); all requirements imposed by the applicable HHS regulations (45 C.F.R. Part 84); and all guidelines and interpretations issued pursuant thereto;
6. Americans with Disabilities Act of 1990, 42 U.S.C. §12101, et seq., and 47 U.S.C. §§ 225 and 611, and any Federal regulations issued pursuant thereto (see 24 C.F.R. Chapter 1; 28 C.F.R. Parts 35 and 36; 29 C.F.R. Parts 1602, 1627, and 1630; and 36 C.F.R. Part 1191);
7. Unruh Civil Rights Act, Cal. Civil Code § 51, et seq.
8. California Government Code section 12900 (A-F) and California Code of Regulations, Title 2, Division 4, Chapter 5.

In addition, the applicable regulations of the California Fair Employment and Housing Commission implementing Government Code § 12990 as set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

E. Written Assurance. Upon request by COUNTY, CONTRACTOR shall give any written assurances of compliance with the Civil Rights Acts of 1964 and 1991, the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as may be required by the Federal government in connection with this Agreement, pursuant to 45 C.F.R. sec. 80.4 or C.F.R. § 84.5 or other applicable Federal or State regulations.

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F. Written Statement of Non-discrimination Policies. CONTRACTOR shall maintain a written statement of its non-discrimination policies and procedures. Such statement shall be consistent with the terms of this Agreement and shall be available to CONTRACTOR'S employees, recipients of services, and members of the public upon request.

G. Notice to Labor Unions. CONTRACTOR shall give written notice of its obligations under this section to labor organizations with which it has a collective bargaining or other agreement.

H. Access to Records by Government Agencies. CONTRACTOR shall permit access by COUNTY and by representatives of the State Department of Fair Employment and Housing and any Federal or State agency providing funds for this contract upon reasonable notice at any time during normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, facilities, and other sources of information as the inspecting party may deem appropriate to ascertain compliance with these nondiscrimination provisions.

I. Binding on Subcontractors. The provisions above shall also apply to all of CONTRACTOR'S subcontractors who provide services pursuant to this Agreement. CONTRACTOR shall include the non-discrimination and compliance provisions set forth above in all its subcontracts to perform work or provide services under this Agreement.

XIX. CULTURAL COMPETENCY AND LINGUISTIC ACCESSIBILITY

A. CONTRACTOR shall provide services in a culturally competent manner to assure access to services by all eligible individuals as required by State regulations and policies, other applicable laws, and in accordance with Exhibit E of this Agreement. Cultural competency is defined as a congruent set of practice skills, behaviors, attitudes, and policies that enable staff to work effectively in providing contractual services under this Agreement in cross-cultural situations. Specifically, CONTRACTOR'S provision of services shall acknowledge the importance of culture, adapt services to meet culturally unique needs, and promote congruent skills, behaviors, attitudes, and policies enabling all persons providing services to function effectively in cross-cultural situations.

B. CONTRACTOR shall provide linguistically accessible services to assure access to services by all eligible individuals as required by State regulations and policies and other applicable laws. Specifically, CONTRACTOR shall provide services to eligible individuals in their primary language through linguistically proficient staff or interpreters. Family members, friends, or neighbors may be used as interpreters only in emergency situations.

C. For the purposes of this Section, "access" is defined as the availability of medically necessary mental health services in a manner that promotes and provides the opportunity for services and facilitates their use.

XX. DRUG FREE WORKPLACE

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CONTRACTOR shall submit to the COUNTY evidence of compliance with the California Drug-Free Workplace Act of 1990, California Government Code sections 8350, et seq., to provide a drug-free workplace by doing all of the following:

A. Publishing a Statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying the actions that shall be taken against employees for violations of the prohibitions.

B. Establishing a drug-free awareness program to inform employees about all of the following:

   1. The dangers of drug abuse in the workplace;
   2. The person's or organization's policy of maintaining a drug-free workplace;
   3. Any available drug counseling, rehabilitation, and employee assistance programs;
   4. The penalties that may be imposed upon employees for drug abuse violations;

C. Requiring that each employee engaged in the performance of the Agreement or grant is given a copy of the company's drug-free policy statement and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.

XXI. INDEPENDENT CONTRACTOR

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the COUNTY. No offer or obligation of permanent employment with the COUNTY or particular COUNTY department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from COUNTY any form of employee benefits including, but not limited to sick leave, vacation, or retirement benefits, workers' compensation coverage, insurance, disability benefits, or social security benefits, or unemployment compensation or insurance. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes including, but not limited to, Federal and State income taxes and Social Security, arising out of CONTRACTOR'S compensation for performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold the COUNTY harmless from any and all liability COUNTY may incur because of CONTRACTOR'S failure to pay such taxes when due.

XXII. SUBCONTRACTING

CONTRACTOR may not subcontract any services under this Agreement without COUNTY'S prior written authorization. At any time, COUNTY may require a complete listing of all subcontractors employed by the CONTRACTOR for the purpose of fulfilling its obligations under the terms of this Agreement. CONTRACTOR shall be legally responsible for subcontractors' compliance with the terms and conditions of this Agreement and with applicable law. All subcontracts shall be in writing and shall comply with all Federal, State,

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and local laws, regulations, rules, and guidelines. In addition, CONTRACTOR shall be legally responsible to COUNTY for the acts and omissions of any subcontractor(s) and persons either directly or indirectly employed by subcontractor(s).

XXIII. GENERAL PROVISIONS

A. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by all the parties hereto.

B. Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement, either in whole or in part, without the prior written consent of the COUNTY. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the COUNTY. Any assignment without such consent shall automatically terminate this Agreement. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

C. Authority. Any individual executing this Agreement on behalf of an entity represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such entity and bind the entity to the terms and conditions of the same.

D. Compliance with Applicable Law. The parties shall comply with all applicable Federal, State, and local laws and regulations in performing this Agreement.

E. Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

F. Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment hereto.

G. CONTRACTOR. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR'S officers, agents, and employees acting on CONTRACTOR'S behalf in the performance of this Agreement.

H. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

I. Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.

J. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

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K. Headings. The section and paragraph headings are for convenience only and shall not be used to interpret the terms of this Agreement.

L. Integration. This Agreement, including the exhibits hereto, shall represent the entire Agreement between the parties with respect to the subject matter hereof and shall supersede all prior negotiations, representations, and/or agreements, either written or oral, between the parties as of the effective date hereof.

M. Non-exclusive Agreement. This Agreement is non-exclusive and both parties expressly reserve the right to contract with other entities for the same or similar services.

N. Severability. In the event of changes in law that effect the provisions of this Agreement, the parties agree to amend the affected provisions to conform to the changes in the law retroactive to the effective date of such changes in law. The parties further agree that the terms of this Agreement are severable and, in the event of changes in law as described above, the unaffected provisions and obligations of this Agreement shall remain in full force and effect.

O. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the COUNTY and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and insure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

P. Time is of the essence. Time is of the essence in each and all of the provisions of this Agreement.

Q. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the parties hereto. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

R. Format of Deliverables: For this section, "Deliverables" shall mean all electronic documents CONTRACTOR provides to the County under this Agreement. CONTRACTOR shall ensure all Deliverables comply with the requirements of the Web Content Accessibility Guidelines ("WCAG") 2.1, pursuant to the Americans with Disabilities Act ("ADA"). CONTRACTOR bears the burden to deliver Deliverables, such as Adobe Acrobat Portable Document Format ("PDF") and Microsoft Office files, complying with WCAG 2.1. CONTRACTOR shall defend and indemnify the County against any breach of this Section. This Section shall survive the termination of this Agreement. Find more on Accessibility at this State website: https://webstandards.ca.gov/accessibility/.

XXIV. NOTICES AND DESIGNATED LIAISONS

Notices to the parties in connection with this Agreement may be given personally or may be delivered by certified mail, return receipt requested, addressed to:

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COUNTY OF MONTEREY	**CONTRACTOR**
Melanie Rhodes Behavioral Health Bureau Chief 1270 Natividad Road Salinas, CA 93906 (831) 755-4580	Arturo Uribe, LCSW President and Chief Executive Officer Psynergy Programs, Inc. 18225 Hale Avenue Morgan Hill, CA 95037 (408) 465-8280 (408) 465-8295 FAX

(The remainder of this page is left intentionally blank)

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IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: _____
Department Head

Date: _____

Approved as to Form [1]

By: DocuSigned by: Kevin Serrano CF464EA4829E4B5...
County Counsel

Date: 8/21/2025 | 4:57 PM PDT

Approved as to Fiscal Provisions[2]

By: DocuSigned by: Patricia Ruiz E79EF64E57454F6...
Auditor-Controller's Office

Date: 8/22/2025 | 2:54 PM PDT

Reviewed as to Liability Provisions[3]

By: _____
Risk Management

Date: _____

CONTRACTOR

PSYNERGY PROGRAMS, INC.
CONTRACTOR NAME
Contractor's Business Name *

By: DocuSigned by: Arturo Uribe 65D60C1D2EC244E...
(Signature of Chair, President, or Vice-President) *

Arturo Uribe, LCSW; President and CEO
Name and Title

Date: 8/12/2025 | 5:48 PM PDT

By: DocuSigned by: Jean Edwards EAA105E20F414C6...
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer) *

Jean Edwards, Secretary
Name and Title

Date: 8/20/2025 | 3:59 PM PDT

County Board of Supervisors' Agreement Number: _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers (California Corporations Code, §313). If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of either 1) any member, or 2) two (2) managers (Corporations Code, §17703.01, subds. (a) and (d)). If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute on behalf of the partnership (Corporations Code, §§16301 and 15904.02). If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign.

[1]Approval by the Office of the County Counsel is required.

[2]Approval by Auditor-Controller is required.

[3]Review by Risk Management is necessary only if changes are made in the Indemnification or Insurance paragraphs.

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EXHIBIT A: PROGRAM DESCRIPTION

I. IDENTIFICATION OF PROVIDER

Incorporation Status: Private, for profit, Corporation

Facility Name	Service Address	# of Beds	Type of Facility
Nueva Vista Adult Residential Facility	18225 Hale Avenue Morgan Hill, CA 95037	72	24-hour Adult Residential Intensive & Dual Diagnosis Level of Care Facility / Outpatient Services
Nueva Vista Sacramento	4604 Roosevelt Avenue, Sacramento, CA 95820	60	24-hour Adult Residential Intensive & Dual Diagnosis Level of Care Facility / Outpatient Services
Cielo Vista Adult Residential Facility	806 Elm Avenue Greenfield, CA 93927	40	24-hour Adult Residential Care Facility / Outpatient Services
Vista de Robles Adult Residential Facility	9847 Folsom Blvd. Sacramento, CA 95827	80	24-hour Adult Residential Intensive & Dual Diagnosis Level of Care Facility / Outpatient Services
Vista Esperanza RCFE	5240 Jackson St. North Highlands, CA 95660	54*	24-hour Residential Care Facility for the Elderly / Whole Person Care
Tres Vista Apartments	18217 Hale Avenue, Apts. # 200, 210, 220 & 230 Morgan Hill, CA 95037	6	24-hour Adult Supported Accommodations / Independent Housing – Psynergy Morgan Hill Outpatient Clinic
Tres Vista Cottages	4612 and 4616 Roosevelt Ave. Sacramento CA 95820	9†	24-hour Adult Supported Accommodations / Independent Housing

* Includes two non-ambulatory beds
† 4612 is 4 male beds (all male house) / 4616 is 5 female beds (all female house)

Psynergy Programs Medi-Cal Certified Outpatient Mental Health Clinics:

Psynergy Morgan Hill
18217 Hale Avenue
Morgan Hill, CA 95037

Psynergy Greenfield
215 Huerta Avenue
Greenfield, CA 93927

Psynergy Sacramento – Clinic A
4612 Roosevelt Avenue
Sacramento CA 95820

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Psynergy Sacramento – Clinic B
4616 Roosevelt Avenue
Sacramento CA 95820

Psynergy Folsom Sacramento
9343 Tech Center Drive, Suite 110
Sacramento CA 95826

II. PROGRAM DESCRIPTION OF SERVICES

The need to provide stable housing and effective clinical services for adults with severe mental illness remains a challenge for many county agencies. Psynergy Programs offers Adult Residential Facilities (ARF), Residential Care Facilities for the Elderly (RCFE) and outpatient mental health clinics in close proximity. CONTRACTOR has demonstrated that providing reliable adult residential home care in combination with intensive outpatient mental health services can help individuals with mental illness avoid the unnecessary expense and emotional trauma often associated with incarceration and hospitalization. CONTRACTOR provides both residential services and mental health services to people with serious mental illnesses ages 18 and above. The program utilizes tenets of the Wellness and Recovery, Integrated Dual Diagnosis Treatment and Modified Therapeutic Community (MTC) treatment models, (Phase One, Two and Four). CONTRACTOR's programs are an alternative to locked settings such as a State Hospital, Psychiatric Hospital, an Institute for Mental Disease (IMD), a Psychiatric Health Facility (PHF) and Jail. The intent and goal of CONTRACTOR's services is to improve each individual's quality of life, to help individuals gain the skills and ability necessary to stay out of locked hospital settings and to move into a less restrictive living arrangement in the community.

The program will provide primary intervention services as certified and needed, to Medi-Cal eligible clients to reduce psychiatric hospital stays, reduce Institute for Mental Disease (IMD) placements, and to ensure access to all services necessary to live in the least restrictive community setting possible. The residential program assists residents with medication and medical appointments as well as with a wide variety of daily living skills. Residential care includes weekly residential council meetings, house meetings, staff meetings, money management and structured activities. The facility is designed to enable clients with severe mental illness to live in an unlocked setting that is designed to provide a maximum level of supervision and structured mental health support services and treatment programs that maximize functioning of the participants. Services provided by this facility include:

A. Assisting clients in decreasing symptoms or behaviors that can result in utilization of higher levels of care by providing a level of supervision and intensive interaction that is consistent with the clients' needs as outlined in the client's individualized care plan.

B. Providing Mental Health services which include, but are not limited to, assessment, evaluation, mental health services, plan development, case management and collateral contacts.

C. Provide a multi-disciplinary team which may include licensed social workers, nurses, mental health coordinators, and mental health aides to offer wellness/recovery-oriented

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support services.

D. Mental Health Services to provide support while clients work toward individual wellness/recovery goals and programs.

E. Self-care development to become more responsible in taking medications as prescribed by the treating physician. The facility will encourage the client to use treatment services and develop continuing support systems.

III. PROGRAM GOALS AND OBJECTIVES

The CONTRACTOR will provide services to individuals diagnosed with Serious Mental Illness (SMI) and Serious Persistent Mental Illness (SPMI) whose level of functioning, symptoms, and psychiatric history necessitate service intervention to maintain the individual in community settings. The goal is to assist individuals in IMD levels of care to step-down and transition back into the community with the support that has been demonstrated to be the most effective, using the Modified Therapeutic Community and Wellness and Recovery models.

The purpose of the Psynergy Programs, Inc. suite of programs is to provide wellness/recovery-oriented integrated mental health services within a continuum of supervised and supportive residential settings. Services are provided which focus on assisting clients to live in the least restrictive level of care and to enhance one's quality of life. The program may utilize a variety of tools that will assist individuals with Daily Living Skills, and will provide linkage to employment, education and community integration.

In order to receive payment for the care of mentally ill clients who have been assessed by the MCBHD, a residential care facility must be licensed by the State of California Community Care Licensing. CONTRACTOR must provide the following services:

A. Participate with the MCBHD Case Coordinator, the client and others in the development of an individualized needs assessment and care plan for each client within the first thirty (30) days of placement and retain a signed copy of the documented results in a client chart that is retained in the facility.

B. Work cooperatively with the staff and programs of the MCBHD to accomplish each client's individualized treatment plan and will document significant ongoing problems and/or progress.

C. Will attempt to reasonably manage those crisis situations to avoid the need for psychiatric hospitalization. The goal will be to reduce the client's need for acute psychiatric services.

D. Will work cooperatively with and provide information to the MCBHD Case Coordinator to facilitate the evaluation of those clients who have been discharged due to medical necessity or to a facility providing a more acute level of care that are deemed to require re-admission.

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E. Will transport or arrange transportation for the client to, and/or will monitor, visits for psychiatric treatment at MCBHD will attend scheduled medication evaluation and planning appointments as well as work with MCBHD staff when medications are changed.

F. Will store and assist residents with self-administered medications in an approved and effective manner, following State guidelines and maintain an updated record of the daily monitoring of medication, recording changes in dosages and types.

G. Arrange transportation for the client to attend services and programs as outlined in each client's individual care plan as well as educate and encourage the client to use the services of the MCBHD Adult Services Programs and other specialized services identified in each client's individualized care plan. CONTRACTOR will cooperate with the Case Coordinator and the staff of specialized services identified in each client's individualized care plan.

H. Post, on a monthly basis, information about programs, groups and activities that are provided by community agencies and activities that the facility will provide for clients in the general and specialized needs and interests of the client

I. CONTRACTOR will encourage the client to develop regular daily activities or routines and to teach self-care such as maintaining an acceptable level of personal hygiene and grooming, as well as physical and dental health. CONTRACTOR will provide adequate supplies and materials to accomplish this goal.

J. CONTRACTOR will ensure that the client receives an annual medical evaluation and will record the date and results of all medical and dental visits in the client's folder. CONTRACT will monitor to ensure that the client follows up on any established plan to care for identified medical and dental problems and will record these actions in the client's folder.

K. The facility will provide services in a manner that reflects an understanding of the specialized needs of the seriously mentally ill.

L. CONTRACTOR will ensure that all administrative staff and staff responsible for the supervision of clients receive a minimum of twenty (20) hours of training. The training schedule will be shared with MCBHD. The facility will document and maintain a record of each staff person's attendance at approved training programs.

M. CONTRACTOR will allow the staff of the MCBHD access to the facility, to the extent authorized by law.

N. CONTRACTOR will work with the staff of the MCBHD to conduct client assessments, monitor care, provide consultation, conduct record reviews and evaluate the results of the services.

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IV. ADMISSION CRITERIA

The CONTRACTOR shall admit adult clients referred by the COUNTY with DSM V serious mental illness Diagnostic Categories including but not limited to:

- Schizophrenia
- Bipolar disorders
- Schizoaffective disorders
- Mental health disorders that substantially interfere with the person's ability to carry out primary aspects of daily living in the community.

V. DISCHARGE CRITERIA

Two weeks' notice is required for discharge from Psynergy Programs to ensure all supporting documentation is prepared in a timely manner with a safe medical, psychiatric, and therapeutic transition plan.

Clients are discharged or transferred from Contractor's Facilities when the Client has successfully completed a treatment plan and no longer needs this level of residential care, the Client or their conservator requests a transfer or discharge, or the Client needs a higher level of medical or psychiatric care.

A. The Client has demonstrated that they meet one or more of the following criteria listed below:

1. Client has met the criteria for discharge listed in their treatment plan;
2. Client has alleviated all crisis and/or other symptoms; or
3. Client has demonstrated ability to function in a less-restrictive environment.

(OR)

B. The Client meets one or more of the following criteria listed below:

1. Client has demonstrated need for a higher level of medical or psychiatric care;
2. Client has demonstrated an uncooperative attitude toward treatment and is actively engaged in counter-productive behavior;
3. Client has demonstrated threats and/or other dangerous behavior to other residents or staff;
4. Client has engaged in property damage or theft;
5. Client has brought contraband articles or material into Contractor's Facilities and/or onto the Contractor's property;
6. Client has engaged in drinking alcohol or using illicit drugs while residing at Contractor's Facilities; or
7. Client has expired.

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VI. BED HOLDS

Requests for bed holds will be made on an individual basis by COUNTY with a maximum hold of five (5) days, unless prior arrangements are discussed. The Bed Hold rate will be at the rate corresponding to the client's placement level when they left for the Bed Hold period, as described in Exhibit B.

VII. CERTIFICATION/TYPE OF FACILITY LICENSE

The facility must show evidence of currently meeting all licensing requirements for Community Care facilities authorized by the State Department of Social Services to provide care and supervision to mentally disordered adults, as defined in Section 1502 of the Health and Safety Code. The facility must retain ongoing licensure and be in full compliance with licensing regulations. Any complaints received by the CONTRACTOR pertaining to services performed pursuant to this Agreement must be referred to MCBHD.

VIII. PROGRESS & OUTCOMES REPORTING REQUIREMENTS

Contractor will meet regularly with the designated Adult Behavioral Health Services Manager to monitor progress on client and project outcomes. Contractor will be required to report outcomes data regularly to MCBHD according to the requirements as set forth by the State Department of Mental Health. MCBHD will provide to the Contractor the reporting requirements, forms and instructions as required by DMH and the MCBHD which may include the following:

- Quarterly summary of treatment or progress
- Quarterly psychiatric summaries

IX. DESIGNATED CONTRACT MONITOR

Tawnya Majeski
Behavioral Health Services Manager II
Monterey County Health Department
Behavioral Health Bureau
299 12th Street
Marina, CA 93933
Telephone: (831) 647-7680
Email: majeskit@countyofmonterey.gov

X. SERVICE PROVISIONS

A. Certification of Eligibility

CONTRACTOR will, in cooperation with COUNTY, comply with Section 14705.5 of California Welfare and Institutions Code to obtain a certification of a client's eligibility for SMHS under Medi-Cal.

B. Access to Specialty Mental Health Services

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1. In collaboration with the COUNTY, Contractor will work to ensure that individuals to whom the CONTRACTOR provides SMHS meet access criteria, as per DHCS guidance specified in BHIN 21-073. Specifically, the CONTRACTOR will ensure that the clinical record for each client includes information as a whole indicating that client's presentation and needs are aligned with the criteria applicable to their age at the time of service provision as specified below.

2. For enrolled clients under 21 years of age, CONTRACTOR shall provide all medically necessary SMHS required pursuant to Section 1396d(r) of Title 42 of the United States Code. Covered SMHS shall be provided to enrolled clients who meet either of the following criteria, (a) or (b) below. If a client under age 21 meets the criteria as described in (a) below, the beneficiary meets criteria to access SMHS; it is not necessary to establish that the beneficiary also meets the criteria in (b) below.

    a. The client has a condition placing them at high risk for a mental health disorder due to experience of trauma evidenced by any of the following: scoring in the high-risk range under a trauma screening tool approved by DHCS, involvement in the child welfare system, juvenile justice involvement, or experiencing homelessness.

    b. The client has at least one of the following:

        i. A significant impairment,

        ii. A reasonable probability of significant deterioration in an important area of life functioning,

        iii. A reasonable probability of not progressing developmentally as appropriate, or

        iv. A need for SMHS, regardless of presence of impairment, that are not included within the mental health benefits that a Medi-Cal Managed Care Plan (MCP) is required to provide.

        v. The client's condition listed above is due to one of the following:

            a. A diagnosed mental health disorder, according to the criteria in the current editions of the Diagnostic and Statistical Manual of Mental Disorders (DSM) and the International Classification of Diseases and Related Health Problems (ICD).

            b. A suspected mental health disorder that has not yet been diagnosed.

            c. Significant trauma placing the client at risk of a future mental health condition, based on the assessment of a licensed mental health professional.

3. For clients 21 years of age or older, CONTRACTOR shall provide covered SMHS for clients who meet both of the following criteria, (a) and (b) below:

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a. The client has one or both of the following:

i. Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities.

ii. A reasonable probability of significant deterioration in an important area of life functioning.

b. The client's condition as described in paragraph (a) is due to either of the following:

i. A diagnosed mental health disorder, according to the criteria in the current editions of the DSM and ICD.

ii. A suspected mental disorder that has not yet been diagnosed.

C. Additional Clarifications

1. Criteria

a. A clinically appropriate and covered mental health prevention, screening, assessment, treatment, or recovery service listed within Exhibit A of this Agreement can be provided and submitted to the COUNTY for reimbursement under any of the following circumstances:

i. The services were provided prior to determining a diagnosis, including clinically appropriate and covered services provided during the assessment process;
ii. The service was not included in an individual treatment plan; or

iii. The client had a co-occurring substance use disorder.

2. Diagnosis Not a Prerequisite

a. Per BHIN 21-073, a mental health diagnosis is not a prerequisite for access to covered SMHS. This does not eliminate the requirement that all Medi-Cal claims, including SMHS claims, include a current Centers for Medicare & Medicaid Services (CMS) approved ICD diagnosis code.

D. Medical Necessity

1. CONTRACTOR will ensure that services provided are medically necessary in compliance with BHIN 21-073 and pursuant to Welfare and Institutions Code section 14184.402(a). Services provided to a client must be medically necessary and clinically appropriate to address the client's presenting condition. Documentation in each client's chart as a whole will demonstrate medical necessity as defined below, based on the client's age at the time of service provision.

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2. For individuals 21 years of age or older, a service is "medically necessary" or a "medical necessity" when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain as set forth in Welfare and Institutions Code section 14059.5.

3. For individuals under 21 years of age, a service is "medically necessary" or a "medical necessity" if the service meets the standards set forth in Section 1396d(r)(5) of Title 42 of the United States Code.

E. Coordination or Care

1. CONTRACTOR shall ensure that all care, treatment and services provided pursuant to this Agreement are coordinated among all providers who are serving the client, including all other SMHS providers, as well as providers of Non-Specialty Mental Health Services (NSMHS), substance use disorder treatment services, physical health services, dental services, regional center services and all other services as applicable to ensure a client-centered and whole-person approach to services.

2. CONTRACTOR shall ensure that care coordination activities support the monitoring and treatment of comorbid substance use disorder and/or health conditions.

3. CONTRACTOR shall include in care coordination activities efforts to connect, refer and link clients to community-based services and supports, including but not limited to educational, social, prevocational, vocational, housing, nutritional, criminal justice, transportation, childcare, child development, family/marriage education, cultural sources, and mutual aid support groups.

4. CONTRACTOR shall engage in care coordination activities beginning at intake and throughout the treatment and discharge planning processes.

5. To facilitate care coordination, CONTRACTOR will request a HIPAA and California law compliant client authorization to share client information with and among all other providers involved in the client's care, in satisfaction of state and federal privacy laws and regulations.

F. Co-Occurring Treatment and No Wrong Door

1. Per BHIN 22-011, Specialty and Non-Specialty Mental Health Services can be provided concurrently, if those services are clinically appropriate, coordinated, and not duplicative. When a client meets criteria for both NSMHS and SMHS, the client should receive services based on individual clinical need and established therapeutic relationships. Clinically appropriate and covered SMHS can also be provided when the client has a co-occurring mental health condition and substance use disorder.

2. Under this Agreement, CONTRACTOR will ensure that clients receive timely mental health services without delay. Services are reimbursable to CONTRACTOR by COUNTY even when:

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a. Services are provided prior to determination of a diagnosis, during the assessment or prior to determination of whether SMHS access criteria are met, even if the assessment ultimately indicates the client does not meet criteria for SMHS.

b. If CONTRACTOR is serving a client receiving both SMHS and NSMHS, CONTRACTOR holds responsibility for documenting coordination of care and ensuring that services are non-duplicative.

XI. AUTHORIZATION AND DOCUMENTATION PROVISIONS

A. Services Authorization

1. CONTRACTOR will collaborate with COUNTY to complete authorization requests in line with COUNTY and DHCS policy.

2. CONTRACTOR shall have in place, and follow, written policies and procedures for completing requests for initial and continuing authorizations of services, as required by COUNTY guidance.

3. CONTRACTOR shall respond to COUNTY in a timely manner when consultation is necessary for COUNTY to make appropriate authorization determinations.

4. COUNTY shall provide CONTRACTOR with written notice of authorization determinations within the timeframes set forth in BHINs 22-016 and 22-017, or any subsequent DHCS notices.

5. CONTRACTOR shall alert COUNTY when an expedited authorization decision (no later than 72 hours) is necessary due to a client's specific needs and circumstances that could seriously jeopardize the client's life or health, or ability to attain, maintain, or regain maximum function.

B. Documentation Requirements

1. CONTRACTOR will follow all documentation requirements as specified in Article 4.2-4.8 inclusive in compliance with federal, state and COUNTY requirements.

2. All CONTRACTOR documentation shall be accurate, complete, and legible, shall list each date of service, and include the face-to-face time for each service. CONTRACTOR shall document travel and documentation time for each service separately from face-to-face time and provide this information to COUNTY upon request. Services must be identified as provided in-person, by telephone, or by telehealth.

3. All services shall be documented utilizing COUNTY-approved templates and contain all required elements. CONTRACTOR agrees to satisfy the chart documentation requirements set forth in BHIN 22-019 and the contract between COUNTY and DHCS. Failure to comply with documentation standards specified in this Article require corrective action plans.

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C. Assessment

1. CONTRACTOR shall ensure that all client medical records include an assessment of each client's need for mental health services.

2. CONTRACTOR will utilize the seven uniform assessment domains and include other required elements as identified in BHIN 22-019 and document the assessment in the client's medical record.

3. For clients aged 6 through 20, the Child and Adolescent Needs and Strengths (CANS), and for clients aged 3 through 18, the Pediatric Symptom Checklist-35 (PSC-35) tools are required at intake, every six months during treatment, and at discharge, as specified in DHCS MHSUDS INs 17-052 and 18-048.

4. The time period for providers to complete an initial assessment and subsequent assessments for SMHS are up to clinical discretion of COUNTY; however, CONTRACTOR's providers shall complete assessments within a reasonable time and in accordance with generally accepted standards of practice.

D. Problem List

1. CONTRACTOR will create and maintain a Problem List for each client served under this Agreement. The problem list is a list of symptoms, conditions, diagnoses, and/or risk factors identified through assessment, psychiatric diagnostic evaluation, crisis encounters, or other types of service encounters.

2. CONTRACTOR must document a problem list that adheres to industry standards utilizing at minimum current SNOMED International, Systematized Nomenclature of Medicine Clinical Terms (SNOMED CT®) U.S. Edition, September 2022 Release, and ICD-10-CM 2023.

3. A problem identified during a service encounter may be addressed by the service provider during that service encounter and subsequently added to the problem list.

4. The problem list shall include, but is not limited to, all elements specified in BHIN 22-019.

5. COUNTY does not require the problem list to be updated within a specific timeframe or have a requirement about how frequently the problem list should be updated after a problem has initially been added. However, CONTRACTOR shall update the problem list within a reasonable time such that the problem list reflects the current issues facing the client, in accordance with generally accepted standards of practice and in specific circumstances specified in BHIN 22-019.

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E. Treatment and Care Plans

1. CONTRACTOR is not required to complete treatment or care plans for clients under this Agreement, except in the circumstances specified in BHIN 22-019 and additional guidance from DHCS that may follow after execution of this Agreement.

F. Progress Notes

1. CONTRACTOR shall create progress notes for the provision of all SMHS services provided under this Agreement.

2. Each progress note shall provide sufficient detail to support the service code selected for the service type as indicated by the service code description.

3. Progress notes shall include all elements specified in BHIN 22-019, whether the note be for an individual or a group service.

4. CONTRACTOR shall complete progress notes within three business days of providing a service, with the exception of notes for crisis services, which shall be completed within 24 hours.

5. Providers shall complete a daily progress note for services that are billed on a daily basis, such as residential and day treatment services, if applicable.

G. Transition of Care Tool

1. CONTRACTOR shall use a Transition of Care Tool for any clients whose existing services will be transferred from CONTRACTOR to an Medi-Cal Managed Care Plan (MCP) provider or when NSMHS will be added to the existing mental health treatment provided by CONTRACTOR, as specified in BHIN 22-065, in order to ensure continuity of care.

2. Determinations to transition care or add services from an MCP shall be made in alignment with COUNTY policies and via a client-centered, shared decision-making process.

3. CONTRACTOR may directly use the DHCS-provided Transition of Care Tool, found at: https://www.dhcs.ca.gov/Pages/Screening-and-Transition-of-Care-Tools-for-Medi-Cal-Mental-Health-Services.aspx, or obtain a copy of that tool provided by the COUNTY. CONTRACTOR may create the Transition of Care Tool in its Electronic Health Record (EHR). However, the contents of the Transition of Care Tool, including the specific wording and order of fields, shall remain identical to the DHCS provided form. The only exception to this requirement is when the tool is translated into languages other than English.

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H. Telehealth

1. CONTRACTOR may use telehealth, when it deems clinically appropriate, as a mode of delivering behavioral health services in accordance with all applicable COUNTY, state, and federal requirements, including those related to privacy/security, efficiency, and standards of care. Such services will conform to the definitions and meet the requirements included in the Medi-Cal Provider Manual: Telehealth, available in the DHCS Telehealth Resources page at:

   https://www.dhcs.ca.gov/provgovpart/Pages/TelehealthResources.aspx.

2. All telehealth equipment and service locations must ensure that client confidentiality is maintained.

3. Licensed providers and staff may provide services via telephone and telehealth as long as the service is within their scope of practice.

4. Medical records for clients served by CONTRACTOR under this Agreement must include documentation of written or verbal consent for telehealth or telephone services if such services are provided by CONTRACTOR. Such consent must be obtained at least once prior to initiating applicable health care services and consent must include all elements as specified in BHIN 22-019.
5. COUNTY may at any time audit CONTRACTOR's telehealth practices, and CONTRACTOR must allow access to all materials needed to adequately monitor CONTRACTOR's adherence to telehealth standards and requirements.

XII. MONTEREY INTEGRATED SYSTEM OF CARE TRANSFORMATION INITIATIVE (MISTI)

A. Participation in the Monterey Integrated System of Care Transformation Initiative

Monterey County Behavioral Health (MCBH) envisions a system of care that addresses the needs of individuals and families with co-occurring mental health (MH) and substance use disorder (SUD) conditions, as well as other MH and/or SUD complex challenges, across their lifespan. The system is designed to ensure that services are welcoming, coordinated, and integrated, focusing on cultural and linguistic competence.

CONTRACTOR shall participate in the Monterey Integrated System Transformation Initiative (MISTI). CONTRACTOR will take specific actions to develop co-occurring capability within their programs, including:

- Appointing a representative to the MISTI Steering Committee.
- Identifying a change agent for each program to participate in monthly meetings and training events
- Completing a COMPASS-EZ self-assessment for each agency and identifying priority areas for action

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- Developing a Quality Improvement (QI) action plan derived from the COMPASS-EZ that focuses on at least three key areas such as improving engagement, recognition, integrated service planning, and staff competency in co-occurring care.
- Participating in activities designed by MCBH to improve collaboration between mental health and substance use disorder programs, ensuring integrated care for individuals with co-occurring conditions

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EXHIBIT B: PAYMENT AND BILLING PROVISIONS

I. PAYMENT TYPES

Provisional Rate and Negotiated Rate

II. PAYMENT AUTHORIZATION FOR SERVICES

The COUNTY'S commitment to authorize reimbursement to the CONTRACTOR for services as set forth in this Exhibit B is contingent upon COUNTY authorized admission and service, and CONTRACTOR'S commitment to provide care and services in accordance with the terms of this Agreement.

III. LEVELS OF TREATMENT COMPLEXITY

A. Complexity Level I and II – Assessment and Descriptions

A supplemental services patch rate will be determined and based on an individual's level of treatment complexity. Rates will be compatible with these terms reflected in this Exhibit B.

CONTRACTOR will work in collaboration with COUNTY case manager to determine Level I or Level II rate for each referred client, (for those Psynergy facilities with Complexity Level classifications). CONTRACTOR will utilize the Psynergy Programs Complex Care Level of Service Evaluation as an assessment tool prior to admission. County staff and Psynergy staff both will provide input to determine the client's complexity level prior to admission to Psynergy Programs.

The client's complexity level will be assessed upon admission, discharge, and at the request of the case manager, using the Psynergy Programs Complex Care Level of Service Evaluation as an assessment tool. If there is a significant change in the level of functioning before discharge, CONTRACTOR and COUNTY case manager will establish a new benchmark assessment, using the Exhibit J Psynergy Programs Complex Care Level of Service Evaluation as an assessment tool and adjust the daily patch rate accordingly.

Examples of some Complexity Level I and Level II care coincide with the specialized needs, reporting, and treatment requirements of the following client populations:

1. Individuals who have severe psychiatric conditions that require additional temporary assistance in monitoring medical issues or that need continued support and education to manage chronic medical conditions such as diabetes and COPD.
2. Individuals with co-occurring disorders such as substance abuse, developmental delays or physical impairments that require linkage to specialized community resources or that may need various behavioral supports, including specialized health care, frequent one-to-one supervision and prompting to maintain a community placement.

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3. Individuals requiring Restricted Health Care Plans, incontinent care (urinary and fecal), Diabetes and Insulin management, Colostomy care, Vitals, Oncology treatment and support, etc. significant medication management, crushed medication orders, medication adherence precautions, treatment supports, multiple medications, and supporting refusals with medication room staff interventions.
4. Individuals released from jail requiring additional supports and reporting. Mental Health Diversion, PC1001.36, Registered Sex Offenders, Court Ordered Treatment (AOT, Laura's Law), Arsonists, Electronic monitoring devices, and Probation.

B. Intensive Support Services (ISS) Program

ISS provides a higher level of care to transitional clients, including but not limited to, higher levels of supervision, separate smaller residential wing, more intensive clinical and medication management leading to symptom stabilization, and supervised integration with other facility residents.

Program is intended for County clients who are discharged to Contractor from Psychiatric Health Facilities, Psychiatric Hospitals, State Hospitals, Crisis Stabilization Units, and Behavioral Health Units. Program may also be beneficial to County clients who are not thriving, relapsing or decompensating while admitted to Contractor residential programs.

C. Isolation Support Services

If a resident has been ordered to stay in their room due to COVID, or other transmissible disease or diagnosis, precautions, or exposure, CONTRACTOR will charge a rate of $100.00 per diem for room support, bedside support, medication delivery, or other 1:1 support as needed. This will support the affected Psynergy facility in providing temporary and on-call staff for support and supervision. A typical isolation protocol due to COVID infection or exposure can be up to 14 days.

IV. PAYMENT RATE

A. NEGOTIATED RATE: PROVIDER ROLE-BASED MHS SERVICES

NEGOTIATED RATE: CONTRACTOR shall be reimbursed the following negotiated rates for services. Rendering Staff Type shall provide services according to the Monterey County Behavioral Health Specialty Mental Health Services Documentation Manual, Scope of Practice.

CONTRACTOR may exceed units by clinician within a program or total contract as long as the annual program not-to-exceed (NTE) or annual maximum County obligation is not exceeded.

The following program services will be paid for actual client usage in arrears, not to exceed the negotiated rates on a monthly basis for a total amount not to exceed **$1,996,366** for **FY 2025-26** *(amounts are rounded to the nearest dollar)*:

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Rendering Staff Type	Mode of Service	Service Function Code	Rate per UOS (minutes)	UOS Per Client	Total UOS	Line Item Total
Psychiatrist / Contracted Psychiatrist	15	01,10,30, 40,45, 50, 60, 70	$18.43	1080	38,880	$716,474
Psychologist / Pre-licensed Psychologist			$7.20	0	0	$0
Physician's Assistant			$8.03	0	0	$0
Nurse Practitioner			$8.90	0	0	$0
Clinical Nurse Specialist			$8.90	0	0	$0
Registered Nurse			$7.27	0	0	$0
Licensed Vocational Nurse (LVN)			$4.16	504	18,144	$75,456
Licensed Psychiatric Technician (LPT)			$4.10	0	0	$0
MFT/LPCC or LCSW (Licensed, Waivered, or Registered)			$4.40	4320	155,520	$684,713
Occupational Therapist			$6.21	0	0	$0
Peer Recovery Specialist			$3.68	0	0	$0
Mental Health Rehab Specialist; Other Qualified Providers			$3.34	4320	155,520	$519,722
					Total Services Billed to Medi-Cal FY 2025-26:	**$1,996,366**

B. NEGOTIATED RATE: BOARD AND CARE

1. Board and Care Service Rate / Monthly Service Level Units:

Board and Care shall be paid from the clients Supplemental Security Income (SSI) or Supplemental Security Income/Social Security Administration (SSI/SSA) benefits. If the client does not yet receive SSI or SSI/SSA benefits, or those benefits have been diminished due to back payments owed to other entities, or are not at a level to cover the standard residential care rates, COUNTY will provide payment to cover the delinquent and/or amount owed. The clients SSI or SSI/SSA monthly residential board and care rate is currently $1,420 per month for a client who receives one check and $1,440 for a client who receives two checks (this monthly amount is subject to annual adjustments by the Federal Government and State of California). These annual adjustments shall be effective without the need for any amendment to this Agreement.

Board and Care Service				
Fiscal Year	**Board & Care Monthly Service**	**Number of Months/Year**	**Estimated # of Clients Per Month**	**Maximum Annual Amount**
July 1, 2025 - June 30, 2026	$1420 - $1440	12	6	$103,680
			Maximum County Obligation FY 2025-2026:	**$103,680**

2. Board and Care Patch Rates:

The COUNTY agrees to pay an augmentation to the SSI/SSA rate based on the service descriptions and rates outlined in the following tables.

The following Board and Care services will be paid for actual client usage in arrears, not to exceed the listed daily bed rates, on a monthly basis for a total amount not to exceed **$2,433,528** for **FY 2025-26** *(amounts are rounded to the nearest dollar)*:

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Service Location	Board & Care Service Description	# of Clients	Estimated Units (Days/Yr)	Daily Bed Rate	Estimated FY 2025-26 Total
Cielo Vista / Nueva Vista / Nueva Vista Sacramento / Vista de Robles	Day Rate for Complexity Level I	24	8,760	$183.82	$1,610,263
Cielo Vista / Nueva Vista / Nueva Vista Sacramento / Vista de Robles	Day Rate for Complexity Level II	1	365	$153.39	$55,987
Cielo Vista / Nueva Vista / Nueva Vista Sacramento / Vista de Robles	Day Rate for Intensive Support Services	1	365	$304.27	$111,059
Vista Esperanza RCFE	Day Rate for Inclusive Whole Person Care	6	2,190	$258.48	$566,071
Tres Vista Apartments	Day Rate for Individuals with Benefits	2	730	$58.32	$42,574
Tres Vista Cottages	Day Rate for Individuals with Benefits	2	730	$58.32	$42,574
All Contracted Service Locations	Isolation Support Services	5	50	$100.00	$5,000
				Maximum County Obligation FY 2025-26:	**$2,433,528**

C. NEGOTIATED RATE: TRANSPORTATION, MILEAGE AND ENHANCED SUPPORT AND SUPERVISION

1. Transportation/Mileage

   Transportation may be required for admissions, Conservatorship hearings, and/or discharge to a lower level of care.

   CONTRACTOR will pick-up new admissions from placements upon request from COUNTY. From the residence, to the destination, and return in a Psynergy Program insured car and driver rate is $55.00 per hour in 15-minute increments, plus mileage. The standard mileage rates for all vehicle types is 0.700 cents per mile for business miles driven. Driver will ensure the safety and supervision of individuals, ensure admission paperwork and medications are in order, a meal provided, hydration, and cigarette breaks if so required.

2. Enhanced Support and Supervision

   CONTRACTOR will provide individual support and supervision with prior authorization from COUNTY. The rate for Enhanced Support and Supervision is $45.00 per hour in 15-minute increments. Examples of individual support and supervision are:

   - Stand by assistance for dialysis treatment, including bedside support during treatment and transport to and from treatment.

   - Stand by assistance for chemotherapy treatment, including bedside support during treatment, and transport to and from treatment.

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- Stand by assistance for physical therapy treatment, including support during therapy session, and transport to and from treatment.
- Individual support for clients diagnosed with Severe & Persistent Mental Illness (SPMI) and Intellectual Disabilities, that without this individual support are placing their housing at risk due to the escalation of symptoms and behaviors.
- Bereavement support for individuals attending funeral or memorial of a loved one, including transportation to and from services.

3. Conservatorship LPS Declarations and Evaluations

To assist in establishing and re-establishing LPS Conservatorship Decalarations, and conducting related Evaluations. Services are calculated for approximately 30 clients per FY, at $1,900 per decalaration, with a 10% margin added.

The following Transportation (to include mileage) and Enhanced Support and Supervision and Conservatorship services will be paid for actual client usage in arrears, not to exceed the listed rates, on a monthly basis for a total amount not to exceed **$171,400** for **FY 2025-26** *(amounts are rounded to the nearest dollar)*:

FISCAL YEAR	Service Description	Estimated Units (Hours / Year)	Service Rate / Hour	Estimated FY Liability	TOTAL AMOUNT PER FY
July 1, 2025 to June 30, 2026	Enhanced Support and Supervision	600	$45	$27,000	$32,500
	Transportation	100	$55	$5,500	
	Mileage	Estimated Units (Miles / Year)	Service Rate / Mile	Estimated FY Liability	$2,100
		3,000	$0.700	$2,100	
	Conservatorship LPS Declarations and Evaluations	Estimated Units (Assessments / Year)	Rate per LPS Assessment	Estimated FY Liability	$136,800
		72	$1,900	$136,800	
Total Transportation (to include mileage) and Enhanced / LPS Services FY 2025-26:					**$171,400**

V. PAYMENT CONDITIONS

A. If CONTRACTOR is seeking reimbursement for eligible services funded by the Short-Doyle/Medi-Cal, Mental Health Services Act ("MHSA"), SB 90, Federal or State Grants, and/or COUNTY funds provided pursuant to this Agreement, reimbursement for such services shall be based on actual cost of providing those services less any deductible revenues collected by the CONTRACTOR from other payer sources. In order to reduce COUNTY costs, the CONTRACTOR shall comply with all applicable provisions of the California Welfare and Institutions Code (WIC), the California Code of Regulations, the Code of Federal Regulations, and the federal Social Security Act related to reimbursements by non-County and non-State sources, including, but not limited to, collecting reimbursements for services from clients (which shall be the same as patient fees established pursuant to WIC section 5710) and from private or public third-party payers.

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CONTRACTOR shall not claim reimbursement from COUNTY for (or apply sums received from COUNTY with respect to) that portion of its obligations which has been paid by another source of revenue. If CONTRACTOR is seeking reimbursement for mental health services provided pursuant to this Agreement, reimbursement for such services shall be based upon the actual allowable costs of providing those services less any deductible revenues, as stated above. Notwithstanding any other provision of this Agreement, in no event may CONTRACTOR request a rate that exceeds the COUNTY'S Maximum Allowances (CMA). CONTRACTOR shall be responsible for costs that exceed applicable CMAs. In no case shall payments to CONTRACTOR exceed CMAs. In addition to the CMA limitation, in no event shall the maximum reimbursement that will be paid by COUNTY to CONTRACTOR under this Agreement for any Program Amount be more than the amount identified for each Program Amount for each Funded Program, as identified in this Exhibit B, Section III. Said amounts shall be referred to as the "Maximum Obligation of County," as identified in this Exhibit B, Section V.

B. To the extent a recipient of services under this Agreement is eligible for coverage under Short-Doyle/Medi-Cal or Medicaid or Medicare or any other Federal or State funded program ("an eligible beneficiary"), CONTRACTOR shall ensure that services provided to eligible beneficiaries are properly identified and claimed to the Funded Program responsible for such services to said eligible beneficiaries. For the Short-Doyle/Medi-Cal Funded Program, CONTRACTOR assumes fiscal responsibility for services provided to all individuals who do not have full-scope Medi-Cal or are not Medi-Cal eligible during the term of this Agreement.

C. CONTRACTOR shall be responsible for delivering services to the extent that funding is provided by the COUNTY. To the extent that CONTRACTOR does not have funds allocated in the Agreement for a Funded Program that pays for services to a particular eligible beneficiary, CONTRACTOR shall, at the first opportunity, refer said eligible beneficiary to another CONTRACTOR or COUNTY facility within the same geographic area to the extent feasible, which has available funds allocated for that Funded Program.

D. In order to receive any payment under this Agreement, CONTRACTOR shall submit reports and claims in such form as General Ledger, Payroll Report and other accounting documents as needed, and as may be required by the County of Monterey Department of Health, Behavioral Health Bureau. Specifically, CONTRACTOR shall submit its claims on Cost Reimbursement Invoice Form provided as Exhibit G, to this Agreement, along with backup documentation, on a monthly basis, to COUNTY so as to reach the Behavioral Health Bureau no later than the thirtieth (30th) day of the month following the month of service. See Section III, above, for payment amount information to be reimbursed each fiscal year period of this Agreement. The amount requested for reimbursement shall be in accordance with the approved budget and shall not exceed the actual net costs incurred for services provided under this Agreement.

CONTRACTOR shall submit via email a monthly claim using Exhibit G, Cost Reimbursement Invoice Form in Excel format with electronic signature along with supporting documentations, as may be required by the COUNTY for services rendered to:

MCHDBHFinance@countyofmonterey.gov

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E. CONTRACTOR shall submit all claims for reimbursement under this Agreement within thirty (30) calendar days after the termination or end date of this Agreement. All claims not submitted after thirty (30) calendar days following the termination or end date of this Agreement shall not be subject to reimbursement by the COUNTY. Any claim(s) submitted for services that preceded thirty (30) calendar days prior to the termination or end date of this Agreement may be disallowed, except to the extent that such failure was through no fault of CONTRACTOR.

F. If CONTRACTOR fails to submit claim(s) for services provided under the terms of this Agreement as described above, the COUNTY may, at its sole discretion, deny payment for that month of service and disallow the claim.

G. COUNTY shall review and certify CONTRACTOR'S claim either in the requested amount or in such other amount as COUNTY approves in conformity with this Agreement and shall then submit such certified claim to the COUNTY Auditor. The County Auditor-Controller shall pay the amount certified within thirty (30) calendar days of receiving the certified invoice.

H. To the extent that the COUNTY determines CONTRACTOR has improperly claimed services to a particular Program Amount, COUNTY may disallow payment of said services and require CONTRACTOR to resubmit said claim of services for payment from the correct Program Amount, or COUNTY may make corrective accounting transactions to transfer the payment of the services to the appropriate Program Amount.

I. If COUNTY certifies payment at a lesser amount than the amount requested COUNTY shall immediately notify the CONTRACTOR in writing of such certification and shall specify the reason for it. If the CONTRACTOR desires to contest the certification, the CONTRACTOR must submit a written notice of protest to the COUNTY within twenty (20) calendar days after the CONTRACTOR'S receipt of the COUNTY notice. The parties shall thereafter promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such a dispute until the parties have met and attempted to resolve the dispute in person.

VI. MAXIMUM OBLIGATION OF COUNTY

A. Subject to the limitations set forth herein, COUNTY shall pay to CONTRACTOR during the term of this Agreement a maximum amount of **$4,704,973** for services rendered under this Agreement.

B. MAXIMUM ANNUAL LIABILITY:

FISCAL YEAR LIABILITY	Mental Health / Medi-Cal Services	Transportation / Enhanced / LPS Services	Board & Care Services	TOTAL AMOUNT
July 1, 2025 to June 30, 2026	$1,996,366	$171,400	$2,537,208	$4,704,973
			TOTAL MAXIMUM COUNTY OBLIGATION:	$4,704,973

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C. If, as of the date of signing this Agreement, CONTRACTOR has already received payment from COUNTY for services rendered under this Agreement, such amount shall be deemed to have been paid out under this Agreement and shall be counted towards COUNTY'S maximum liability under this Agreement.

D. If for any reason this Agreement is canceled, COUNTY'S maximum liability shall be the total utilization to the date of cancellation not to exceed the maximum amount listed above.

E. As an exception to Section E. above with respect to the Survival of Obligations after Termination, COUNTY, any payer, and CONTRACTOR shall continue to remain obligated under this Agreement with regard to payment for services required to be rendered after termination.

VII. BILLING AND PAYMENT LIMITATIONS

A. Provisional Payments: COUNTY payments to CONTRACTOR for performance of eligible services hereunder are provisional until the completion of all settlement activities and audits, as such payments are subject to future Federal, State and/or COUNTY adjustments. COUNTY adjustments to provisional payments to CONTRACTOR may be based upon COUNTY'S claims processing information system data, State adjudication of Medi-Cal and Healthy Families claims files, contractual limitations of this Agreement, annual cost and MHSA reports, application of various Federal, State, and/or COUNTY reimbursement limitations, application of any Federal, State, and/or COUNTY policies, procedures and regulations, and/or Federal, State, or COUNTY audits, all of which take precedence over monthly claim reimbursements.

B. Allowable Costs: Allowable costs shall be the CONTRACTOR'S actual costs of developing, supervising and delivering the services under this Agreement, as set forth in the Budget provided in Exhibit H. Only the costs listed in Exhibit H of this Agreement as contract expenses may be claimed as allowable costs. Any dispute over whether costs are allowable shall be resolved in accordance with the provisions of applicable Federal, State and COUNTY regulations.

C. Cost Control: CONTRACTOR shall not exceed by more than twenty (20%) percent any contract expense line item amount in the budget without the written approval of COUNTY, given by and through the Contract Administrator or Contract Administrator's designee. CONTRACTOR shall submit an amended budget using Exhibit H, or on a format as required by the COUNTY, with its request for such approval. Such approval shall not permit CONTRACTOR to receive more than the maximum total amount payable under this Agreement. Therefore, an increase in one line item shall require corresponding decreases in other line items.

D. Other Limitations for Certain Funded Programs: In addition to all other limitations provided in this Agreement, reimbursement for services rendered under certain Funded Programs may be further limited by rules, regulations and procedures applicable only to that Funded Program. CONTRACTOR shall be familiar with said rules, regulations and procedures and submit all claims in accordance therewith.

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E. Adjustment of Claims Based on Other Data and Information: The COUNTY shall have the right to adjust claims based upon data and information that may include, but are not limited to, COUNTY'S claims processing information system reports, remittance advices, State adjudication of Medi-Cal claims, and billing system data.

VIII. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS

A. This Agreement shall be subject to any restrictions, limitations, or conditions imposed by State which may in any way affect the provisions or funding of this Agreement, including, but not limited to, those contained in State's Budget Act.

B. This Agreement shall also be subject to any additional restrictions, limitations, or conditions imposed by the Federal government which may in any way affect the provisions or funding of this Agreement.

C. In the event that the COUNTY'S Board of Supervisors adopts, in any fiscal year, a COUNTY Budget which provides for reductions in COUNTY Agreements, the COUNTY reserves the right to unilaterally reduce its payment obligation under this Agreement to implement such Board reductions for that fiscal year and any subsequent fiscal year during the term of this Agreement, correspondingly. The COUNTY'S notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such action.

C. Notwithstanding any other provision of this Agreement, COUNTY shall not be obligated for CONTRACTOR'S performance hereunder or by any provision of this Agreement during any of COUNTY'S current or future fiscal year(s) unless and until COUNTY'S Board of Supervisors appropriates funds for this Agreement in COUNTY'S Budget for each such fiscal year. In the event funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. COUNTY shall notify CONTRACTOR of any such non-appropriation of funds at the earliest possible date and the services to be provided by the CONTRACTOR under this Agreement shall also be reduced or terminated.

IX. BILLING PROCEDURES AND LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER FEDERAL SOCIAL SECURITY ACT, TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI HEALTHY FAMILIES

The Short-Doyle/Medi-Cal (SD/MC) claims processing system enables California county Mental Health Plans (MHPs) to obtain reimbursement of Federal funds for medically necessary specialty mental health services provided to Medi-Cal-eligible beneficiaries and to Healthy Families subscribers diagnosed as Seriously Emotionally Disturbed (SED). The Mental Health Medi-Cal program oversees the SD/MC claims processing system. Authority for the Mental Health Medi-Cal program is governed by Federal and California statutes.

A. If, under this Agreement, CONTRACTOR has Funded Programs that include Short-Doyle/Medi-Cal services and/or Healthy Families services, CONTRACTOR shall certify

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in writing annually, by August 1 of each year, that all necessary documentation shall exist at the time any claims for Short-Doyle/Medi-Cal services and/or Healthy Families services are submitted by CONTRACTOR to COUNTY.

CONTRACTOR shall be solely liable and responsible for all service data and information submitted by CONTRACTOR.

B. CONTRACTOR acknowledges and agrees that the COUNTY, in undertaking the processing of claims and payment for services rendered under this Agreement for these Funded Programs, does so as the Mental Health Plan for the Federal, State and local governments.

D. CONTRACTOR shall submit to COUNTY all Short-Doyle/Medi-Cal, and/or Healthy Families claims or other State required claims data within the thirty (30) calendar day time frame(s) as prescribed by this Agreement to allow the COUNTY to meet the time frames prescribed by the Federal and State governments. COUNTY shall have no liability for CONTRACTOR'S failure to comply with the time frames established under this Agreement and/or Federal and State time frames, except to the extent that such failure was through no fault of CONTRACTOR.

E. COUNTY, as the Mental Health Plan, shall submit to the State in a timely manner claims for Short-Doyle/Medi-Cal services, and/or Healthy Families services only for those services/activities identified and entered into the COUNTY'S claims processing information system which are compliant with Federal and State requirements. COUNTY shall make available to CONTRACTOR any subsequent State approvals or denials of such claims upon request by the CONTRACTOR.

F. CONTRACTOR acknowledges and agrees that COUNTY'S final payment for services and activities claimed by CONTRACTOR Short-Doyle/Medi-Cal services and/or Healthy Families services is contingent upon reimbursement from the Federal and State governments and that COUNTY'S provisional payment for said services does not render COUNTY in any way responsible for payment of, or liable for, CONTRACTOR'S claims for payment for these services.

G. CONTRACTOR'S ability to retain payment for such services and/or activities is entirely dependent upon CONTRACTOR'S compliance with all laws and regulations related to same.

H. Notwithstanding any other provision of this Agreement, CONTRACTOR shall hold COUNTY harmless from and against any loss to CONTRACTOR resulting from the denial or disallowance of claim(s) for or any audit disallowances related to said services, including any State approved Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services/activities, by the Federal, State or COUNTY governments, or other applicable payer source, unless the denial or disallowance was due to the fault of the COUNTY.

I. CONTRACTOR shall repay to COUNTY the amount paid by COUNTY to CONTRACTOR for Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative

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Activities, and/or Title XXI Healthy Families services/ activities subsequently denied or disallowed by Federal, State and/or COUNTY government.

J. Notwithstanding any other provision of this Agreement, CONTRACTOR agrees that the COUNTY may offset future payments to the CONTRACTOR and/or demand repayment from CONTRACTOR when amounts are owed to the COUNTY pursuant to Subparagraphs G. and H. above. Such demand for repayment and CONTRACTOR'S repayment shall be in accordance with Exhibit I, Section IV (Method of Payments for Amounts Due to County) of this Agreement.

K. CONTRACTOR shall comply with all written instructions provided to CONTRACTOR by the COUNTY, State or other applicable payer source regarding claiming and documentation.

L. Nothing in this Section VIII shall be construed to limit CONTRACTOR'S rights to appeal Federal and State settlement and/or audit findings in accordance with the applicable Federal and State regulations.

X. PATIENT/CLIENT ELIGIBILITY, UMDAP FEES, THIRD PARTY REVENUES, AND INTEREST

A. CONTRACTOR shall comply with all Federal, State and COUNTY requirements and procedures relating to:

1. The determination and collection of patient/client fees for services hereunder based on the Uniform Method of Determining Payment (UMDAP), in accordance with the State Department of Health Care Services guidelines and WIC sections 5709 and 5710.

2. The eligibility of patients/clients for Short-Doyle/Medi-Cal, Medicaid, Medicare, private insurance, or other third party revenue, and the collection, reporting and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. CONTRACTOR shall pursue and report collection of all patient/client and other revenue.

B. All fees paid by patients/clients receiving services under this Agreement and all fees paid on behalf of patients/clients receiving services hereunder shall be utilized by CONTRACTOR only for the delivery of mental health service/activities specified in this Agreement.

C. CONTRACTOR may retain unanticipated program revenue, under this Agreement, for a maximum period of one Fiscal Year, provided that the unanticipated revenue is utilized for the delivery of mental health services/activities specified in this Agreement. CONTRACTOR shall report the expenditures for the mental health services/activities funded by this unanticipated revenue in the Annual Report(s) and Cost Report Settlement submitted by CONTRACTOR to COUNTY.

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D. CONTRACTOR shall not retain any fees paid by any sources for, or on behalf of, Medi-Cal beneficiaries without deducting those fees from the cost of providing those mental health services for which fees were paid.

E. CONTRACTOR may retain any interest and/or return which may be received, earned or collected from any funds paid by COUNTY to CONTRACTOR, provided that CONTRACTOR shall utilize all such interest and return only for the delivery of mental health services/activities specified in this Agreement.

F. Failure of CONTRACTOR to report in all its claims and in its Annual Report(s) and Cost Report Settlement all fees paid by patients/clients receiving services hereunder, all fees paid on behalf of patients/clients receiving services hereunder, all fees paid by third parties on behalf of Medi-Cal beneficiaries receiving services and/or activities hereunder, and all interest and return on funds paid by COUNTY to CONTRACTOR, shall result in:

1. CONTRACTOR'S submission of a revised claim statement and/or Annual Report(s) and Cost Report Settlement showing all such non-reported revenue.

2. A report by COUNTY to State of all such non-reported revenue including any such unreported revenue paid by any sources for or on behalf of Medi-Cal beneficiaries and/or COUNTY'S revision of the Annual Report(s).

3. Any appropriate financial adjustment to CONTRACTOR'S reimbursement.

XI. CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ ACTIVITIES TO BE RENDERED OR FIXED RATE PAYMENTS

A. The Maximum Contract Amount for each period of this Agreement includes Cash Flow Advance (CFA) or fixed rate payments which is an advance of funds to be repaid by CONTRACTOR through the provision of appropriate services/activities under this Agreement during the applicable period.

B. For each month of each period of this Agreement, COUNTY shall reimburse CONTRACTOR based upon CONTRACTOR'S submitted claims for rendered services/activities subject to claim edits, and future settlement and audit processes.

C. CFA shall consist of, and shall be payable only from, the Maximum Contract Amount for the particular fiscal year in which the related services are to be rendered and upon which the request(s) is (are) based.

D. CFA is intended to provide cash flow to CONTRACTOR pending CONTRACTOR'S rendering and billing of eligible services/activities, as identified in this Exhibit B, Sections III. and V., and COUNTY payment thereof. CONTRACTOR may request each monthly Cash Flow Advance only for such services/activities and only to the extent that there is no reimbursement from any public or private sources for such services/activities.

E. Cash Flow Advance (CFA) Invoice. For each month for which CONTRACTOR is eligible to request and receive a CFA, CONTRACTOR must submit to the COUNTY an

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invoice of a CFA in a format that is in compliance with the funding source and the amount of CFA CONTRACTOR is requesting. In addition, the CONTRACTOR must submit supporting documentation of expenses incurred in the prior month to receive future CFAs.

F. Upon receipt of the Invoice, COUNTY, shall determine whether to approve the CFA and, if approved, whether the request is approved in whole or in part.

G. If a CFA is not approved, COUNTY will notify CONTRACTOR within ten (10) business days of the decision, including the reason(s) for non-approval. Thereafter, CONTRACTOR may, within fifteen (15) calendar days, request reconsideration of the decision.

H. Year-end Settlement. CONTRACTOR shall adhere to all settlement and audit provisions specified in Exhibit I, of this Agreement, for all CFAs received during the fiscal year.

I. Should CONTRACTOR request and receive CFAs, CONTRACTOR shall exercise cash management of such CFAs in a prudent manner.

XII. AUTHORITY TO ACT FOR THE COUNTY

The Director of the Health Department of the County of Monterey may designate one or more persons within the County of Monterey for the purposes of acting on his/her behalf to implement the provisions of this Agreement. Therefore, the term "Director" in all cases shall mean "Director or his/her designee."

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EXHIBIT C: CONFIDENTIALITY OF PATIENT INFORMATION

Confidentiality of Patient Information and Records. All patient information and records are confidential. CONTRACTOR shall maintain the confidentiality of all patient records, including billings and computerized records, in accordance with all state and federal law relating to confidentiality of patient records and patient information, including but not limited to: Welfare and Institutions Code sections 5328, *et seq*., 14100.2, and 10850, *et seq*; Title 45 Code of Federal Regulations section 205.50, and Title 42, CFR, section 431.300 et seq.

"Patient information" or "confidential information" includes any patient/recipient of services identifying information including, but not limited to: name, identifying numbers, symbol, fingerprint, photograph or voice print. In addition, "patient information" or "confidential information" includes all information CONTRACTOR has obtained about a patient/recipient of services whether or not a documentary record of such information exists.

Use and Disclosure of Patient Information. Confidential information gained by CONTRACTOR from access to records and from contact with patients/recipients of service and complainants shall be used by CONTRACTOR only in connection with its performance under this Agreement. CONTRACTOR shall not disclose patient records or information, including the identities of patients/recipients of service, without proper consent to such disclosure or a court order requiring disclosure. In addition, CONTRACTOR shall obtain COUNTY's authorization to such disclosure prior to any release of confidential information. The COUNTY, through the Behavioral Health Director, shall have access to such confidential information.

Penalty for Unauthorized Disclosure. CONTRACTOR understands that disclosure of patient information in violation of law may subject the party releasing the information to a minimum of $10,000 in civil damages, as set forth in Welfare and Institutions Code Section 5330.

Duty to Warn. CONTRACTOR understands that persons providing services under this Agreement may, in certain situations involving a patient or recipient of services who is a danger to himself or others, have a duty to warn third parties of such danger and should consult supervisory staff and/or legal counsel about such duty to warn as appropriate.

Dissemination of these Confidentiality Provisions. CONTRACTOR shall inform all its officers, employees, agents, and subcontractors providing services hereunder of these provisions.

By my signature below, as the authorized representative of the CONTRACTOR named below, I certify acceptance and understanding for myself and the CONTRACTOR of the above confidentiality provisions.

	Psynergy Programs, Inc.
	Business Name of Contractor
DocuSigned by: Arturo Uribe 65D60C1D2FC244F...	Arturo Uribe, LCSW
Signature of Authorized Representative	Name of Authorized Representative (printed)
8/12/2025 | 5:48 PM PDT	President and Chief Executive Officer
Date	Title of Authorized Representative

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EXHIBIT D: ASSURANCE OF COMPLIANCE WITH SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED

CONTRACTOR hereby agrees that it will comply with: (1) Section 504 of the Rehabilitation Act of 1973, as amended (29. U.S.C. 794), (2) all requirements imposed by the applicable HHS Regulations (45 C.F.R. Part 84) and, (3) all guidelines and interpretations issued pursuant thereto.

Pursuant to Section 84.5(a) of the Regulation (45 C.F.R. 84.5a) CONTRACTOR gives this Assurance in consideration of and for the purpose of obtaining any and all federal grants, loans, contracts (except procurement contracts and contracts of insurance or guaranty), property, discounts or other federal financial assistance extended after the date of this Assurance, including payments or other assistance made after such date on applications for federal financial assistance which will be extended in reliance on the representations and agreements made in this Assurance. The United States will have the right to enforce this Assurance through lawful means. This Assurance is binding on CONTRACTOR, its successors, transferees and assignees. The person or persons whose signatures appear below are authorized to sign this Assurance on behalf of CONTRACTOR.

This Assurance obligates CONTRACTOR for the period during which federal financial assistance is extended or, where the assistance is in the form of real or personal property, for the period provided for in section 84.5(b) of the Regulations (45 C.F.R. 84.5b).

In addition, CONTRACTOR gives this assurance for the purpose of obtaining payment from the COUNTY under this Agreement, regardless of the funding source. This assurance obligates the CONTRACTOR during the entire term of this Agreement.

CONTRACTOR: (Please check A or B)

A. ☐ Employs fewer than fifteen persons;

B. ☒ Employs fifteen or more persons, and pursuant to Section 84.7(a) of the Regulations (45 C.F.R. 84.7a), has designated the following person(s) to coordinate its efforts to comply with the HHS regulations.

Contractor's Business Name	Psynergy Programs, Inc.		
Name of Contractor's Designee	Arturo Uribe, LCSW		
Title of Designee	President and Chief Executive Officer		
Street	18225 Hale Avenue		
City	Morgan Hill	State CA	Zip 95037
IRS Employer Identification Number		94-3131675	

I certify that the above information is complete and correct to the best of my knowledge and belief.

DocuSigned by: Arturo Uribe 03D60C1D2F1C244F...

Signature of Contractor

Date 8/12/2025 | 5:48 PM PDT

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EXHIBIT E: ASSURANCE OF COMPLIANCE WITH MONTEREY COUNTY CULTURAL COMPETENCY POLICY

In a culturally competent system, each provider organization shows respect for and responds to individual differences and special needs. Services are provided in the appropriate cultural context and without discrimination related to race, national origin, income level, religion, gender, sexual orientation, age, or physical disability, to name a few. Culturally competent caregivers are aware of the impact of their own culture on their relationships with consumers/families and know about and respect cultural and ethnic differences. They adapt their skills to meet each individual's/family's values and customs. Cultural competence is a developmental and dynamic process – one that occurs over time.

Organizations in a Culturally Competent Service System Promote:

Quality Improvement

- Continuous evaluation and quality improvement
- Supporting evidence-based, promising, community defined, and emerging practices that are congruent with ethnic/racial/linguistic group belief systems, cultural values and help-seeking behaviors.

Collaboration

- Collaborating with Behavioral Health and other community programs
- Resolving barriers to partnerships with other service providers

Access

- Providing new services to unserved and underserved children, youth, adults and/or older adults
- Reducing disparities in access to, and retention in, care as identified in the Mental Health Services Act Plan
- Ensuring representation of mental health services consumers, family members of a mental health services consumer, and/or representatives from unserved communities on their advisory/governance body or committee for development of service delivery and evaluation (with a minimum target of 40%).
- Developing recruitment, hiring, and retention plans that are reflective of the population focus, communities' ethnic, racial, and linguistic populations.

Cultural Competent Services:

- Are available, accessible and welcoming to all clients regardless of race, ethnicity, language, age, and sexual orientation.
- Provide a physical environment that is friendly, respectful and inclusive of all cultures.
- Provide information, resources and reading materials in multilingual formats.
- Promote and foment culturally accepted social interactions, respect and healthy behaviors within the family constellation and service delivery system.
- Provide options for services, which are consistent with the client's beliefs, values, healing traditions, including individual preferences for alternative, spiritual and/or holistic approaches to health.
- Offer services in unserved and underserved communities.

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- Have services available in the evening and on weekends to ensure maximum accessibility.
- Offer services in Spanish and other necessary languages (such as Tagalog, Vietnamese, Oaxacan, Trique and other languages spoken of Monterey County residents).

Definitions for Cultural Competency

"Cultural Competence" is defined as a set of congruent practice skills, knowledge, behaviors, attitudes, and policies that come together in a system, agency, or among consumer providers, family members, and professionals that enables that system, agency, or those professionals and consumers, and family member providers to work effectively in cross-cultural situations.

(Adapted from Cross, et al., 1989; cited in DMH Information Notice No.02-03).

"Cultural Competence" is a means to eliminating cultural, racial and ethnic disparities. Cultural Competence enhances the ability of the whole system to incorporate the languages, cultures, beliefs and practices of its clients into the service. In this way all clients benefit from services that address their needs from the foundation of their own culture. Strategies for elimination of these disparities must be developed and implemented. Cultural Competence must be supported at all levels of the system.

(CMHDA Framework for Eliminating Cultural, Linguistic, Racial and Ethnic Behavioral Health Disparities)

[Cultural Competency] A set of congruent behaviors, attitudes, and policies that come together in a system, agency or amongst professionals and consumers and enables that system, agency or those professionals and consumers to work effectively in cross-cultural situations.

(Cross, Bazron, Dennis & Issacs, 1989)

The ability to work effectively with culturally diverse clients and communities.

(Randall David, 1994)

CONTRACTOR hereby agrees that it will comply with the principles and guidelines set forth in Monterey County's Health Department – Behavioral Health's Cultural Competency Policy (as outlined above), and will:

1. Develop organizational capacity to provide services in a culturally and linguistically competent manner. This may include: hiring staff with the linguistic capabilities needed to meet the diverse language needs in Monterey County (for example, Spanish, Tagalog, Vietnamese, Oaxacan, Trique, American Sign Language (ASL), Middle Eastern languages); providing staff with training in cultural competency; making services accessible at locations and times that minimize access barriers, and ensuring that staff have an open, welcoming and positive attitude and feel comfortable working with diverse cultures.

2. Create a physical environment that ensures people of all cultures, ages and sexual orientation feel welcome and cared for. This may include: decorating waiting and treatment areas with pictures that reflect the diverse cultures of Monterey County; providing reading materials, resources and magazines in varied languages, at appropriate reading levels and suitable for different age groups, including children and youth; consideration of cultural differences and preferences when offering refreshments; ensuring that any pictures, symbols or materials on display are not unintentionally disrespectful to another culture.

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3. Provide a services delivery environment that ensures people of all cultures, ages and sexual orientation feel welcome and cared for. This may include: respect for individual preferences for alternative, spiritual and/or holistic approaches to health; a reception staff that is competent in the different languages spoken by consumers/families; staff that is knowledgeable of cultural and ethnic differences and needs, and is able and willing to respond an appropriate and respectful manner.

4. Support the county's goal to reduce disparities to care by increasing access and retention while decreasing barriers to services by unserved and underserved communities.

5. Include the voice of multi-cultural youth, client and family members, including: monolingual and bilingual clients and family members and representatives from unserved and underserved communities, in the advisory/governance body or committee for development of service delivery, planning and evaluation (County Goal: 40%).

6. Participate in outcome evaluation activities aimed at assessing individual organizations as well as countywide cultural competency in providing mental health services.

7. As requested, meet with the Monterey County Health Department - Behavioral Health Director or designee to monitor progress and outcomes of the project.

8. Ensure that 100% of staff, over a 3 year period, participate in cultural competency training including, but not limited to, those offered by Monterey County Behavioral Health.

Dissemination of these Provisions. CONTRACTOR shall inform all its officers, employees, agents, and subcontractors providing services hereunder of these provisions.

By my signature below, as the authorized representative of the CONTRACTOR named below, I certify acceptance and understanding for myself and the CONTRACTOR of the above provisions.

Psynergy Programs, Inc.
Contractor (Organization Name)

DocuSigned by:
Arturo Uribe
65D60C1D2FC244F...
Signature of Authorized Representative

Arturo Uribe, LCSW
Name of Authorized Representative (*printed*)

8/12/2025 | 5:48 PM PDT
Date

President and Chief Executive Officer
Title of Authorized Representative

Docusign Envelope ID: 025E9BC0-DC94-4FEE-9157-8C225D08C8E3

Psynergy Programs, Inc.

REVENUE AND EXPENDITURE SUMMARY

For Monterey County - Behavioral Health

PROGRAM: Cielo Vista / Nueva Vista / Nueva Vista Sacramento / Vista de Robles / Vista Esperanza / Tres Vista - MHS SERVICES

		Actual FY 2023-24	Estimated FY 2024-25	Requested FY 2025-26
A. PROGRAM REVENUES				
Requested Monterey County Funds				1,420,785
Other Program Revenues				
TOTAL PROGRAM REVENUES (equals Allowable Program Expenditures)		**-**	**-**	**1,420,785**
B. ALLOWABLE PROGRAM EXPENDITURES - Allowable Expenditures for the services provided in accordance with requirements contained in this Agreement. Expenditures should be reported within the cost categories listed below.				
1 Program Expenditures				
2	Salaries and wages			676,249
3	Payroll taxes			49,165
4	Employee benefits			25,064
5	Workers Compensation			25,950
6	Severance Pay (if required by law, employer-employee agreement or established written policy or associated with County's loss of funding)			--
7	Temporary Staffing			919
8	Flexible Client Spending (please provide supporting documents)			--
9	Client Transportation Costs and staff mileage			11,600
10	Employee Travel and Conference			--
11	Staff Training			--
12	Communication Costs			2,491
13	Utilities			9,964
14	Cleaning and Janitorial			1,289
15	Insurance and Indemnity			52,940
16	Maintenance and Repairs - Buildings			66,944
17	Maintenance and Repairs - Equipment			--
18	Printing and Publications			--
19	Memberships, Subscriptions and Dues			225
20	Office Supplies			10,464
21	Postage and Mailing			521
22	Legal Services (when required for the administration of the County Programs)			38,691
23	Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133)			46,378

		Actual FY 2023-24	Estimated FY 2024-25	Requested FY 2025-26
24	Other Professional and Consultant Services (allowable with prior specific approval from Monterey County)			135,718
25	Rent and Leases - building and improvements			24,689
26	Rent and Leases - equipment			--
27	Taxes and assessments			--
28	Interest in Bonds			--
29	Interest in Other Long-term debts			--
30	Other interest and finance charges			--
31	Advertising (for recruitment of program personnel, procurement of services and disposal of surplus assets)			--
32	Miscellaneous (please provide details)			24,543
33	**Total Program Expenditures**	$-	$-	**$1,203,802.40**
34	Administrative Expenditures - the allocation base must reasonably reflect the level of service received by the County from the program/activity and there must be a direct causal relationship between the allocation based used and the service provided. The allocation base must be auditable and supported by information kept by the CONTRACTOR.			
35	Salaries and wages (please include personnel and contract administration)			120,557
36	Payroll taxes			8,676
37	Employee benefits			4,423
38	Workers Compensation			4,579
39	Severance Pay (if required by law, employer-employee agreement or established written policy or associated with County's loss of funding)			--
40	Transportation, Travel, Training and Conferences			2,047
41	Data Processing (Computers & Technology)			--
42	Utilities (Telephone & Communications)			2,198
43	Cleaning and Janitorial			227
44	Insurance and Indemnity			9,343
45	Maintenance and Repairs - Buildings			11,814
46	Maintenance and Repairs - Equipment			--
47	Memberships, Subscriptions and Dues			40
48	Office Supplies			1,846
49	Postage and Mailing			92
50	Legal Services (when required for the administration of the County Programs)			6,828
51	Other Professional and Specialized Services (allowable with prior specific approval from Monterey County)			32,135
52	Rent and Leases - building and improvements			4,357
53	Rent and Leases - equipment			--
54	Taxes and assessments			--
55	Interest in Bonds			--
56	Interest in Other Long-term debts			--
57	Other interest and finance charges			--

		Actual FY 2023-24	Estimated FY 2024-25	Requested FY 2025-26
58	Advertising (for recruitment of admin personnel, procurement of services and disposal of surplus assets)			--
59	Miscellaneous (please provide details)			8,883
60	**Total Administrative Expenditures**	-	-	**218,045**
61	**Depreciation Expense**			
62	**OTHERS - must be authorized by the County and/or not prohibited under Federal, State or local law or regulations.**			
63	**Total Allowable Program Expenditures**	-	-	$1,421,848

We hereby certify to the best of my knowledge, under penalty of perjury, that the above report is true and correct, that the amounts reported are traceable to (Contractor's Name) accounting records, and that all Monterey County funds received for the purposes of this program were spent in accordance with the Contract's program requirements, the Agreement and all applicable Federal, State and County laws and regulations. Falsification of any amount disclosed herein shall constitute a false claim pursuant to California Government Code Section 12650 et seq.

Executive Director's Signature **Date** **Finance Director's Signature** **Date**

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I. AUDITS AND AUDIT APPEALS

A. At any time during the term of this Agreement or after the expiration or termination of this Agreement, in accordance with Federal and State law including but not limited to the California Welfare and Institutions Code (WIC) Sections 14170 et seq., authorized representatives from the Federal governments, State or COUNTY may conduct an audit of CONTRACTOR regarding the services/activities provided under the fiscal year(s) for which the audit is outstanding. In addition, contract compliance audits or reviews may be conducted by the County of Monterey Auditor-Controller's Office or designated representative. Furthermore, the California State Controller Office performs audits of the mandated cost claims for the seriously emotionally disturbed pupils for the Out-of-State Mental Health Services Program and Handicapped and Disabled Students Programs. The Centers for Medicare and Medicaid Services (CMS) also perform audits of the Certified Public Expenditure (CPE) processes, negotiated rate audit information, and other issues.

B. Settlement of audit findings shall be conducted according to the auditing party's procedures in place at the time of the audit.

C. In the case of a Federal Government or State audit, COUNTY may perform a post-audit based on Federal or State audit findings. Such post-audit shall take place when the Federal Government or State initiates its settlement action, which customarily is after the issuance of the audit report by the Federal Government or State and before the Federal Government or State's audit appeal process.

    1. If the Federal Government or State stays its collection of any amounts due or payable because of the audit findings, COUNTY shall also stay its settlement of the same amounts due or payable until the responsible auditing party initiates its settlement action with COUNTY.

    2. COUNTY shall follow all applicable Federal, State and local laws, regulations manuals, guidelines and directives in recovering from CONTRACTOR any amount due to the COUNTY.

    3. COUNTY shall issue an invoice to CONTRACTOR for any amount due to the COUNTY no later than ninety (90) calendar days after the Federal or State issues its audit settlement letter to the COUNTY. CONTRACTOR shall make payment to the COUNTY in accordance with the terms of Section IV (Method of Payments for Amounts Due to COUNTY) of this Exhibit I. Said payment shall be submitted to the person and at the address identified in the COUNTY invoice.

D. CONTRACTOR may appeal any such audit findings in accordance with the audit appeal process established by the party performing the audit.

    1. For Federal audit exceptions, Federal audit appeal processes shall be followed.

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2. CONTRACTOR may appeal the State audit findings in conformance with provisions of Sections 51016 et seq. of Title 22 of the California Code of Regulations. Such appeals must be filed through COUNTY. COUNTY shall notify CONTRACTOR of State appeal deadlines after COUNTY'S receipt from State of the audit report.

3. If at any time the Appeal process results in a revision to the audit findings, and the Federal Government or State recalculates the final settlement with COUNTY, COUNTY may perform a post-audit based on the Federal or State revised findings after the Federal Government or State has issued its revised settlement with the COUNTY, based on such re-computed final settlement.

   a. If the re-computed final settlement results in amounts due to CONTRACTOR by the COUNTY, COUNTY shall make such payments to CONTRACTOR within thirty (30) calendar days of issuing the revised settlement amount to the CONTRACTOR.

   b. If the re-computed final settlement results in amounts due from CONTRACTOR to the COUNTY, CONTRACTOR shall make payment to the COUNTY within thirty (30) days that the COUNTY issues its invoice to the CONTRACTOR.

E. Not withstanding any other provisions of this Agreement, if CONTRACTOR appeals any audit report, the appeal shall not prevent the COUNTY from recovering from CONTRACTOR any amount owed by CONTRACTOR that the Federal Government or State has recovered from COUNTY.

F. Should the auditing party be the COUNTY, CONTRACTOR shall have thirty (30) calendar days from the date of the audit report with in which to file an appeal with COUNTY. The letter providing the CONTRACTOR with notice of the audit findings shall indicate the person(s) and address to which the appeal should be directed. COUNTY shall consider all information provided by CONTRACTOR with its appeal, and shall issue its decision on the appeal after such consideration. Such decision is final. COUNTY shall issue an invoice for any amount due COUNTY fifteen (15) calendar days after COUNTY has notified CONTRACTOR of the COUNTY'S audit appeal findings. CONTRACTOR shall make payment to the COUNTY in accordance with the terms of Section IV (Method of Payments for Amounts Due to COUNTY) of this Exhibit I. Said payment shall be submitted to the person and at the address identified in the COUNTY invoice.

II. METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY

A. Within ten (10) business days after written notification by COUNTY to CONTRACTOR of any amount due by CONTRACTOR to COUNTY, CONTRACTOR shall notify COUNTY as to which of the following five (5) payment options CONTRACTOR requests be used as the method by which such amount shall be recovered by COUNTY.

   Any such amount shall be:

   1. Paid in one cash payment by CONTRACTOR to COUNTY;

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2. Deducted from future claims over a period not to exceed six (6) months;

3. Deducted from any amounts due from COUNTY to CONTRACTOR whether under this Agreement or otherwise;

4. Paid by cash payment(s) by CONTRACTOR to COUNTY over a period not to exceed six (6) months; OR

5. A combination of any or all of the above.

B. If CONTRACTOR does not so notify COUNTY within such ten (10) days, or if CONTRACTOR fails to make payment of any such amount to COUNTY as required, then Director, in his sole discretion, shall determine which of the above five (5) payment options shall be used by COUNTY for recovery of such amount from CONTRACTOR.

(The remainder of this page is left intentionally blank)

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EXHIBIT J: LEVEL OF SERVICE FORM

Psynergy Programs
Complex Care Level of Service

Diagnosis – *Circle all known diagnoses. No points allocated.*

Schizophrenia	ADD/DHD
Schizo-Affective	SUD/Poly-Substance
Bipolar Disorder	Major Depression Disorder
Anxiety Disorder	Impulse Control Disorder
Dissociative	PTSD
Personality D/O	

Symptoms *Check all that apply in the past six months pre-admission and every six months post admission.*

(1) Psychosomatic	(2) Psychosis
(2) Labile	(1) Disorganized
(2) Depression	(2) Mania
(1) Anxiety	(3) Suicidal Ideation
(2) Perseverating	(1) Fearfulness
(1) Delusional	(2) Paranoia
(2) Auditory Hallucinations	(2) Command Hallucinations

Total_____

Behavioral Supports – *Check all that apply in the past six months pre-admission and every six months post admission.*

(2) Intrusive	(2) Labile
(3) Intermittent Explosiveness	(3) Verbally Assaultive
	(1) Victimization
(2) Inappropriate Sexual Bx	(3) Elopement/UAA Bxs
	(2) Disruptive to Milieu
(1) OCD Bxs	(1) Isolation
(2) Threatening Behaviors	(2) Aggressive Behaviors
(2) Impulsive behaviors	(2) Property Destruction

Total_____

Legal Restrictions

2 On Probation
2 Registered Sex Offender
3 Arsonist/Fire-Setting with intent to destroy property
3 Electronic Monitoring Device
4 Mental Health Diversion PC1001.36

Total_____

Restricted Health Care Plans

(2) Urinary Incontinence, Neurosis
(3) Fecal Incontinence
(2) Diabetes, BSL Management
(2) Inhaler/Asthma/Allergy
(2) Hypertension
(2) COPD with Inhaler
(2) Vitals, Blood Pressure, Temperature, Etc.
(2) Pacemaker
(2) Colostomy Care ( ) Other_____

Total____

Special Diets

(2) Ground/Pureed/Chopped
(2) Vegan, Vegetarian, GERD friendly
(3) Weight management, shakes, dbl portions, etc
(2) Other:
(*must be approved by Food Services Manager prior to admission)*

Total_____

Medication and Medical Management

(3) Clozaril	(2) 1-6 Oral Medications
(3) Lithium	(3) 7-11 Oral Medications
(3) Depakote	(4) 12-18 Oral Medications
(4) Insulin	
(2) 1-2 Treatments	(3) 3+ Treatments

(3) 2 or more Antipsychotics
(3) Crushed Medications Order
(3) Medication adherence precautions / Med Refusals

Total_____

Suicidal Attempt & Self Injurious Bx

(3) Past 30 Days
(2) 30-90 Days
(1) 90-180 Days
(0) 180+ Days & History of SA/SIB

Total_____

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Physical Disabilities

(2) Assistive Device, Walker, Knee Scooter, Etc.
(3) Visual Impaired (ex. Blind)
(3) Hearing Impaired

Total_____

Activities of Daily Living Assistance

(4) Bathing, Grooming, Dressing

Dual Recovery Program Support

(MUST BE DIAGNISED- INCLUDES ETOH, POLYSUBSTANCE, AND CAFFEINE)

(1) <1 Test Administered
(2) x1 Test Administered
(3) x2 Tests Administered
(4) x3 Tests Administered

(3) Relapse Prevention Plan – Active

Total_____

Total Level of Service Score

Level I Management	18 +
Level II Management	0 - 17

Total Points: _____

Psynergy Programs Only: CLIENT NAME_____
COUNTY NAME:_____

Completed by Facility Administrator:

Signature:

Date:

Review by Medication Room Mgr.:

Signature:

Date:

County Case Manager or Conservator:

Signature:

Date:

This form must be completed prior to initial admission and/or internal transfer to other Psynergy facility.

Introduced: 8/20/2025
Version: 1

Current Status: Criminal Justice - Consent
Matter Type: BoS Agreement

a. Approve and authorize the Public Defender or designee to execute a Non-Standard Agreement with Renie Rondon-Jackson, Licensed Clinical Social Worker, to provide supervision for California State University Monterey Bay student intern, in the amount of $7,500 retroactive date of August 25, 2025 through December 31, 2026;
b. Approve and authorize the Public Defender or designee to execute up to three (3) amendments, extending the agreement by one (1) year each, where total additional costs do not exceed 10% of the contract amount ($750) and the amendments do not alter significantly the scope of work, and do not exceed the maximum amount of $8,250;
c. Accept the risk provisions as recommended by the Public Defender.

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Approve and authorize the Public Defender or designee to execute a Non-Standard Agreement with Renie Rondon-Jackson, Licensed Clinical Social Worker, to provide supervision for California State University Monterey Bay student intern, in the amount of $7,500 retroactive date of August 25, 2025 through December 31, 2026;
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c. Accept the risk provisions as recommended by the Public Defender.

SUMMARY:
The Public Defender office will host a student intern from California State University Monterey Bay (CSUMB) earning a Master of Social Work. The CSUMB requires the intern to be supervised by a Licensed Clinical Social Worker during the internship period.

DISCUSSION:
The Public Defender provides internship programs for students seeking a career in criminal law, social work, investigations, and administration. Interns are provided with an opportunity for hands-on work experience and exposure to services the Public Defender offers to indigent defendants, juveniles, and community members in both criminal and civil proceedings.

In June of 2020, the Public Defender added a Psychiatric Social Worker (non-licensed) position to provide recommendations and treatment intervention plans to clients as proactive steps to address issues leading to their involvement in the criminal justice system and mental health courts. Since the creation of this position, the office has received numerous inquiries regarding internship opportunities. In response, the Public Defender has recruited students who major in social work to assist in assignments such as, conducting interviews, gathering information for mitigation, preparing comprehensive psychosocial histories, providing social services information and education, and accompanying holistic defense clients at service provider intakes.

The intern plays a vital role within the defense team, supporting the Public Defer in delivering recovery oriented and culturally competent services that emphasize the strengths and resilience of each individual. Through this internship, students can build meaningful relationships with community programs and social service providers. Additionally, they collaborate closely with partners to address the comprehensive and diverse needs of clients, fostering a holistic approach to client advocacy and support.

Renie Rondon-Jackson, a Licensed Clinical Social Worker, is requested to provide one hour of remote supervision each week. In addition, she will be responsible for completing any necessary documentation required by the governing board of California State University Monterey Bay, to ensure compliance with academic and professional standards.

OTHER AGENCY INVOLVEMENT:
County Counsel has reviewed Agreement as to legal form. Auditor Controller has reviewed as to fiscal provisions. Risk Manager has reviewed the insurance and indemnity provisions.

The Public Defender accepts the risks provisions and have outlined them in Exhibit B of the Non-Standard Agreement with Renie Rondon-Jackson.

FINANCING:
The costs associated with this agreement are included in the Public Defender's FY 2025-26 Adopted Budget, Fund 001, department 2270, Budget Unit 8169, Appropriation Unit PB001. Future year's costs will be included in the respective annual budgets.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
This recommendation supports the Board of Supervisors Strategic Initiatives by promoting an organization that practices efficient and effective resource management. As well as improving the quality of life through County supported programs and services. Lastly, this recommendation also supports Public Safety in creating a safe environment for people to achieve their potential, communities to thrive and grow while reducing violent crimes.

Mark a check to the related Board of Supervisors Strategic Initiatives

__Economic Development
_X_Administration
_X_Health & Human Services
__Infrastructure
_X_Public Safety

Prepared by: Becky Avila, Management Analyst II, x.3048
Approved by: Nick Chiulos, Chief Assistant County Administrative Officer
Administrative Department Head , x.5145

Attachments:
Board Report
Non-Standard Agreement Renie Rondon-Jackson

Introduced: 8/20/2025
Version: 1

Current Status: Criminal Justice - Consent
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Mark a check to the related Board of Supervisors Strategic Initiatives

__Economic Development
_X_Administration
_X_Health & Human Services
__Infrastructure
_X_Public Safety

Prepared by: Becky Avila, Management Analyst II, x.3048
Approved by: Nick Chiulos, Chief Assistant County Administrative Officer
Administrative Department Head , x.5145

Attachments:
Board Report
Non-Standard Agreement Renie Rondon-Jackson

Docusign Envelope ID: 81E2A609-7B6A-4975-A155-19AA14F758B8

COUNTY OF MONTEREY STANDARD AGREEMENT

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:
Dr. Renie Rondon-Jackson

(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1.0 GENERAL DESCRIPTION:

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

Provide: Dr.Renie Rondon-Jackson, Licensed Clinical Social Worker, will provide supervision for student intern(s) and will prepare required documents for California State University Monterey Bay as needed for interns.

2.0 PAYMENT PROVISIONS:

2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of: **$** 7,500

3.0 TERM OF AGREEMENT:

3.01 The term of this Agreement is from 08/01/2025 to 12/31/2026, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement**.

3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS:

The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions

Exhibit B Other: Waivers

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5.0 PERFORMANCE STANDARDS:

5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.

5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6.0 PAYMENT CONDITIONS:

6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.

6.03 Invoice amounts shall be billed directly to the ordering department.

6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.05 CONTRACTOR shall not receive reimbursement for mileage or travel expenses unless set forth in this Agreement.

7.0 TERMINATION:

7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

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7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8.0 INDEMNIFICATION:

CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9.0 INSURANCE REQUIREMENTS:

9.01 **Evidence of Coverage:** Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 **Qualifying Insurers:** All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current A.M. Best's Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Agent.

9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to

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indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance: including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence, and $2,000,000 in the aggregate.
(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Auto Liability Coverage: must include motor vehicles, including scheduled, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.
(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance: if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.
(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.
(Note: Professional liability insurance coverage is required if the contractor is providing a professional service regulated by the state. Examples of service providers regulated by the state are insurance agents, professional architects and engineers, doctors, certified public accountants, lawyers, etc. However, other professional Contractors, such as computer or software designers, technology services, and services providers such as claims administrators, should also have professional liability. If in doubt, consult with your risk or contract manager.)

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor.

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9.04 **Other Requirements:**

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Additional Insured Status:

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the auto liability policy for liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor. Auto liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance.

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage:

For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Workers' Compensation Waiver of Subrogation:

The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against COUNTY, its officers, officials, employees, agents, or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by CONTRACTOR. Should CONTRACTOR be self-insured for workers' compensation, CONTRACTOR hereby agrees to waive its right of subrogation against COUNTY, its officers, officials,

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employees, agents, or volunteers.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance and endorsements with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10.0 RECORDS AND CONFIDENTIALITY:

10.01 **Confidentiality:** CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.02 **County Records:** When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.

10.03 **Maintenance of Records:** CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after reciept of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then CONTRACTOR shall retain said records until such action is resolved.

10.04 **Access to and Audit of Records:** The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining

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to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05 **Royalties and Inventions:** County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

10.06 **Format of Deliverables:** For this section, "Deliverables" shall mean all electronic documents CONTRACTOR provides to the County under this Agreement. CONTRACTOR shall ensure all Deliverables comply with the requirements of the Web Content Accessibility Guidelines ("WCAG") 2.1, pursuant to the Americans with Disabilities Act ("ADA"). CONTRACTOR bears the burden to deliver Deliverables, such as Adobe Acrobat Portable Document Format ("PDF") and Microsoft Office files, complying with WCAG 2.1. CONTRACTOR shall defend and indemnify the County against any breach of this Section. This Section shall survive the termination of this Agreement. Find more on Accessibility at this State website: https://webstandards.ca.gov/accessibility/.

11.0 NON-DISCRIMINATION:

11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS:

If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13.0 COMPLIANCE WITH APPLICABLE LAWS:

13.01 CONTRACTOR shall keep itself informed of and in compliance with all federal, state, and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT as well as any privacy laws including, if applicable, HIPAA. CONTRACTOR shall procure all permits and licenses,

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pay all charges and fees, and give all notices require by law in the performance of the Services.

13.02 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

13.03 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations, and guidelines that are in force at the time such documentation is prepared.

14.0 INDEPENDENT CONTRACTOR:

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is always acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

15.0 NOTICES:

Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	**FOR CONTRACTOR:**
Nick Chiulos Chief Assistant County Administrative Officer	Renie Rondon-Jackson Licensed Clinical Social Worker
Name and Title	Name and Title
168 W. Alisal Street, Second Floor Salinas, CA 93901	507 Warrelman Ct. Marina, CA 93933
Address	Address
(831) 755-5058	(917) 453-6309
Phone:	Phone:

16.0 MISCELLANEOUS PROVISIONS.

16.01 **Conflict of Interest:** CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance

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of the services required to be rendered under this Agreement.

16.02 **Amendment:** This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

16.03 **Waiver:** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

16.04 **Contractor:** The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

16.05 **Disputes:** CONTRACTOR shall continue to perform under this Agreement during any dispute.

16.06 **Assignment and Subcontracting:** The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

16.07 **Successors and Assigns:** This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

16.08 **Headings:** The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

16.09 **Time is of the Essence:** Time is of the essence in each and all of the provisions of this Agreement.

16.10 **Governing Law:** This Agreement shall be governed by and interpreted under the laws of the State of California; venue shall be Monterey County.

16.11 **Non-exclusive Agreement:** This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

16.12 **Construction of Agreement:** The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

16.13 **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

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16.14 **Authority:** Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

16.15 **Integration:** This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.

16.16 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

17.0 CONSENT TO USE OF ELECTRONIC SIGNATURES.

17.01 The parties to this Agreement consent to the use of electronic signatures via DocuSign to execute this Agreement. The parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 U.S.C. Section 7001 et seq.; California Government Code Section 16.5; and, California Civil Code Section 1633.1 *et. seq.* Pursuant to said state and federal law as may be amended from time to time, the parties to this Agreement hereby authenticate and execute this Agreement, and any and all Exhibits to this Agreement, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF).

17.02 **Counterparts.**

The parties to this Agreement understand and agree that this Agreement can be executed in two (2) or more counterparts and transmitted electronically via facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) via email transmittal.

17.03 **Form: Delivery by E-Mail or Facsimile.**

Executed counterparts of this Agreement may be delivered by facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) by e-mail transmittal, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart or counterparts had been delivered to the other party in person.

********** THIS SECTION INTENTIONALLY LEFT BLANK **********

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18.0 SIGNATURE PAGE

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: _____

Contracts/Purchasing Officer

Date: _____

By: _____

Department Head (if applicable)

Date: _____

Approved as to Form
Office of the County Counsel[1]
Susan K. Blitch, County Counsel

By: _____

County Counsel

Date: _____

Approved as to Fiscal Provisions

By: _____

Auditor/Controller

Date: _____

Reviewed as to Liability Provisions
Office of the County Counsel-Risk Management

By: _____

David Bolton, Risk Manager

Date: _____

CONTRACTOR

Renie Rondon-Jackson

Contractor/Business Name *

By: Signed by: Renie Rondon-Jackson (Signature of Chair, President, or Vice-President)

Renie Rondon-Jackson

Name and Title

Date: 9/2/2025

By: Signed by: Renie Rondon-Jackson (Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Renie Rondon-Jackson

Name and Title

Date: 9/2/2025

County Board of Supervisors' Agreement No. _____ approved on _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers (California Corporations Code, §313). If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of either 1) any member, or 2) two (2) managers (Corporations Code, §17703.01, subds. (a) and (d)). If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute on behalf of the partnership (Corporations Code, §§16301 and 15904.02). If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign

[1]Approval by the Office of the County Counsel is required.

[2]Approval by Auditor-Controller is required.

[3]Review by Risk Management is necessary only if changes are made in the Indemnification or Insurance paragraphs.

EXHIBIT-A

To Agreement by and between
MONTEREY COUNTY PUBLIC DEFENDER, hereinafter referred to as "County"
AND
RENIE RONDON-JACKSON, hereinafter referred to as "CONTRACTOR"

Scope of Services / Payment Provisions

A. SCOPE OF SERVICES

A.1 CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

CONTRACTOR shall provide remote supervision for California State University Monterey Bay student intern.

CONTRACTOR shall provide zoom meetings with California State University Monterey Bay student intern as needed.

CONTRACTOR shall provide remote supervision for a minimum of four (4) hours and maximum of six (6) hours per month.

CONTRACTOR shall meet each week with the student intern.

CONTRACTOR shall prepare required documents as needed by California State University Monterey Bay.

CONTRACTOR shall communicate with Public Defender Psychiatric Social Worker as needed.

A.2 CONTRACTOR shall produce the following deliverables (written reports, installed products, etc.) by the dates indicated below:

CONTRACTOR shall prepare required documents as needed by California State University Monterey Bay.

B. PAYMENT PROVISIONS

B.1 COMPENSATION/ PAYMENT

County shall pay an amount not to exceed $7,500 for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work.

CONTRACTOR'S compensation for services rendered shall be based on the following rates or in accordance with the following terms:

- Contractor shall bill at the rate of $75.00 per hour
- Contractor allowed to perform work for 4-6 hours per month
- Contractor shall provide monthly invoices to Accounts Payable unit within the Public Defender's Office

There shall be no travel reimbursement allowed during this Agreement.

B.2 CONTRACTORS BILLING PROCEDURES

NOTE: Payment may be based upon satisfactory acceptance of each deliverable, payment after completion of each major part of the Agreement, payment at conclusion of the Agreement, etc.

County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

EXHIBIT-B

Waivers

General Liability
CONTRACTOR represents that the nature of the services performed under this Agreement involves minimal risk of bodily injury or property damage to third parties. Accordingly, the requirement to maintain general liability insurance is waived. If the scope of services changes during the term of this Agreement such that general liability coverage becomes necessary, this waiver shall be reconsidered, and CONTRACTOR may be required to obtain and maintain general liability insurance as a condition of continuing services.

Workers' Compensation
At the time of executing this Agreement, CONTRACTOR has no employees and, therefore, is not required to carry Workers' Compensation insurance. If CONTRACTOR hires employees during the term of this Agreement, CONTRACTOR shall obtain and maintain Workers' Compensation insurance in accordance with California law and comply with the County's insurance requirements set forth in Section 9.03 of this Agreement.

Automobile Liability
CONTRACTOR represents that all services under this Agreement will be performed remotely and will not involve the use of vehicles. Accordingly, the requirement to maintain automobile liability insurance is waived. If the scope of services changes during the term of this Agreement such that vehicle use becomes necessary, this waiver shall be reconsidered, and CONTRACTOR may be required to obtain and maintain automobile liability insurance as a condition of continuing services.

Introduced: 9/3/2025
Version: 1

Current Status: Criminal Justice - Consent
Matter Type: General Agenda Item

Receive and accept the Annual Real Estate Fraud Report for Fiscal Year ("FY") 2024-25 submitted by the District Attorney's Office in accordance with California Government Code section 27388, subdivision (d).

RECOMMENDATION:
It is recommended that the Board of Supervisors:
Receive and accept the Annual Real Estate Fraud Report for Fiscal Year ("FY") 2024-25 submitted by the District Attorney's Office in accordance with California Government Code section 27388, subdivision (d).

SUMMARY:
The District Attorney's Office hereby submits its Annual Real Estate Fraud Report for FY 2023 - 24 for the Board of Supervisors to evaluate the District Attorney's Office's effectiveness in investigating, prosecuting, and deterring real estate fraud.

DISCUSSION:
The District Attorney's Office received 22 real estate fraud referrals during FY 2024-25. These referrals came from multiple sources, including local police agencies, private sector professionals, and Monterey County residents. They demonstrate that real estate fraud continues to pose a risk to Monterey County homeowners and residents. The new referrals involved a variety of alleged fraud schemes, including the recording of fraudulent deeds, classic timeshare-related frauds, fraudulent sale of vacant land by impersonating the absentee owner, mortgage loan fraud, and unlicensed real estate activity. Many referrals came from people who have worked with our office in other cases and so know how to spot other frauds. This speaks to the benefit of continued prosecution of these crimes, and the of the value of community outreach.
Additionally, in FY 2017-18, the San Francisco Division of the Federal Bureau of Investigation ("FBI") and the Monterey County District Attorney's Office announced the creation of a new task force, the Monterey County Financial Crime Task Force ("MCFCTF"), whose mission is to identify, investigate, and prosecute individuals engaged in financial crimes, including real estate fraud. Throughout FY 2024-25, the FBI and the District Attorney's Office have continued to work together in identifying and investigating new cases of real estate fraud on a greater scale. All cases identified in this report that were jointly investigated by the MCFCTF are marked with an asterisk (*).

New Referrals & Ongoing Investigations

Of the 22 new referrals, all 22 required investigations beyond customary file review, background

checks, and legal research to analyze whether a local or statewide action may be brought that can be proven beyond a reasonable doubt, if criminal, or by a preponderance of the evidence, if civil. These cases require the investment of considerable investigative resources, including the preparation and execution of search warrants on financial institutions, homes, and places of business, before the District Attorney can make charging decisions. Financial documents obtained in real estate fraud matters typically require analysis of the flow of funds by the District Attorney's Forensic Auditor to determine the nature and extent of the fraud, and often require coordination with other Monterey County agencies, such as the Clerk-Recorder and Assessor, with state agencies such as the Department of Real Estate (DRE), the Department of Financial Protection and Innovation (DFPI), and with other counties.

Prosecutions Filed in FY 2024-25

During FY 2024-25, the District Attorney's Office charged three new criminal cases through the Real Estate Fraud Unit.

- ***People v. Larry Seta*:** The People filed five felony charges, including two counts of forgery and three counts of filing a false or forged document with the Monterey County Recorder. Mr. Seta did not wish to split his deceased father's house with his siblings and so created several fake grant deeds bearing his deceased father's signature. These fake documents were filed with the Recorder's office, and Mr. Seta attempted to evict his sister from the real property in question.
- ***People v. Alred Nevis*:** The People filed two felony charges, one of filing a false document and one for theft. Mr. Nevis filed a false grant deed with the Monterey County Recorder's Office, which gave him title ownership over a shopping area in southern Monterey County. Mr. Nevis then approached the commercial tenants of that shopping area and told them to pay their rent to him instead, using his title ownership as the basis for that claim.
- ***People v. Esmeralda Hernandez Pulido*:** The People filed 14 felony charges, ranging from theft to mortgage fraud along with special allegations of fraud or deceit in more than two cases causing a cumulative loss of more than $500,000. Ms. Hernandez Pulido purchased two properties in Salinas, which she offered as collateral to various Monterey County residents to induce them to give her money, lying to all of them about the source and purpose of funds and their relative priority positions with respect to the collateral. Additionally, she made material misstatements to mortgage lenders to induce them to provide her with mortgage loans.

Ongoing Filed Real Estate Fraud Cases

All cases opened in FY 2024-25 are ongoing. All ongoing cases in the previous year's report have concluded.

Real Estate Fraud Civil Settlements and Criminal Convictions

In FY 2024-25, the District Attorney's Office obtained a misdemeanor criminal conviction in one matter, and a felony criminal conviction in another action, all involving real estate fraud, and all affecting

Monterey County residents:

People v. Garth Gunderson: The People filed two felony charges of identity theft, one misdemeanor charge of practicing real estate without a license, and one misdemeanor charge of false advertising. Mr. Gunderson advertised and pitched timeshare exit services without a license, but was in fact selling a new timeshare plan. Mr. Gunderson collected the personal information of attendees at the seminar, and new credit cards were opened in their name which were then charged by Mr. Gunderson's employer (the charges were reversed by the victim). Mr. Gunderson pled to one count felony conspiracy, which was reduced to a misdemeanor by the judge on Mr. Gunderson's motion.

People v. Paul Aquino: The People filed nine felonies including filing a false document and forgery. Mr. Aquino filed false grant deeds, transferring various properties around Monterey County to his ownership. Additionally, he made various payments to the County Assessor's office in hopes of bolstering his falsified claims, although he made those payments through fraudulent checks. He pled to one felony count of filing a false document and was placed in the Creating New Choices program, where he receives treatment for mental illness.

Public Outreach

The District Attorney continues to engage in public outreach for purposes of educating community members so they can help detect and report real estate fraud in Monterey County. Now in its eighth year, the Tri-county Real Estate Fraud Advisory Team ("REFAT") met twice during FY 2024-25: August 8, 2024 and February 6 2025. Both of these meetings were in-person with an option to attend over Zoom to encourage maximum participation. REFAT meetings are organized on a rotating basis between Monterey and Santa Cruz counties are attended by prosecutors and investigators from Monterey, Santa Cruz, and San Benito counties. Additional REFAT participants include the employees of the California Bureau of Real Estate, representatives from elected offices, local law enforcement officials and private sector real estate professionals. Each REFAT meeting features a keynote speaker who presents on fraud trends impacting local real estate markets. A roundtable discussion follows. A highlight from this year was a keynote speaker from the California Insurance Commissioner's Office who spoke on insurance.

Additionally, District Attorney Investigators assigned to the Real Estate Fraud Unit have presented several times over the last fiscal year on how to detect and protect against real estate fraud. This presentation has been given to various groups around Monterey County including business organizations in an attempt to stop fraud before it happens.

The investigation and successful prosecution, criminal or civil, of real estate fraud activity in Monterey County will continue to be resource intensive. The continued availability of revenue from recording fees is critical to the District Attorney's Office's ongoing efforts to deter, detect, investigate, and prosecute real estate fraud cases. To the extent possible, in accordance with Government Code section 27388, subdivision (f), emphasis will continue to be placed on fraud involving the largest number of victims and

individuals whose residences are in danger of, or actually in, foreclosure.

Real Estate Fraud Statistics for Fiscal Year 2024-25

New Referrals: 22

Investigations Opened: 22

Joint MCFCTF Investigations: 1

Arrests: 3

Criminal Complaints: 3

Convictions: 2

Civil Judgments and Compromises: 0

Appeals: 0

OTHER AGENCY INVOLVEMENT:

Other Agency Involvement

In FY 2024-25, the District Attorney's Office worked closely with various state and federal agencies to investigate and prosecute real estate fraud cases. These agencies included the Federal Bureau of Investigation, the California Department of Real Estate, and the real estate fraud units of other California District Attorney's Offices. The FBI has been particularly helpful this past fiscal year in tracing funds.

FINANCING:

Total cost of the program for FY 2024-25 was $561,781. Those costs involved investigation and prosecution activities. Total funds available for FY 2024-25 were $252,939, resulting in a Net County Cost of $141,006.

Revenues:		
Real Estate Fees	$ 252,939	
Draw from Real Estate Trust Fund		167,837
Total Funds Available	$	420,776
Expenditures:		
Salaries and Benefits	$ 417,820	
Services and Supplies		143,962
	$ 561,782	
Net County Cost	($ 141,006)	

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Mark a check to the related Board of Supervisors Strategic Initiatives

__Economic Development
__Administration
__Health & Human Services
__Infrastructure
X Public Safety

Prepared by: Mirco Haag, Deputy District Attorney, Ext. 7713
Jonabel O. Perez, Finance Manager, Ext. 4559

Approved by: Jeannine M. Pacioni, District Attorney, Ext. 5470

Introduced: 9/3/2025
Version: 1

Current Status: Criminal Justice - Consent
Matter Type: General Agenda Item

Receive and accept the Annual Real Estate Fraud Report for Fiscal Year ("FY") 2024-25 submitted by the District Attorney's Office in accordance with California Government Code section 27388, subdivision (d).

RECOMMENDATION:
It is recommended that the Board of Supervisors:
Receive and accept the Annual Real Estate Fraud Report for Fiscal Year ("FY") 2024-25 submitted by the District Attorney's Office in accordance with California Government Code section 27388, subdivision (d).

SUMMARY:
The District Attorney's Office hereby submits its Annual Real Estate Fraud Report for FY 2023 - 24 for the Board of Supervisors to evaluate the District Attorney's Office's effectiveness in investigating, prosecuting, and deterring real estate fraud.

DISCUSSION:
The District Attorney's Office received 22 real estate fraud referrals during FY 2024-25. These referrals came from multiple sources, including local police agencies, private sector professionals, and Monterey County residents. They demonstrate that real estate fraud continues to pose a risk to Monterey County homeowners and residents. The new referrals involved a variety of alleged fraud schemes, including the recording of fraudulent deeds, classic timeshare-related frauds, fraudulent sale of vacant land by impersonating the absentee owner, mortgage loan fraud, and unlicensed real estate activity. Many referrals came from people who have worked with our office in other cases and so know how to spot other frauds. This speaks to the benefit of continued prosecution of these crimes, and the of the value of community outreach.
Additionally, in FY 2017-18, the San Francisco Division of the Federal Bureau of Investigation ("FBI") and the Monterey County District Attorney's Office announced the creation of a new task force, the Monterey County Financial Crime Task Force ("MCFCTF"), whose mission is to identify, investigate, and prosecute individuals engaged in financial crimes, including real estate fraud. Throughout FY 2024-25, the FBI and the District Attorney's Office have continued to work together in identifying and investigating new cases of real estate fraud on a greater scale. All cases identified in this report that were jointly investigated by the MCFCTF are marked with an asterisk (*).

New Referrals & Ongoing Investigations

Of the 22 new referrals, all 22 required investigations beyond customary file review, background

checks, and legal research to analyze whether a local or statewide action may be brought that can be proven beyond a reasonable doubt, if criminal, or by a preponderance of the evidence, if civil. These cases require the investment of considerable investigative resources, including the preparation and execution of search warrants on financial institutions, homes, and places of business, before the District Attorney can make charging decisions. Financial documents obtained in real estate fraud matters typically require analysis of the flow of funds by the District Attorney's Forensic Auditor to determine the nature and extent of the fraud, and often require coordination with other Monterey County agencies, such as the Clerk-Recorder and Assessor, with state agencies such as the Department of Real Estate (DRE), the Department of Financial Protection and Innovation (DFPI), and with other counties.

Prosecutions Filed in FY 2024-25

During FY 2024-25, the District Attorney's Office charged three new criminal cases through the Real Estate Fraud Unit.

- ***People v. Larry Seta*:** The People filed five felony charges, including two counts of forgery and three counts of filing a false or forged document with the Monterey County Recorder. Mr. Seta did not wish to split his deceased father's house with his siblings and so created several fake grant deeds bearing his deceased father's signature. These fake documents were filed with the Recorder's office, and Mr. Seta attempted to evict his sister from the real property in question.
- ***People v. Alred Nevis*:** The People filed two felony charges, one of filing a false document and one for theft. Mr. Nevis filed a false grant deed with the Monterey County Recorder's Office, which gave him title ownership over a shopping area in southern Monterey County. Mr. Nevis then approached the commercial tenants of that shopping area and told them to pay their rent to him instead, using his title ownership as the basis for that claim.
- ***People v. Esmeralda Hernandez Pulido*:** The People filed 14 felony charges, ranging from theft to mortgage fraud along with special allegations of fraud or deceit in more than two cases causing a cumulative loss of more than $500,000. Ms. Hernandez Pulido purchased two properties in Salinas, which she offered as collateral to various Monterey County residents to induce them to give her money, lying to all of them about the source and purpose of funds and their relative priority positions with respect to the collateral. Additionally, she made material misstatements to mortgage lenders to induce them to provide her with mortgage loans.

Ongoing Filed Real Estate Fraud Cases

All cases opened in FY 2024-25 are ongoing. All ongoing cases in the previous year's report have concluded.

Real Estate Fraud Civil Settlements and Criminal Convictions

In FY 2024-25, the District Attorney's Office obtained a misdemeanor criminal conviction in one matter, and a felony criminal conviction in another action, all involving real estate fraud, and all affecting

Monterey County residents:

People v. Garth Gunderson: The People filed two felony charges of identity theft, one misdemeanor charge of practicing real estate without a license, and one misdemeanor charge of false advertising. Mr. Gunderson advertised and pitched timeshare exit services without a license, but was in fact selling a new timeshare plan. Mr. Gunderson collected the personal information of attendees at the seminar, and new credit cards were opened in their name which were then charged by Mr. Gunderson's employer (the charges were reversed by the victim). Mr. Gunderson pled to one count felony conspiracy, which was reduced to a misdemeanor by the judge on Mr. Gunderson's motion.

People v. Paul Aquino: The People filed nine felonies including filing a false document and forgery. Mr. Aquino filed false grant deeds, transferring various properties around Monterey County to his ownership. Additionally, he made various payments to the County Assessor's office in hopes of bolstering his falsified claims, although he made those payments through fraudulent checks. He pled to one felony count of filing a false document and was placed in the Creating New Choices program, where he receives treatment for mental illness.

Public Outreach

The District Attorney continues to engage in public outreach for purposes of educating community members so they can help detect and report real estate fraud in Monterey County. Now in its eighth year, the Tri-county Real Estate Fraud Advisory Team ("REFAT") met twice during FY 2024-25: August 8, 2024 and February 6 2025. Both of these meetings were in-person with an option to attend over Zoom to encourage maximum participation. REFAT meetings are organized on a rotating basis between Monterey and Santa Cruz counties are attended by prosecutors and investigators from Monterey, Santa Cruz, and San Benito counties. Additional REFAT participants include the employees of the California Bureau of Real Estate, representatives from elected offices, local law enforcement officials and private sector real estate professionals. Each REFAT meeting features a keynote speaker who presents on fraud trends impacting local real estate markets. A roundtable discussion follows. A highlight from this year was a keynote speaker from the California Insurance Commissioner's Office who spoke on insurance.

Additionally, District Attorney Investigators assigned to the Real Estate Fraud Unit have presented several times over the last fiscal year on how to detect and protect against real estate fraud. This presentation has been given to various groups around Monterey County including business organizations in an attempt to stop fraud before it happens.

The investigation and successful prosecution, criminal or civil, of real estate fraud activity in Monterey County will continue to be resource intensive. The continued availability of revenue from recording fees is critical to the District Attorney's Office's ongoing efforts to deter, detect, investigate, and prosecute real estate fraud cases. To the extent possible, in accordance with Government Code section 27388, subdivision (f), emphasis will continue to be placed on fraud involving the largest number of victims and

individuals whose residences are in danger of, or actually in, foreclosure.

Real Estate Fraud Statistics for Fiscal Year 2024-25

New Referrals: 22

Investigations Opened: 22

Joint MCFCTF Investigations: 1

Arrests: 3

Criminal Complaints: 3

Convictions: 2

Civil Judgments and Compromises: 0

Appeals: 0

OTHER AGENCY INVOLVEMENT:

Other Agency Involvement

In FY 2024-25, the District Attorney's Office worked closely with various state and federal agencies to investigate and prosecute real estate fraud cases. These agencies included the Federal Bureau of Investigation, the California Department of Real Estate, and the real estate fraud units of other California District Attorney's Offices. The FBI has been particularly helpful this past fiscal year in tracing funds.

FINANCING:

Total cost of the program for FY 2024-25 was $561,781. Those costs involved investigation and prosecution activities. Total funds available for FY 2024-25 were $252,939, resulting in a Net County Cost of $141,006.

Revenues:		
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BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

Mark a check to the related Board of Supervisors Strategic Initiatives

__Economic Development
__Administration
__Health & Human Services
__Infrastructure
X Public Safety

Prepared by: Mirco Haag, Deputy District Attorney, Ext. 7713
Jonabel O. Perez, Finance Manager, Ext. 4559

Approved by: Jeannine M. Pacioni, District Attorney, Ext. 5470

Introduced: 9/9/2025
Version: 1

Current Status: Criminal Justice - Consent
Matter Type: BoS Agreement

a. Approve and authorize the Contracts & Purchasing Officer or designee to execute retroactive Agreement with GEO Reentry Services, LLC, to provide evidence-based reentry services program to incarcerated persons, for the period of July 1, 2025 to June 30, 2030 in an amount not to exceed $2,258,958.

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Approve and authorize the Contracts & Purchasing Officer or designee to execute retroactive Agreement with GEO Reentry Services, LLC, to provide evidence-based reentry services program to incarcerated persons, for the period of July 1, 2025 to June 30, 2030 in an amount not to exceed $2,258,958.

SUMMARY/DISCUSSION:
The Monterey County Sheriff's Office is recommending the approval of this Agreement to a multi-year agreement with GEO Reentry Services, LLC to provide evidence-base reentry services programs for incarcerated persons under Monterey County Sheriff's Office supervision. Evidence-based reentry services for the Monterey County Sheriff's Office was solicited via a County Request for Proposal process (RFP #10947) on March 13, 2025 and it was overseen by the Contracts and Purchasing Department.

The purpose of this short-term multidisciplinary "evidence-based reentry services" program is to provide incarcerated persons at the Monterey County Jail with a structured reentry program prior to their release from incarceration. The program is intended to operate daily, Monday - Friday, and includes orientation, assessment, individualized service plans, substance abuse education/ programming, cognitive and life skills development, parenting skills, family reintegration, and money management. Services will also include employability, resume building, educational courses, socialization courses, and transitional reentry courses to prepare inmates to reenter into the community to become productive citizens in Monterey County.

The program operates at the Monterey County Jail, 1410 Natividad Road, in Salinas. GEO Reentry Services, LLC's responsibilities also include prompt and direct communication with Sheriff's Office personnel throughout the agreement.

This agreement is retroactive due to the time it took to negotiate.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:
County Counsel and the Auditor-Controller have reviewed this Agreement as to legal form and fiscal provisions, respectively.

FINANCING:
AB109 partly funds this project, and the total cost of this contract was included in the FY 2025-26 Requested Budget. There will be no increase in General Contribution resulting from the Board action.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
Mark a check to the related Board of Supervisors Strategic Plan Goals:
____ Well-Being and Quality of Life
____ Sustainable Infrastructure for the Present and Future
_X__ Safe and Resilient Communities
____ Diverse and Thriving Economy
____ Dynamic Organization and Employer of Choice

Prepared by: Arthur Curtright, Management Analyst III, Ext #3708
Reviewed by: Charles DaSilva, Director of Programs, Ext #3855
Reviewed by: Timothy Lanquist, Chief Deputy, Ext #3887
Reviewed by: Keith Boyd, Undersheriff, Ext #3859
Approved by: Tina Nieto, Sheriff/Coroner, Ext #3750

Attachments:
Agreement with Exhibit A & B
Request for Proposals # 10582
GEO Reentry Services, LLC Response to RFP

Introduced: 9/9/2025 **Current Status:** Agenda Ready

Version: 1 **Matter Type:** BoS Agreement

a. Approve and authorize the Contracts & Purchasing Officer or designee to execute retroactive Agreement with GEO Reentry Services, LLC, to provide evidence-based reentry services program to incarcerated adult offenders, for the period of July 1, 2025 to June 30, 2030 in an amount not to exceed $2,258,958.

RECOMMENDATION:
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a. Approve and authorize the Contracts & Purchasing Officer or designee to execute retroactive Agreement with GEO Reentry Services, LLC, to provide evidence-based reentry services program to incarcerated adult offenders, for the period of July 1, 2025 to June 30, 2030 in an amount not to exceed $2,258,958.

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Prepared by: Arthur Curtright, Management Analyst III, Ext #3708
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Attachments:
Agreement with Exhibit A & B
Request for Proposals # 10582
GEO Reentry Services, LLC Response to RFP

Docusign Envelope ID: C4D3A33F-EB19-4229-9709-6A32285AF441

COUNTY OF MONTEREY STANDARD AGREEMENT

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:

GEO Reentry Services, LLC,

(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1.0 GENERAL DESCRIPTION:

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

Provide: evidence-based practices reentry services program

2.0 PAYMENT PROVISIONS:

2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of: **$** 2,258,958

3.0 TERM OF AGREEMENT:

3.01 The term of this Agreement is from July 1, 2025 to June 30, 2030, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement**.

3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS:

The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions

Exhibit B Other: Detailed FY Budget Breakdown

Exhibit C - RFP#10947
Exhibit D - GEO Reentry Services, LLC Response

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5.0 PERFORMANCE STANDARDS:

5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.

5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6.0 PAYMENT CONDITIONS:

6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.

6.03 Invoice amounts shall be billed directly to the ordering department.

6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.05 CONTRACTOR shall not receive reimbursement for mileage or travel expenses unless set forth in this Agreement.

7.0 TERMINATION:

7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

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7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8.0 INDEMNIFICATION:

CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9.0 INSURANCE REQUIREMENTS:

9.01 **Evidence of Coverage:** Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 **Qualifying Insurers:** All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current A.M. Best's Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Agent.

9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to

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indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance: including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence, and $2,000,000 in the aggregate.
(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Auto Liability Coverage: must include motor vehicles, including scheduled, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.
(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance: if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.
(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.
(Note: Professional liability insurance coverage is required if the contractor is providing a professional service regulated by the state. Examples of service providers regulated by the state are insurance agents, professional architects and engineers, doctors, certified public accountants, lawyers, etc. However, other professional Contractors, such as computer or software designers, technology services, and services providers such as claims administrators, should also have professional liability. If in doubt, consult with your risk or contract manager.)

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor.

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9.04 **Other Requirements:**

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Additional Insured Status:

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the auto liability policy for liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor. Auto liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance.

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage:

For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Workers' Compensation Waiver of Subrogation:

The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against COUNTY, its officers, officials, employees, agents, or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by CONTRACTOR. Should CONTRACTOR be self-insured for workers' compensation, CONTRACTOR hereby agrees to waive its right of subrogation against COUNTY, its officers, officials,

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employees, agents, or volunteers.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance and endorsements with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10.0 RECORDS AND CONFIDENTIALITY:

10.01 **Confidentiality:** CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.02 **County Records:** When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.

10.03 **Maintenance of Records:** CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after reciept of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then CONTRACTOR shall retain said records until such action is resolved.

10.04 **Access to and Audit of Records:** The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining

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to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05 **Royalties and Inventions:** County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

10.06 **Format of Deliverables:** For this section, "Deliverables" shall mean all electronic documents CONTRACTOR provides to the County under this Agreement. CONTRACTOR shall ensure all Deliverables comply with the requirements of the Web Content Accessibility Guidelines ("WCAG") 2.1, pursuant to the Americans with Disabilities Act ("ADA"). CONTRACTOR bears the burden to deliver Deliverables, such as Adobe Acrobat Portable Document Format ("PDF") and Microsoft Office files, complying with WCAG 2.1. CONTRACTOR shall defend and indemnify the County against any breach of this Section. This Section shall survive the termination of this Agreement. Find more on Accessibility at this State website: https://webstandards.ca.gov/accessibility/.

11.0 NON-DISCRIMINATION:

11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS:

If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13.0 COMPLIANCE WITH APPLICABLE LAWS:

13.01 CONTRACTOR shall keep itself informed of and in compliance with all federal, state, and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT as well as any privacy laws including, if applicable, HIPAA. CONTRACTOR shall procure all permits and licenses,

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pay all charges and fees, and give all notices require by law in the performance of the Services.

13.02 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

13.03 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations, and guidelines that are in force at the time such documentation is prepared.

14.0 INDEPENDENT CONTRACTOR:

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is always acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

15.0 NOTICES:

Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	**FOR CONTRACTOR:**
Timothy Lanquist, Chief Deputy	Derrick Schofield, Vice President
Name and Title	Name and Title
1414 Natividad Road, Salinas, CA 93906	4955 Technology Way, Boca Raton, FL 33431
Address	Address
(831) 755-	(561) 999-8151
Phone:	Phone:

16.0 MISCELLANEOUS PROVISIONS.

16.01 **Conflict of Interest:** CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance

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of the services required to be rendered under this Agreement.

16.02 **Amendment:** This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

16.03 **Waiver:** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

16.04 **Contractor:** The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

16.05 **Disputes:** CONTRACTOR shall continue to perform under this Agreement during any dispute.

16.06 **Assignment and Subcontracting:** The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

16.07 **Successors and Assigns:** This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

16.08 **Headings:** The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

16.09 **Time is of the Essence:** Time is of the essence in each and all of the provisions of this Agreement.

16.10 **Governing Law:** This Agreement shall be governed by and interpreted under the laws of the State of California; venue shall be Monterey County.

16.11 **Non-exclusive Agreement:** This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

16.12 **Construction of Agreement:** The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

16.13 **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

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16.14 **Authority:** Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

16.15 **Integration:** This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.

16.16 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

17.0 CONSENT TO USE OF ELECTRONIC SIGNATURES.

17.01 The parties to this Agreement consent to the use of electronic signatures via DocuSign to execute this Agreement. The parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 U.S.C. Section 7001 et seq.; California Government Code Section 16.5; and, California Civil Code Section 1633.1 *et. seq.* Pursuant to said state and federal law as may be amended from time to time, the parties to this Agreement hereby authenticate and execute this Agreement, and any and all Exhibits to this Agreement, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF).

17.02 **Counterparts.**

The parties to this Agreement understand and agree that this Agreement can be executed in two (2) or more counterparts and transmitted electronically via facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) via email transmittal.

17.03 **Form: Delivery by E-Mail or Facsimile.**

Executed counterparts of this Agreement may be delivered by facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) by e-mail transmittal, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart or counterparts had been delivered to the other party in person.

********** THIS SECTION INTENTIONALLY LEFT BLANK **********

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To Agreement by and between
County of Monterey, hereinafter referred to as "County"
and
GEO Reentry Services, LLC, hereinafter referred to as "CONTRACTOR"

Scope of Services / Payment Provisions

A. SCOPE OF SERVICES

A.1 CONTRACTOR shall provide services, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

Exhibit B – Detailed FY Budget Breakdown (2025-2030)
Exhibit C – RFP#10947 dtd March 13, 2025, and Addendum 1 dtd April 16, 2025
Exhibit D – GEO Reentry Services, LLC Response to RFP #10947 dtd May 1, 2025

A.2 CONTRACTOR will perform, with our own organization, contract work amounting to at least 95% of the original total contract price, and not use any Subcontractors.

A.3 CONTRACTOR will develop an internal questionnaire to identify the needs, barriers, and strengths of program participants – and to align program content with criminogenic risk and needs. Additionally, CONTRACTOR will use Criminal Thinking Scales (CTS) instrument from Texas Christian University. The CTS measures criminal thinking domains such as antisocial cognitions and antisocial attitudes.

A.4 CONTRACTOR will use the County-provided "Programs Unit ADA Assessment and Referral Form" to assist the Jail in identifying disabilities and related needs, collaborate with management personnel at the Jail to appropriately respond to the needs identified by this assessment form.

A.5 CONTRACTOR will use Jail Transitions Form to identify participant reentry needs – including housing, stability, family reunification, substance use treatment, employment, and disability-related accommodations.

A.6 CONTRACTOR will help participants develop a personalized plan of action for successful community reintegration. The plan will include: strategies to address criminogenic needs; required accommodations for disability-related needs; and long-term goals for building support networks, pro-social behaviors, and life skills.

A.7 CONTRACTOR will collaborate with the Sheriff's Office to assist program participants with referrals and access to community-based services. This includes coordination with AB109-funded services; Justice Partners; County services; and external non-profit organizations and will assist in referring participants with disabilities to resources that directly address ADA-specific needs.

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A.8 CONTRACTOR will continue to utilize evidence-based practices and a cognitive behavioral approach to assist participants in building resilience and coping skills. For participants with disabilities, CONTRACTOR will adapt program services as needed to support accessibility and provide the following:

- One (1) printer with software for braille translation
- Five (5) Chromebooks with zoom, screen reader, and speech-to-text capability
- Up to 120 licenses for The Change Companies curricula in electronic format

CONTRACTOR will work closely with the County to leverage any resources that the Jail may have onsite; in order to reduce duplicative costs and to meet the needs of deaf participants, CONTRACTOR will utilize the Jail's existing sign language interpreter services.

A.9 CONTRACTORs program services should be used to target each participant's identified criminogenic needs and to address the root causes of criminal behavior. This includes programming for anger management, trauma recovery, substance use, parenting, and life skills.

A.10 CONTRACTOR will collaborate with County offices, services, staff; participants and their families; visitors; other contractors; and guests of the County to enhance cooperation and promote inclusivity.

A.11 CONTRACTOR will conduct quarterly audits and program evaluations, as well as measure participant outcomes and fidelity to best practice and CONTRACTOR will share audit and evaluation results with the County.

A.12 CONTRACTOR will coordinate with internal and external entities to provide program participants with case management and continuity of care. CONTRACTOR will maintain comprehensive case files and document disability-related needs and accommodations provided through the program. CONTRACTOR will work with participants to create Transition Plans that address post-program needs.

A.13 CONTRACTOR will refer program participants to the vocational education programs and certified courses that currently operate within the jail and coordinate with the County to identify additional vocational education and training providers to enhance and expand the current offerings at the Jail and deliver job readiness training, resume building, and interview coaching.

A.14 CONTRACTOR will provide slower-paced, ad-hoc programming specifically for participants with mental health conditions and cognitive disabilities who are still capable of engaging in a group environment.

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A.15 CONTRACTOR will develop a Mentorship Program that pairs program participants with approved mentors and seek to develop partnerships with community-based organizations that can provide mentoring services onsite at the jail. This can include finding mentors who are trained to support individuals with disabilities.

A.16 CONTRACTOR's Transition Counselor will assist program participants with family reunification, when requested. This will include: outreach to participant family members to encourage jail visitations; inquiring about any specific reintegration needs; and researching and providing referrals to needed resources in the community.

A.17 CONTRACTOR will meet with Sheriff personnel on a quarterly basis to agree upon the programming content and delivery schedule across the Jail to help participants with a variety of life skills, to include but not limited to:

- Budgeting
- Time management
- Health and wellness
- Conflict resolution
- Stress management

A.18 CONTRACTOR will collaborate with the Sheriff's Office on Resource Fairs and other onsite events that foster positive relationships between participants and the local community. This can include connecting participants with volunteer work; community based projects; and other activities that promote positive engagement and reduced social isolation, however, it will be the responsibility of the providers that operate the community activities to ensure that their opportunities are accessible and inclusive for individuals with disabilities.

A.19 CONTRACTOR will provide its staff with regular, detailed training—to include how to properly deliver applicable ADA accommodations and fulfill our contracted requirements, as appropriate for the scope of our program operations.

A.20 CONTRACTOR will provide the County with annual reports that detail our provision of ADA accommodations and overall program effectiveness and solicit participant feedback for our annual reports. CONTRACTOR will collaborate with the County to discuss how the program can continuously improve, including accommodation of participants with disabilities.

A.21 CONTRACTOR will assist the County in compliance with the Hernandez litigation—as is appropriate within the scope of our contracted program operations. CONTRACTOR's staff will be responsible for conducting program services, as described in Exhibit C (GEO Reentry Services, LLC response to RFP#10947), and for making services as accessible as possible for all participants.

On a regular basis, CONTRACTOR will work with the County to review service delivery and receive assurance that our program services are in compliance with the requirements

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of the Hernandez litigation.

B. COUNTY RESPONSIBILITIES

B.1 COUNTY shall audit CONTRACTOR and the overall contracted programs for ADA compliance and the effectiveness of the accommodations that are provided

B.2 COUNTY shall ensure contracted training providers programs are fully accessible to participants with disabilities, in accordance with ADA requirements.

B.3 COUNTY is responsible for providing CONTRACTOR with onsite program settings that are physically accessible to participants with ADA needs.

B.4 COUNTY shall audit CONTRACTORs programs.

B.5 COUNTY shall refer all PROGRAM offender participants to CONTRACTOR.

B.6 COUNTY shall reserve the sole right to set target population parameters.

B.7 COUNTY shall complete risk assessments on all offender participants referred to the PROGRAM by utilizing the Ohio Risk Assessment (ORAS) or similar assessment tool.

B.8 COUNTY shall refer offender participants assessed as moderate/high/ or high risk and deemed appropriate for the PROGRAM.

B.9 COUNTY shall provide CONTRACTOR the locations(s) to provide services within the JAIL and coordinate with other community and COUNTY services for the external services upon release from custody.

B.10 COUNTY shall provide water, sewer, electric, internet access, etc. when service delivery is provided at the JAIL.

B.11 COUNTY shall provide computers(s), projector(s) and projector screen(s) for PROGRAM delivery.

B.12 COUNTY shall provide CONTRACTOR a login to access the TracNet Case Management System and training for such program.

B.13 COUNTY shall create an area (tab) in TracNet to reflect PROGRAM provided data, stats, evaluations, etc.

B.14 COUNTY shall review all cost associated with service delivery at the JAIL to determine reasonableness.

C. COMPENSATION/ PAYMENT

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County shall pay an amount not to exceed $2,258,958 for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work. CONTRACTOR'S compensation for services rendered shall be based on the following rates or in accordance with the following terms:

	Fiscal Year	Yearly Total
YR 1	7/1/2025-6/30/2026	$ 427,680.00
YR2	7/1/2026-6/30/2027	$ 439,941.60
YR3	7/1/2027-6/30/2028	$ 450,551.44
YR4	7/1/2028-6/30/2029	$ 464,619.75
YR5	7/1/2029-6/30/2030	$ 479,165.16
		$ 2,258,958

There will be no travel reimbursement for this Agreement.

CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.

C.1 CONTRACTORS BILLING PROCEDURES

Invoicing may occur at any time of the month or year, following completion of a maintenance pumping or emergency pumping event. It is preferable to submit invoices and statements electronically to the County's invoice tracking system at:

230-sofiscal@countyofmonterey.gov

If CONTRACTOR lacks the ability to use this system, hard copy invoices will be accepted via mail addressed to the following location:

Monterey County Sheriff/Coroner's Office
Attention: Fiscal Unit Accounts Payable
1414 Natividad Road
Salinas, CA 93906

All invoices for services provided in June of any year should be submitted by July 15th of that year to facilitate the County's year end close.

County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

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County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

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Exhibit B - Detailed FY Budget Breakdown FY 2025-2026	
I. Direct Cost	YR1
A. PERSONAL SALARIES	
Supervising Case Manager (1 FTE)	$ 72,842.00
Transitional Case Manager (1 FTE)	$ 57,845.00
Case Manager (2 FTEs)	$ 111,405.00
SUBTOTAL	$ 242,092.00
B. FRINGE BENEFITS	
FICA	$ 18,549.00
FUI & SUI	$ 1,259.00
Worker's Compensation Insurance	$ 5,276.87
Other	$ 23,256.19
SUBTOTAL	$ 48,341.06
C. OPERATING DIRECT COSTS	
ADA Accommodations	$ 8,000.00
Program Expense	$ 16,409.84
Insurance & Taxes	$ 8,112.06
Office Supplies	$ 2,711.38
Personnel Training, Welfare & Travel	$ 2,622.30
Contractor Fee for Service	$ 79,025.65
SUBTOTAL	$ 116,881.23
D. SUBCONTRACTORS	
N/A	
N/A	
N/A	
SUBTOTAL	$ -
II. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
Cost Plus Billing at 5%	$ 20,365.71
SUBTOTAL	$ 20,365.71
GRAND TOTAL	$ 427,680.00

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Exhibit B - Detailed FY Budget Breakdown FY 2026-2027	
I. Direct Cost	YR2
A. PERSONAL SALARIES	
Supervisiong Case Manager (1 FTE)	$ 75,027.26
Transitional Case Manager (1 FTE)	$ 59,580.35
Case Manager (2 FTEs)	$ 114,747.15
SUBTOTAL	$ 249,354.76
B. FRINGE BENEFITS	
FICA	$ 19,105.47
FUI & SUI	$ 1,296.77
Worker's Compensation Insurance	$ 5,435.18
Other	$ 23,953.87
SUBTOTAL	$ 49,791.29
C. OPERATING DIRECT COSTS	
ADA Accommodations	$ 5,500.00
Program Expense	$ 16,902.14
Insurance & Taxes	$ 8,355.42
Office Supplies	$ 2,792.72
Personnel Training, Welfare & Travel	$ 2,700.97
Contractor Fee for Service	$ 80,737.56
SUBTOTAL	$ 116,988.81
D. SUBCONTRACTORS	
N/A	
N/A	
N/A	
SUBTOTAL	$ -
II. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
Cost Plus Billing at 5%	$ 20,806.74
SUBTOTAL	$ 20,806.74
GRAND TOTAL	$ 436,941.60

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Exhibit B - Detailed FY Budget Breakdown FY 2027-2028	
I. Direct Cost	YR3
A. PERSONAL SALARIES	
Supervisiong Case Manager (1 FTE)	$ 77,278.08
Transitional Case Manager (1 FTE)	$ 61,367.76
Case Manager (2 FTEs)	$ 118,189.56
SUBTOTAL	$ 256,835.40
B. FRINGE BENEFITS	
FICA	$ 19,678.63
FUI & SUI	$ 1,335.67
Worker's Compensation Insurance	$ 5,598.24
Other	$ 24,672.49
SUBTOTAL	$ 51,285.03
C. OPERATING DIRECT COSTS	
ADA Accommodations	$ 6,050.00
Program Expense	$ 17,409.20
Insurance & Taxes	$ 8,606.08
Office Supplies	$ 2,876.50
Personnel Training, Welfare & Travel	$ 2,782.00
Contractor Fee for Service	$ 83,252.40
SUBTOTAL	$ 120,976.18
D. SUBCONTRACTORS	
N/A	
N/A	
N/A	
SUBTOTAL	$ -
II. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
Cost Plus Billing at 5%	$ 21,454.83
SUBTOTAL	$ 21,454.83
GRAND TOTAL	$ 450,551.44

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Exhibit B - Detailed FY Budget Breakdown FY 2028-2029	
I. Direct Cost	YR4
A. PERSONAL SALARIES	
Supervisiong Case Manager (1 FTE)	$ 79,596.42
Transitional Case Manager (1 FTE)	$ 63,208.79
Case Manager (2 FTEs)	$ 121,735.25
SUBTOTAL	$ 264,540.46
B. FRINGE BENEFITS	
FICA	$ 20,268.99
FUI & SUI	$ 1,375.74
Worker's Compensation Insurance	$ 5,766.19
Other	$ 25,412.66
SUBTOTAL	$ 52,823.58
C. OPERATING DIRECT COSTS	
ADA Accommodations	$ 6,655.00
Program Expense	$ 17,931.48
Insurance & Taxes	$ 8,864.26
Office Supplies	$ 2,962.80
Personnel Training, Welfare & Travel	$ 2,865.46
Contractor Fee for Service	$ 85,851.96
SUBTOTAL	$ 125,130.96
D. SUBCONTRACTORS	
N/A	
N/A	
N/A	
SUBTOTAL	$ -
II. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
Cost Plus Billing at 5%	$ 22,124.75
SUBTOTAL	$ 22,124.75
GRAND TOTAL	$ 464,619.75

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Exhibit B - Detailed FY Budget Breakdown FY 2029-2030	
Agency Name	**GEO Reentry Services, LLC**
I. Direct Cost	YR5
A. PERSONAL SALARIES	
Supervisiong Case Manager (1 FTE)	$ 81,984.31
Transitional Case Manager (1 FTE)	$ 65,105.05
Case Manager (2 FTEs)	$ 125,387.31
SUBTOTAL	$ 272,476.67
B. FRINGE BENEFITS	
FICA	$ 20,877.06
FUI & SUI	$ 1,417.01
Worker's Compensation Insurance	$ 5,939.18
Other	$ 26,175.04
SUBTOTAL	$ 54,408.29
C. OPERATING DIRECT COSTS	
ADA Accommodations	$ 7,320.50
Program Expense	$ 18,469.42
Insurance & Taxes	$ 9,130.19
Office Supplies	$ 3,051.68
Personnel Training, Welfare & Travel	$ 2,951.42
Contractor Fee for Service	$ 88,539.60
SUBTOTAL	$ 129,462.81
D. SUBCONTRACTORS	
N/A	
N/A	
N/A	
SUBTOTAL	$ -
II. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
Cost Plus Billing at 5%	$ 22,817.39
SUBTOTAL	$ 22,817.39
GRAND TOTAL	$ 479,165.16

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COUNTY OF MONTEREY
CONTRACTS/PURCHASING DIVISION
1488 SCHILLING PLACE
SALINAS, CA 93901
(831) 755-4990

REQUEST FOR PROPOSALS #10947

For

Evidence-Based Practices Re-entry Services Program for the County of Monterey Sheriff's Office

Proposals are due by 3:00 pm (PST) on April 24, 2025

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SOLICITATION DETAILS SECTION

1.0 INTENT

1.1 The Monterey County Sheriff's Office (hereinafter referred to as "County") is seeking proposals from qualified organizations (hereinafter referred to as "Contractor") to provide Evidence-Based Practices (EBP) Reentry Services. These services are designed to support adult incarcerated individuals on behalf of the Monterey County Sheriff's Office Programs Unit. The selected Contractor will deliver programs at the Monterey County Jail, focusing on the unique needs of offenders—both male and female—who are preparing for reintegration into the community following incarceration.

In addition, the County is currently involved in the Hernandez litigation (*Jesse Hernandez, et al. v. County of Monterey, et al.*, Case Number: 5:13-cv-2354-BLF), which mandates that programs be made available to all eligible incarcerated individuals, including those who may require accommodations under the Americans with Disabilities Act (ADA). The plaintiffs' attorneys actively monitor the County's compliance with these requirements, and the County must ensure that programs are accessible and effective for all eligible incarcerated persons. Furthermore, regular visits from monitoring staff provide ongoing feedback and recommendations to address areas of deficiency and ensure the County is meeting the expectations set forth in the *Hernandez* litigation.

The selected Contractor must be fully aware of the complexities of coordinating these efforts, ensuring that the diverse needs of incarcerated individuals are met, and that the program's design complies with both the *Hernandez* stipulations and ADA guidelines. The Contractor's ability to work in close collaboration with the Sheriff's Office and adapt to evolving recommendations from monitors is critical to the success of this initiative. The County's goal is to resolve the *Hernandez* litigation by demonstrating consistent progress and compliance, and the County seeks a Contractor who can contribute to this effort through high-quality, effective reentry services.

The program will utilize evidence-based methods to equip individuals with the tools, resources, and support necessary to facilitate successful community reintegration, reduce the likelihood of reoffending, and fulfill the requirements set forth in the Hernandez lawsuit.

1.2 Project funding for the Evidence-Based Practices Reentry Services Program is estimated at **$375,000**.

1.3 This solicitation is for the award of a single, exclusive **Agreement**.

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2.0 BACKGROUND

2.1 **County Overview**

The County of Monterey is located on the Central Coast of California, approximately 120 miles south of San Francisco. The County is approximately 3,350 square miles. There are approximately 75 locations throughout Monterey County at which services may be required. Locations include but are not limited to Pajaro, Castroville, Royal Oaks, Salinas, Monterey, Carmel Valley, Marina, Seaside, Prunedale, Aromas, Soledad, King City, and as far South as the San Luis Obispo County border.

2.2 Request for Proposals #10947 will establish reentry services. The County seeks Contractors who will abide by all local, state, and federal regulations and who are also capable of providing all necessary materials and supervision, in the course of providing reentry services.

2.3 **Public Safety Realignment (AB 109)**

In 2011, the California Legislature enacted the Public Safety Realignment Act (AB 109), which became effective in October 2011. This legislation, along with its subsequent trailer bill AB 117, shifted the responsibility for housing and supervising a specific population of inmates—those convicted of non-serious, non-violent crimes, and non-high-risk sex offenses—from the California Department of Corrections and Rehabilitation (CDCR) to county jurisdictions. As a result, more offenders are now serving time in local jails rather than state prisons. This shift has significantly increased the number of inmates housed and supervised by the County of Monterey.

2.4 **Reentry Services**

Reentry services are a crucial component of the local Public Safety Realignment Plan, designed to supervise and provide evidence-based services for offenders identified as moderate to high risk of reoffending, or those who are high-need offenders. These individuals are referred by the Monterey County Sheriff's Office or other County Justice Partners and are deemed appropriate for participation in the Program.

2.5 **Evidence-Based Practices (EBP) for Reentry Services**

The Program will utilize Evidence-Based Practices (EBP) to deliver reentry services. EBP refers to intervention programs that are grounded in research and adhere to the 'principles of effective intervention' established by prior studies. These programs are rigorously evaluated for their effectiveness in reducing recidivism. One of the legislative goals of AB 109 is to maximize the use of evidence-based intervention strategies to reduce criminal recidivism. Accurately assessing the needs of the jail population and providing tailored, evidence-based services are critical strategies in promoting public safety and reducing recidivism within Monterey County.

2.6 **Request for Proposals**

The County of Monterey is issuing Request for Proposals (RFP) for the development and implementation of an Evidence-Based Practices (EBP) Reentry Services Program. The County seeks a qualified Contractor capable of complying with all applicable local, state, and federal regulations while providing the necessary labor, materials, tools, equipment, and

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supervision to successfully deliver the Reentry Services Program. The Program is designed to:

2.6.1 Support the reintegration of referred offender participants back into the community after incarceration.

2.6.2 Assess the offender participants' needs, barriers, and strengths, and work with them to create a comprehensive plan for successful reintegration.

2.6.3 Provide referrals and facilitate access to community-based services, including coordination with other AB109-funded services, Justice Partners, and additional County services and community organizations.

2.6.4 Implement Evidence-Based Practices, vocational programs, reentry programs, including a cognitive-behavioral approach, to help participants increase the likelihood of successful long-term rehabilitation through educational and specialized programs.

2.6.5 Address the criminogenic needs of offenders, targeting factors that contribute to criminal behavior and reducing the risk of future incarceration.

2.6.6 Collaborate with County offices, services, staff, offenders, their families, visitors, other contractors, and guests of the County to ensure the highest quality of service delivery. Efforts to treat others with fairness, respect, honesty, and dignity are expected.

2.6.7 Collect, analyze, and report data on services provided, participant progress, and program outcomes, ensuring transparency and accountability.

2.6.8 Provide ongoing Case Management and Continuity of Care by coordinating with both internal and external entities to ensure that offenders receive comprehensive support throughout the program and beyond.

2.6.9 Ensure compliance with the Americans with Disabilities Act (ADA) by implementing practices and providing accommodations to meet the needs of offenders with physical, cognitive, or emotional disabilities. The Contractor shall ensure that all services, activities, and facilities are accessible to individuals with disabilities and provide the necessary accommodations for their participation in the program.

2.6.10 The Contractor shall include ADA-specific considerations in the Needs Assessment process to identify and address any barriers to program participation for individuals with disabilities. This includes, but is not limited to, accessible transportation, physical facility accessibility, program materials in alternative formats (e.g., large print, braille, or electronic formats), and any other reasonable accommodations.

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2.6.11 Provide specialized support for offenders with disabilities, including but not limited to:

a) Accessible program spaces and materials
b) The use of assistive technologies and tools for those with hearing, visual, or mobility impairments
c) Access to sign language interpreters or other communication services as needed.
d) Mental health services or emotional support for participants with psychological disabilities

2.7 *Hernandez* Litigation and Compliance Requirements

The County of Monterey is currently involved in the *Hernandez* class-action litigation, which requires compliance with specific directives regarding the delivery of services to incarcerated individuals. That litigation mandates that programs be made available to all eligible incarcerated persons, with particular attention to the needs of individuals with disabilities under the Americans with Disabilities Act (ADA). The plaintiffs' attorneys actively monitor the County's compliance, and regular visits from court-appointed neutral monitors assess the County's level of compliance and offer recommendations for improvement.

It is essential that the Contractor selected for this program understands the legal context of the *Hernandez* litigation and works closely with the County to meet the obligations set forth in that litigation. The successful Contractor will play a vital role in ensuring that all eligible incarcerated individuals have access to high-quality services, including those with ADA-related needs, and that all recommendations from monitors and plaintiffs' attorneys are addressed promptly and effectively. The goal is to demonstrate the County's commitment to fulfilling the requirements of the *Hernandez* litigation, thereby facilitating its resolution. The selected Contractor must be prepared to coordinate and adjust program services as necessary to comply with ongoing feedback from court-appointed neutral monitors and to support the County in moving towards an equitable and legally compliant solution.

2.8 Program Audits and Evaluations

The Contractor shall conduct quarterly audits and evaluations of the Program, measuring the effectiveness and impact of services provided, including the accommodation and support of participants with disabilities. These evaluations should focus on both participant outcomes (e.g., reduced recidivism, successful reintegration) and the fidelity of program implementation, with special attention to ADA compliance and the accessibility of services. The Contractor shall present the results of these audits and evaluations to the County, including any findings and recommendations for continuous improvement, especially in areas related to ADA accessibility.

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3.0 CALENDAR OF EVENTS

3.1	Issue RFP	March 13, 2025
3.2	Mandatory Pre-Bidders Conference	March 27, 2025
3.3	Deadline for Written Questions	3:00 p.m., PST, April 10, 2025
3.4	Proposal Submittal Deadline	3:00 p.m., PST, April 24, 2025
3.5	Estimated Notification of Selection	May 2025
3.6	Estimated AGREEMENT Date	July 2025

This schedule is subject to change as necessary.

3.7 **FUTURE ADDENDA:** Contractors, who received notification of this solicitation by means other than through a County of Monterey mailing shall contact the person designated in the County POINTS OF CONTACT herein to request to be added to the mailing list. Inclusion on the mailing list is the only way to ensure timely notification of any addenda and/or information that may be issued prior to the solicitation submittal date. **IT IS EACH CONTRACTOR'S SOLE RESPONSIBILITY TO ENSURE THAT THEY RECEIVE ANY AND ALL ADDENDA FOR THIS RFP** by either informing the County of their mailing information or by regularly checking the County's Solicitation Center web page at https://www.countyofmonterey.gov/government/departments-a-h/administrative-office/contracts-purchasing/solicitation-center. Addenda will be posted on the website the day they are released.

3.8 **PRE-BIDDERS CONFERENCE**: A MANDATORY pre-proposal meeting will be held at 10:00 A.M. (PST) on March 27, 2025, at the County of Monterey Jail briefing room located at 1410 Natividad Road, Salinas, CA, 93906. Those interested in submitting a proposal must attend this meeting. The purpose of this meeting is to tour the facility, provide clarification, and answer questions. No presentations are required. Please indicate your intent to attend this meeting by sending a response to the contact person listed in Section 4.1 herein.

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4.0 COUNTY POINTS OF CONTACT

4.1 Questions and correspondence regarding this solicitation shall be directed to:

Primary Contact for the County

Susana Macias
Deputy Purchasing Agent
1488 Schilling Place
Salinas, CA 93901
PHONE: (831) 755-4921
FAX: (831) 755-4969
Email: MaciasSE@countyofmonterey.gov

4.2 All questions regarding this solicitation shall be submitted in writing (E-mail or FAX is acceptable). The questions will be researched, and the answers will be communicated to all known interested Contractor(s) after the deadline for receipt of questions.

4.3 The deadline for submitting written questions regarding this solicitation is indicated in the **CALENDAR OF EVENTS herein**. Questions submitted after the deadline will not be answered.

4.4 Only answers to questions communicated by formal written addenda will be binding.

4.5 Prospective CONTRACTOR shall not contact County officers or employees with questions or suggestions regarding this solicitation except through the primary contact person listed above. **Any unauthorized contact may be considered undue pressure and cause for disqualification of Contractor**

5.0 SCOPE OF WORK

5.1 **The SCOPE OF WORK includes but is not limited to the following:**

The Contractor shall perform at least 95% of the total contract work with its own organization, based on the original total contract price. However, any work classified as "Specialty Items" may be subcontracted. The value of these "Specialty Items" performed by subcontractors will be deducted from the original total contract price when calculating the work that must be performed directly by the Contractor. The Contractor shall ensure that the performance percentage is met after accounting for the subcontracted "Specialty Items."

5.1.2 Contractor shall assess Program offender participants' needs, barriers, and strengths, including physical, mental, emotional, educational, and vocational factors. Additionally, the Contractor shall conduct an ADA-compliant assessment to identify any disabilities and related needs. This includes assessing any physical,

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sensory, intellectual, or mental health disabilities that may require specific accommodations to ensure full participation in the program. The contractor shall also assess the transitional needs for re-entry, considering factors such as housing stability, family reunification, substance abuse history, employment readiness, and necessary disability-related accommodations.

5.1.3 Contractor shall help identify and develop a personalized, comprehensive plan of action for successful reintegration into the community. This plan shall include strategies to address the participant's criminogenic needs and disability-related needs. For individuals with disabilities, the plan must also outline any required accommodations, such as accessible housing, transportation, educational support, or modifications to employment training programs. Additionally, the plan should include long-term goals focused on building social support networks, encouraging pro-social behavior, and developing life skills in an accessible manner for participants with disabilities.

5.1.4 Contractor shall provide a broad range of referrals and assist participants in accessing community-based services, including coordination with AB109 funded services, Justice Partners, County services, and external nonprofit organizations. For participants with disabilities, the contractor shall ensure that referrals and services are ADA-compliant, including accessible health services (e.g., mental health, substance abuse treatment), housing programs, educational opportunities, employment training, and family counseling services. Referrals should be tailored to address specific needs based on the participant's disability and ensure full participation.

5.1.5 Contractor shall utilize Evidence-Based Practices and a cognitive-behavioral approach (CBT) to assist participants in building resilience and coping skills. For participants with disabilities, the contractor shall adapt these practices to ensure accessibility. This may include offering alternative formats for communication (e.g., audio materials, Braille, large print), using assistive technology (e.g., screen readers, speech-to-text software), and modifying therapeutic techniques to accommodate learning disabilities, mental health conditions, or sensory impairments. Programming shall focus on rehabilitation through the development of critical thinking, emotional regulation, conflict resolution, and decision-making skills, ensuring these skills are accessible to all participants.

5.1.6 Contractor shall target criminogenic needs of participating offenders, addressing the root causes of criminal behavior such as substance abuse, lack of education or employment skills, and poor family dynamics. For participants with disabilities, specialized programs such as anger management, trauma recovery, substance abuse treatment, parenting classes, and life skills development should be modified to meet the needs of individuals with physical, cognitive, and emotional disabilities. This may include providing additional support or using alternative communication methods during group activities and counseling sessions.

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5.1.7 Contractor shall collaborate effectively with County offices, services, staff, offenders, their families, visitors, other contractors, and guests of the County to enhance interagency cooperation and promote inclusivity. All staff shall be trained in ADA compliance, trauma-informed care, and culturally competent practices to ensure that the needs of individuals with disabilities are met in a respectful and inclusive manner. Creativity, efficiency, and productivity should be fostered, and all efforts to treat others with fairness, respect, and dignity are paramount.

5.1.8 Contractor shall conduct quarterly audits and evaluations of the Program, measuring both participant outcomes (e.g., recidivism reduction, successful reintegration into the community) and program fidelity to best practices. These audits will specifically assess ADA compliance, ensuring that participants with disabilities have full access to services, accommodations, and programming. Findings will be shared with the County, with recommendations for continuous improvement. The evaluation process will include feedback from participants with disabilities to gauge their experience and identify potential barriers to full participation.

5.1.9 Contractor shall provide robust Case Management and Continuity of Care with both internal and external entities. This includes maintaining comprehensive case files that document disability-related needs and accommodations. Case managers will ensure that participants with disabilities receive appropriate support and accommodations throughout their participation in the program and during transitions to post-program services. Contractor will also be responsible for creating post-program follow-up plans that address the ongoing needs of participants with disabilities and ensure they maintain their progress and success after leaving the program.

5.1.10 ADA-Compliant Vocational Training Program: Contractor shall implement a vocational training program that is fully accessible to participants with disabilities. This includes providing adaptive training tools, assistive technologies (e.g., speech-to-text software, screen readers), and modifying job skills training to accommodate participants' physical, sensory, cognitive, and emotional needs. Participants with disabilities will have equal access to apprenticeships, job readiness training, resume building, and interview coaching. Contractor shall also collaborate with local employers committed to providing employment opportunities for individuals with disabilities.

5.1.11 Support Services for Participants with Disabilities: Contractor shall provide specialized mental health support services that are accessible to individuals with disabilities. This includes providing counseling in accessible formats (e.g., Braille, large print, or audio materials), offering therapy in settings that are physically accessible, and providing sign language interpreters or communication aids as needed. The mental health services should be adapted to meet the unique needs of participants with intellectual disabilities, developmental disorders, or mental health conditions.

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5.1.12 ADA-Compliant Mentorship Program: Contractor shall develop a Mentorship Program that pairs participants with trained mentors who have successfully reintegrated into society. The program shall ensure that mentors are trained to support individuals with disabilities, including physical, intellectual, or mental health challenges. Mentors will provide guidance, support, and accountability in a manner that accommodates the unique needs of each participant.

5.1.13 Restorative Justice Programs: Contractor shall ensure that any restorative justice or victim-offender dialogue programs are designed to accommodate participants with disabilities. This may involve modifying the program format to ensure accessibility, including providing alternative communication methods (e.g., sign language interpreters, written materials in accessible formats) and ensuring that facilities are physically accessible for participants with mobility challenges.

5.1.14 Family Reunification and Disability Support: Contractor shall provide specialized family reunification services for participants with disabilities. These services shall include counseling for families, education on disability-related needs and accommodations, and guidance on how to support participants with disabilities as they reintegrate into the community. The program shall ensure that families of participants with disabilities are equipped with the necessary resources to foster a positive, supportive environment.

5.1.15 Life Skills Development for Participants with Disabilities: Contractor shall provide life skills development programs tailored to participants with disabilities. These programs will focus on budgeting, time management, health and wellness, conflict resolution, and stress management. Special accommodations will be made as necessary to ensure that all participants, including those with disabilities, can engage in and benefit from the program.

5.1.16 Community Engagement for Participants with Disabilities: Contractor shall develop a community engagement program that fosters positive relationships between participants, including those with disabilities, and the local community. This could include volunteer work, community-based projects, or other activities that promote positive engagement and reduce social isolation. The program will ensure that community activities are accessible and inclusive for all participants, including those with disabilities.

5.1.17 ADA Compliance and Monitoring: Contractor shall establish a system for monitoring ADA compliance throughout the program. This system will assess the accessibility of all services, accommodations, and activities, ensuring that participants with disabilities have equal opportunities to succeed. Regular reports will be submitted to the County, detailing any adjustments needed to improve accessibility and ensure full participation for all participants.

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5.1.18 *Hernandez* Litigation and ADA Compliance Considerations: Considering the *Hernandez* litigation, which raised concerns regarding the County's provision of accessible services to individuals with disabilities, the Contractor must ensure that all components of the program are ADA compliant. The Contractor shall take proactive steps to implement systems, processes, and staff training that address the specific concerns raised in the *Hernandez* litigation, including:

1. **Enhanced Accessibility Protocols:** The Contractor will ensure that all aspects of the program, including service delivery locations, materials, and communication, are fully accessible to individuals with physical, sensory, cognitive, or mental health disabilities. All facilities used for the program must be ADA-compliant, and any necessary modifications will be implemented without delay to avoid any risk of legal noncompliance.
2. **Staff Training on Disability Accommodation:** The Contractor will conduct regular, detailed training for all program staff on the specific ADA accommodations and requirements mandated under both the *Hernandez* litigation and all applicable laws. This training will include proper methods for addressing and accommodating individuals with disabilities, such as using assistive technologies and providing accessible program materials (e.g., Braille, large print, etc.).
3. **Ongoing Monitoring and Audits:** As part of its commitment to full ADA compliance and the insights gained from the *Hernandez* litigation, the Contractor will implement a robust system for regular audits and monitoring of ADA compliance. These audits will assess both participant outcomes and the program's operational effectiveness in providing appropriate accommodations, and any necessary corrective actions will be taken to ensure full legal compliance.
4. **Specialized Case Management:** Considering the issues raised in the *Hernandez* litigation regarding individual disabilities, the Contractor will assign specialized case managers to oversee participants with disabilities. These case managers will ensure that all accommodations are effectively implemented and that participants receive the support they need throughout their engagement in the program and beyond.
5. **Annual Reports on ADA Compliance:** The Contractor shall provide annual reports to the County detailing the implementation of ADA accommodations, compliance with the *Hernandez* litigation, and overall program effectiveness. These reports will include participant feedback, any incidents related to ADA non-compliance, and plans for continuous improvement in accommodating participants with disabilities.

5.1.19 In all instances, the services provided by the Contractor shall be in compliance with the *Hernandez* litigation. In the event of any conflict between requirements or Scope of Work in this RFP and the *Hernandez* litigation, Contractor shall default to the higher level of service, unless an alternative is ordered by the Court in *Hernandez*.

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6.0 CONTRACT TERM

6.1 The term of the AGREEMENT(s) will be for a period of five (5) years.

6.2 If the AGREEMENT includes options for renewal or extension, Contractor must commence negotiations for any desired rate changes a minimum of 90 days prior to the expiration of the AGREEMENT.

6.2.1 Both parties must agree upon rate extension(s) or changes in writing.

6.3 The AGREEMENT shall contain a clause that provides that County reserves the right to cancel the AGREEMENT, or any extension of the AGREEMENT, without cause, with a 30 day written notice, or immediately with cause.

7.0 LICENSING/SECURITY REQUIREMENTS

7.1 Contractor shall ensure that all services, costs, and materials must, at minimum, meet the specifications for State of California and CAL/OSHA regulations, as applicable.

7.2 Contractor is to ensure that insurance and required licenses under both state and local jurisdictions are current during the full term of the AGREEMENT.

7.3.1 You may reference our Insurance Requirements for additional clarification and samples of required endorsements.

7.3 Contractor will be required to submit appropriate State level criminal background clearance(s) for all personnel required to work within County facilities that are deemed restricted or high security (if applicable).

7.4.1 Contractor shall ensure that a California licensed investigator performed the required State level criminal background check(s) for all staff recommended to the County and must provide proof of such to County prior to the personnel being allowed to work within such County facilities. Contractor shall be responsible for the cost of these background checks unless otherwise agreed upon in writing by County.

7.4.2 The required background checks SHALL be completed prior to allowing the personnel to work within any of the Sheriff's facilities.

7.4 **Required Pre-Qualifications or Licenses/Certifications for this Work:**
When administering programs inside a jail, such as facilitating coping skills groups, self-help groups, substance abuse and addiction groups, educational groups on coping skills, and parenting groups, the following pre-qualifications and/or certifications are typically required:

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7.4.1 **AOD (Alcohol and Other Drugs) Certification**:
This certification is often required, especially for facilitating substance abuse and addiction programs. It demonstrates expertise in substance abuse treatment and counseling.

7.4.2 **Counseling License or Certification**:
A valid counseling license (e.g., LPC - Licensed Professional Counselor)

7.4.3 **Specialized Training in Group Facilitation**:
Training in group dynamics, crisis management, and working in correctional settings is beneficial and may be required to ensure effective facilitation.

7.4.4 **Experience in Correctional Facilities**:
While not always mandatory, experience working in correctional settings or with similar populations may be preferred to ensure familiarity with the unique challenges of this environment.

7.4.5 **Other Relevant Certifications**:

7.4.5.1 **Parenting Education Certification**: Necessary for facilitating parenting groups, ensuring facilitators are trained in best practices for education and support.

7.4.5.2 **Mental Health First Aid or Crisis Intervention Training**: These certifications are advantageous, particularly for facilitating coping skills and educational groups, especially in high-stress or emotional crisis situations.

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8.0 PROPOSAL/QUALIFICATIONS PACKAGE REQUIREMENTS

8.1 CONTENT AND LAYOUT:

8.1.1 Contractor should provide the information as requested and as applicable to the proposed goods and services. The proposal package shall be organized as per the table below; headings and section numbering utilized in the proposal package shall be the same as those identified in the table. Proposal packages shall include, at a minimum, but not be limited to, the following information in the format indicated:

Proposal Package Layout: Organize and Number Sections as Follows:	
Section 1	COVER LETTER (INCLUDING CONTACT INFO)
	SIGNATURE PAGE
	RECEIPT OF SIGNED ADDENDA (IF ANY)
	TABLE OF CONTENTS
Section 2	PROPOSED SCOPE-OF-WORK
Section 3	PRE-QUALIFICATIONS/LICENSING REQUIREMENTS
Section 4	PROJECT EXPERIENCE AND REFERENCES
Section 5	STATEMENT TO SERVICE ENTIRE COUNTY
Section 6	ENVIRONMENTALLY FRIENDLY PRACTICES
Section 7	PRICING (ATTACHMENT A) & WARRANTY
Section 8	EXCEPTIONS
Section 9	APPENDIX

Section 1 Requirements:

Cover Letter: All proposals must be accompanied by a cover letter not exceeding two pages that provides the Contractor's firm information and contact information as follows:

Contact Info: The name, address, telephone number, and fax number of Contractor's primary contact person during the solicitation process through to potential contract award.

Firm Info: Description of the type of organization (e.g. corporation, partnership, including joint venture teams and subcontractors) and its age.

Signed Signature Page and Signed Addenda (if any addenda were released for this solicitation). Any proposal packages submitted without this page will be deemed non-responsive. All signatures must be manual and in BLUE ink. All prices and notations must be typed or written in BLUE ink. Errors may be crossed out and corrections printed in ink or typed adjacent and must be initialed in BLUE ink by the person signing the proposal.

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Section 2, Proposed Scope-of-Work

Contractor shall include their PROPOSED SCOPE OF WORK as outlined in Section 5.0 SCOPE OF WORK, herein.

Section 3, Pre-Qualifications/Licensing Requirements:

Pre-Qualifications/Licensing: Contractor must acknowledge in writing that it meets all the pre-qualifications and licensing requirements as set forth in Section 7.0 herein.

Section 4, Project Experience & References:

Key Staff Persons: Contractor shall identify key staff and their qualifications and experience proposed for the service identified herein.

Experience & References: Contractor shall describe at least 3 similar projects for which it provided services like the scope of work described herein. Please include phone number and email address if possible as the County will conduct reference checks using this information.

Violations: Contractor shall submit copies of all notices of violations, corrective action notices, enforcement actions or orders, warning notices, writings, or other forms of permit violation/non-compliance documentation (such as OSHA) received by Contractor, or any business organization owned or operated by the Contractor which are its parent company and/or subsidiaries, from any public agency from 2005 up to and including the present day.

Section 5, Statement to Service Entire County:

Include a statement acknowledging which of the following locations your company can provide services to: Pajaro, Castroville, Royal Oaks, Salinas, Monterey, Carmel Valley, Marina, Seaside, Prunedale, Aromas, Soledad, King City, and as far South as the San Louis Obispo County border.

If certain locations are to include added fees for travel time, please indicate as such in this statement.

Section 6, Environmentally Friendly Practices:

Contractor shall summarize all environmentally friendly practices to which it adheres while doing business as relevant to County's Climate-Friendly Purchasing Policy at: *https://www.countyofmonterey.gov/home/showpublisheddocument/22305/636241459023900000*

Contractor shall indicate whether it is a 'Green Certified' Business and state which governing authority administered the certification.

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Section 7, Pricing & Warranty:

Contractor shall complete and submit pricing as per ATTACHMENT A – PRICING SCHEDULE attached hereto.

Section 8, Exceptions:

Submit all exceptions to this solicitation on separate pages, and clearly identify the top of each page with "EXCEPTION TO MONTEREY COUNTY SOLICITATION #" (indicate the applicable solicitation number). Each Exception shall reference the page number and section number, as appropriate. Contractor should note that the submittal of an Exception does not obligate the County to revise the terms of the RFP or AGREEMENT.

Section 9, Appendix:

Appendices: Contractor may provide any additional information that it believes to be applicable to this proposal package and include such information in an Appendix section.

8.2 **ADDITIONAL REQUIREMENTS:** To be considered "responsive," submitted proposal packages shall adhere to the following:

8.2.1 To validate your proposal package, **submit the SIGNATURE PAGE** (contained herein) **with your proposal**. Proposals packages submitted without that page will be deemed non-responsive. Proposal signature must be manual, in BLUE ink, and included with the original copy of the proposal. All prices and notations must be typed or written in BLUE ink in the original proposal copy as well. Errors may be crossed out and corrections printed in BLUE ink or typed adjacent, and must be initialed in BLUE ink by the person signing the proposal.

8.3 **CONFIDENTIAL, PROPRIETARY, TRADE SECRET INFORMATION:**

Proposal Packages submitted in response to this RFP are not to be marked, in whole or in part, as confidential or proprietary and must not constitute or contain information that is confidential, proprietary, or trade secret, or subject to any other claim that it is not subject to public disclosure under applicable law. The County may refuse to consider any Proposal Package so marked. Proposal Packages submitted in response to this RFP will become subject to public disclosure per the requirements of applicable law, including but not limited to the California Public Records Act, Government Code Section 6250 et seq, and the Ralph M. Brown Act, Government Code Section 54950 et seq. Please be advised that all information and documents submitted to County by Contractor shall become non-confidential, non-proprietary, non-trade secret, public records without exception and subject to public disclosure by the County at any time without prior notice to Contractor, whether pursuant to a request for disclosure or otherwise, including but not limited to disclosure in the course of County's normal procedures to post on the internet or otherwise make available to the general public documents of interest to the public. All interested

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Contractors are advised to consider, when deciding what information to include in their submitted Proposal Package, that such inclusion will result in the information becoming a fully disclosable public record. The County shall not be liable in any way for disclosure of any such records or part thereof related to this RFP or any Proposal Package, including, but not limited to, evaluations, proposals, or any other information or records. In submitting the information and documents, the Contractor is agreeing to the County's release of such information and documents under the Public Records Act or the Brown Act, without further notice to the Contractor, and is agreeing to release, indemnify, and hold harmless the County from any harm that may result to the Proposer or any third party for release of such information and documents. This release and promise to defend and indemnify is given regardless of whether any exemption from disclosure may be available or might have been claimed under applicable law, and Contractor's responding to this RFP acknowledge that the decision whether to assert any such exemption will be made in the County's sole discretion. Submission by an interested Contractor constitutes a complete waiver of any claims whatsoever against the County, and/or its agents, officers, or employees, that the County has violated a vendor's right to privacy, disclosed trade secrets, or caused any damage by allowing the Proposal to be inspected.

Additionally, all Proposal Packages received by County in response to this RFP shall become the exclusive property of the County. The County reserves the right, without limitation, to make use of any information or ideas contained in the Proposals submitted. By submitting information and documents to the County as part of this RFP, Contractors acknowledge and agree to the terms of this Section.

9.0 SUBMITTAL INSTRUCTIONS & CONDITIONS

9.1 Proposal packages shall be submitted electronically to County of Monterey at the link indicated on the **Signature Page** of this solicitation. The County of Monterey utilizes a secure, in-house online solicitation platform to facilitate the electronic submission of bids. This system is designed to enhance the safety of both bidders and County staff while ensuring a fair, transparent, and equitable procurement process. Bidders may withdraw their proposals at any time prior to the due date and time by submitting a notification of withdrawal signed by the Bidder's authorized agent by email to Susana Macias at MaciasSE@countyofmonterey.gov

9.2 Due Date: Proposal packages must be received by County ON OR BEFORE the time and date specified, at the location and to the person specified on the **Signature Page** of this solicitation. It is the sole responsibility of the Contractor to ensure that the proposal package is received at or before the specified time. Postmarks and facsimiles are not acceptable. Proposals received after the deadline shall be rejected and returned unopened.

9.3 Shipping Costs: Unless stated otherwise, the F.O.B. for receivables shall be destination. Charges for transportation, containers, packaging, and other related shipping costs shall be borne by the shipper.

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9.4 Acceptance: Proposals are subject to acceptance at any time within 90 days after opening. Monterey County reserves the right to reject any and all proposal packages, or part of any proposal package, to postpone the scheduled deadline date(s), to make an award in its own best interest, and to waive any formalities or technicalities that do not significantly affect or alter the substance of an otherwise responsible proposal package and that would not affect a CONTRACTOR'S ability to perform the work adequately as specified.

9.5 Ownership: All submittals in response to this solicitation become the property of the County of Monterey. If a Contractor does not wish to submit a proposal package but wishes to acknowledge the receipt of the request, the reply envelope shall be marked "No Bid".

9.6 Compliance: Proposal packages that do not follow the format, content and submittal requirements as described herein, or fail to provide the required documentation, may receive lower evaluation scores, or be deemed non-responsive.

9.8 CAL-OSHA: The items proposed shall conform to all applicable requirements of the California Occupational Safety and Health Administration Act of 1973 (CAL-OSHA).

9.9 The award(s) resulting from this RFP will be made to the Contractor(s) that submit a response that, in the sole opinion of the County, best serves the overall interest of the County.

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10.0 SELECTION CRITERIA

10.1 The selection of Contractor and subsequent contract award(s) will be based on the criteria contained in this Solicitation, as demonstrated in the submitted proposal. Contractor should submit information sufficient for the County to easily evaluate proposals with respect to the selection criteria. The absence of required information may cause the Proposal to be deemed non-responsive and may be cause for rejection.

10.2 The selection criteria include the following: **(100 points total).**

SCORING CRITERIA	Max Possible Score
Agency provides a detailed service delivery approach and project overview.	30
Agency demonstrates experience and effectiveness in providing reentry services.	30
Agency identified all key staff and their qualifications and experience for the services identified.	15
Agency provides a comprehensive budget narrative and cost of the project.	20
Agency is a local vendor as defined in the County of Monterey Local Vendor Preference Policy	5
TOTAL	100

10.3 AGREEMENT award(s) will not be based on cost alone.

10.4 To the extent of personnel and equipment to be provided under this agreement, Contractor, if so requested, shall afford the County an opportunity to inspect Contractor's equipment prior to award of the agreement.

10.5 The award(s) resulting from this RFP will be made to the Contractor(s) that submits a response that, in the sole opinion of the County, best serves the overall interest of the County.

10.6 The award made from this RFP may be subject to approval by the County Board of Supervisors.

11.0 PRICING

11.1 Contractor(s) will complete ATTACHMENT A - PRICING SCHEDULE for the provision of services as outlined within this RFP.

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11.2 Contractor prices stated in ATTACHMENT A - PRICING SCHEDULE shall be effective from the date the proposal is submitted to the day the AGREEMENT is awarded and through the initial term of the AGREEMENT.

11.3 Prior to the start of each project, the County department and Contractor(s) will mutually agree upon the budget for the project.

11.3.1 County will provide a defined scope

11.3.2 Pricing may be based upon an hourly rate or by the project, based upon the direction of the user department.

11.4 Prices quoted for work assignments must remain in effect for a minimum of thirty (30) days.

11.5 Invoicing by Contractor(s) will clearly itemize but is not limited to the following:
11.5.1 County Department receiving services,
11.5.2 Purchase order number under which the invoice is to be charged,
11.5.3 Services provided,
11.5.4 Dates of services,

11.6 Proposals should include any early discounts and/or incentives offered.

11.7 Travel/Mileage
11.7.1 Any travel/mileage must be agreed upon and approved by the County in writing prior to services being performed.
11.7.2 Travel/mileage must adhere to the current rate per mile at the time of service as provide by the US General Services Administration. Rates are listed at: https://www.gsa.gov/travel/plan-book/transportation-airfare-pov-etc/privately-owned-vehicle-pov-mileage-reimbursement-rates
11.7.3 Travel/mileage fees must be listed as a line-item within the corresponding invoice for associated services.
11.7.3.1 Travel/mileage fees more than the US GSA rate at the time services are provided will not be processed. Contractor must correct the invoice containing the incorrect fee to adhere to the current GSA rates at the time of service prior to processing of invoice.

12.0 PREFERENCE FOR LOCAL CONTRACTORS

12.1. General Requirements: Each local supplier funded in whole or in part by County funds, or funds which County expends or administers, shall be eligible for a local preference as provided in this section.

12.2. Rights of First Refusal: Each local supplier who is within five percent (5%) of the lowest responsible bid and who is otherwise responsive and responsible to the call for bids shall be provided the opportunity to reduce the local supplier's bid to the amount equal to the amount of the lowest responsible bid, if the lowest responsible bid is submitted by other than a local

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supplier. The opportunity to reduce the amount of the bid shall be provided first to the lowest eligible local supplier and, if not accepted by such local supplier within five (5) business days of the opening of bids, who is within five percent (5%) of the lowest responsible bid. In the event an eligible local supplier reduces the bid to the amount of the lowest responsible bid, the eligible local supplier shall be deemed to have provided the lowest responsible bid and shall be awarded the AGREEMENT.

12.3. The foregoing provisions apply only to competitive bids that require that contracts be awarded to the lowest responsible bidder. For contracts awarded pursuant to RFQs or requests for quotations, the awarding authority may consider, as one (1) of the factors in determining the most suitable proposal or quotation, whether or not a local supplier submits the proposal or quotation.

12.4. Definitions: For the purpose of this section, the following terms have the meanings indicated:

12.4.1. "Area" means Monterey County, San Benito County, and Santa Cruz County.

12.4.2. "Bid" includes any competitive bid, whether formal or informal.

12.4.3. "Local Supplier" shall mean a supplier doing business in the Area for not less than the past five (5) consecutive years.

12.4.4. "Supplier" shall mean a business or resident providing goods, supplies, or professional services.

12.4.5. "Local Vendor" means a Vendor for which all of the following criteria apply:

12.4.5.1. Vendor either owns, leases, rents or otherwise occupies a fixed office or other commercial building, or portion thereof, having a street address within the Area. Vendor possesses a valid and verifiable business license, if required, issued by a city within the Area or by one of the three counties within the Area when the address is located in an unincorporated area within one of the three counties as defined as "Area"; and

12.4.5.2. Vendor employs at least one full time employee within the "Area", or if the business has no employees, the business shall be at least fifty percent (50%) owned by one or more persons whose primary residence(s) is located within the "Area"; and

12.4.5.3. Vendor's business must have been in existence, in Vendor's name, within the "Area" for at least two (2) years immediately prior to the issuance of either a request for competitive bids or request for qualifications for the County; and

12.4.5.4. Newly established businesses which are owned by an individual(s) formerly employed by a Local Vendor for at least two (2) years also qualifies for the preference; and

12.4.5.5. If applicable vendor must possess a valid resale license from the California Department of Tax and Fee Administration showing vendor's local address within the "Area" and evidencing that payment of the local share of the sales tax goes to

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either a city within the "Area" or to one of the three counties within the defined "Area".

12.5. Link to County's Local Preference Policy: https://www.countyofmonterey.gov/home/showdocument?id=22313

13.0 INSURANCE REQUIREMENTS

13.1 Evidence of Coverage:

13.1.1 Prior to commencement of an AGREEMENT, Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, Contractor upon request shall provide a certified copy of the policy or policies.

13.1.2 This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. Contractor shall not receive a "Notice to Proceed" with the work under an AGREEMENT until it has obtained all insurance required and such, insurance has been approved by County. This approval of insurance shall neither relieve nor decrease the liability of Contractor.

13.2 Qualifying Insurers:

All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than VII, according to the current A.M. Best's Rating Guide or a company of equal financial stability that is approved by County's Purchasing Officer.

13.3 Insurance Coverage Requirements:

13.3.1 Without limiting Contractor's duty to indemnify, Contractor shall maintain in effect throughout the term of an AGREEMENT a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence, and $2,000,000 in aggregate.
(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

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Auto Liability Coverage: must include all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.
(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance, if Contractor employs others in the performance of an AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.
(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made while rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, Contractor shall, upon the expiration or earlier termination of an AGREEMENT, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of an AGREEMENT.
(Note: Professional liability insurance coverage is required if the contractor is providing a professional service regulated by the state. Examples of service providers regulated by the state are insurance agents, professional architects and engineers, doctors, certified public accountants, lawyers, etc. However, other professional Contractors, such as computer or software designers, technology services, and services providers such as claims administrators, should also have professional liability. If in doubt, consult with your risk or contract manager.

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor.

13.4 Other Insurance Requirements:

13.4.1 All insurance required by an AGREEMENT shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by an AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three (3) years following the date Contractor completes its performance of services under an AGREEMENT.

13.4.2 Each liability policy shall provide that County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Contractor shall require and verify

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that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that County is an additional insured on insurance required from subcontractor.

13.4.3 Additional Insured Status

The County of Monterey, its officers, officials, employees, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage

For any claims related to this contract, the Contractor's insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Waiver of Subrogation

Contractor hereby grants to County a waiver of any right to subrogation which any insurer of said Contractor may acquire against the County by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

13.4.4 Prior to the execution of this Agreement by the County, Contractor shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the Contractor has in effect the insurance required by this Agreement. The Contractor shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. Contractor shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify Contractor and Contractor shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by Contractor to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

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14.0 CONTRACT AWARDS

14.1 No Guaranteed Value: County does not guarantee a minimum or maximum dollar value for any AGREEMENT(S) resulting from this solicitation.

14.2 Board of Supervisors: The award(s) made from this solicitation may be subject to approval by the County Board of Supervisors.

14.3 Interview: County reserves the right to interview selected Contractor before a contract is awarded. The costs of attending any interview are the Contractor's responsibility.

14.4 Incurred Costs: County is not liable for any cost incurred by Contractor in response to this solicitation.

14.5 Notification: All Contractors who have submitted a Proposal Package will be notified of the final decision as soon as it has been determined.

14.6 In County's Best Interest: The award(s) resulting from this solicitation will be made to the Contractor that submit(s) a response that, in the sole opinion of County, best serves the overall interest of County.

15.0 SEQUENTIAL CONTRACT NEGOTIATION

County will pursue contract negotiations with the Contractor that submit(s) the best Proposal or is deemed the most qualified in the sole opinion of County, and which is in accordance with the criteria as described within this solicitation. If the contract negotiations are unsuccessful, in the opinion of either County or Contractor, County may pursue contract negotiations with the entity that submitted a Proposal that County deems to be the next best qualified to provide the services, or County may issue a new solicitation or take any other action which it deems to be in its best interest.

16.0 AGREEMENT TO TERMS AND CONDITIONS

CONTRACTOR selected through the solicitation process will be expected to execute a formal AGREEMENT with County for the provision of the requested service. The AGREEMENT shall be written by County in a standard format approved by County Counsel, similar to the *https://www.countyofmonterey.gov/home/showdocument?id=81980*. Submission of a signed bid/proposal and the **SIGNATURE PAGE** will be interpreted to mean CONTRACTOR HAS AGREED TO ALL THE TERMS AND CONDITIONS set forth in the pages of this solicitation and the standard provisions included in the **SAMPLE AGREEMENT** Section herein. County may but is not required to consider including language from the Contractor's proposed AGREEMENT, and any such submission shall be included in the EXCEPTIONS section of Contractor's proposal.

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17.0 COLLUSION

CONTRACTOR shall not conspire, attempt to conspire, or commit any other act of collusion with any other interested party for the purpose of secretly, or otherwise, establishing an understanding regarding rates or conditions to the solicitation that would bring about any unfair conditions.

18.0 PIGGYBACK CLAUSE

Contractor shall indicate below if Contractor agrees to extend the same prices, terms and conditions of their proposal to other public agencies that have delivery locations within the State of California limits: _____ Yes _____ No. Contractor's response to this question will not be considered in award of the AGREEMENT resulting from this solicitation. When Contractor extends the prices, terms and conditions of their proposal to other public agencies, any resulting agreement shall be between Contractor and the other public agencies and County shall bear no responsibility or liability for any agreements between Contractor and the other public agencies.

SAMPLE AGREEMENT SECTION

The COUNTY OF MONTEREY STANDARD AGREEMENTS with all terms and conditions (which are hereby incorporated by reference as though set forth entirely herein) may be viewed at: https://www.countyofmonterey.gov/home/showdocument?id=81980

-- End of Sample Agreement Section –

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ATTACHMENTS/EXHIBITS AND SIGNATURE PAGE

ATTACHMENT A: PRICING SCHEDULE

AGENCY NAME:	
TOTAL PROJECT BUDGET:	

I. DIRECT COSTS	**First Year Amount**
A. PERSONNEL SALARIES	
SUBTOTAL	**$**
B. FRINGE BENEFITS	
SUBTOTAL	**$**
C. OPERATING DIRECT COSTS	
SUBTOTAL	**$**
D. SUBCONTRACTORS	
SUBTOTAL	**$**
II. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
SUBTOTAL	**$**
GRAND TOTAL FIRST YEAR	**$**

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I. DIRECT COSTS	Second Year Amount
E. PERSONNEL SALARIES	
SUBTOTAL	**$**
F. FRINGE BENEFITS	
SUBTOTAL	**$**
G. OPERATING DIRECT COSTS	
SUBTOTAL	**$**
H. SUBCONTRACTORS	
SUBTOTAL	**$**
II. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
SUBTOTAL	**$**
GRAND TOTAL SECOND YEAR	**$**

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III.DIRECT COSTS	Third Year Amount
I. PERSONNEL SALARIES	
SUBTOTAL	**$**
J. FRINGE BENEFITS	
SUBTOTAL	**$**
K. OPERATING DIRECT COSTS	
SUBTOTAL	**$**
L. SUBCONTRACTORS	
SUBTOTAL	**$**
IV. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
SUBTOTAL	**$**
GRAND TOTAL THIRD YEAR	**$**

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V. DIRECT COSTS	Fourth Year Amount
M. PERSONNEL SALARIES	
SUBTOTAL	**$**
N. FRINGE BENEFITS	
SUBTOTAL	**$**
O. OPERATING DIRECT COSTS	
SUBTOTAL	**$**
P. SUBCONTRACTORS	
SUBTOTAL	**$**
VI. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
SUBTOTAL	**$**
GRAND TOTAL FOURTH YEAR	**$**

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VII. DIRECT COSTS	Fifth Year Amount
Q. PERSONNEL SALARIES	
SUBTOTAL	**$**
R. FRINGE BENEFITS	
SUBTOTAL	**$**
S. OPERATING DIRECT COSTS	
SUBTOTAL	**$**
T. SUBCONTRACTORS	
SUBTOTAL	**$**
VIII. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
SUBTOTAL	**$**
GRAND TOTAL FIFTH YEAR	**$**

SUMMARY:

A. GRAND TOTAL FIRST YEAR: $
B. GRAND TOTAL SECOND YEAR: $
C. GRAND TOTAL THIRD YEAR: $
D. GRAND TOTAL FOURTH YEAR: $
E. GRAND TOTAL FIFTH YEAR: $

TOTAL FIVE-YEAR COST (A+B+C+D+E): $

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-- End of Attachment A –

ATTACHMENT B: LOCAL BUSINESS DECLARATION FORM

COUNTY OF MONTEREY LOCAL BUSINESS DECLARATION FORM

If a business entity is claiming to be a "Local Vendor" as defined by the "Monterey County Local Preference Policy," adopted by the Monterey County Board of Supervisors on August 29, 2012, it must certify it meets the definition of "Local Vendor" as defined and in accordance with the adopted policy. Any business entity claiming to be a local business as defined by the policy, shall so certify, in writing herein, that it meets all of the criteria listed within the policy, which can be accessed online at the following link: ***https://www.countyofmonterey.gov/home/showdocument?id=22313***.

"Local Vendor" is defined as follows:

1. Vendor either owns, leases, rents or otherwise occupies a fixed office or other commercial building, or portion thereof, having a street address within the Area. Vendor possesses a valid and verifiable business license, if required, issued by a city within the Area or by one of the three counties within the Area when the address is located in an unincorporated area within one of the three counties as defined as "Area"; **and**
2. Vendor employs at least one full time employee within the "Area", or if the business has no employees, the business shall be at least fifty percent (50%) owned by one or more persons whose primary residence(s) is located within the "Area"; **and**
3. Vendor's business must have been in existence, in Vendor's name, within the "Area" for at least two (2) years immediately prior to the issuance of either a request for competitive bids or request for qualifications for the County; **and**
4. Newly established businesses which are owned by an individual(s) formerly employed by a Local Vendor for at least two (2) years also qualifies for the preference; **and**
5. If applicable vendor must possess a valid resale license from the State Franchise Tax Board showing vendor's local address within the "Area" and evidencing that payment of the local share of the sales tax goes to either a city within the "Area" or to one of the three counties within the defined "Area".

County shall not be responsible or required to verify the accuracy or any such certifications and shall have sole discretion to determine if a bidder meets the definition of "local vendor" as provided herein.

Any business which falsely claims a preference pursuant to Monterey County Local Preference Policy shall be ineligible to bid on County purchases or contracts for a period of three (3) years from the date of discovery of the false certification(s).

Any business eligible for the local preference who desires to have the preference applied during the award selection process shall return this completed Local Business Preference Declaration form with its proposal or qualifications package response. Upon request, bidder agrees to provide additional information to substantiate this certification.

As per the policy: **"Area"** shall mean Monterey County, San Benito County, and Santa Cruz County.

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Note: If applicable your organization must possess a valid resale license from the California Department of Tax and Fee Administration showing its local address within the "Area" and evidencing that payment of the local share of the sales tax goes to either a city within the "Area" or to one (1) of the three (3) counties within the defined "Area."

On behalf of my business entity (i.e., organization) I certify under penalty of perjury that I have both read and confirm that my business entity meets the requirements as outlined within the County's Local Preference Policy for the procurement in question.

Business Legal Name (and dba name if any):

Business Address: _____

City: _____ ***State:*** _____ ***Zip Code:*** _____

Signature of Authorized Representative: _____ ***Date:*** _____

Title of Authorized Representative: _____

Telephone Number: (____) _____ ***E-Mail:*** _____

This form must be submitted within a bidder's proposal package in order for the County to apply the applicable local preference.

Bidders who do <u>not</u> qualify as a local business as per the policy should <u>not</u> submit this form.

-- End of Attachment B –

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SIGNATURE PAGE

COUNTY OF MONTEREY
CONTRACTS/PURCHASING DIVISION

RFP # **10947**
ISSUE DATE: March 13, 2025

RFP TITLE: REENTRY SERVICES FOR THE COUNTY OF MONTEREY SHERRIF'S OFFICE

ELECTRONIC PROPOSALS ARE DUE AT THE FOLLOWING LINK BY 3:00 P.M., LOCAL TIME, ON April 24, 2025:
https://www.countyofmonterey.gov/government/departments-a-h/administrative-office/contracts-purchasing/solicitation-center

MAILING ADDRESS:
COUNTY OF MONTEREY
CONTRACTS/PURCHASING OFFICE
SUSANA MACIAS
1488 SCHILLING PLACE
SALINAS, CA 93901

QUESTIONS ABOUT THIS RFP SHOULD BE DIRECTED TO
SUSANA MACIAS, MACIASSE@COUNTYOFMONTEREY.GOV, (831) 755-4921

CONTRACTOR MUST INCLUDE THE FOLLOWING IN EACH PROPOSAL (Electronic submissions):

☐ ALL REQUIRED CONTENT AS DEFINED PER SECTION 8.1 HEREIN

This Signature Page must be included with your submittal to validate your proposal.
Proposals submitted without this page will be deemed non-responsive.

☐ **CHECK HERE IF YOU HAVE ANY EXCEPTIONS TO THIS SOLICITATION.**

CONTRACTOR MUST COMPLETE THE FOLLOWING TO VALIDATE PROPOSAL
I hereby agree to furnish the articles and/or services stipulated in my proposal at the price quoted, subject to the instructions and conditions in the Request for Proposal package. I further attest that I am an official officer representing my firm and authorized with signatory authority to present this proposal package.

Company Name: _____ Date _____

Signature: _____ Printed Name: _____

Street Address: _____

City: _____ State: _____ Zip: _____

Phone: ( ) _____ Fax: ( ) _____ Email: _____

License No. (If applicable): _____

License Classification (If applicable): _____

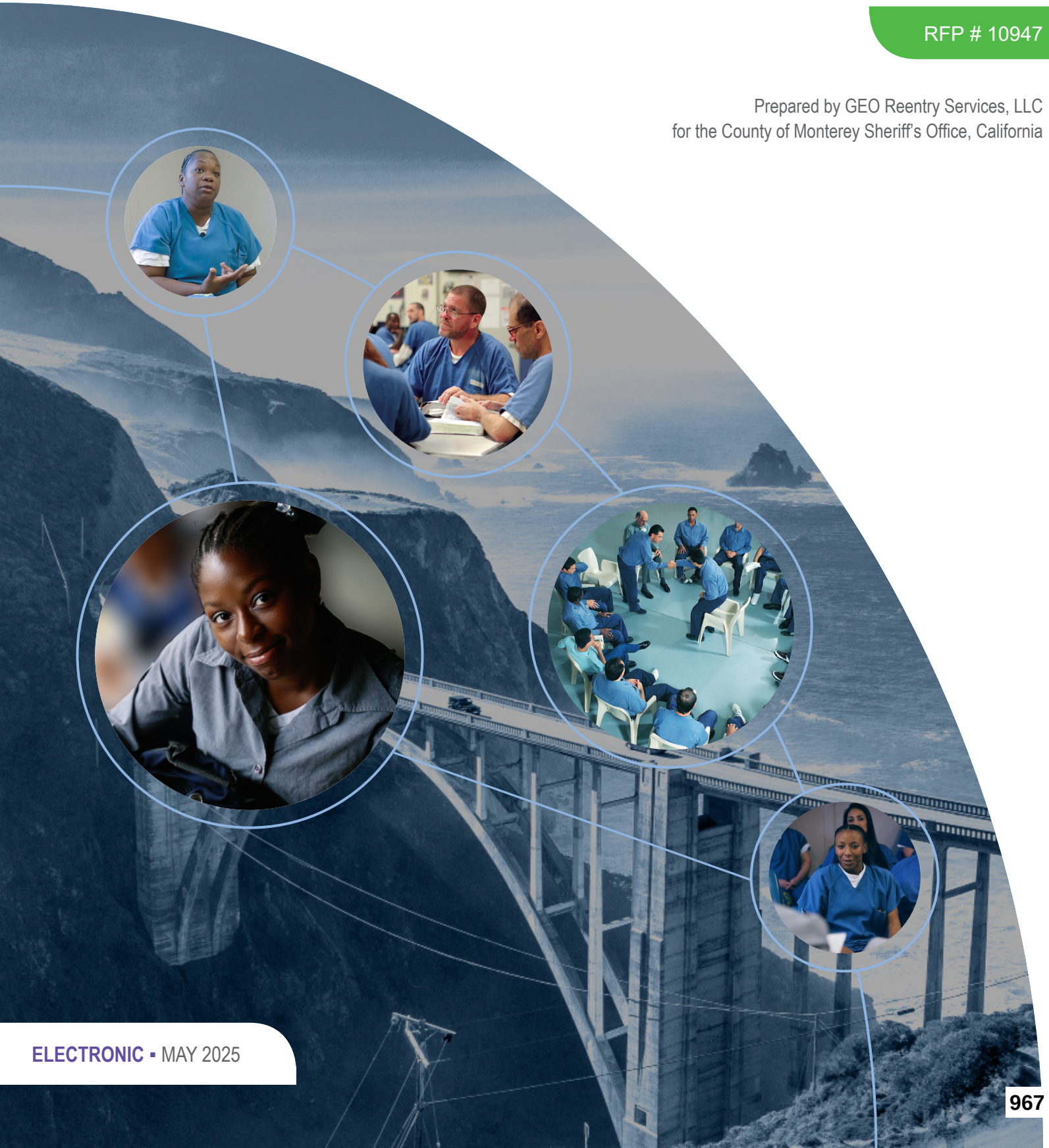
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GEO Reentry Services®

Evidence-Based Practices Reentry Services Program

RFP # 10947

Prepared by GEO Reentry Services, LLC
for the County of Monterey Sheriff's Office, California



ELECTRONIC ▪ MAY 2025

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Section 1—Requirements

Cover Letter—Two Page Limit

GEO Reentry Services, LLC
4955 Technology Way
Boca Raton, FL 33431
Tel: 561.893.0101
866.301.4436
Fax: 561.999.7731
www.georeentry.com

May 1, 2025

Susana Macias
Deputy Purchasing Agent
1488 Schilling Place
Salinas, California 93901

Re: County of Monterey Sheriff's Office Request For Proposals (RFP) # 10947 for Evidence-Based Practices Reentry Services Program
Proposals Due: May 1, 2025 by 3:00 p.m. Pacific Time

Dear Ms. Macias,

GEO Reentry Services, LLC (GEO Reentry) is pleased to present a formal response to the Monterey County Sheriff's Office (the County) Request For Proposals (RFP) for Evidence-Based Practices Reentry Services. We are excited to continue collaboration with the Sheriff's Office at the Monterey County Jail—where we have operated the Reentry Services program since 2017. Our program model is specifically designed to address the diverse needs of incarcerated individuals. Additionally, as the incumbent service provider, we are experienced in—and re-assert our commitment to—assisting the County, as applicable, with solutions to address *Hernandez* litigation stipulations and Americans with Disabilities Act (ADA) guidelines.

In addition to the Reentry Services program at the Jail, we currently operate the Monterey County Adult Day Reporting Center (DRC). Through both of these programs, our local staff work directly with participants to establish new ways of thinking, pro-social behaviors, and skills for community reintegration. We have seen first-hand the positive effects of helping at-risk individuals reenter society and develop a pathway out of the justice system.

Across Monterey County, we maintain strong connections with the community and other local providers that offer valuable resources for program participants. We understand that the Monterey programs require a multidisciplinary approach, and we are experienced in collaborating with the Sheriff's Office, Probation, Behavioral Health, the Office of Education, and other community partners.

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In accordance with **RFP Page 16 of 36, Section 1**, this *Cover Letter* contains the following information:

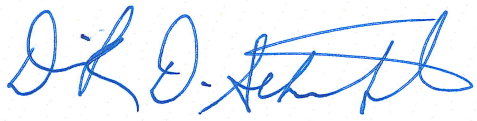
- ***Contact Information.*** Our primary contact person during the solicitation process—including through to potential contract award—is:

  Derrick D. Schofield, Ph.D., Vice President, Reentry Services
  4955 Technology Way, Boca Raton, Florida 33431
  Telephone: (561) 999-8151
  Fax: (561) 443-1893

- ***Firm Information.*** GEO Reentry Services, LLC is a wholly-owned subsidiary of The GEO Group, Inc. (GEO). Collectively, our organization has operated in the criminal justice industry for more than 40 years.

We appreciate this opportunity to expand our valued partnership with Monterey County through our continued operation of the Jail's Reentry Services program, in accordance with RFP requirements. If any clarification or additional information is needed, please do not hesitate to contact me.

Sincerely,



Derrick D. Schofield, Ph.D., Vice President, Reentry Services
Tel: 561.999.8151 | Fax: 561.443.1893 | dschofield@geocareinc.com

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Signed Signature Page

Please see the immediately following page for our signed *Signature Page*.

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SIGNATURE PAGE

COUNTY OF MONTEREY
CONTRACTS/PURCHASING DIVISION

RFP # **10947**
ISSUE DATE: March 13, 2025

RFP TITLE: REENTRY SERVICES FOR THE COUNTY OF MONTEREY SHERRIF'S OFFICE

ELECTRONIC PROPOSALS ARE DUE AT THE FOLLOWING LINK BY 3:00 P.M., LOCAL TIME, ON April 24, 2025:
https://www.countyofmonterey.gov/government/departments-a-h/administrative-office/contracts-purchasing/solicitation-center

MAILING ADDRESS:
COUNTY OF MONTEREY
CONTRACTS/PURCHASING OFFICE
SUSANA MACIAS
1488 SCHILLING PLACE
SALINAS, CA 93901

QUESTIONS ABOUT THIS RFP SHOULD BE DIRECTED TO
SUSANA MACIAS, MACIASSE@COUNTYOFMONTEREY.GOV, (831) 755-4921

CONTRACTOR MUST INCLUDE THE FOLLOWING IN EACH PROPOSAL (Electronic submissions):

[X] ALL REQUIRED CONTENT AS DEFINED PER SECTION 8.1 HEREIN

This Signature Page must be included with your submittal to validate your proposal.
Proposals submitted without this page will be deemed non-responsive.

[X] **CHECK HERE IF YOU HAVE ANY EXCEPTIONS TO THIS SOLICITATION.**

CONTRACTOR MUST COMPLETE THE FOLLOWING TO VALIDATE PROPOSAL
I hereby agree to furnish the articles and/or services stipulated in my proposal at the price quoted, subject to the instructions and conditions in the Request for Proposal package. I further attest that I am an official officer representing my firm and authorized with signatory authority to present this proposal package.

Company Name: _GEO Reentry Services, LLC_____ Date _April 24, 2025_____

Signature: _____ Printed Name: Derrick D. Schofield. Ph.D.. Vice President. Reentry Services

Street Address: _4955 Technology Way_____

City: _Boca Raton_____ State: _Florida____ Zip: _33431_____

Phone: (561) _999-8151_____ Fax: (561) _443-1893_____ Email: _dschofield@geocareinc.com____

License No. (If applicable): ___N/A_____

License Classification (If applicable): ___N/A_____

Docusign Envelope ID: C4D3A33F-EB19-4229-9709-6A32285AF441

Signed Addenda

Please see the immediately following pages for our *Signed Addenda*.

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COUNTY OF MONTEREY

County Administrative Office
Contracts & Purchasing Division

DATE: April 16, 2025

PROJECT: RFP #10947 – Evidence-Based Practices Re-entry Services Program for Monterey County Sheriff's Office.

ADDENDUM #1

TO: All Interested Proposers

SUBJECT: Changes to Section 3.0 – Calendar of Events, Section 6.0 – Contract Term, and Responses to Questions Submitted Prior to the Written Question Deadline.

A signed copy of this addendum must be submitted along with your original bid proposal package to verify receipt of this Addendum #1.

Susana Macias
Deputy Purchasing Agent
County of Monterey - County Administrative Office
1488 Schilling Place, Salinas CA 93901
Phone: (831) 755-4921
MaciasSE@countyofmonterey.gov

Derrick D. Schofield, Ph.D., Vice President, Reentry Services
Company Representative

April 24, 2025
Date

Docusign Envelope ID: C4D3A33F-EB19-4229-9709-6A32285AF441

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Section 2—Proposed Scope of Work

Contractor shall include their PROPOSED SCOPE OF WORK as outlined in Section 5.0 SCOPE OF WORK, herein.

GEO Reentry Services, LLC (GEO Reentry) is pleased to present this proposal for our continued partnership with the Monterey County Sheriff's Office. *Since 2017, GEO Reentry staff have delivered an array of contracted services and evidence-based interventions at the Monterey County Jail.* Accordingly, our proposed service model is based on first-hand experience. We provide the Sheriff's Office with robust programming capacity and the flexibility to adjust specific interventions to the needs and in-custody housing locations of referred populations.

Research-Based Fundamentals

Our program services target individual criminogenic risk and needs and deliver corresponding behavior change programming in alignment with evidence-based practices distilled from validated research. This includes the following interventions and strategies that research has found to be effective when working with justice involved populations.

- **Structure**—Programs should be highly structured, with consistent accountability and service delivery.
- **Cognitive Behavioral Interventions**—Specific skill building exercises with a cognitive basis are the most effective interventions.
- **Address Multiple Factors**—Comprehensive programs that target multiple criminogenic needs are the most effective.
- **Engage Ongoing Support**—Programs should emphasize connecting participants to community resources.
- **Measure Processes and Practices**—Quality assurance processes are critical to ensuring program fidelity to foundational principles, as well as data collection and outcome reports to determine program effectiveness.

Program Model

GEO Reentry currently operates a flexible program that accommodates the scheduling availability and identified needs of participants assigned to specific housing blocks, pods, and dorms within the Monterey County Jail. In addition to our delivery of programming curricula, we work closely with assigned participants to promote engagement and equal access to program materials; ensure documentation of earned milestone credits; and address transitional reentry needs.

Our program model consists of four main components, as detailed in the *Figure* below.

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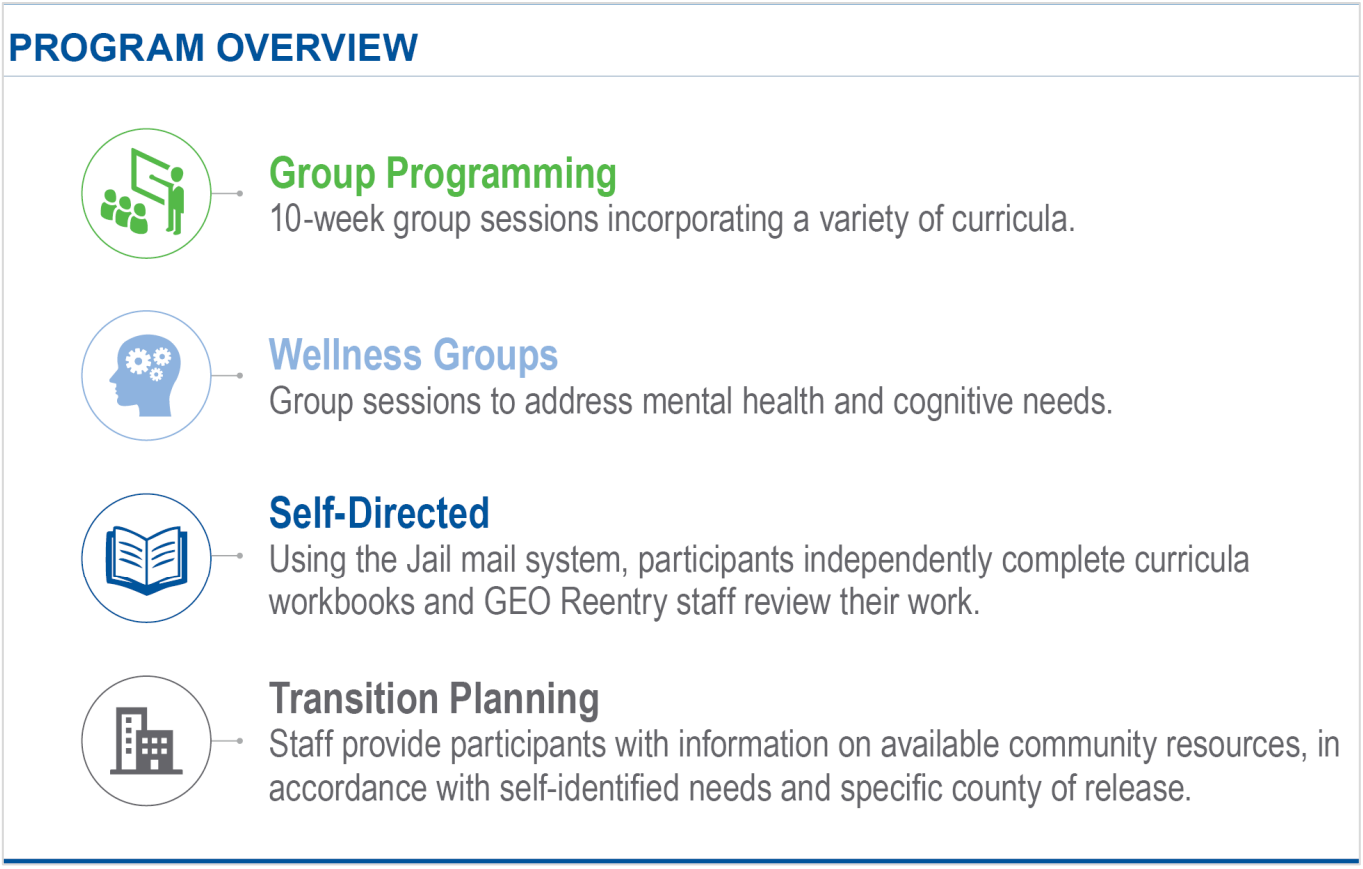


Figure 1. Overview of GEO Reentry Program Model

On a quarterly basis, GEO Reentry will coordinate with Sheriff personnel to determine the specific curricula materials that will be authorized for use over the next quarter; the housing areas of the Jail that will receive in-person programming; and the programming schedule. Both the County and GEO Reentry will sign-off stating that the programming agreed upon for the quarter is in compliance with the requirements of the *Hernandez* litigation.

Under an award from the RFP, we will continue to collaborate with the Sheriff's Office to evolve the program in a responsive, practical, and engaging manner. This can include:

- Implementation and facilitation of new curricula—to account for specific groups and topics that participants may have already completed, as well as to offer the most responsive programming for evolving participant needs.
- Continued efforts to increase programming access for all participants, using an array of alternative interventions and assistive technologies. This can include audio materials; curricula in electronic formats; participant devices with screen reading and speech-to-text technology; and one-on-one sessions. We propose to leverage the County's existing services and to directly provide certain technologies—as further detailed by *RFP Scope of Work*, starting on page 16.

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10-Week Group Programming

GEO Reentry staff facilitate 10-week in-person groups, using evidence-based curricula to address an array of criminogenic risks and needs. These evidence-based interventions include, but are not limited to, the following:

- Addiction Behaviors
- Relationships & Communication
- Family
- Responsible Behavior
- Handling Difficult Feelings
- Victim Awareness
- Individual Change Plan
- What Got Me Here?

Participants earn a milestone credit for each 10-week group they complete, which allows days to be taken off the individual's jail sentence. Our staff assist with the milestone credit process by maintaining weekly attendance rosters for the groups and then submitting final documentation to Sheriff personnel.

On a quarterly basis, we coordinate with Sheriff personnel to determine which housing areas of the Jail will be served by the next 10-week cohort(s), as well as the specific curricula materials that will be utilized.



Figure 2. GEO Reentry Conducts In-Person Groups at the Jail
Photo Source: KSBW Action News 8

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Wellness Groups

Wellness Group sessions were specifically designed with the County to adapt our group programming model for individuals with mental health and cognitive needs. These participants have specialized needs that generally preclude them from engaging in the formal, more structured 10-week group component. During each group session, the GEO Reentry facilitator focuses on a single topic and tailors content to the specific abilities and needs of participants. Wellness Groups address topics such as:

- Anger
- Love
- Healthy Relationships
- Communication Skills
- Active Listening
- Feelings
- Coping Skills
- Substance Abuse
- Boundaries
- "I" Statements

Wellness Group participants can earn a milestone credit by completing 10 group sessions.

Self-Directed

In this program component, participants independently complete curricula workbooks. Participants have successfully finished a variety of workbooks, including the following:

- Anger
- Coping Skills
- Family & Relationships
- Recovery Maintenance
- Life Management
- Substance Use
- Denial
- Social Values
- Victim Awareness
- Finances
- Feelings
- Spanish language workbooks

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Through use of the Jail mail system, participants send their work to GEO Reentry for review and confirmation of completion. Additionally, our staff further engage with participants by providing specific feedback and asking follow-up questions.

Proposed Curricula

Under a new contract award, GEO Reentry intends to use the following curricula within the Jail program:

The Change Companies

For more than 30 years, The Change Companies (TCC) has delivered behavior change tools for addiction treatment and justice services. TCC's Interactive Journaling® concept incorporates the latest research and evidence-based practices. This includes expressive writing, motivational interviewing, cognitive behavioral therapy, and the transtheoretical model of behavior change.

Interactive Journaling is a goal-directed, participant-centered model designed to motivate individuals toward positive change. In each curriculum, participants learn about specific topics and are guided in applying the information to their own life experiences. Workbooks include non-confrontational questions to assist participants in thinking, and then writing, about their behaviors. Participants explore options and develop a plan with behavior-based goals and a timeline for achieving their goals.

R1 Learning System

The R1 Learning System incorporates evidence-based and best practices such as Motivational Interviewing and Cognitive Behavioral Therapy. The curriculum draws from researched content, theories, and models of behavioral health. Sources include the World Health Organization (WHO); Maslow's Hierarchy of Needs; the SAMHSA National Center for Trauma-Informed Care (NCTIC); the Diagnostic and Statistical Manual of Mental Disorders; the Holland Model (RIASEC Codes); and the work of leading experts in psychology, mental health, wellness, addiction, and recovery.

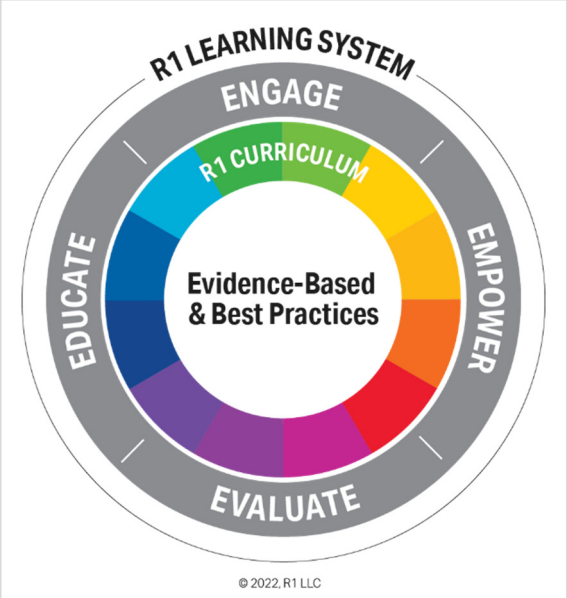


Figure 3. R1 Curriculum is Curated from Leading Research, Experts, and Behavioral Health Models

The curriculum is designed with flexibility. This allows service providers to adapt programming in accordance with staff qualifications and experience, as well as the specific needs, diverse backgrounds, and learning styles of participant populations.

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R1 Discovery Cards incorporate a simple, practical, and impactful approach to programming—with an interactive design that increases participant engagement. Available curriculum includes: Life Skills; Healthy Boundaries; Consequences of High-Risk Behavior; Substance Use; Career Interests; Emotions & Feelings; Emotional Triggers; Phases of Addiction; and Stages of Change.

Each curriculum uses a specific Discovery Card deck. The cards are behavior-based and color-categorized to identify key areas of the curriculum. This hands-on, concrete approach enables participants to learn new concepts and apply the material to real-life situations. By helping participants internalize learned information, the curriculum motivates individuals to change and reach their full potential.

Thinking for a Change (T4C)

As a cognitive behavioral intervention, T4C is designed to help participants change their behavior by changing their thinking. Developed by the National Institute of Corrections (NIC), T4C confronts problematic thought patterns and emphasizes the development of interpersonal communication development. The curriculum consists of three components:

- ***Cognitive Self-Change*** provides a process for self-reflection. Lessons focus on uncovering anti-social thoughts, feelings, attitudes, and beliefs.
- ***Social Skills*** help participants engage in pro-social interactions. Lessons help participants build self-understanding and an awareness of the impact that actions have on others.
- ***Problem Solving Skills*** integrates concepts from the two T4C components above, assisting participants with a step-by-step process for addressing challenges and stressful situations.

Therapist Aid

Therapist Aid provides expertly designed, research-based tools for service professionals to deliver and support mental health interventions. The issues and treatment needs addressed by Therapist Aid materials include the following:

- Anger
- Grief
- Anxiety
- Relationships
- Communication
- Self-Esteem
- Depression
- Stress

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- Emotions
- Substance Use
- Goal Setting
- Parenting and Behavior
- Positive Psychology
- Relaxation
- Values

To assist participants in exploring the various topics, Therapist Aid provides worksheets, art tools, guided audio activities, videos, educational stories, and digital activities.

Transition Planning

It is critical that individuals return to the community with knowledge of available resources for needs such as housing, food, transportation, social services, employment, education, medical services, and mental health. Our program is designed to emphasize continuity of care by helping participants establish themselves and reintegrate in the community. Our current staffing includes a Transitional Case Manager who works with participants to create Transition Packets specific to the county where the individual will release to.

Resource Fairs. The Sheriff's Office typically hosts two onsite Resource Fairs each year. Both Sheriff personnel and GEO Reentry staff connect with community-based organizations to bring providers into the jail. During the Resource Fairs, there is often a guest speaker, and participants can collect information from the various provider booths. GEO Reentry also has a booth to share about our program operations.



Figure 4. Sheriff Personnel and GEO Reentry Coordinate to Share Information with Participants During Resource Fairs

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Equal Access to Program Materials

Having operated the Jail program since 2017, GEO Reentry understands that compliance with Americans with Disabilities Act (ADA) accessibility standards is a top priority for the Sheriff's Office. Within the program, we coordinate with Jail personnel to help ensure that ADA barriers are addressed. This includes the following:

- GEO Reentry staff provide program participants with an ADA Form that asks the individual to identify special needs that require assistance.
- The Jail provides our staff with an inventory of vision magnifiers, which we distribute to participants as needed. For participants in need of eyeglasses, we coordinate with the facility to help ensure this need is fulfilled.
- The Jail provides our staff with access to onsite hearing amplifiers. Upon participant request, we check out amplifiers for use within the program.
- GEO Reentry staff notify Jail personnel if we feel that a participant should be assessed for learning disabilities.
- GEO Reentry staff are trained to be responsive and to adjust their delivery of program services in accordance with individual abilities—for example, simplifying and repeating information; providing extra time to process information; and giving participants more one-on-one attention as needed.

We create a weekly report for the Sheriff's Office that details ADA-related data such as: the number of magnifiers on hand for the program; how many ADA Forms were provided to participants; which participants in the Self-Directed component are actively using ADA materials; and which participants in the Group Programming component received a magnifier and/or used the amplifier, including the date of distribution.

For further information on our proposed responses to the ADA needs of program participants, please see *RFP Scope of Work*—starting on the immediately following page.

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RFP Scope of Work

In accordance with **RFP Section 5.0 Scope of Work**, GEO Reentry has provided the following *Table* to respond to each required item.

Table 1. GEO Reentry Responses to RFP Section 5.0 Scope of Work

Requirement	GEO Reentry Response
RFP Section 5.1	GEO Reentry will perform, with our own organization, contract work amounting to at least 95% of the original total contract price. Our proposal does not include use of any Subcontractors.
RFP Section 5.1.2	GEO Reentry will develop an internal questionnaire to identify the needs, barriers, and strengths of program participants—and to align program content with criminogenic risk and needs. Additionally, we propose to continue use of the Criminal Thinking Scales (CTS) instrument from Texas Christian University. The CTS measures criminal thinking domains such as antisocial cognitions and antisocial attitudes. We will continue to use the County-provided "Programs Unit ADA Assessment and Referral Form" to assist the Jail in identifying disabilities and related needs. We will collaborate with management personnel at the Jail to appropriately respond to the needs identified by this assessment form. We will continue to use our Transitions Form to identify participant reentry needs—including housing, stability, family reunification, substance use treatment, employment, and disability-related accommodations.
RFP Section 5.1.3	GEO Reentry will help participants develop a personalized plan of action for successful community reintegration. The plan will include: strategies to address criminogenic needs; required accommodations for disability-related needs; and long-term goals for building support networks, pro-social behaviors, and life skills.
RFP Section 5.1.4	We will continue to collaborate with the Sheriff's Office to assist program participants with referrals and access to community-based services. This includes coordination with AB109-funded services; Justice Partners; County services; and external non-profit organizations. We will assist in referring participants with disabilities to resources that directly address ADA-specific needs.
RFP Section 5.1.5	GEO Reentry will continue to utilize evidence-based practices and a cognitive behavioral approach to assist participants in building resilience and coping skills. For participants with disabilities, we will adapt program services as needed to support accessibility. Our Cost Proposal includes the following:

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Table 1. GEO Reentry Responses to RFP Section 5.0 Scope of Work	
	• One (1) printer with software for braille translation • Five (5) Chromebooks with zoom, screen reader, and speech-to-text capability • Up to 120 licenses for The Change Companies curricula in electronic format We will work closely with the County to leverage any resources that the Jail may have onsite, in order to reduce duplicative costs. To meet the needs of deaf participants, we propose use of the Jail's existing sign language interpreter services. Our service delivery is designed to be accessible to all participants. We deliver programming that helps individuals develop critical thinking, emotional regulation, conflict resolution, and decision making skills. Our Wellness Groups provide individuals with disabilities and mental health conditions with an opportunity to participate in programming that is delivered in a more accommodating manner—as well as the ability to earn milestone credits.
RFP Section 5.1.6	Our program services are designed to target each participant's identified criminogenic needs and to address the root causes of criminal behavior. This includes programming for anger management, trauma recovery, substance use, parenting, and life skills. For participants with disabilities, our service delivery will be modified as needed—as described in our above *Response to RFP Section 5.1.5*—to provide additional support and/or alternative communication methods.
RFP Section 5.1.7	GEO Reentry will continue to collaborate effectively with County offices, services, staff; participants and their families; visitors; other contractors; and guests of the County to enhance cooperation and promote inclusivity. Our staff receive training on ADA compliance, trauma-informed care, and culturally competent practices. We understand the importance of treating others in a respectful, inclusive, fair, and dignified manner.
RFP Section 5.1.8	GEO Reentry will conduct quarterly audits and program evaluations, as well as measure participant outcomes and our fidelity to best practices. Our internal evaluation process includes soliciting feedback from program participants to better understand their experiences and to identify potential barriers. We share our audit and evaluation results with the County. While we will keep track of the specific ADA accommodations that our staff provide to program participants, it will be the County's responsibility to audit GEO Reentry and the overall contracted program for ADA compliance and the effectiveness of the accommodations that are provided.

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Table 1. GEO Reentry Responses to RFP Section 5.0 Scope of Work	
RFP Section 5.1.9	GEO Reentry will coordinate with internal and external entities to provide program participants with case management and continuity of care. We maintain comprehensive case files and document disability-related needs and accommodations provided through the program. We will work with participants to create Transition Plans that address post-program needs. If an individual needs further support after the program—for example, assistance with maintaining progress—they can follow-up with our staff at the Jail via telephone. As described in our above *Response to RFP Section 5.1.5*, we will provide participants with disabilities with specialized support and accommodations.
RFP Section 5.1.10	GEO Reentry will refer program participants to the vocational education programs and certified courses that currently operate within the jail. It is the responsibility of the County and/or the contracted training providers to ensure that their programs are fully accessible to participants with disabilities, in accordance with ADA requirements. As needed, we will coordinate with the County to identify additional vocational education and training providers to enhance and expand the current offerings at the jail. Within our group programming, GEO Reentry staff can deliver job readiness training, resume building, and interview coaching. As described in our above *Response to RFP Section 5.1.5*, we will provide participants with disabilities with specialized support and accommodations.
RFP Section 5.1.11	We will continue to facilitate Wellness Groups in order to provide slower-paced, ad-hoc programming specifically for participants with mental health conditions and cognitive disabilities who are still capable of engaging in a group environment. As described in our above *Response to RFP Section 5.1.5*, we will provide participants with accessibility disabilities with specialized support and accommodations. It is the County's responsibility to provide GEO Reentry with onsite program settings that are physically accessible to participants with ADA needs.
RFP Section 5.1.12	GEO Reentry will develop a Mentorship Program that pairs program participants with approved mentors. We propose that participants who are transitioning out of the program will mentor newly enrolled participants and those in the midst of the program. As needed, we will seek to develop partnerships with community-based organizations that can provide mentoring services onsite at the jail. This can include finding mentors who are trained to support individuals with disabilities.

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Table 1. GEO Reentry Responses to RFP Section 5.0 Scope of Work	
RFP Section 5.1.13	Our proposed programming includes victim awareness. As described in our above *Response to RFP Section 5.1.5*, we will provide participants with disabilities with specialized support and accommodations.
RFP Section 5.1.14	When requested, our Transition Counselor will assist program participants with family reunification. This will include: outreach to participant family members to encourage jail visitations; inquiring about any specific reintegration needs; and researching and providing referrals to needed resources in the community. As described in our above *Response to RFP Section 5.1.5*, we will provide participants with disabilities with specialized support and accommodations.
RFP Section 5.1.15	Our proposed programming helps participants develop a variety of life skills. This can include budgeting; time management; health and wellness; conflict resolution; and stress management. We will meet with Sheriff personnel on a quarterly basis to agree upon the programming content and delivery schedule across the Jail. As described in our above *Response to RFP Section 5.1.5*, we will provide participants with disabilities with specialized support and accommodations.
RFP Section 5.1.16	GEO Reentry will continue to collaborate with the Sheriff's Office on Resource Fairs and other onsite events that foster positive relationships between participants and the local community. This can include connecting participants with volunteer work; community-based projects; and other activities that promote positive engagement and reduced social isolation. It will be the responsibility of the providers that operate the community activities to ensure that their opportunities are accessible and inclusive for individuals with disabilities.
RFP Section 5.1.17	While we will keep track of, and report on, the specific ADA accommodations that our staff provide to program participants—it will be the County's responsibility to audit GEO Reentry and the overall contracted program for ADA compliance and the accessibility of the services, accommodations, and activities that are provided.
RFP Section 5.1.18	As further detailed in our below *Responses to RFP Section 5.1.18.1 – 5.1.18.5*, GEO Reentry will continue to make our program components accessible to individuals with disabilities and to assist the County with ADA compliance requirements—as appropriate for the scope of our contracted program services.
RFP Section 5.1.18.1	It will be the County's responsibility to ensure that all service delivery locations are fully accessible to individuals with disabilities. It will be the County's responsibility to ensure

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Table 1. GEO Reentry Responses to RFP Section 5.0 Scope of Work	
	that all facilities used for the program are ADA-compliant and that any necessary facility modifications are implemented without delay. As described in our above *Response to RFP Section 5.1.5*, we will provide specialized support and accommodations to ensure that program materials and communication are accessible to participants with disabilities.
RFP Section 5.1.18.2	GEO Reentry will provide our staff with regular, detailed training—to include how to properly deliver applicable ADA accommodations and fulfill our contracted requirements, as appropriate for the scope of our program operations.
RFP Section 5.1.18.3	While we will keep track of, and report on, the specific ADA accommodations that our staff provide to program participants—it will be the County's responsibility to regularly audit and monitor for ADA compliance.
RFP Section 5.1.18.4	As described in our above *Response to RFP Section 5.1.5*, GEO Reentry program staff will provide specialized support and accommodations to participants with disabilities. If an individual needs further support after their time in the program, they can contact our staff at the Jail.
RFP Section 5.1.18.5	We will provide the County with annual reports that detail our provision of ADA accommodations and overall program effectiveness. We will continue to solicit participant feedback for our annual reports. We will collaborate with the County to discuss how the program can continuously improve, including accommodation of participants with disabilities.
RFP Section 5.1.19	GEO Reentry will continue to assist the County in compliance with the *Hernandez* litigation—as is appropriate within the scope of our contracted program operations. Our staff will be responsible for conducting program services, as described in this proposal, and for making our services as accessible as possible for all participants. On a regular basis, GEO Reentry will work with the County to review our service delivery and receive assurance that our program services are in compliance with the requirements of the *Hernandez* litigation.

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Section 3—Pre-Qualifications / Licensing

Contractor must acknowledge in writing that it meets all the pre-qualifications and licensing requirements as set forth in Section 7.0 herein.

GEO Reentry meets all of the pre-qualification and licensing requirements set forth by **RFP Page 14 and 15 of 36, Section 7.0 Licensing / Security Requirements**.

However, regarding **RFP Section 7.4 Required Pre-Qualifications or Licenses/Certifications for this Work**—please note that our proposed staff positions are not required to have Alcohol and Other Drug (AOD) Certification; Counseling License or Certification; or Parenting Education Certification. Our proposed staff are non-clinical positions, and this level of licensure/certification is not necessary under the scope of our program operations.

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Section 4—Project Experience & References

Key Staff Persons

Contractor shall identify key staff and their qualifications and experience proposed for the service identified herein.

Since GEO Reentry is the incumbent provider, the Monterey County Jail Program is already served by an experienced and knowledgeable team of local staff. Our program staff are fully supported by local, regional, and corporate GEO Reentry personnel.

Please see below for the specific qualifications and experience of our program staff.



Lyla Bear, Program Manager. Lyla oversees our program operations; trains and coaches staff; and ensures program fidelity to evidence-based practices. A critical aspect of her responsibilities is providing quality assurance through staff coaching and organizing data tracking to evaluate program effectiveness. *Lyla has been with GEO Reentry since 2022* and reports to Karen Graff, Area Manager.

Lyla has worked in the community supervision field for more than 12 years—with eight years in leadership roles. *She is passionate about helping justice impacted populations develop long-term behavior change.* Prior to joining the GEO Reentry team, she served the Texas Department of Criminal Justice, Parole Division as a District Parole Officer, Unit Supervisor, Program Supervisor, and as an Assistant Section Director. Lyla holds a Master's degree and a Bachelor's degree in Criminal Justice. She has achieved several certifications through GEO Reentry, including Motivational Interviewing and curricula facilitation skill sets.



Ofelia Ramirez, Supervising Case Manager. Ofelia works closely with other program staff and Sheriff personnel at the Jail to deliver programming with consistency and balance. *Ofelia is English-Spanish Bilingual in writing, speaking, and translating*. She possesses a valuable blend of hands-on experience and a commitment to program innovation and excellence.

Ofelia has six years of experience serving the justice involved community. This includes reentry work in Santa Cruz County as a Program Director; Program Manager; and as an Employment Specialist. She collaborated with Santa Cruz Probation and other providers to ensure service delivery for participants in need. Ofelia holds a degree in Business.

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***Calvin Dawson, Behavior Change Manager*.** Dawson has been a part of the GEO Reentry team for more than two years. He facilitates group sessions using a comfortable and relaxed approach—giving everyone an equal opportunity to learn. *He is driven to work in a field where he can make a difference within the community.* Dawson is trained in Core Correctional Practices and Motivational Interviewing, and he is certified in CPR and First Aid.



Dyanne Gamiz, Behavior Change Manager. Dyanne facilitates groups and primarily serves the program's mental health population. She uses Motivational Interviewing, her educational background, and empathy to create a welcoming and accommodating environment for all participants. *Her personal philosophy is to help people in any capacity she can.* Dyanne has significant research experience; is CPR certified; and is *fluent in Spanish*.

Dyanne holds a degree in Justice Studies from San Jose State University. During her time there, she was an intern with the Record Clearance Project and developed legal skills to assist the Santa Clara community. She was also an undergraduate research student with the Racial Democracy Crime and Justice Network and presented her research at the 75th Annual American Society of Criminology meeting.



Anjelica Reyes, Transitional Case Manager. Anjelica has been part of our Monterey Jail program for two years. She was quickly promoted from an intern to her current position and achieved Employee of the Month recognition. Anjelica facilitates groups and provides participants with resources, guidance, and support for life in the community. With an ability to adapt her communication style as needed, Anjelica effectively communicates with program participants, Sheriff personnel, and her fellow staff members.

Anjelica is dedicated to helping incarcerated persons prepare for community reintegration. She is certified in Core Correctional Practices; Motivational Interviewing; CPR/AED/First Aid; and Interactive Journaling.

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Figure 5. GEO Reentry Staff Attended the Groundbreaking Ceremony for the Monterey County Sheriff's Reentry Resource Center



Figure 6. Staff from the Jail Program Attended Open House at the GEO Reentry-Operated Monterey County DRC to Share About the Program with the Public

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Experience & References

Contractor shall describe at least 3 similar projects for which it provided services like the scope of work described herein. Please include phone number and email address if possible as the County will conduct reference checks using this information.

Our experience working with similar projects includes the following *References*:

Napa County, California

In 2009, we partnered with Napa County to implement the Community Corrections Service Center (CCSC). Available programming includes education and employment services; domestic violence classes; anger management; family and parenting groups; substance use programming; and Spanish language services. We create a seamless transition between incarceration and community reintegration by also delivering programming at the Napa County Jail. Our in-custody services include meeting one-on-one with participants to provide cognitive behavioral interventions and individual case management.

Agency Contact: Amanda Gibbs, Chief Probation Office
Phone Number: (707) 253-4431
Email Address: amanda.gibbs@countyofnapa.org

Merced County, California

In 2008, we partnered with Merced County Probation to open a community-based Day Reporting Center (DRC). In 2014, we expanded services and implemented the Jail Reentry Program (JRP) in partnership with Probation and the Merced Sheriff's Office.

The JRP serves adults at the John Latorraca Correctional Complex. The program offers six to 10 hours of classes on a weekly basis. This includes cognitive behavioral treatment; substance use programming; trauma; anger management; and parenting groups. Our Transitional Case Manager works with participants to create a Transitional Action Plan 30-60 days before the individual's release to the community.

In 2022, we contracted with Merced County Probation for our provision of program services for youthful male and female participants at the Iris Garrett Juvenile Justice Correctional Complex. The program operates seven days a week and offers evening programming. We provide an array of services including T4C; substance use programming; life skills; anger management; family engagement and reunification; restorative justice; and select Title 15 programs for juvenile recreation and exercise.

Agency Contact: Christopher Henn, Chief Probation Officer
Phone Number: (209) 385-7494
Email Address: Christopher.henn@countyofmerced.com

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Sonoma County, California

In 2024, we contracted with the Sonoma County Sheriff's Office for delivery of in-custody Substance Use Disorder Treatment (SUDT) to male and female participants at the Main Adult Detention Facility. Program services include administration of the ASAM assessment; social skills; life skills; and Individual Cognitive Behavioral Interventions (ICBI). Participants also work with a Reentry Planner to identify local community-based resources that will meet their basic needs upon release.

Agency Contact: Jennifer Aicega, Program Sergeant
Phone Number: (707) 565-1632
Email Address: jennifer.aicega@sonoma-county.org

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Violations

Contractor shall submit copies of all notices of violations, corrective action notices, enforcement actions or orders, warning notices, writings, or other forms of permit violation/non-compliance of documentation (such as OSHA) received by Contractor, or any business organization owned or operated by the Contractor which are its parent company and/or subsidiaries, from any public agency from 2005 up to and including the present day.

GEO Reentry Services, LLC is a wholly-owned subsidiary of The GEO Group, Inc.—which is the parent company to dozens of subsidiaries that operate nationwide and internationally. As currently written, the above RFP request is extremely broad. It encompasses a significant period of time (2005 to present); any and every public agency (OSHA, EEOC, DOL, EPA, state agencies, etc.); and a wide range of violation types (copies of violation notices, corrective action notices, enforcement actions or orders, warning notices, writings, or other forms of permit violation/non-compliance documentation.) This section also requires disclosure of unsubstantiated allegations (rather than actual findings) mirroring the federal "blacklisting" rule that was ultimately blocked by previous court decisions.

GEO Reentry welcomes the opportunity to address this matter further with the County, upon receipt of a request for information the includes more specific parameters and is limited to substantiated claims.

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Section 5—Statement to Service Entire County

Include a statement acknowledging which of the following locations your company can provide services to: Pajaro, Castroville, Royal Oaks, Salinas, Monterey, Carmel Valley, Marina, Seaside, Prunedale, Aromas, Soledad, King City, and as far South as the San Louis Obispo County border.

If certain locations are to include added fees for travel time, please indicate as such in this statement.

We will continue our provision of program services at the Monterey County Jail. Should the County determine a need for additional services at other Sheriff's Office locations, we will collaborate with the County to discuss the best approach to meeting these needs.

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Section 6—Environmentally Friendly Practices

Contractor shall summarize all environmentally friendly practices to which it adheres while doing business as relevant to County's Climate-Friendly Purchasing Policy at: https://www.countyofmonterey.gov/home/showpublisheddocument/22305/636241459023900000

Contractor shall indicate whether it is a "Green Certified" Business and state which governing authority administered the certification.

Our organization is committed to increasing environmental awareness and sustainability within our programs and facilities. Examples of environmentally friendly practices that we engage in include the following:

- Recycling cardboard, paper, aluminum, glass, and some plastics—with recycling bins easily accessible inside the building, individual offices, and cubicles.
- Recycled paper for items such as solicitation responses, pamphlets, and flyers.
- Replacing light bulbs with fluorescent lights that contain low-energy ballasts.
- Green initiatives at newly constructed facilities include: skylights for natural light; low flow plumbing fixtures; recycled water and heat recovery for laundry machines; high efficiency LED lighting; timers and photocells for exterior lighting; occupancy sensors for lighting in offices and classrooms; and use of gas, instead of electricity, for water heating.
- Multiple new, or expanded, facilities designed to Leadership in Energy and Environmental Design (LEED) certification standards, or international equivalent.

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Section 7—Pricing & Warranty

Contractor shall complete and submit pricing as per ATTACHMENT A – PRICING SCHEDULE attached hereto.

Please see the immediately following pages for our completed *RFP Attachment A*.

Directly after Attachment A, we have provided a *Budget Narrative*.

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ATTACHMENTS/EXHIBITS AND SIGNATURE PAGE

ATTACHMENT A: PRICING SCHEDULE

AGENCY NAME:	GEO Reentry Services, LLC
TOTAL PROJECT BUDGET:	$ 2,357,082.17

I. DIRECT COSTS	First Year Amount
A. PERSONNEL SALARIES	
Supervising Case Manager (1 FTE)	$ 72,842.00
Transitional Case Manager (1 FTE)	$ 57,845.00
Case Manager (2 FTEs)	$ 111,405.00
SUBTOTAL	**$ 242,092.00**
B. FRINGE BENEFITS	
FICA	$ 18,549.00
FUI & SUI	$ 1,259.00
Worker's Compensation Insurance	$ 5,276.87
Other	$ 23,256.19
SUBTOTAL	**$ 48,341.06**
C. OPERATING DIRECT COSTS	
ADA Accommodations	$ 24,518.20
Program Expense	$ 16,409.84
Insurances & Taxes	$ 8,112.06
Office Supplies	$ 2,711.38
Personnel Training, Welfare, & Travel	$ 2,622.30
Contractor Fee for Service	$ 83,002.68
SUBTOTAL	**$ 137,376.46**
D. SUBCONTRACTORS	
SUBTOTAL	**$ 0**
II. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
Cost Plus Billing at 5%	$ 21,390.48
SUBTOTAL	**$ 21,390.48**

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GRAND TOTAL FIRST YEAR	**$ 449,200.00**

I. DIRECT COSTS	Second Year Amount
E. PERSONNEL SALARIES	
Supervising Case Manager (1 FTE)	$ 75,027.26
Transitional Case Manager (1 FTE)	$ 59,580.35
Case Manager (2 FTEs)	$ 114,747.15
SUBTOTAL	**$ 249,354.76**
F. FRINGE BENEFITS	
FICA	$ 19,105.47
FUI & SUI	$ 1,296.77
Worker's Compensation Insurance	$ 5,435.18
Other	$ 23,953.87
SUBTOTAL	**$ 49,791.29**
G. OPERATING DIRECT COSTS	
ADA Accommodations	$ 18,170.02
Program Expense	$ 16,902.14
Insurances & Taxes	$ 8,355.42
Office Supplies	$ 2,792.72
Personnel Training, Welfare, & Travel	$ 2,700.97
Contractor Fee for Service	$ 83,787.60
SUBTOTAL	**$ 132,708.87**
H. SUBCONTRACTORS	
SUBTOTAL	**$ 0**
II. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
Cost Plus Billing at 5%	$ 21,592.75
SUBTOTAL	**$ 21,592.75**
GRAND TOTAL SECOND YEAR	**$ 453,447.67**

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III.DIRECT COSTS	Third Year Amount
I. PERSONNEL SALARIES	
Supervising Case Manager (1 FTE)	$ 77,278.08
Transitional Case Manager (1 FTE)	$ 61,367.76
Case Manager (2 FTEs)	$ 118,189.56
SUBTOTAL	**$ 256,835.40**
J. FRINGE BENEFITS	
FICA	$ 19,678.63
FUI & SUI	$ 1,335.67
Worker's Compensation Insurance	$ 5,598.24
Other	$ 24,672.49
SUBTOTAL	**$ 51,285.03**
K. OPERATING DIRECT COSTS	
ADA Accommodations	$ 19,987.02
Program Expense	$ 17,409.20
Insurances & Taxes	$ 8,606.08
Office Supplies	$ 2,876.50
Personnel Training, Welfare, & Travel	$ 2,782.00
Contractor Fee for Service	$ 86,607.36
SUBTOTAL	**$ 138,268.16**
L. SUBCONTRACTORS	
SUBTOTAL	**$ 0**
IV. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
Cost Plus Billing at 5%	$ 22,319.43
SUBTOTAL	**$ 22,319.43**
GRAND TOTAL THIRD YEAR	**$ 468,708.02**

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V. DIRECT COSTS	Fourth Year Amount
M. PERSONNEL SALARIES	
Supervising Case Manager (1 FTE)	$ 79,596.42
Transitional Case Manager (1 FTE)	$ 63,208.79
Case Manager (2 FTEs)	$ 121,735.25
SUBTOTAL	**$ 264,540.46**
N. FRINGE BENEFITS	
FICA	$ 20,268.99
FUI & SUI	$ 1,375.74
Worker's Compensation Insurance	$ 5,766.19
Other	$ 25,412.66
SUBTOTAL	**$ 52,823.58**
O. OPERATING DIRECT COSTS	
ADA Accommodations	$ 21,985.72
Program Expense	$ 17,931.48
Insurances & Taxes	$ 8,864.26
Office Supplies	$ 2,962.80
Personnel Training, Welfare, & Travel	$ 2,865.46
Contractor Fee for Service	$ 89,542.32
SUBTOTAL	**$ 144,152.04**
P. SUBCONTRACTORS	
SUBTOTAL	**$ 0**
VI. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
Cost Plus Billing at 5%	$ 23,075.80
SUBTOTAL	**$ 23,075.80**
GRAND TOTAL FOURTH YEAR	**$ 484,591.88**

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VII. DIRECT COSTS	Fifth Year Amount
Q. PERSONNEL SALARIES	
Supervising Case Manager (1 FTE)	$ 81,984.31
Transitional Case Manager (1 FTE)	$ 65,105.05
Case Manager (2 FTEs)	$ 125,387.31
SUBTOTAL	**$ 272,476.67**
R. FRINGE BENEFITS	
FICA	$ 20,877.06
FUI & SUI	$ 1,417.01
Worker's Compensation Insurance	$ 5,939.18
Other	$ 26,175.04
SUBTOTAL	**$ 54,408.29**
S. OPERATING DIRECT COSTS	
ADA Accommodations	$ 24,184.30
Program Expense	$ 18,469.42
Insurances & Taxes	$ 9,130.19
Office Supplies	$ 3,051.68
Personnel Training, Welfare, & Travel	$ 2,951.42
Contractor Fee for Service	$ 92,599.08
SUBTOTAL	**$ 150,386.09**
T. SUBCONTRACTORS	
SUBTOTAL	**$ 0**
VIII. OVERHEAD/INDIRECT/ADMINISTRATIVE COSTS (Not to exceed 5% of total budget)	
Cost Plus Billing at 5%	$ 23,863.55
SUBTOTAL	**$ 23,863.55**
GRAND TOTAL FIFTH YEAR	**$ 501,134.60**

SUMMARY:

A. GRAND TOTAL FIRST YEAR: $ 449,200.00
B. GRAND TOTAL SECOND YEAR: $ 453,447.67
C. GRAND TOTAL THIRD YEAR: $ 468,708.02
D. GRAND TOTAL FOURTH YEAR: $ 484,591.88
E. GRAND TOTAL FIFTH YEAR: $ 501,134.60

TOTAL FIVE-YEAR COST (A+B+C+D+E): $ 2,357,082.17

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Budget Narrative

Personnel Salaries

GEO Reentry believes that the provision of optimum program services hinges on our ability to recruit, hire, and retain qualified personnel. This is accomplished through competitive salaries, benefits, and equitable performance compensation.

GEO Reentry determines compensation rates based on periodic Wage Rate Surveys. These surveys examine the level of compensation for similar positions in the marketplace. We also consider the amount of responsibility associated with the position, the employee's education level, and experience in corrections or related industries. Our objective is to pay competitive wages for comparable worth in order to attract, motivate, and retain the most qualified staff—while remaining within the parameters of the contract's budget.

Personnel costs budgeted for this contract are based on total program capacity. All staff detailed in the Staffing Plan are 100% dedicated to providing services to Monterey County.

Fringe Benefits

In addition to direct labor costs, this category encompasses our employee fringe and benefits, including the following:

- Federal and state payroll taxes
- Workers' compensation
- Employer matching 401k contributions
- Insurance including health, dental, vision, life, and disability

Compensation is also based on employee performance evaluations. Outstanding performance is rewarded through our compensation program. This enables GEO Reentry to retain qualified, ethical, and hard-working personnel through performance-based raises and bonuses. Additionally, employees will be paid overtime as the need arises to allow for sufficient program coverage.

Operating Direct Costs

ADA Accommodations. This line item funds licenses for e-curricula; one printer with software for braille translation, and 5 Chromebooks with screen reader and speech-to-text capabilities. The e-curricula portion of the budget funds up to 120 licenses for The Change Companies online, allowing program participants to access curricula on their tablets; zoom in as needed; and leverage screen reader capability.

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Program Expense. Includes all curricula workbooks and facilitator guides required for proposed programming. Program costs also include small incentive items for participants and translation services.

Insurance & Taxes. General liability, commercial property, professional liability, and other insurances as required by Monterey County, along with applicable taxes.

Personnel Training, Welfare & Travel. Expenses for ongoing personnel training, recruiting, and welfare to retain employees. Travel includes expenses for staff training and development that may benefit their job performance, as well as mileage and other travel costs associated with necessary local travel for program staff.

Office Supplies. This line item includes the costs of office supplies that need regular replenishment, printing supplies, as well as any applicable license and filing fees.

Contractor Fee for Service. Includes reimbursement for the cost of salaries and benefits for oversight staff for the Monterey County program; cost of capital incurred for the investment of necessary capital expenditures; and retained earnings. There will be a fixed monthly payment of $6,916.89 in Year 1; $6,982.30 in Year 2; $7,217.28 in Year 3; $7,461.86 in Year 4; and $7,716.59 in Year 5 for contractor services rendered. The contractor fee for service will be fixed and will not vary based on each month's reimbursement amounts. Our ability to access our organization's shared resources allows us to promptly respond to Monterey County's needs. At any given time, significant resources can be leveraged to provide support in areas ranging from program implementations to service enhancements.

Overhead / Indirect / Administrative Costs

Cost Plus Billing at 5%. A 5% cost will be applied to all direct costs. This expense is representative of the cost of GEO Reentry's corporate expenses. The Monterey County program will have access to our vast corporate resources across numerous departments. This includes Human Resources, Payroll, Information Technology, Business Management, Tax, Risk Management, Operations Management, Continuum of Care Training Institute, and Research. These resources provide administrative support for our reentry program operations and are integral to program success. For example, our Human Resources department assists with recruiting, onboarding, and retaining staff—which includes administering background checks; processing appropriate personnel paperwork; handling employee leaves of absence, grievances, and performance reviews; and ensuring compliance with labor laws.

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Section 8—Exceptions

Submit all exceptions to this solicitation on separate pages, and clearly identify the top of each page with "EXCEPTION TO MONTEREY COUNTY SOLICITATION #" (indicate the applicable solicitation number). Each Exception shall reference the page number and section number, as appropriate. Contractor should note that the submittal of an Exception does not obligate the County to revise the terms of the RFP or AGREEMENT.

GEO Reentry would like to take exception to **RFP Section 16.0 Agreement to Terms and Conditions**. Prior to entering into a new contract, we would like to reach mutual agreement with the County around liability as it relates to the *Hernandez* litigation. Due to the broad scope of services requested and funding limitations, we ask for either:

- Full indemnity and defense to the Contractor as it relates to the *Hernandez* litigation ***or***
- Negotiations to reach mutual agreement on alternative language to be included in the contract around liability as it relates to the *Hernandez* litigation.

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Section 9—Appendix

Appendices: *Contractor may provide any additional information that it believes to be applicable to this proposal package and include such information in an Appendix section.*

Please see the immediately following pages for the below *Appendices*:

- Response to RFP Section 18.0 Piggyback Clause
- RFP Attachment B—Local Business Declaration Form
- 2024 Outcomes Report for Monterey County Jail Program

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Response to RFP Section 18.0 Piggyback Clause

Please see the following page for our *Response to RFP Section 18.0 Piggyback Clause*.

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17.0 COLLUSION

CONTRACTOR shall not conspire, attempt to conspire, or commit any other act of collusion with any other interested party for the purpose of secretly, or otherwise, establishing an understanding regarding rates or conditions to the solicitation that would bring about any unfair conditions.

18.0 PIGGYBACK CLAUSE

Contractor shall indicate below if Contractor agrees to extend the same prices, terms and conditions of their proposal to other public agencies that have delivery locations within the State of California limits: _____ Yes __**X**___ No. Contractor's response to this question will not be considered in award of the AGREEMENT resulting from this solicitation. When Contractor extends the prices, terms and conditions of their proposal to other public agencies, any resulting agreement shall be between Contractor and the other public agencies and County shall bear no responsibility or liability for any agreements between Contractor and the other public agencies.

SAMPLE AGREEMENT SECTION

The COUNTY OF MONTEREY STANDARD AGREEMENTS with all terms and conditions (which are hereby incorporated by reference as though set forth entirely herein) may be viewed at: https://www.countyofmonterey.gov/home/showdocument?id=81980

-- End of Sample Agreement Section –

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RFP Attachment B—Local Business Declaration Form

Please see the immediately following pages for our completed *RFP Attachment B*.

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-- End of Attachment A –

ATTACHMENT B: LOCAL BUSINESS DECLARATION FORM

COUNTY OF MONTEREY LOCAL BUSINESS DECLARATION FORM

If a business entity is claiming to be a "Local Vendor" as defined by the "Monterey County Local Preference Policy," adopted by the Monterey County Board of Supervisors on August 29, 2012, it must certify it meets the definition of "Local Vendor" as defined and in accordance with the adopted policy. Any business entity claiming to be a local business as defined by the policy, shall so certify, in writing herein, that it meets all of the criteria listed within the policy, which can be accessed online at the following link: ***https://www.countyofmonterey.gov/home/showdocument?id=22313***.

"Local Vendor" is defined as follows:

1. Vendor either owns, leases, rents or otherwise occupies a fixed office or other commercial building, or portion thereof, having a street address within the Area. Vendor possesses a valid and verifiable business license, if required, issued by a city within the Area or by one of the three counties within the Area when the address is located in an unincorporated area within one of the three counties as defined as "Area"; **and**
2. Vendor employs at least one full time employee within the "Area", or if the business has no employees, the business shall be at least fifty percent (50%) owned by one or more persons whose primary residence(s) is located within the "Area"; **and**
3. Vendor's business must have been in existence, in Vendor's name, within the "Area" for at least two (2) years immediately prior to the issuance of either a request for competitive bids or request for qualifications for the County; **and**
4. Newly established businesses which are owned by an individual(s) formerly employed by a Local Vendor for at least two (2) years also qualifies for the preference; **and**
5. If applicable vendor must possess a valid resale license from the State Franchise Tax Board showing vendor's local address within the "Area" and evidencing that payment of the local share of the sales tax goes to either a city within the "Area" or to one of the three counties within the defined "Area".

County shall not be responsible or required to verify the accuracy or any such certifications and shall have sole discretion to determine if a bidder meets the definition of "local vendor" as provided herein.

Any business which falsely claims a preference pursuant to Monterey County Local Preference Policy shall be ineligible to bid on County purchases or contracts for a period of three (3) years from the date of discovery of the false certification(s).

Any business eligible for the local preference who desires to have the preference applied during the award selection process shall return this completed Local Business Preference Declaration form with its proposal or qualifications package response. Upon request, bidder agrees to provide additional information to substantiate this certification.

As per the policy: **"Area"** shall mean Monterey County, San Benito County, and Santa Cruz County.

Docusign Envelope ID: C4D3A33F-EB19-4229-9709-6A32285AF441

Note: If applicable your organization must possess a valid resale license from the California Department of Tax and Fee Administration showing its local address within the "Area" and evidencing that payment of the local share of the sales tax goes to either a city within the "Area" or to one (1) of the three (3) counties within the defined "Area."

On behalf of my business entity (i.e., organization) I certify under penalty of perjury that I have both read and confirm that my business entity meets the requirements as outlined within the County's Local Preference Policy for the procurement in question.

Business Legal Name (and dba name if any): GEO Reentry Services, LLC

Business Address: _128 Sun Street, Suite 201_____

City: _Salinas_____ ***State:*** _California_____ ***Zip Code:*** __93901_____

Signature of Authorized Representative: _____ ***Date:*** April 24, 2025__

Title of Authorized Representative: _Vice President, Reentry Services_____

Telephone Number: (_561__) _999-8151___ ***E-Mail:*** __dschofield@geocareinc.com_____

This form must be submitted within a bidder's proposal package in order for the County to apply the applicable local preference.

Bidders who do not qualify as a local business as per the policy should not submit this form.

-- End of Attachment B –

Docusign Envelope ID: C4D3A33F-EB19-4229-9709-6A32285AF441

2024 Outcomes Report for Monterey County Jail Program

Please see the following for the *2024 Outcomes Report* for our Monterey County Jail Program operations.

Docusign Envelope ID: C4D3A33F-EB19-4229-9709-6A32285AF441

2024 PROGRAM OUTCOMES
MONTEREY COUNTY JAIL REENTRY PROGRAM

GEO Reentry Services®

AGENCY
Monterey County Sheriff's Office

POPULATION
Male and female in-custody participants

PROGRAM SUMMARY
GEO Reentry Services delivers a comprehensive in-custody program at the Monterey County Jail to help participants address the underlying behaviors that contribute to their involvement in the criminal justice system. The Monterey County Jail Reentry Program (JRP) includes an array of structured group classes, self-directed and group Interactive Journaling®, and Wellness Groups. Programming includes 10 weeks of interventions on specific topics, such as substance use education, parenting skills, responsible behavior, emotional regulation, and victim awareness. Wellness Groups, created for individuals with mental health needs, focus on actively engaging participants in a social experience and helping them develop effective life skills. The JRP also offers transitional planning to all individuals at the jail and helps connect them with community resources prior to their release. Starting programming before release facilitates consistency in treatment, expedites behavior change, and promotes effectiveness in reducing recidivism.

The following reflects the annual (January 1, 2024-December 31, 2024) program data for the Monterey County JRP in California.

SELF-DIRECTED INTERACTIVE JOURNALING PARTICIPANTS
1,422 Individuals voluntarily participated in the self-directed Interactive Journaling program during the reporting period



SELF-DIRECTED INTERACTIVE JOURNALING DISCHARGE RESULTS
TOTAL DISCHARGES: 1,203



- Successful: Completed the self-directed journaling program
- Not in Custody: Went to court and were released from custody that day
- Agency-ordered: Released by agency
- Unsuccessful: Did not complete the self-directed journaling program

SELF-DIRECTED JOURNALS
Below is the breakdown of journals completed by the 769 participants who successfully completed the self-directed Interactive Journaling program.

- **173** Family & Other Relationships
- **149** Spanish versions (Pensamiento responsable, Plan de cambios, Familia y otra relaciones, Primeros pasos, Sentimientos, Compartamientos de consumo de sustancias)
- **119** Substance Using Behaviors
- **96** Anger
- **95** Life Management
- **63** Feelings
- **49** Recovery Maintenance
- **20** Coping Skills
- **2** Denial
- **2** Responsible Thinking
- **2** Self-worth

GROUP INTERACTIVE JOURNALING PARTICIPANTS
486 Individuals voluntarily participated in the group Interactive Journaling program during the reporting period



GROUP INTERACTIVE JOURNALING DISCHARGE RESULTS
TOTAL DISCHARGES: 486



- Successful: Completed the group journaling program
- Not in Custody: Went to court and were released from custody that day
- Agency-ordered: Released by agency
- Unsuccessful: Did not complete the group journaling program

GROUP JOURNALS
A JRP facilitator led groups and assisted participants in navigating through their journals. Groups included:

- Addiction Behaviors
- Family
- Handling Difficult Feelings
- Individual Change Plan
- Relationships & Communication
- Responsible Behavior
- Victim Awareness
- What Got Me Here?

WELLNESS GROUP INTERVENTIONS
GEO Reentry provides Wellness Groups to reach participants who struggle with navigating aspects of a structured group format. These groups are facilitated by staff who have a passion for assisting individuals with mental health needs and/or learning barriers. Facilitators use modified cognitive behavioral curriculum and supplemental materials. Participants who completed 10 weeks of Wellness Groups received milestone credits, used toward early release.

WELLNESS GROUP PARTICIPANTS
224 Participants voluntarily participated in Wellness Groups during the reporting period



TRANSITIONAL PLANNING & COMMUNITY RESOURCE REFERRALS
The JRP offers transition services and referrals to help prepare participants for reentry and assist with their stabilization in the community. Participants completed a survey approximately 30 days prior to release to identify the services/needs they will have upon release. A Transition Case Manager then prepared a resource packet for each individual. During the reporting period, the JRP provided 4,631 valuable resources including:

- **893** Transitional Housing
- **632** ID/Birth Certificate/Social Security/DMV
- **466** CalWORKS
- **442** Food
- **463** Employment
- **428** Personal Support
- **412** Transportation
- **376** Education
- **224** Substance Use Support
- **210** Child Support/Care
- **85** Mental Health Support

Docusign Envelope ID: C4D3A33F-EB19-4229-9709-6A32285AF441

RESPONSIVENESS TO PARTICIPANT NEEDS

To ensure compliance with Americans with Disabilities Act (ADA) requirements, GEO Reentry coordinated with jail personnel to provide ADA accommodations based on each individual's needs. All participants were provided a form to identify special needs that may require assistance. In response, program staff distributed magnifiers on the spot, offered amplifiers, and made adjustments to program delivery as needed. In addition, program staff collaborated with jail command staff to address other needs, such as eye exam referrals.

87 Vision magnifiers provided to participants during the reporting period

PARTICIPANT SURVEY RESULTS

Below are the 2024 participant survey results for the individuals who participated in group Interactive Journaling. (n=62)

Please indicate your level of agreement with the following statements:

Note: Percentages do not include n/a responses.



What are some skills that you learned in groups?

"How to utilize my support system and how to manage my emotions versus reacting on them."

"The stop and think method, putting myself in someone else's shoes, and looking at the situation in a different perspective."

"How to build healthy relationships and be more respectful to others."

MONTEREY COUNTY JRP REDUCES CRIMINAL THINKING

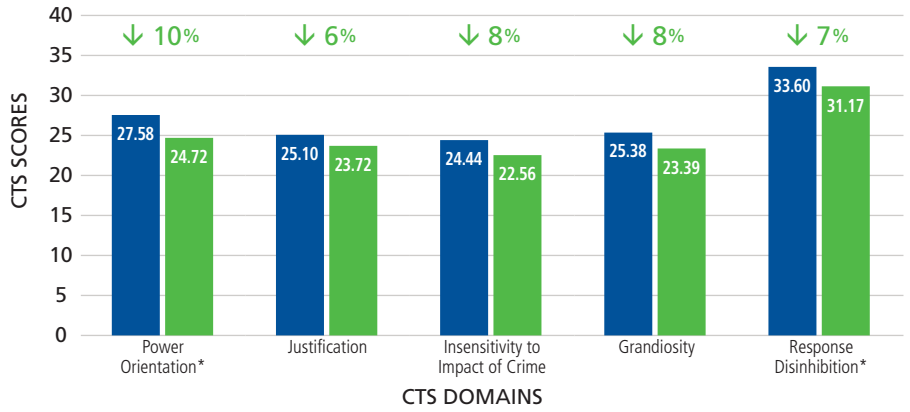
Criminal thinking domains, such as antisocial cognitions and antisocial attitudes, are frequent targets for change in correctional treatment, and are described in current theories of criminal behavior.[1] The research on "What Works" to reduce recidivism indicates that antisocial cognition and antisocial attitudes (criminal thinking) are among the top three risk factors as drivers of recidivism. The Texas Christian University (TCU) Criminal Thinking Scales (CTS) 3.0, released in 2022, measures the effect of GEO Reentry's treatment on antisocial cognition and attitudes. The results in this report indicate that GEO Reentry's treatment reduced criminal thinking patterns as measured by the CTS and therefore lowers the potential for future recidivism.

SUMMARY OF RESULTS

Research evaluators analyzed the pre- and post-programming CTS scores for 69 individuals who participated in programming at Monterey County JRP between January 1, 2024 and December 31, 2024. These individuals had moderate- to high-risk scores in at least one domain at starting point. Participant risk level is determined by the recommended score ranges outlined by research (see table below). The average number of days between the pre- and post-programming assessments was 71 days.

The results indicated in Figure 1 illustrate that these participants averaged an 8% reduction (2.1 points) across all five domains. Two of the five domains showed a clinically significant reduction (two points or greater) in participant criminal thinking patterns.

FIGURE 1: MONTEREY COUNTY JRP CRIMINAL THINKING SCALES COMPARISON
Moderate- and High-Risk Participants (n=69)



**A clinically significant reduction in scores is defined as a two point or greater decrease from the pre- to post-treatment score.*

CTS DOMAINS	DESCRIPTION	RECOMMENDED RISK SCORE RANGES LOW	MEDIUM	HIGH
POWER ORIENTATION	· Reflects the need for power and control · High scores may be associated with an outward display of aggression to control their external environment or others	10-15	16-23	24-50
JUSTIFICATION	· Refers to the tendency to justify one's criminal behavior · High scores reflect a likelihood to make excuses for their crime(s) or blame others for their wrongdoings	10-15	16-23	24-50
INSENSITIVITY TO IMPACT OF CRIME	· Focuses on a lack of understanding or awareness around the effect their crime has on others or society · High scores may be associated with the individual being prone to shrugging off their crime(s), thinking it is not that big of a deal	10-17	18-21	22-50
GRANDIOSITY	· Refers to thoughts and feelings of superiority as compared to others · High scores are associated with a belief that one is above the law or superior to others	10-15	16-23	24-50
RESPONSE DISINHIBITION	· Focuses on the inability to regulate behavior in situations when overwhelmed · High scores reflect behavior that the individual may later regret such as lashing out or becoming aggressive	10-23	24-30	31-50

[1]*Sease, T. B., & Knight, K. (2023). Development and Testing of the Texas Christian University Criminal Thinking Scales 3.0. Crime & Delinquency, 69(13-14), 2699-2718.*

FOR MORE INFORMATION Karen Graff, Area Manager • 707.495.0055 • kgraff@geogroup.com

Introduced: 9/3/2025

Current Status: General Government - Consent

Version: 1

Matter Type: General Agenda Item

a. Approve the distribution of excess proceeds resulting from the sale of real property at the Treasurer-Tax Collector's public internet auction regarding claims on three identified properties (total distribution $340,815).

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Approve the distribution of excess proceeds resulting from the sale of real property at the Treasurer-Tax Collector's public internet auction regarding claims on three identified properties (total distribution $340,815).

SUMMARY:
Board of Supervisors approval is required to authorize the refund of excess proceeds generated from real property tax sales in accordance with Section 4675 of the California Revenue and Taxation Code.

DISCUSSION:
On May 29, 2024, the Treasurer-Tax Collector (TTC) sold eight parcels of property at a public internet auction to the highest bidders. As a result of the competitive bidding process, some of the final sale amounts exceeded the taxes, penalties, and fees that were owed on these properties. The remaining amount is known as "excess proceeds" and has been held in a suspense account for at least the minimum one-year period, as provided and required by law.

During this one-year period, claims may be filed against the excess proceeds by any party who had an interest in the property at the time of the sale. The TTC received claims against three parcels for excess proceeds. Both the TTC and County Counsel reviewed and verified the validity and distribution priority of each claim and hereby request authorization by Board Order to distribute these excess proceeds as described, and in the priority set forth in the attachment. The total distribution of excess proceeds for all parcels to all claimants is $340,815.38.

OTHER AGENCY INVOLVEMENT/COMMITTEE ACTIONS:
County Counsel reviewed the claims and approves the recommended action. The TTC will request warrants from the Auditor-Controller in favor of the claimants from the funds currently held in the Delinquent Tax Sale Trust Fund 001-1170-TRE001-2215.

FINANCING:

There will be no financial impact on the General Fund. The TTC will request warrants against the excess proceeds from the Auditor-Controller in favor of the claimants from the funds currently held in the Delinquent Tax Sale Trust Fund, 001-1170-TRE001-2215.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:
The distribution of Excess Proceeds would promote and support the following Board of Supervisors Strategic Initiatives:

Mark a check to the related Board of Supervisors Strategic Plan Goals
____ Well-Being and Quality of Life
____ Sustainable Infrastructure for the Present and Future
____ Safe and Resilient Communities
____ Diverse and Thriving Economy
____ Dynamic Organization and Employer of Choice

If does not fall under any of the above Board of Supervisors Strategic Plan Goals (Other):

_X__ Administrative
The revenue generated from the TTC Excess Proceeds Distribution shall be distributed on order of the Board of Supervisors in compliance with Revenue Taxation Code 4675(e)(2).

Link to the Strategic Plan:
<<https://www.countyofmonterey.gov/home/showdocument?id=139569>>

Prepared by: Arturo P. Perez, Management Analyst, x 3083
Reviewed by: Jake Stroud, Assistant Treasurer-Tax Collector, x5828
Approved by: Mary A. Zeeb, Treasurer-Tax Collector, x5015

Attachments:
Attachment “A”- Excess Proceeds Distribution

Introduced: 9/3/2025

Current Status: General Government - Consent

Version: 1

Matter Type: General Agenda Item

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FINANCING:

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The distribution of Excess Proceeds would promote and support the following Board of Supervisors Strategic Initiatives:

Mark a check to the related Board of Supervisors Strategic Plan Goals
____ Well-Being and Quality of Life
____ Sustainable Infrastructure for the Present and Future
____ Safe and Resilient Communities
____ Diverse and Thriving Economy
____ Dynamic Organization and Employer of Choice

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_X__ Administrative
The revenue generated from the TTC Excess Proceeds Distribution shall be distributed on order of the Board of Supervisors in compliance with Revenue Taxation Code 4675(e)(2).

Link to the Strategic Plan:
<<https://www.countyofmonterey.gov/home/showdocument?id=139569>>

Prepared by: Arturo P. Perez, Management Analyst, x 3083
Reviewed by: Jake Stroud, Assistant Treasurer-Tax Collector, x5828
Approved by: Mary A. Zeeb, Treasurer-Tax Collector, x5015

Attachments:
Attachment “A”- Excess Proceeds Distribution

Attachment “A”

Excess Proceeds Distribution

Item	Parcel	Claimant	Amount
3	008-012-015-000	Napoli Investments S A	$271,801.80
4	011-144-003-000	Peggy Lu Fay, Trustee	$68,806.50
31	418-071-010-000	Daniel W & Sharon Miles	$207.08
		Total Distribution of Excess Proceeds	$340,815.38

County of Monterey

Board Report

Legistar File Number: MIN 25-063

Item No.42

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/10/2025

Current Status: General Government - Consent

Version: 1

Matter Type: Minutes

Approve the County of Monterey Board of Supervisors Draft Action Meeting Minutes for the following meeting date: Tuesday, August 26, 2025, Tuesday, September 2, 2025 and Tuesday, September 16, 2025.

County of Monterey

Board Report

Legistar File Number: MIN 25-063

Item No.

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/10/2025
Version: 1

Current Status: Agenda Ready
Matter Type: Minutes

Approve the County of Monterey Board of Supervisors Draft Action Meeting Minutes for the following meeting date: Tuesday, August 26, 2025, Tuesday, September 2, 2025 and Tuesday, September 16, 2025.

County of Monterey

Government Center - Board Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Meeting Minutes - Draft

Tuesday, August 26, 2025

9:00 AM

Board of Supervisors

Chair Supervisor Chris Lopez - District 3
Vice Chair Supervisor Wendy Root Askew - District 4
Supervisor Kate Daniels- District 5
Supervisor Luis A. Alejo - District 1
Supervisor Glenn Church - District 2

9:00 A.M. - Called to Order

The meeting was called to order by Vice Chair Supervisor Wendy Root Askew as Chair Supervisor Chris Lopez will arrive later in the meeting.

Roll Called

Present: 3 - Supervisor Luis A. Alejo, Supervisor Wendy Root Askew and Supervisor Glenn Church were present

Chair Supervisor Chris Lopez and Supervisor Kate Daniels will arrive later in the meeting.

Staff Present

Sonia De La Rosa, County Administrative Officer, Kelly Donlon, Assistant Chief County Counsel and Valerie Ralph, Clerk of the Board were present.

Additions and Corrections for Closed Session by County Counsel

There were no additions and corrections for closed session.

Closed Session

1. Closed Session under Government Code section 54950, relating to the following items:

a. Pursuant to Government Code section 54956.9(d)(1), the Board will confer with legal counsel regarding existing litigation:
(1) *In re: Purdue Pharma L.P., et al,* Case No. 19-23649, pending in the United States Bankruptcy Court, Southern District of New York.
(2) *In Re: National Prescription Opiate Litigation,* Case No. 1:17-md-02804-DAP, pending in the U.S. District Court for the Northern District of Ohio.
(3) *Nacimiento Regional Water Management Advisory Committee v. Monterey County Water Resources Agency, et al.*; San Luis Obispo County Superior Court Case No. 19CVP-0010

b. Pursuant to Government Code section 54957.6, the Board will provide direction to negotiators:
(1) Designated representatives: Andreas Pyper, Kim Moore, and Ariana Hurtado
Employee Organization(s): All Units
(2) Designated Representatives: Roderick Franks, and Becky Cromer
Employee Organization(s): IHSS

c. Pursuant to Government Code section 54956.9(e)(3), the Board will confer with legal counsel regarding liability claims against the County of Monterey.
(1) Estate of Jose Manuel Zamudio, et al.

Public Comments for Closed Session

Open for public comments; Dr. Williams commented.

The Board Recessed for Closed Session Agenda Items

10:30 A.M. - Reconvened on Public Agenda Items

Roll Called

Present: 4 - Supervisor Kate Daniels, Supervisor Luis A. Alejo, Supervisor Wendy Root Askew and Supervisor Glenn Church were present

Chair Supervisor Chris Lopez will arrive later in the meeting.

Staff Present

Sonia De La Rosa, County Administrative Officer, Kelly Donlon, Assistant Chief County Counsel and Valerie Ralph, Clerk of the Board were present.

Announcement of Interpreter

Diego Celis, Spanish Interpreter present and announced Spanish interpreter services.

Pledge of Allegiance

The pledge of allegiance was led by Annette D'Adamo, Legislative Program Manager for the County of Monterey.

Additions and Corrections by Clerk

There were no additions and corrections for this week's agenda.

Ceremonial Resolutions

Open for public comments; no comments made.

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Wendy Root Askew to approve Item Numbers 2 through 8.

ALL AYES (4-0)
Supervisor Lopez not present

2. Adopt a resolution Celebrating the 175th Anniversary of California Statehood and the Historic Role of Monterey County in the Founding of the Golden State. (Supervisor Alejo)

Adopted Resolution No. 25-307

3. Adopt a resolution commending Annette D'Adamo, Legislative Program Manager, upon her retirement after for more than twenty-two years of dedicated public service with the County of Monterey. (Supervisor Lopez)

Adopted Resolution No. 25-308

4. Adopt a resolution honoring the 28th Annual American Cancer Society Relay For Life of the Salinas Valley. (Supervisor Lopez)

Adopted Resolution No. 25-304

Chair Supervisor Chris Lopez arrived at 11:06 a.m.

5. Adopt a resolution celebrating the 50th Anniversary of the Seaside Branch Library in the Gordon R. Forrest Building. (Supervisor Askew)

Adopted Resolution No. 25-317

6. Adopt a resolution proclaiming September 2025 as Childhood Cancer Awareness Month in the County of Monterey. (Supervisor Lopez)

Adopted Resolution No. 25-305

7. Adopt a resolution Recognizing Ronald Granberg For His Exemplary Service and Unwavering Dedication in the Pursuit of Justice Throughout His Distinguished Career and for Receiving the Monterey County Bar Association's Justice Nat Agliano Lifetime Achievement Award. (Supervisor Alejo)

Adopted Resolution No. 25-306

8. Adopt a resolution honoring the North County Steering Committee for Safe Routes to School for their formative role in the participatory budgeting process between the Transportation Agency for Monterey County and the County of Monterey. (Supervisor Church)

Adopted Resolution No. 25-303

Appointments

Open for public comments; no comments made.

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Chris Lopez to appoint/reappoint/correct Item Number 9.

ALL AYES

9. Appoint Jaqueline Cruz Ed.D. to Natividad Medical Center Board of Trustees as a Representative with Experience as a Community Leader to fill an unexpired term ending on August 12, 2026. (Nominated by Natividad Medical Center Board of Trustees)

Appointed

Approval of Consent Calendar – (See Supplemental Sheet)

10. See Supplemental Sheet

Open for public comments; no comments made.

Supervisor Wendy Root Askew commented on Item No. 38.

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Glenn Church to approve Consent Item Numbers 17 through 45 with an amendment to Item No. 38.

ALL AYES

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Glenn Church to approve Consent Item Number 38 as amended to the following:

Amended, for the record, at the Board of Supervisor meeting on Tuesday, August 26, 2025, as to the January 14, 2025 Draft Minutes for Item No. 11:

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Glenn Church to: Approve to add District 4 as the Primary and County Administrative Officer or designee as the Alternate members to the Groundwater Sustainability Agency Working Group (County/SVBGSA).

ALL AYES

General Public Comments

11. General Public Comments

Open for general public comments for items not on the agenda today; no comments made.

Scheduled Matters

12. a. Review and provide input on from the Measure AA Ad Hoc Committee:
i. FY 2025-26 budget priorities in the County's unincorporated areas will mirror FY 2024-25 (Resolution No. 24-337);
ii. Beginning with FY 2026-27, the Board will allocate funding on a quarterly **OR** annual basis, as part of the budget planning process;
iii. Revenues will focus on new projects and programs; and,
iv. Revenues shall not be utilized to fund ongoing commitments.
b. Affirm $1,450,000 in Measure AA revenue to support AXON body-cameras in the unincorporated areas;
c. Affirm $50,000 in Measure AA revenue to support the Reservoir's AgTech initiatives in the unincorporated areas;
d. Affirm $50,000 in Measure AA revenue to support Regenerative California's blue economy and fisheries initiatives in the unincorporated areas; and,
e. Provide further direction, as appropriate. (ADDED/REVISED VIA SUPPLEMENTAL)

Nick Chiulos, Assistant County Administrative Officer presented via PowerPoint presentation.

Open for public comments; no comments made.

A motion was made by Supervisor Glenn Church, seconded by Supervisor Luis A. Alejo to:
a. Review and provide input on recommendations from the Measure AA Ad Hoc Committee:
i. FY 2025-26 budget priorities in the County's unincorporated areas will mirror FY 2024-25 (Resolution No. 24-337);
ii. Beginning with FY 2026-27 funding to be allocated by the AA Ad Hoc Committee with the full Board's consensus on a quarterly basis once revenue has been collected and will be independent of the budget process;
iii. Revenues to focus on highly visible road projects/programs, including parks and homelessness; and,
iv. Revenues shall not be utilized to fund ongoing commitments;
b. Affirm $1,450,000 in Measure AA revenue to support AXON body-cameras in the unincorporated areas;
c. Affirm $50,000 in Measure AA revenue to support the Reservoir's AgTech initiatives in the unincorporated areas;
d. Affirm $50,000 in Measure AA revenue to support Regenerative California's blue economy and fisheries initiatives in the unincorporated areas; and,
e. Provide further direction, as appropriate.

ALL AYES

Staff shall return to Board at a later time to recommend formation of an Oversight Citizens Advisory Committee and a Standing Committee vs. an Ad Hoc Committee.

13. PLN240077 - SIGNAL HILL LLC

Continued from July 8, 2025 - Public hearing to consider three appeals, one by Samuel Reeves, one by the Alliance of Monterey Area Preservationists (AMAP), and one by Massy Mehdipour, the applicant, from the April 30, 2025 Planning Commission decision approving the construction of an approximately 8,290 square foot two-story single family dwelling with an attached three car garage with light brown stucco exterior, black metal clad wood accents, and a gravel roof, an approximately 180 square foot stairwell, and approximately 695 square feet of terrace (identified as the "Reduced Project," Alternative 6 in the Final EIR) and the relocation of three Monterey Cypress trees.

Project Location: 1170 Signal Hill Road, Pebble Beach, Del Monte Forest Area Land Use Plan, Coastal Zone
Proposed CEQA Action: Consider a previously certified Final Environmental Impact Report (FEIR) (SCH#2015021054) for the Signal Hill LLC project and find the project consistent with the FEIR.

Continued public hearing from Tuesday, July 8, 2025.

Mary Israel, Supervising Planner and Craig Spencer, Director of Housing and Community Development presented via PowerPoint presentation.

Massy Mehdipour, Applicant presented via PowerPoint presentation.

Anthony Lombardo, on behalf of the Appellant, presented via PowerPoint presentation.

Ms. Estrada from the Alliance of Monterey Area Preservation verbally presented.

Open for public comments; Mr. Mehdipour commented.

A motion was made by Supervisor Glenn Church, seconded by Supervisor Wendy Root Askew with Supervisor Chris Lopez abstaining to Adopt a Resolution by the County of Monterey Board of Supervisors to:
1)Partially uphold the appeals by Samuel Reeves and the Alliance of Monterey Area Preservations, from the April 30, 2025 Planning Commission decision approving the Design Approval;
2)Uphold the appeal by Massy Mehdipour, Applicant, from the April 30, 2025 Planning Commission decision approving the Design Approval with Condition No. 10;
3)Consider the previously certified Final Environmental Impact Report (FEIR) (SCH#2015021054) for the Signal Hill LLC project, and find that the Proposed Project is consistent with Alternative 6 of the FEIR and does not warrant an addendum pursuant to CEQA Guidelines section 15162;
4)Approve a Design Approval for construction of an approximately 7,690 square foot two-story single-family dwelling inclusive of a two-car garage with colors and materials of light brown stucco body and black metal clad wood accents and a gravel roof that fulfills the requirements of the "Reduced Project," Alternative 6 of the Final EIR;
5)Approve a Coastal Development Permit to allow the relocation of two Cypress trees;
6)Approve a Variance for structural development in front setback; and
7)Amend Condition No. 23 of Resolution No. 23-237 to increase the conservation scenic easement for the project to 1.67-acre area.
[1170 Signal Hill Road, Pebble Beach, Del Monte Forest Area Land Use Plan (APN: 008-261-007-000)]

Motion passed 4-0-1
AYES: Supervisor Alejo, Church, Root Askew and Daniels
ABSTAIN: Supervisor Lopez

Other Board Matters

Referral Matrix and New Referrals

14. Referral Matrix and New Referrals

Sonia De La Rosa, County Administrative Officer shared there was one new referral this week:

Date: 8/13/2025 Submitted By: Luis Alejo District #: 1
Referral Title: Monterey County Spay and Neuter Ordinance for Cats and Dogs
Referral Purpose: The purpose of this referral is to enact a Spay and Neuter Ordinance for cats and dogs to
address pet overpopulation, euthanasia rates, and overcrowded shelters with minimal staffing.

County Administrative Officer Comments

15. County Administrative Officer Comments

Sonia De La Rosa, County Administrative Officer's comments can be heard by clicking this link:

https://monterey.granicus.com/player/clip/5830?meta_id=924574

Board Comments

16. Board Comments

Board comments can be heard by clicking the following link:

https://monterey.granicus.com/player/clip/5830?meta_id=924577

Read Out from Closed Session by County Counsel

There was one reportable action by the Board as follows:

The Board approved a package tentative agreement with the Union of American Physicians and Dentists Bargaining Unit U for a term ending on June 30, 2028.

Adjourned In Memory of Officer Edwardo Alfaro

The open session of the meeting was Adjourned in Memory of Officer Edwardo Alfaro at 2:03 p.m. by Chair Supervisor Chris Lopez. The Board returned back into Closed Session and will adjourn formally from there.

APPROVED:

____/s/ Chris Lopez_____
CHRIS LOPEZ, CHAIR

ATTEST:
BY: ____/s/ Valerie Ralph_____
VALERIE RALPH
CLERK OF THE BOARD
APPROVED ON: , 2025

Supplemental Sheet, Consent Calendar

Natividad Medical Center

17. a. Authorize the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) or his designee to execute the Third Amendment to the Professional Services Agreement (A-15877) with Adelheid Ebenhoech, M.D. to provide family medicine services, extending the term by 12 months (September 20, 2025 to September 30, 2026) for a revised full agreement term of September 20, 2022 to September 30, 2026, but with no change to the board approved amount not to exceed of $600,000; and
b. Authorize the CEO for NMC or his designee to sign up to three (3) future amendments to this Agreement where the total amendments do not significantly change the scope of work, do not exceed 10% ($60,000) of the original contract amount, and do not increase the total contract amount above $660,000.

Approved

18. a. Authorize the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) or his designee to execute the First Amendment to the Professional and Call Coverage Services Agreement (A-16552) with Monterey Bay GI Consultants Medical Group, Inc. to provide gastroenterology services, adding $800,000 for a revised not to exceed amount of $1,600,000 and extending the term by 24 months (October 1, 2025 to September 30, 2027) for a revised full agreement term of September 1, 2023 to September 30, 2027; and
b. Authorize the CEO for NMC or his designee to sign up to three (3) future amendments to this Agreement where the total amendments do not significantly change the scope of work, do not exceed 10% ($80,000) of the original contract amount, and do not increase the total contract amount above $1,680,000.

Approved

19. Authorize the Chief Executive Officer (CEO) for Natividad Medical Center (NMC) or his designee to execute the Fourth Amendment to the Professional and Call Coverage Services Agreement (A-15737) with Access TeleCare California, P.C. to provide tele-neurology services, adding $400,000 for a revised not to exceed amount of $1,680,000 but with no change to the Board approved agreement term April 1, 2022 to March 31, 2026.

Approved

20. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 2 to the agreement (A-17319) with META Dynamic, Inc. for rental of neurosurgery equipment plus associated services, extending the agreement an additional one (1) year period (April 15, 2026 through April 14, 2027) for a revised full agreement term of April 15, 2024, through April 14, 2027, and adding $200,000 for a revised total agreement amount not to exceed $500,000.

Approved

21. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute renewal and amendment No. 1 to the agreement (A-16776) with Pomphrey Consulting, LLC for trauma registrar staffing services, extending the agreement through July 1, 2027 for a revised full agreement term of March 1, 2024 through July 1, 2027 and adding $200,000 for a revised total agreement amount not to exceed $450,000.

Approved

22. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement with Corinthian International Parking Services, Inc. pursuant to the Request for Proposals (RFP) #9600-96 for valet parking services for patients and visitors only at NMC, with an initial agreement term beginning September 1, 2025 through May 31, 2026, with the option to extend the agreement for two (2) additional periods; and for a total aggregate not-to-exceed amount of $298,692 for the initial nine-month term.

Approved

23. a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute Amendment No. 2 to the Agreement with California United Mechanical, Inc. dba United Mechanical, Inc. for chiller preventive maintenance and repair services, extending the agreement an additional two (2) year period (April 15, 2026 through April 14, 2028) for a revised full agreement term of April 15, 2021 through April 14, 2028, and adding $300,000 for a revised total Agreement amount not-to-exceed $405,000.
b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute up to three (3) future amendments to the Agreement which do not significantly alter the scope of work and do not cause an increase of more than 10% ($7,500) of the original cost of the agreement, for total contract liability of ($412,500).

Approved

Health Department

24. a. Approve and authorize the Director of Health Services or designee to execute the Student Placement Agreement ("Agreement") with Sonoma State University with a term of August 26, 2025 to June 30, 2027 for the placement of students within the Health Department to complete internship/externship assignments as part of their respective field education and service-learning requirements; and
b. Approve the recommendation of the Director of Health Services to accept modifications to indemnification provisions of the Agreement.

Approved

25. a. Approve and authorize the Director of Health Services or designee to execute a retroactive three (3) year Standard Agreement with Frank Hespe, Attorney-At-Law, to provide hearing officer services for

the Behavioral Health Bureau in the amount of $26,700 for FY 2025-2026, $26,700 for FY 2026-2027, and $26,700 for FY 2027-2028, for a maximum County obligation of $80,100 for the term of July 1, 2025 through June 30, 2028; and
b. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($8,010) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over $88,110.

Approved

26. a. Approve and authorize the Director of Health Services or designee to execute a retroactive three (3) year Standard Agreement with Keith Vandevere, Attorney-At-Law, to provide hearing officer services for the Behavioral Health Bureau in the amount of $75,000 for FY 2025-2026, $75,000 for FY 2026-2027, and $75,000 for FY 2027-2028, for a maximum County obligation of $225,000 for the term of July 1, 2025 through June 30, 2028; and
b. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($22,500) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over $247,500.

Approved

27. a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and California Psychiatric Transitions for the provision of mental health services for adults with severe psychiatric disabilities, for a maximum County obligation of $3,102,010 for the term of July 1, 2025 through June 30, 2026; and
b. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($310,201) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over $3,412,211.

Approved

28. a. Introduce, waive first reading, and set September 16, 2025 at 10:30 a.m. as the date and time to consider adoption of an ordinance of the County of Monterey, State of California, amend Chapter 15.04 of the Monterey County Code to remove County of Monterey regulation of small public water systems; and
b. Find the adoption of this ordinance is categorically exempt per Sections 15060(c)(2) and 15060(c)(3) of the California Environmental Quality Act Guidelines because it is an administrative activity that will not result in direct or indirect changes to the environment.

Approved

Department of Social Services

29. a. Approve and authorize the Director or designee of the Department of Social Services to sign a no cost Data Sharing Agreement with The Regents of the University of California to share information pertaining to individual youth for the purpose of evaluating the Family and Me program for the period of September 1, 2025 through December 31, 2025; and

b. Authorize the Director or designee of the Department of Social Services to sign up to three amendments to this Agreement that do not compass payment or significantly change the scope of work.

Approved

Criminal Justice

30. a. Approve and authorize the Public Defender to execute an Agreement with Dataflow Business Systems Inc., to provide two (2) multi-function Ricoh copiers model IM C6010 and IM 6000 for the Public Defender's Office, in the amount of $36,500 for a three-year term retroactive date of July 1, 2025 through June 30, 2028;
b. Approve and authorize the Public Defender to execute up to three (3) amendments, subject to County Counsel review, extending the agreement by one (1) year each, where total additional costs do not exceed 10% of the contract amount ($3,650) and the amendments do not significantly alter the scope of work, and do not exceed the maximum amount of $40,150.

Approved

General Government

31. Adopt a resolution continuing for an additional sixty (60) days, the Proclamation of Local Emergency in response to a structure fire and hazardous materials incident at the Moss Landing Lithium-Ion Battery Energy Storage System (BESS) Power Plant that started on January 16, 2025.

Adopted

32. a. Approve and authorize the Director of the Emergency Communications Department to sign an agreement between the County of Monterey and PowerDMS, Inc., for a term of September 29, 2025 through September 28, 2028, for an amount not to exceed $17,573 to provide PowerEngage software to the Emergency Communications Department;
b. Accept nonstandard terms as recommended by the Director of the Emergency Communications Department; and
c. Authorize the Director of the Emergency Communications Department to sign up to three amendments to this Agreement where the total amendments do not exceed 10% ($1,757) of the original agreement amount and do not significantly change the scope of work.

Approved

33. a. Authorize the Chief Information Officer to execute Amendment No. 3 to the Agreement with SHI International Corporation, utilizing a cooperative agreement with Sourcewell to purchase Information Technology services, equipment, and products for the County extending the term through February 27, 2028, and adding $750,000; and
b. Authorize the Chief Information Officer or his designee to sign order forms and such documents as are necessary to implement the amendment with SHI International Corporation for IT products and services; and

c. Accept non-standard contract provisions as recommended by the Chief Information Officer; and
d. Authorize the Chief Information Officer the option to extend the agreement up to three (3) additional one (1) year periods through February 27, 2031, provided that the total additional costs do not exceed 10% of the prior year's cost, for a total agreement not to exceed amount of $2,160,250 and so long as the Order Forms do not significantly alter the terms of the Agreement, even if no additional Agreements are entered into, subject to County Counsel review.

Approved

34. Authorize the Contracts & Procurement Officer or their designee to execute Amendment No. 2 to Agreement No. A-14550 with K&H Printers-Lithographers, Inc., to continue providing ballot and critical election material printing and mailing services for two (2) additional years (October 1, 2025 through September 30, 2027) for a revised full agreement term from November 5, 2019 through September 30, 2027 and adding $3,800,000 for an aggregate amount not to exceed $13,400,000.

Approved

35. Approve submittal of the *County of Monterey Immigration Rights Initiative*, *Monterey County Young Supervisors Program*, *Hygiene Hubs*, and *Business Programs and Incentives Guide* application entries to the 2025 California State Association of Counties (CSAC) Challenge Awards competition.

Approved

36. a. Authorize the Chief Information Officer to execute a non-standard Agreement with Mainline Information Systems, LLC (dba Pellera) a reseller of TD Synnex Corporation an awarded vendor of OMNIA Partner's existing Region 14 Education Service Center Contract No. 01-170 to purchase technology products and services, up to an amount of $500,000 for the term of September 1, 2025 through December 31, 2026; and
b. Authorize the Chief Information Officer, or his designee, to execute order forms and such documents as are necessary to implement the agreement with Mainline Information Systems for the County's purchase of technology solutions, services, and support, including subscription renewals on an as-needed basis; and
c. Accept non-standard contract provisions as recommended by the Chief Information Officer; and
d. Authorize the Chief Information Officer to amend or sign up to two (2) renewals of one (1) year each to the Agreement, where the cost cap of each amendment or renewal does not increase by more than 10% of the prior agreement's or amendment's cost cap, with a maximum total increase of $1,155,000 for a total agreement not to exceed the amount of $1,655,000 and so long as the Order Forms do not significantly alter the terms of the Agreement, even if no additional Agreements are entered into, subject to County Counsel review

Approved

37. Receive the Action Minutes of the Capital Improvement Committee for the 1st and 2nd Quarters of 2025 for the meetings held on February 10 and March 10, 2025.

Approved

38. Approve the County of Monterey Board of Supervisors Draft Action Meeting Minutes for the following meeting date: Tuesday. January 14, 2025, and Tuesday, August 19, 2025.

Approved as amended to the Tuesday, January 14, 2025, draft minutes

39. Authorize the County Administrative Officer, or designee, to execute all documents necessary to approve Change Order #1 with Opterra Energy Services in the amount of $1,525,060 to replace the roof of 168 W. Alisal Street, Salinas, as part of the ongoing solar project.

Approved

40. a. Consider the County's Draft Expenditure Plan for the State of California Department of State Hospitals (DSH) to expend up to $1,425,000 for the County's FY 2023-24 Incompetent to Stand in Trial (IST) growth cap and penalty per Welfare & Institutions Code (W&I Code) Section 4336;
b. Authorize the County Administrative Officer or designee to adjust and edit the County's Draft Expenditure Plan to DSH prior to finalization for submission by August 29, 2025, so long as edits do not substantially change the scope of the plan; and,
c. Approve and authorize the County Administrator Officer or designee to submit the final Expenditure Plan to DSH by August 29, 2025.

Approved

Housing and Community Development

41. a. Approve and authorize the County Administrative Officer or designee to sign and submit an application for $2,779,696 for funding from the California Department of Housing and Community Development Homeless Housing, Assistance and Prevention Program Round Six (HHAP-6);
b. Approve and authorize the County Administrative Officer or designee to execute the state funding agreement, with the California Department of Housing and Community Development for HHAP-6 for a term ending June 30, 2029, for an amount estimated at $2,779,696;
c. Approve and authorize the County Administrative Officer or designee to sign all future HHAP-6 funding amendments on behalf of the County for continued funding from the California Department of Housing and Community Development for a term ending June 30, 2029; and
d. Approve and authorize the County Administrative Officer or designee, to sign and execute a Memorandum of Understanding (MOU) with the County of San Benito and the Coalition of Homeless Services Providers committing the County of Monterey to collaborate on implementation of the key actions included in the regional grant submission.

Approved

42. a. Approve and authorize the Housing and Community Development (HCD) Director to execute the Grant and Purchase of Easements and Escrow Instructions Agreement (Agreement) between the

County of Monterey and Clinton Eastwood, as his sole and separate property, as to an undivided 1/2 interest, and Margaret Eastwood, as Trustee of the Margaret Eastwood Trust U/D/T dated August 21, 1990, as to an undivided 1/2 interest, for the conveyance of a permanent easement and temporary construction easement across a portion of Assessor's Parcel Number (APN) 243-071-008 for the construction and maintenance of improvements and appurtenances related to the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project; and
b. Authorize the Director of Housing and Community Development to execute any related documents needed to complete the transaction, including, but not limited to, any future amendments to the Easement Agreement subject to review and approval as to form by the Office of the County Counsel.

PRIOR CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) ACTION:
Approval of contracts is not a Project under CEQA. The Environmental Impact Report (EIR) for the CRFREE Project was certified by the Board of Supervisors on January 20, 2020. The CRFREE Project was approved, and the corresponding Mitigation Monitoring and Reporting Program (MMRP) was adopted by the Board of Supervisors on June 15, 2021.

Approved

Public Works, Facilities and Parks

43. a. Award a contract to Granite Rock Company, the lowest responsible bidder for the Salinas Road and Pajaro Project, Project No. 1175 (Project), in the total amount of $735,253;
b. Approve the Performance and Payment Bonds executed and provided by Granite Rock Company;
c. Authorize a contingency, not to exceed 10% of the contract amount or $73,525 to provide funding for approved contract change orders;
d. Authorize the Director of Public Works, Facilities and Parks to execute the contract subject to the provisions of the Public Contract Code and Board Policies as applicable, approve change orders to the contract that do not exceed 10% of the original contract amount or $73,525 do not significantly change the scope of work, and not to exceed the maximum contract amount of $808,778; and
e. Authorize the Director of Public Works, Facilities and Parks to execute a Certificate of Completion and record a Notice of Completion with the County Recorder when the Director determines that the contract is complete in all respects in accordance with the Plans and Special Provisions for the construction of the Salinas Road and Pajaro Project, Project No. 1175.
California Environmental Quality Act (CEQA) Action: A Notice of Exemption was filed on March 19, 2025, pursuant to CEQA Guidelines, California Code of Regulations (CCR) Section 15301 Existing Facilities. The Project has been determined to be categorically exempt (Class 1) because the Project is to perform repair and maintenance of existing streets and similar facilities which involve no expansion of an existing use (See CEQA Guidelines, California Code of Regulations (CCR) Section 15301 Existing Facilities).

Approved

44. a. Approve submittal of a subapplication under the California Office of Emergency Services (Cal OES) to the Federal Emergency Management Agency's Hazard Mitigation Grant Program (HMGP), to request funding for the Scenic Road Protection Structure Project;

b. Authorize the Director of Public Works, Facilities and Parks or his/her designee, to act as the agent for the County in processing all documentation to secure these funds; and
c. Direct PWFP to return to the Board for approval prior to acceptance of grant award.

Approved

45. a. Approve Professional Services Agreement with Wallace Group, a California Corporation to provide professional engineering services for the Chualar Wastewater Consolidation Project, Project No. C-06-8676-110, Request for Proposals #10951, for an initial term of three years from August 26, 2025 to August 25, 2028, with the option to extend the Agreement for two additional years, for an amount not to exceed $571,942 and
b. Authorize the Contracts & Purchasing Officer or their designee to execute the Professional Services Agreement and future amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the amount by more than 10% ($57,194) of the original approved Agreement amount of $571,942 bringing the potential overall aggregate not to exceed amount to $629,136 subject to review and approval as to form by the Office of the County Counsel and as to fiscal provisions by the Auditor-Controller's Office.

Approved

Please refer to the Board Orders for the approved and adopted Agreement, Resolution and Ordinance numbers.

Addenda/Supplemental

46. **Addenda/Supplemental**

Revised Title and Report for Item No. 12 under Scheduled Matters
Added Attachment Titled "Board Report" to Item No. 12 under Scheduled Matters
Added Attachment Titled "Ordinance No. 5423" to Item No. 12 under Scheduled Matters
Added Attachment Titled "Resolution No. 24-236 - Calling for Election" to Item No. 12 under Scheduled Matters
Added Attachment Titled "Resolution No. 24-337 - FY2024-25 Budget Priorities" to Item No. 12 under Scheduled Matters
Added Attachment Titled "Public Opinion Poll Results" to Item No. 12 under Scheduled Matters

County of Monterey

Government Center - Board Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Meeting Minutes - Draft

Tuesday, September 2, 2025

9:00 AM

Special Meeting

Board of Supervisors

Chair Supervisor Chris Lopez - District 3
Vice Chair Supervisor Wendy Root Askew - District 4
Supervisor Kate Daniels- District 5
Supervisor Luis A. Alejo - District 1
Supervisor Glenn Church - District 2

9:00 A.M. - Called to Order

The meeting was called to order by Chair Supervisor Chris Lopez.

Roll Called

Present: 5 - Supervisor Luis A. Alejo, Supervisor Wendy Root Askew, Supervisor Glenn Church, Supervisor Kate Daniels and Supervisor Chris Lopez were present

Staff Present

Sonia De La Rosa, County Administrative Officer, Kelly Donlon, Assistant Chief County Counsel and Valerie Ralph, Clerk of the Board were present.

Ceremonial Resolutions

Open for public comments; no comments made.

A motion was made by Supervisor Glenn Church, seconded by Supervisor Luis A. Alejo to approve Item Number 1.

ALL AYES

1. Adopt a resolution in recognizing the contributions of Hawaiian Spaniards and the Spanish Hawaiian Heritage Association's Academic and Cultural Conference. (Supervisor Lopez)

Adopted Resolution No. 25-320

Additions and Corrections for Closed Session by County Counsel

There were no additions and corrections for closed session.

Closed Session

2. Closed Session under Government Code section 54950, relating to the following items:

a. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the:
(1) Civil Rights Officer
(2) Natividad Medical Center Chief Executive Officer
(3) County Administrative Officer

b. Pursuant to Government Code section 54957(b)(1), the Board will confer regarding recruitment/appointment for the position of Public Defender.

Public Comments for Closed Session

Open for public comments; no comments made.

The Board Recessed for Closed Session Agenda Items

Read Out from Closed Session by County Counsel

There will be no reportable action read out.

Adjourned

The Board will adjourn the meeting from Closed Session.

Addenda/Supplemental

3. Addenda/Supplemental

Added an item number "#1" to the item under Ceremonial Resolutions
Added an item number "#2" to the item under Closed Session

County of Monterey

Government Center - Board Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Meeting Minutes - Draft

Tuesday, September 16, 2025

9:00 AM

Board of Supervisors

Chair Supervisor Chris Lopez - District 3
Vice Chair Supervisor Wendy Root Askew - District 4
Supervisor Kate Daniels- District 5
Supervisor Luis A. Alejo - District 1
Supervisor Glenn Church - District 2

9:00 A.M. - Called to Order

The meeting was called to order by Chair Supervisor Chris Lopez.

Roll Called

Present: 5 - Supervisor Luis A. Alejo, Supervisor Wendy Root Askew, Supervisor Chris Lopez, Supervisor Kate Daniels and Supervisor Glenn Church were present

Staff Present

Sonia De La Rosa, County Administrative Officer, Susan Blitch, County Counsel and Valerie Ralph, Clerk of the Board were present.

Additions and Corrections for Closed Session by County Counsel

The Board considered an urgency add on pursuant to California Government Code 54954.2(b)(2) to add to closed session the matter of Newsom v. Trump, United States Court of Appeals for the Ninth Circuit Case No. 25-3727.

Open for public comments; Christian Schneider and Bill Lipe commented.

A motion was made by Supervisor Wendy Root Askew, seconded by Supervisor Kate Daniels to: Add to closed session the matter of Newsom v. Trump, United States Court of Appeals for the Ninth Circuit Case No. 25-3727 pursuant to California Government Code 54954.2(b)(2).

ALL AYES

Closed Session

1. Closed Session under Government Code section 54950, relating to the following items:

a. Pursuant to Government Code section 54957(b)(1), the Board will provide a performance evaluation for the County Counsel.

b. Pursuant to Government Code section 54956.9(d)(1), the Board will confer with legal counsel regarding existing litigation:
(1) *Coppick, Donna v. County of Monterey, et al.* (Monterey County Superior Court Case No. 24CV004506)

c. Pursuant to Government Code section 54956.9(d)(2), the Board will confer with legal counsel regarding two matters of significant exposure to litigation.

d. Pursuant to Government Code section 54957.6, the Board will provide direction to negotiators:
(1) Designated representatives: Andreas Pyper, Kim Moore and Ariana Hurtado
Employee Organization(s): All Units

Public Comments for Closed Session

Open for public comments; Christian Schneider commented.

The Board Recessed for Closed Session Agenda Items

10:30 A.M. - Reconvened on Public Agenda Items

Roll Called

Present: 5 - Supervisor Luis A. Alejo, Supervisor Wendy Root Askew, Supervisor Chris Lopez, Supervisor Kate Daniels and Supervisor Glenn Church were present

Staff Present

Sonia De La Rosa, County Administrative Officer, Susan Blitch, County Counsel and Valerie Ralph, Clerk of the Board were present.

Announcement of Interpreter

Diego Celis, Spanish Interpreter present and announced Spanish interpreter services.

Pledge of Allegiance

The pledge of allegiance was led by Susan Blitch, County Counsel.

Additions and Corrections by Clerk

Due to the need for immediate consideration by the Board of matters which arose after the posting of today's agenda, as provided in Section 54954.2 of the California Government Code the Board is asked to make the following addition and correction:

Adjournment:

To add to Adjourn in Memory of Josh Hostetter

Ceremonial Resolutions

Open for public comments; no comments made.

Leslie Noble commented, in this section, due to inadvertence.

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Glenn Church to approve Item Numbers 2 through 15.

ALL AYES

2. Adopt a resolution Establishing the Third Tuesday of September as National Voter Registration Day (Supervisor Lopez)

Adopted Resolution No. 25-314

3. Adopt a resolution Recognizing September 15, 2025, through October 15, 2025, as Hispanic Heritage Month in Monterey County. (Supervisor Alejo)

Adopted Resolution No. 25-331

4. Adopt a resolution Honoring Ines Marines for His Lifetime of Community Leadership in Pajaro and His Advocacy for Farmworker Rights. (Supervisor Alejo)

Adopted Resolution No. 25-330

5. Adopt a resolution Declaring Bracero Workers History Recognition Week Every Year in Monterey County During the Week of September 17th and Remembering the 62nd Anniversary of the Chualar Bracero Tragedy of 1963. (Supervisor Alejo)

Adopted Resolution No. 25-342

6. Adopt a resolution Honoring the Life and Legacy of Isidro Hernandez Tovar, the Last Surviving Bracero of Chualar. (Supervisor Alejo)

Adopted Resolution No. 25-343

7. Adopt a resolution Honoring Suicide Prevention Service - A Program of Family Service Agency of the Central Coast during Suicide Awareness Month and recognizing the importance of the 988 Suicide & Crisis Lifeline. (Supervisor Root Askew)

Adopted Resolution No. 25-333

8. Adopt a resolution in Recognition of Breakthrough Men's Community and their commitment to empowering men and transforming communities. (Supervisor Root Askew)

Adopted Resolution No. 25-328

9. Adopt a resolution Honoring El Grito de Independencia and recognizing El Grito Salinas, organized by Tradición Por Siempre, in celebration of Hispanic Heritage Month. (Supervisor Root Askew)

Adopted Resolution No. 25-329

10. Adopt a resolution Celebrating the International Day of Democracy and recognizing the Associated Student Governments of California State University Monterey Bay. (Supervisor Root Askew)

Adopted Resolution No. 25-325

11. Adopt a resolution Celebrating the International Day of Democracy and recognizing the Associated Student Governments of Monterey Peninsula College. (Supervisor Root Askew)

Adopted Resolution No. 25-326

12. Adopt a resolution Celebrating the International Day of Democracy and recognizing the Associated Student Governments of Hartnell College. (Supervisor Root Askew)

Adopted Resolution No. 25-327

13. Adopt a resolution Recognizing the 50th Anniversary of the Natividad Family Medicine Residency. (Supervisor Lopez)

Adopted Resolution No. 25-315

14. Adopt a resolution Commending Commander Ray Tongol upon his retirement from twenty-six years of public service with the Monterey County Sheriff's Office. (Supervisor Lopez)

Adopted Resolution No. 25-316

15. Adopt a resolution Recognizing and Celebrating the 40th Anniversary of the Watsonville Cannery Strikes of 1985-1987, the Longest and Most Significant Cannery Strike in United States History. (Supervisor Alejo)

Adopted Resolution No. 25-332

Appointments

Open for public comments; no comments made.

A motion was made by Supervisor Glenn Church, seconded by Supervisor Kate Daniels to appoint/reappoint/correct Item Numbers 16 through 20.

ALL AYES

16. Reappoint Scott Violini to the Agricultural Advisory Committee representing Monterey County Cattlemen's Association with a term end date of June 30, 2028 (Nominated by The Board of Directors for the Monterey County Cattlemen's Association)

Reappointed

17. Appoint Estella Padilla to Equal Opportunity and Civil Rights Advisory Commission representing Service Employees International Union (SEIU) Local 521 Monterey County Chapter with a term expiration date on December 31, 2025. (Nominated by Olivia Martinez, Region 2 Director SEIU Local 521)

Appointed

18. Appoint Stefanie Baughman to the Commission on Disabilities representing District 2 with a term end date of December 31, 2028 (District Specific - District 2, Supervisor Church)

Appointed

19. Appoint Antonio F. Ramirez to the San Lucas Cemetery District as a Primary Representative with a term expiration date on September 17, 2029. (District Specific - District 3, Supervisor Lopez)

Appointed

20. Appoint Larry Hartman to Workforce Development Board as a Business Representative with a term expiration date on December 7, 2027. (Nominated by Workforce Development Board)

Appointed

Special Presentation

21. a. Receive a verbal update and presentation from Friends of Laguna Seca regarding the required Business and Facility Master Plans as outlined in the Concession Agreement for the Operation and Management of the Laguna Seca Recreation Area and the agreed upon sound study, and;
b. Consider granting an extension to the Friends of Laguna Seca for completion of the Facility Master Plan.

Bryan Flores, Chief of Parks from Public Works, Facilities and Parks introduced Mel Harder, General Manager Laguna Seca, and Jim Barath, Sonics ESD who presented via two (2) PowerPoint presentations. Randy Ishii, Director of Public Works, Facilities and Parks made closing remarks.

Open for public comments; Bill Lipe, Michael Weaver, Bryan Rosen, Chris Ottenweller, Tina Nieto and phone number ending in 004 commented.

**A motion was made by Supervisor Kate Daniels, seconded by Supervisor Luis A. Alejo to:
a. Receive a verbal update and presentation from Friends of Laguna Seca regarding the required Business and Facility Master Plans as outlined in the Concession Agreement for the Operation and Management of the Laguna Seca Recreation Area and the agreed upon sound study, and;
b. Granted an extension to the Friends of Laguna Seca for completion of the Facility Master Plan including an extension of the Sound Study to Q4 2026. In addition, County Counsel to review the Concession Agreement to identify any other associated downstream impacts of the decision to grant the extension of the agreement.**

ALL AYES

22. See Supplemental Sheet

Approval of Consent Calendar – (See Supplemental Sheet)

Open for public comments; Michael Weaver commented on Item No. 42.

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Wendy Root Askew to approve Consent Item Numbers 31 through 57 excluding Item No. 44.

ALL AYES

A motion was made by Supervisor Wendy Root Askew, seconded by Supervisor Glenn Church to remove and continue Item No. 44.

ALL AYES

General Public Comments

23. General Public Comments

Open for general public comments for items not on the agenda today; phone number ending in 402, Bryan Rosen, Katherine (no last name was provided), Bill Lipe and Therma Rhunaway commented.

A.M. Scheduled Matter trailed to the P.M. Session

12:00 P.M. - Recessed to Lunch back into Closed Session at 12:53 p.m.

1:30 P.M. - Reconvened at 2:14 p.m.

Roll Called

Present: 5 - Supervisor Luis A. Alejo, Supervisor Wendy Root Askew, Supervisor Chris Lopez, Supervisor Kate Daniels and Supervisor Glenn Church were present

Staff Present

Sonia De La Rosa, County Administrative Officer, Susan Blitch, County Counsel and Valerie Ralph, Clerk of the Board were present.

Announcement of Interpreter

Diego Celis, Spanish Interpreter present and announced Spanish interpreter services.

Scheduled Matters

25. a. Receive a presentation from Department of Emergency Management and partners, concerning the MOSS 300 site clean-up at the Moss Landing Battery Energy Storage System facility; and
b. Provide direction to staff as appropriate

Kelsey Scanlon, Director of Emergency Management, Nicky Fowler, Health Program Coordinator both from the County of Monterey, Mike Montgomery, Director of Region 9 and Lynn Keller, Acting Director of Region 9 both from the United States Environmental Protection Agency (US EPA) presented via PowerPoint presentation.

Open for public comments; Ed Mitchell, Mara Clepal, Nina Beety, Brian Roder, Clos Temple, Emily France Kohan, Diane (last name inaudible), Kathy (no last name provided), Kurt Gabrielson, Kim Solano, Corel Reader, Therma Rhunaway, phone number endng in 078, Tina Le Perle, and Marilyn Garrett commented.

Upon consensus the Board:
a. Received a presentation from Department of Emergency Management and partners, concerning the MOSS 300 site clean-up at the Moss Landing Battery Energy Storage System facility; and
b. Provided direction to staff as appropriate

A.M. Scheduled Matter trailed to the P.M. Session and was taken up after Item No. 25

24. a. Conduct a required public hearing to obtain residents' views and respond to proposals and questions received during the preceding 30-day public comment period regarding the Urban County Community Development Block Grant Consolidated Annual Performance and Evaluation Report for Fiscal Year 24/25;
b. Receive and Accept the Consolidated Annual Performance and Evaluation Report for Fiscal Year 24/25;
c. Authorize the Director of Housing and Community Development or their designee to submit the CAPER to the United States Department of Housing and Urban Development;
d. Approve the Urban County Community Development Block Grant Consolidated Annual Performance and Evaluation Report for Fiscal Year 24/25 for submittal to the United States Department of Housing and Urban Development; and,
e. Authorize the Director of Housing and Community Development or their designee to make minor changes to the Consolidated Annual Performance and Evaluation Report as needed or in response to comments from the United States Department of Housing and Urban Development.

Public hearing held.

Dawn Yonemitsu, Management Analyst II from the Housing and Community Development department presented via PowerPoint presentation.

Open for public comments; no comments made.

A motion was made by Supervisor Wendy Root Askew, seconded by Supervisor Luis A. Alejo to:
a. Conduct a required public hearing to obtain residents' views and respond to proposals and questions received during the preceding 30-day public comment period regarding the Urban County Community Development Block Grant Consolidated Annual Performance and Evaluation Report for Fiscal Year 24/25;
b. Receive and Accept the Consolidated Annual Performance and Evaluation Report for Fiscal Year 24/25;
c. Authorize the Director of Housing and Community Development or their designee to submit the CAPER to the United States Department of Housing and Urban Development;
d. Approve the Urban County Community Development Block Grant Consolidated Annual Performance and Evaluation Report for Fiscal Year 24/25 for submittal to the United States Department of Housing and Urban Development; and,
e. Authorize the Director of Housing and Community Development or their designee to make minor changes to the Consolidated Annual Performance and Evaluation Report as needed or in response to comments from the United States Department of Housing and Urban Development.

ALL AYES

Other Board Matters

26. Receive a referral from the Legislative Committee requesting that the Board consider a position on Proposition 50, the Use of Legislative Congressional Redistricting Map Amendment on the California special election ballot on November 4, 2025.

Nicole Hollingsworth, Legislative Program Manager verbally presented

Open for public comments; no comments made.

A motion was made by Supervisor Wendy Root Askew, seconded by Supervisor Luis A. Alejo with Supervisor Glenn Church abstaining to:
Take a supportive position on Proposition 50, the Use of Legislative Congressional Redistricting Map Amendment on the California special election ballot on November 4, 2025.

ALL AYES (4-0-1)
Abstain: Supervisor Church

Referral Matrix and New Referrals

27. Referral Matrix and New Referrals

Sonia De La Rosa, County Administrative Officer shared there was one new referral this week.

Date: 5 Sept. 2025 Submitted By: Supervisor Glenn Church District #: 2
Referral Title: No Recreational Vehicle Parking on Railroad Avenue in Pajaro
Referral Purpose:
Request for the Board of Supervisors to consider adoption of an ordinance to prohibit recreational vehicle parking
on the entirety of Railroad Avenue in the unincorporated area of the County of Monterey and establish a tow[1]away zone, authorizing the immediate removal of vehicles that violate this no-parking restriction.

County Administrative Officer Comments

28. County Administrative Officer Comments

Sonia De La Rosa, County Administrative Officer's comments can be heard by clicking this link:

https://monterey.granicus.com/player/clip/5859?meta_id=926680

Board Comments

29. Board Comments

Board comments can be heard by clicking this link:

https://monterey.granicus.com/player/clip/5859?meta_id=926683

Read Out from Closed Session by County Counsel

The Board took action in the matter of Newsom v. Trump, United States Court of Appeals for the Ninth Circuit Case No. 25-3727 the Board unanimously agreed to sign onto an amicus brief prepared by the City of Los Angeles in support of Governor Newsom's position, in this case, against the deployment of the military by the Federal Government in the city of Los Angeles.

Adjourned

The meeting was Adjourned in Memory of Josh Hostetter at 5:39 p.m. by Chair Supervisor Chris Lopez.

APPROVED:

____/s/ Chris Lopez_____
CHRIS LOPEZ, CHAIR

ATTEST:
BY: ____/s/ Valerie Ralph_____
VALERIE RALPH
CLERK OF THE BOARD
APPROVED ON: , 2025

Supplemental Sheet, Consent Calendar

Natividad Medical Center

31. a. Award Job Order Contracts (JOC) to the lowest responsive bidders for Natividad Medical Center (NMC) with a one-year term from the date of signing by NMC. The contracts will have a minimum value of $25,000 and a maximum value of $6,023,368. The awarded contracts are as follows: NMC 2025-01 to Staples Construction, and NMC 2025-02 to Newton Construction and Management.
b. Approve the Performance and Payment Bonds provided by Staples Construction and Newton Construction and Management each in the amount of $2,500,000.
c. Authorize the Chief Executive Officer (CEO) of Natividad Medical Center to execute the Job Order Contracts for NMC 2025-01 with Staples Construction and for NMC 2025-02 with Newton Construction and Management.

Approved

32. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute renewal and amendment No. 7 to the agreement (A-13074) with Forward Advantage Holdings, Inc. dba Forward Advantage for Imprivata OneSign single sign-on solution software services, extending the agreement an additional two (2) year period (March 23, 2025 through March 22, 2027) for a revised full agreement term of March 23, 2016 through March 22, 2027 and adding $115,606 for a revised total agreement amount not to exceed $924,242.

Approved

33. a. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute an agreement each with Waltz Creative, LLC, The Buzz PR LLC, and Mag One Media, Inc., pursuant to the Request for Proposals (RFP) #9600-91 for marketing and graphic design services at NMC, for an initial agreement term beginning September 16, 2025 through September 15, 2028, with the option to extend each agreement two (2) additional one-year periods, for a total aggregate not-to-exceed amount of $555,000 for all three contracts for the initial three-year term.
b. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute up to two (2) future amendments to each agreement, each amendment exercising a one year option to extend, for an additional aggregate not-to-exceed amount of $185,000 for all three contracts for Fiscal Year 2028-29 and for an additional aggregate not-to-exceed amount of $185,000 for all three contracts for Fiscal Year 2029-2030, provided that the total cost of the agreement over a five-year period does not exceed $925,000 and as long as an appropriation for the costs of the amendments is included in the County Adopted Budget.

Approved

34. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute renewal and amendment No. 5 to the agreement (A-14059) with Waltz Creative LLC for

marketing and graphic design services, extending the agreement for an additional one (1) month period (August 1, 2025 through August 31, 2025) for a revised full agreement term of August 1, 2018 through August 31, 2025, and no change to the total aggregate amount not-to-exceed $1,850,000.

Approved

35. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 1 to the agreement with Health Management Associates, Inc. for consulting services pertaining to patient alignment, county ambulatory clinics and health plan member access, adding $300,000 for a revised total agreement amount not to exceed $500,000 with no change to the Agreement term of March 1, 2025 through February 28, 2027.

Approved

36. Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute amendment No. 1 to the agreement (A-16333) with California Transplant Services dba SafetyGraft for tissue bank storage services, extending the agreement an additional three (3) year period (January 1, 2026 through December 31, 2028) for a revised full agreement term of January 1, 2023 through December 31, 2028, and adding $250,000 for a revised total agreement amount not to exceed $450,000.

Approved

Health Department

37. a. Approve and authorize the Director of Health Services or designee to execute a Mental Health Services Agreement for a term beginning on the date of execution of the Agreement to June 30, 2027 with Remi Vista, Inc., for the provision of Short-term Residential Therapeutic Program (STRTP) treatment services including Case Management, Mental Health Services, Medication Support, and Crisis Intervention for children/youth in the amount of $295,260 for FY 2025-2026 and $295,260 for FY 2026-2027 for a total Agreement amount not to exceed $590,520; and
b. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($59,052) of the original Agreement amount, do not significantly change the scope of services and do not increase the total not to exceed amount over $649,572.

Approved

38. a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement with Michigan House, Inc. for the provision of Short-term Residential Therapeutic Program (STRTP) treatment services including Case Management, Mental Health Services, Medication Support, and Crisis Intervention for children/youth in the amount of $62,476 for FY 2024-2025 and $418,776 for FY 2025-2026 for a total Agreement amount not to exceed $481,252 for a term beginning February 12, 2025 through June 30, 2026; and
b. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($48,125) of the original Agreement amount, do not

significantly change the scope of services, and do not increase the total not to exceed amount over $529,377.

Approved

39. a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and CF Merced Behavioral, LLC dba Merced Behavioral Center for the provision of mental health services to gravely disabled Monterey County adult residents with severe psychiatric disabilities in a secure Skilled Nursing Facility as an Institution for Mental Disease (IMD), for a maximum County obligation of $2,483,865 for the term of July 1, 2025 through June 30, 2026; and
b. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($248,386) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over $2,732,251.

Approved

40. a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and Telecare Corporation for the provision of skilled nursing services to Monterey County adults with primary diagnoses of organic brain syndrome, traumatic brain injury, medical debilitation, and severe mental illness, for a maximum County obligation of $544,404 for the term of July 1, 2025 through June 30, 2026; and
b. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($54,440) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over $598,844.

Approved

41. a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and Inspire Behavioral Health, LLC for the provision of mental health services to Monterey County adult residents with severe psychiatric disabilities in a secure Skilled Nursing Facility as an Institution for Mental Disease (IMD), for a maximum County obligation of $1,489,685 for the term of July 1, 2025 through June 30, 2026; and
b. Approve the Director of Health Services recommendation to accept non-standard Commercial General Liability insurance provisions of claims-based coverage; and
c. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($148,968) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over $1,638,653.

Approved

42. Adopt an ordinance to amend Chapter 15.04 of the Monterey County Code to remove County of Monterey regulation of small public water systems.

Proposed California Environmental Quality Act ("CEQA") Action: Find that the adoption of this ordinance is categorically exempt per Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because it is an administrative activity that will not result in direct or indirect changes to the environment.

Adopted

43. a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and Crestwood Behavioral Health, Inc. for the provision of mental health services adults with severe psychiatric disabilities for a maximum County obligation of $2,365,565 for the term of July 1, 2025 through June 30, 2026; and
b. Approve the Director of Health Services recommendation to accept non-standard contract indemnification and insurance provisions within the agreement; and
c. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($236,556) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over $2,602,121.

Approved

44. a. Approve and authorize the Director of Health Services or designee to execute a retroactive Amendment No. 1 to Agreement No. A-17223 with Society for the Prevention of Cruelty to Animals for Monterey County (SPCA) for the provision of all-inclusive spay/neuter clinics for domestic and feral cats of residents within Monterey County communities, and providing requested veterinary services to shelter animals, adding $200,000 for a new total Agreement amount of $242,000 and for the term of February 20, 2025 through June 30, 2026; and
b. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments to this Agreement where the amendments do not exceed 10% ($4,200) of the original Agreement amount, do not significantly change the scope of work, and the total Agreement amount does not exceed $246,200.

Removed from agenda and continued to a date to be determined.

45. a. Approve and authorize the Director of Health Services or designee to execute an Agreement with Steel Patriot Partners, LLC for the provision of tailored outsourced compliance and cybersecurity implementation services to support, achieve, and maintain Health Insurance Portability and Accountability Act (HIPAA) governance and compliance goals, for a term of September 30, 2025 through September 29, 2026, for a total Agreement amount of $50,000; and
b. Approve and authorize the Director of Health Services or designee to execute a Business Associate Agreement (BAA) with Steel Patriot Partners, LLC; and
c. Approve and authorize the Director of Health Services or designee to approve up to three (3) future Amendments that do not exceed 10% ($5,000) of the original Agreement amount, do not significantly alter the scope of services, and do not exceed the maximum amount of $55,000; and
d. Approve and authorize the Contracts and Purchasing Officer or designee to execute future Amendments to the agreement where the Amendments do not significantly change the scope of

work, do not exceed an aggregate amount of $200,000 and fall within the signing authority of the Contracts and Purchasing Officer.

Approved

46. a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and OCD Anxiety Centers, LLC for the provision of a virtual intensive outpatient program for a total amount not to exceed $15,050 for the term of January 13, 2025 through March 17, 2025; and
b. Accept non-standard risk provisions as recommended by the Director of Health Services.

Approved

47. a. Approve and authorize the Director of Health Services or designee to execute a retroactive Mental Health Services Agreement between the County of Monterey and Front St., Inc. for the provision of residential services to older adults with serious and persistent mental illness for a maximum County obligation of $1,689,634 for the term of July 1, 2025 through June 30, 2026; and
b. Approve and authorize the Director of Health Services or designee to execute up to three (3) future amendments that do not exceed 10% ($168,963) of the original Agreement, do not significantly change the scope of services, and do not increase the total not to exceed maximum amount over $1,858,597.

Approved

Department of Social Services

48. Receive and accept the Fiscal Year 2023-24 Annual Report from First 5 Monterey County (a.k.a. Monterey County Children and Families Commission).

Approved

49. Adopt a resolution to:
a. Authorize the application for and acceptance of the Transitional Housing Program (THP) Allocation Award Round 7 in the amount of $436,317 and the Housing Navigation and Maintenance Program (HNMP) Round 4 in the amount of $68,349 to be expended as of two years from the "effective date" of the fully executed Standard Agreement, to help young adults who are 18 to 24 years of age secure and maintain housing, with priority given to former foster or probation youth; and
b. Affirm that if THP funds or HNMP funds remain available for allocation after the deadline for submitting a signed Allocation Acceptance Form, and if eligible, the County will authorize acceptance of this additional allocation of funds up to the amount authorized by the Department but not to exceed $872,634 and $136,698 respectively; and
c. Authorize the Director or designee of Department of Social Services, to act on behalf of the County in connection with the THP and HNMP allocation/awards and to enter into, execute, and deliver any and all documents required or deemed necessary or appropriate to participate in the THP and HNMP programs; and

d. Agree that the County shall be subject to the terms and conditions that are specified in the THP Round 7 and HNMP Round 4 Allocation Award documents and will use the funds in accordance with the Allocation Acceptance Form, award documents, amendments, requirements, or other applicable laws; and
e. Affirm that the County is authorized to accept either of the allocations independent of each other.

Adopted

Criminal Justice

50. Authorize the County Administrative Officer or designee to execute a retroactive Memorandum of Agreement, effective October 1, 2023 and shall remain in full force and effect through the full appropriation of 2024 Justice Assistance Grant (JAG) funds and all related documentation on behalf of the County for the FY 2024 Local Solicitation award for the Edward Byrne Memorial Justice Assistance Grant (JAG), with the City of Salinas, subject to review and approval by County Counsel.

Approved

General Government

51. a. Approve the Radio Site Lease Agreement Template between Lessor and the County of Monterey (Lessee) for the rental of radio communication sites as requested by the County; and
b. Authorize the Chief Information Officer or his designee to execute the lease template, including minor alterations that do not substantially alter the lease terms, subject to the review and approval of the Office of the County Counsel-Risk Management.

Approved

52. Receive a memorandum from Economic Development staff detailing Economic Development Accomplishments for FY24-25.

Approved

53. Receive final reports for FY2024-25 from the Development Set-Aside Agencies, the Arts Council for Monterey County (Arts4MC), the Monterey County Convention and Visitors Bureau (See Monterey), the Monterey County Film Commission (MCFC) and the Monterey County Business Council (MCBC).

Approved

54. Adopt the Secured Roll Tax Rates calculated by the Office of the Auditor-Controller for Fiscal Year 2025-26.

Adopted

55. a. Authorize the Chief Information Officer or his designee to execute Amendment No. 1 to the

Standard Agreement with MagOne Media Incorporated for added video production services on an as-needed basis, with a term date of February 21, 2025 to February 20, 2028, adding $240,000 for a revised agreement total of $340,000; and
b. Authorize the Chief Information Officer or his designee, to execute order forms and such documents on an as-needed basis necessary to implement the Amendment No. 1 with MagOne Media Incorporated; and
c. Authorize the Chief Information Officer or his designee the option to extend the agreement up to three (3) additional one (1) year periods through February 20, 2031, and sign associated Order Forms, provided that the total additional costs do not exceed ten percent of the prior year's cost, with a maximum total increase of $412,645 for a total agreement not to exceed amount of $752,645 and as long as the Order Forms do not significantly alter the terms of the Agreement, even if no additional Agreements are entered into, subject to County Counsel review.

Approved

Public Works, Facilities and Parks

56. a. Authorize an additional contingency of 10% or $ 69,183 of the contract amount with Coastal Paving & Excavating, Inc., for the Viejo Road Emergency Storm Damage, Project No. 621095C, Federal Aid Project No: PA-09-CA-4308-PW-00651 to provide funding for approved contract change orders; and
b. Authorize the Director of Public Works, Facilities, and Parks (PWFP) to execute contract change orders where the overall total value of change orders does not exceed 20% or $ 138,366 of the original contract amount of $ 691,831 and where the change orders do not significantly change the scope of work.

California Environmental Quality Act (CEQA) Action: A Notice of Exemption was filed on October 8, 2021, pursuant to CEQA Guidelines, California Code of Regulations (CCR) Section 15301 Existing Facilities.

Approved

57. a. Approve a Cost Sharing Agreement between the City of Carmel-by-the-Sea and the County of Monterey for the Pavement Rehabilitation of the portion of Ocean Avenue between just west of Cabrillo Highway, California State Route 1, also known as the Pacific Coast Highway and Carpenter Street, for a term effective the execution date of the Agreement anticipated to end fiscal year 26, for a total amount of $400,000; and
b. Authorize the Director of Public Works, Facilities and Parks to sign the Cost Sharing Agreement, including a County contribution of $400,000 for construction.
California Environmental Quality Act (CEQA) action: Categorically exempt per California Code of Regulations section 15301 Existing Facilities - (c) Existing highways and streets.

Approved

Please refer to the Board Orders for the approved and adopted Agreement, Resolution and Ordinance numbers.

County of Monterey

Board Report

Legistar File Number: 25-654

Item No.43

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/15/2025

Current Status: General Government - Consent

Version: 1

Matter Type: General Agenda Item

Adopt the DRAFT Proposed Board of Supervisors' meeting schedule for the calendar year 2026.

Prepared by Valerie Ralph, Clerk of the Board 831-755-5066, Option 6.

County of Monterey

Board Report

Legistar File Number: 25-654

Item No.

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/15/2025
Version: 1

Current Status: Agenda Ready
Matter Type: General Agenda Item

Adopt the DRAFT Proposed Board of Supervisors' meeting schedule for the calendar year 2026.

Prepared by Valerie Ralph, Clerk of the Board 831-755-5066, Option 6.

Before the Board of Supervisors in and for the
County of Monterey, State of California

Adopt the Board of Supervisors' meeting)
schedule for the calendar year 2026……)

The Board will meet on Wednesday, May 27, 2026, at 9:00 a.m. and Thursday, May 28, 2026, at 9:00 a.m. for Budget Hearings and will meet each Tuesday at 9:00 a.m., as scheduled below:

Meeting On:
January 6, 2026
January 13, 2026
January 27, 2026
February 3, 2026
February 10, 2026
February 13, 2026, Legislative Workshop – Friday
March 6, 2026 BOS/Department Head Retreat – Friday
March 10, 2026
March 17, 2026
March 24, 2026
April 7, 2026 – Budget Workshop
April 14, 2026
April 21, 2026
April 28, 2026
May 5, 2026
May 12, 2026
May 19, 2026
May 27, 2026 Budget Hearings – Wednesday
May 28, 2026 Budget Hearings – Thursday
June 2, 2026
June 9, 2026
June 16, 2026 Budget Adoption and other agenda items
June 23, 2026
June 25, 2026 Executive Performance Evaluations -Thursday
June 26, 2026 Executive Performance Evaluations – Friday (If needed)
July 7, 2026
August 11, 2026
August 18, 2026
August 25, 2026
September 1, 2026
September 8, 2026
September 15, 2026
September 22, 2026
September 29, 2026
October 13, 2026
October 20, 2026
October 27, 2026
November 3, 2026
November 17, 2026
December 8, 2026
December 9, 2026 Executive Performance Evaluations – Wednesday
December 15, 2026

Before the Board of Supervisors in and for the County of Monterey, State of California

The Board will not meet on the following dates in observance of holidays, other recesses and conferences or otherwise posted, at 9:00 a.m. as noted below:

No Meeting On:	In observance of:
January 20, 2026	Martin Luther King's Day
February 17, 2026	President's Day
February 24, 2026	NACo Legislative Conference, Washington, D.C
March 4, 2026	Department Head Retreat
March 31, 2026	Cesar Chavez Day
May 26, 2026	Memorial Day
June 30, 2026	Fifth Tuesday
July 14, 2026	Summer Recess
July 21, 2026	Summer Recess/2026 NACo Legislative Conference (July 17-20, New Orleans, LA)
July 28, 2026	Summer Recess
August 4, 2026	Summer Recess
September 8, 2026	Labor Day
October 6, 2026	Fall Break
November 10, 2026	Veterans Day
November 24, 2026	Thanksgiving
December 1, 2026	Thanksgiving
December 22, 2026	Winter Break
December 29, 2026	Winter Break

PASSED AND ADOPTED on this day of upon motion of Supervisor and seconded by Supervisor , by the following vote, to-wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book for the meeting on .

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
Deputy

Introduced: 9/17/2025

Current Status: General Government - Consent

Version: 1

Matter Type: BoS Resolution

a. Approve and authorize the County Administrative Officer or designee, to accept a maximum award of $1,228,961 from the Central California Alliance for Health in partial support of the construction and site development of the 34-bed low barrier navigation center to be located at 118 First Street, Watsonville, California 95076, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area; and
b. Approval and authorize the County Administrative Officer or designee to execute a non-standard Agreement in the amount of $1,228,961 with the Central California Alliance for Health for partial support of the construction and development a 34-bed low barrier navigation center, for the term effective upon execution and expiring 39 months thereafter; and
c. Approve the recommendation of the County Administrative Officer to accept all non-standard provisions in the Agreement; and
d. Adopt a resolution to authorize and direct the Auditor-Controller to increase appropriations and estimated revenues by $1,228,961, to amend the Fiscal Year 2025-26 Adopted Budget for the County Administrative Office Homelessness Strategies and Initiatives Division (001-1050-CAO004-8598) financed by grant revenues from the Central California Alliance for Health to provide partial payment towards the construction and site development of a 34-bed non-congregate, low barrier navigation center located in Watsonville, California (4/5th vote required).

RECOMMENDATION:

It is recommended that the Board of Supervisors:
a. Approve and authorize the County Administrative Officer or designee, to accept a maximum award of $1,228,961 from the Central California Alliance for Health in partial support of the construction and site development of the 34-bed low barrier navigation center to be located at 118 First Street, Watsonville, California 95076, that will provide temporary living facilities to individuals experiencing homelessness in the Pajaro River area; and
b. Approval and authorize the County Administrative Officer or designee to execute a non-standard Agreement in the amount of $1,228,961 with the Central California Alliance for Health for partial support of the construction and development a 34-bed low barrier navigation center, for the term effective upon execution and expiring 39 months thereafter; and
c. Approve the recommendation of the County Administrative Officer to accept all non-standard provisions in the Agreement; and
d. Adopt a resolution to authorize and direct the Auditor-Controller to increase appropriations and estimated revenues by $1,228,961, to amend the Fiscal Year 2025-26 Adopted Budget for the

County Administrative Office Homelessness Strategies and Initiatives Division (001-1050-CAO004-8598) financed by grant revenues from the Central California Alliance for Health to provide partial payment towards the construction and site development of a 34-bed non-congregate, low barrier navigation center located in Watsonville, California (4/5th vote required).

SUMMARY/DISCUSSION:
On September 17, 2025, the County Administrative Office Homelessness Strategies and Initiatives Division ("County") was awarded $1,228,961 from the Central California Alliance for Health ("Alliance") Housing Fund to address a budget shortfall for the County's development of a 34-bed low-barrier navigation center ("LBNC") located at 118 First Street, Watsonville, California 95076.

The LBNC is a key component of a multi-jurisdictional partnership established through a Memorandum of Understanding between the County and the County of Santa Cruz. Once construction is completed, the LBNC will provide 34 units of interim shelter for individuals or couples with recent history of experiencing unsheltered homelessness along Pajaro River.

In addition to safe shelter, participants will have access to supportive services, housing navigation, and recuperative and/or short-term post-hospitalization care provided by the selected community-based services organization, Community Action Board of Santa Cruz County Inc. ("CAB") via a subrecipient agreement between the County and the Coalition of Homeless Services Providers ("CHSP").

Construction of the LBNC commenced on July 21, 2025, through a subrecipient agreement with DignityMoves, and is primarily funded through an Encampment Resolution Funding Grant ("ERF") awarded to the County by the California Department of Housing and Community Development in June 2023. However, permitting delays and unforeseen requirements imposed by the City of Watsonville resulted in an increased project cost of $1.2 million for a total construction budget of $6,122,666.

To bridge this funding gap and ensure the continuation of construction for this critically needed project, the County recommends the Board of Supervisors approve a non-standard Letter of Agreement ("Agreement") with the Alliance to accept the Housing Fund award in the amount of $1,228,961. This Agreement shall be effective upon the date of the last signature ("Effective Date") and shall automatically expire thirty-nine (39) months after the Effective Date.

Per the terms of the Alliance's Letter of Agreement, the useful life of this project is anticipated to be 10 years from the time of construction and is a requirement for the acceptance of this much needed Housing Fund award. However, the Alliance included language in the Agreement that allows the owner of the LBNC, whether it be the County of Monterey or County of Santa Cruz, to meet and confer in instances of extenuating circumstances when the 10-year usable life is unachievable. The LBNC will operate 365 days per year and will be staffed 24 hours per day through the subrecipient contract with CAB and CHSP. The County will work with the Alliance, County of Santa Cruz, CHSP, and CAB to establish a process for prioritizing Medi-Cal eligible individuals for placement, as required by the Agreement.

The Alliance is a local public agency that administers the Medi-Cal health plan for eligible residents in Mariposa, Merced, Monterey, San Benito, and Santa Cruz counties. Its mission is to promote

prevention, early detection, and effective treatment while improving access to quality health care across the region. The Housing Fund was established by the Alliance to support local projects focused on building, purchasing, renovating, and/or furnishing housing units that offer permanent housing, interim shelter, recuperative care, and/or short-term post-hospitalization services.

OTHER AGENCY INVOLVEMENT:
The Office of the County Counsel has reviewed and approved the proposed Agreement as to form, respectfully. Due to the urgency of funding, the Budget Committee Chair supported a request to go to the full Board and not the Budget Committee

FINANCING:
There will be no impact on the General Fund from approval of this action. Partial payment of the LBNC construction and furnishings is funded by the Alliance's Housing Funding Award in the amount of $1,228,961.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
This initiative supports the County of Monterey's Strategic Goals and Key Objectives through the sustainability of interim sheltering and services programs for the purpose of transitioning eligible residents into permanent housing and the provision of exceptional facilities and health programs to support quality of life for residents.

Mark a check to the related Board of Supervisors Adopted 2025-26 Strategic Plan Goals

X Well-Being and Quality of Life
X Sustainable Infrastructure for Present and Future
__ Safe Resilient Communities
__ Diverse and Thriving Economy

Prepared by: Sarah Federico, Management Analyst II, CAO-HSI Division, ext 5341
Reviewed by: Roxanne Wilson, CAO-HSI Division, ext 5445
Approved by: Deborah Paolinelli, Assistant County Administrative Officer, ext 5309

Attachments: Resolution
Agreement
CCAH Award Letter

Proposed Agreement is on file with Clerk of the Board as an attachment to this Board Report.

Introduced: 9/17/2025 **Current Status:** Agenda Ready

Version: 1 **Matter Type:** BoS Resolution

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__ Safe Resilient Communities
__ Diverse and Thriving Economy

Prepared by: Sarah Federico, Management Analyst II, CAO-HSI Division, ext 5341
Reviewed by: Roxanne Wilson, CAO-HSI Division, ext 5445
Approved by: Deborah Paolinelli, Assistant County Administrative Officer, ext 5309

Attachments: Resolution
Agreement
CCAH Award Letter

Proposed Agreement is on file with Clerk of the Board as an attachment to this Board Report.

Before the Board of Supervisors in and for the County of Monterey, State of California

Resolution No.:

Adopt a Resolution to:)
To authorize the Auditor-Controller to amend)
the Fiscal Year 2025-26 Adopted Budget for)
the County Administrative Office)
Homelessness Strategies and Initiatives)
Division (001-1050-CAO004-8598) to)
increase appropriations and estimated)
revenues by $1,228,961, financed by grant)
revenues from the Central California)
Alliance for Health, to provide partial)
payment for the development and)
construction of 34-bed low barrier, non-)
congregate navigation center located at 118)
First Street, Watsonville, California 95076)
(4/5th vote required).

RECITALS:

WHEREAS, the County Administrative Office Homelessness Strategies and Initiatives Division (County) received a Housing Fund award on September 17, 2025, from the Central California Alliance for Health in the amount of $1,228,961 to provide partial support for the construction and furnishing of a 34-bed Low Barrier Navigation Center (LBNC) located at 118 First Street, Watsonville, California 95076, with an estimated total construction budget of $6,122,666; and

WHEREAS, the LBNC is a key component of a multi-jurisdictional partnership between the County and the County of Santa Cruz for the public purpose of providing interim housing to individuals experiencing homelessness in the Pajaro River area within the jurisdictional boundaries of the Counties of Monterey and Santa Cruz and the City of Watsonville; and

WHEREAS, the County and County of Santa Cruz executed a Memorandum of Understanding on February 27, 2024 to define the roles and responsibilities for management, oversight, and terms of a potential transfer of ownership of the LBNC upon expiration of the ERF grant term; and

WHEREAS, construction of the LBNC commenced on July 21, 2025 under a subrecipient agreement with DignityMoves, funded primarily by an Encampment Resolution Funding grant; and

WHEREAS, upon completion of construction, the LBNC will provide participants with access to safe shelter, supportive services, housing navigation, and recuperative and/or short-term post hospitalization care delivered by the selected LBNC services operator, Community Action Board of Santa Cruz County Inc., funded primarily by an Encampment Resolution Funding grant.

NOW, THEREFORE, BE IT RESOLVED THAT, the County of Monterey Board of Supervisors hereby:

To authorize the Auditor-Controller to amend the Fiscal Year 2025-26 Adopted Budget for the County Administrative Office Homelessness Strategies and Initiatives Division (001-1050-CAO004-8598) to increase appropriations and estimated revenues by $1,228,961, financed by grant revenues from the Central California Alliance for Health, to provide partial payment for the development and construction of 34-bed low barrier, non-congregate navigation center located at 118 First Street, Watsonville, California 95076 (4/5th vote required).

PASSED AND ADOPTED on this _____ day of _____, 2025 by the following vote, to wit:

AYES:
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof Minute Book _____, for the meeting on _____.

Dated:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By: _____
Deputy

LETTER OF AGREEMENT FOR THE ALLIANCE HOUSING FUND

SANTA CRUZ-MONTEREY-MERCED-SAN BENITO-MARIPOSA MANAGED MEDICAL CARE COMMISSION
AND
COUNTY OF MONTEREY

This Letter of Agreement for the Alliance Housing Fund ("Agreement"), effective upon the date of the last signature ("Effective Date"), is entered into between Santa Cruz-Monterey-Merced-San Benito-Mariposa Managed Medical Care Commission, operating as Central California Alliance for Health ("Alliance"), having a principal place of business at 1600 Green Hills Road, Suite 101, Scotts Valley, CA 95066-4981 and the County of Monterey, a political subdivision of the State of California ("Partner"), having a principal place of business at 168 West Alisal Street, Salinas, CA 93901.

Recitals

Whereas, the Alliance has established the Alliance Housing Fund ("Alliance Housing Fund") to offer awards to health care providers and community organizations to support efforts that advance the Alliance mission to provide accessible, quality health care guided by local innovation in the Alliance's service area;

Whereas, the Alliance may award Alliance Housing Fund funds to Alliance contracted providers and non-contracted organizations; and

Whereas, the Alliance has agreed to award Partner with Alliance Housing Fund funds, contingent upon Partner's performance as set forth under this Agreement, to be used by Partner for the purpose of performing the project described in the Statement of Work attached as Exhibit 1 (the "Project") and Partner desires to receive Alliance Housing Fund funds from the Alliance for performing the Project.

Now Therefore, the Alliance and Partner agree that all funds awarded to Partner under the Alliance Housing Fund shall be subject to the terms and conditions of this Agreement.

1. Alliance Housing Fund Background. The Alliance established the Alliance Housing Fund to fund projects in the areas of permanent housing, recuperative care, and short-term post-hospitalization housing. The Alliance earned funds from the Housing and Homelessness Incentive Payment Program ("HHIP"), a voluntary incentive program that enabled Medi-Cal managed care plans ("MCPs") to earn incentive funds for making progress in addressing homelessness and housing insecurity as social determinants of health. The Alliance shall utilize HHIP funds earned by the Alliance to fund the Alliance Housing Fund in a manner consistent with the terms of HHIP, any terms imposed as a condition of federal approval of HHIP, and any Department of Health Care Services ("DHCS") guidance related to HHIP. The Alliance may also utilize funds from the Alliance's Medi-Cal Capacity Grant Program ("MCGP") to fund the Alliance Housing Fund as the Alliance deems appropriate. The Partner submitted a

letter of intent to the Alliance containing Partner's gaps and needs information ("Letter of Intent"), which the Alliance relied upon in determining the terms of this Agreement, including but not limited to the terms of the Statement of Work attached to this Agreement as Exhibit 1 and hereby incorporated by reference ("SOW"). The actual amount of the funds awarded to Partner ("Award") shall be determined by and contingent upon Partner's completion of the Project as outlined in the SOW. For purposes of this Agreement, "Medi-Cal eligible individuals" or "Medi-Cal eligible residents" shall mean individuals with incomes that meet the then-current Medi-Cal eligibility income limits, regardless of whether such individuals meet any other Medi-Cal eligibility requirements unrelated to income.

The parties acknowledge that the Alliance is entering into this Agreement and directing the Award payments to Partner for the site development of a non-congregate Low Barrier Navigation Center. Partner agrees to unconditionally and irrevocably guarantee performance under this Agreement (including Useful Life under the SOW) and to protect, defend, indemnify and hold harmless the Alliance for, from and against, any and all losses, damages or liability which may be suffered or incurred by, imposed on or awarded against the Alliance as a result of any default by Partner under this Agreement. To the extent that any recoupment, recapture, or repayment provisions apply to any default by Partner under this Agreement (including, without limitation, Partner's Useful Life obligations), the parties agree that Partner be liable for any repayment and performance unless otherwise agreed. Partner shall remain liable to the Alliance for performance for the site development and construction of the facility under this Agreement and compliance with all Useful Life requirements until Alliance agrees in writing to a transfer or assignment of Partner's obligations as described in this Agreement. It is the intent of the parties that the obligations and liabilities of Partner's performance under this Agreement are absolute, irrevocable, and unconditional under any and all circumstances and that until Partner's obligations under this Agreement are fully and finally performed (including Useful Life requirements) and not subject to refund or disgorgement, the obligations and liabilities of the Partner under this Agreement shall not be discharged or released, in whole or in part unless otherwise agreed upon in writing.

2. Statement of Work. Subject to the terms and conditions stated in this Agreement, the Alliance agrees to provide the Award to Partner for completing the Project described in the SOW. Partner represents and warrants to the Alliance that: (i) Partner's performance under this Agreement shall be conducted with due diligence and in a competent, efficient, timely manner, and in full compliance with the highest professional standards of practice in the industry; (ii) if Partner's work requires any licenses, Partner has, or will have prior to commencement, obtained all such licenses and all such licenses shall be in full force and effect during the Funding Term; (iii) the Project, when completed, will be in conformity with all of the requirements set forth in this Agreement and will be free of material errors or defects.

3. Liaisons. The Alliance and Partner will each designate a liaison(s) to serve as a point of contact for activities performed related to this Agreement (each, a "Liaison") as set forth in the applicable SOW.

4. Utilization and Amount of Award. The amount of the Maximum Award shall be set forth in the SOW and shall reflect the Project funding needs described in Partner's Letter of Intent. Partner acknowledges and agrees that the actual Award shall be granted in consideration of and on condition that Partner expends Award funds only for the purpose of performing its obligations as set forth in this Agreement. To the extent that Partner anticipates it will be unable to utilize or does not actually utilize any portion of the Award funds to perform the Project in conformance with the terms of this Agreement, the SOW, and the Project Plan, Partner shall notify the Alliance and return any such Award funds. Partner agrees to assume any obligation to furnish any additional funds that may be necessary to complete and maintain the Project as described in this Agreement and the SOW or as otherwise agreed upon by the parties. All costs accrued prior to Construction Start Date, as defined in the SOW, are not eligible for reimbursement unless specifically provided for in the terms of the SOW.

5. Payment Schedule. The schedule for the payment of the Award is set forth in the SOW.

6. Payment Documentation. The timing, scope, and format of the documentation that Partner shall provide to the Alliance to request funds is set forth in the SOW. The Alliance reserves the right to request additional documentation as it deems necessary to validate the use of Award funds, either before or after use by Partner, and shall have the right at its sole discretion to withhold any payment pending any questions that it may have regarding the use of funds. The Alliance reserves the right to enter into a separate agreement with a third party to ensure that the covenants of this Agreement are met by the Partner, including but not limited to those of the SOW.

7. Recoupment. Should Partner only partially achieve certain Milestones despite Partner's good faith attempt to complete the Milestones in their entirety, the Alliance may assess whether and to what extent partial payment is appropriate. If the Alliance determines that the Partner's partial Milestone achievement effectively supports Project goals, then the Alliance may, at its sole discretion, award partial payment in an amount the Alliance deems appropriate for the Partner's contribution to the Project goals. Notwithstanding the foregoing, the Alliance shall be under no obligation to award partial payments for incomplete Milestones. It is at the Alliance's sole discretion to determine if Partner must return part or all of any Award payment for partially-completed Project Milestones. Partner agrees to return any Award payments that Partner already received under this Agreement for incomplete Milestones as the Alliance may direct, even if such funds were properly used.

8. Disputed Amounts. The Alliance shall be permitted to withhold payment of any amounts for which the Alliance, in good faith, disputes or contests, including reducing such payment amounts by a recoupment consistent with the above terms. In the event of a good faith dispute pursuant to which the Alliance believes it is entitled to withhold or recoup payments, the Alliance may withhold payment of the disputed amount provided that, within thirty (30) calendar days following the Alliance's receipt of the progress or final report which initiates the interim or final payment and which the Alliance in good faith deems to be in dispute, the Alliance shall notify Partner in writing with a detailed explanation stating the factual basis for the Alliance's withholding or recoupment of payment. To contest such withheld amounts, Partner must, within ten (10) calendar days following receipt of the Alliance's notice of disputed amounts, respond to the Alliance in writing with a detailed explanation stating the

factual basis, if any, for Partner, in good faith, demanding payment on any amount in dispute. Parties shall negotiate in good faith to resolve the dispute before pursuing other available legal remedies.

9. Permissible Use of Funds. Award funds may only be used for the purpose of paying expenses that are actually incurred by Partner in carrying out the SOW and Project Plan during the 39-month period for which the Award has been provided, or during such other period of time as the Alliance may explicitly agree to in this Agreement or the final approved Project Plan. Expenses that may be funded by Alliance Housing Fund funds are those described in the final approved Project Plan. Partner is responsible for ensuring that actual expenditures are for eligible Project costs.

    a. Funds may be used for capital expenditures only, which can include equipment and furnishings that are necessary for the delivery of care or equipment essential to the operation of the facility. However, funds cannot be used for the following purposes, and any amounts budgeted for such unapproved uses will be deducted from payment amounts awarded hereunder:

        i. The Award cannot be used for rental subsidies, operating costs, or services.

        ii. No part of the Award may be used to fund administrative services or other operating expenses of the Partner, regardless of whether such administrative services or other operating expenses would be utilized to support the completion of the Project.

        iii. No part of the Award may be used to fund expenses related to religious activities, lobbying, or political action by the Partner.

        iv. Unless specifically provided for in the terms of the approved Project Plan or this Agreement, in the event that the Award provides funding for a project that was already in progress on the Effective Date, no part of the Award may be used to fund costs accrued for activities completed or costs incurred prior to the Construction Start Date.

        v. Partner may not use Award funds to cover expenditures that have already been funded through other sources.

        vi. All Project-related costs are site-specific, and must relate to, occur, or be used at the single proposed site that is contained in the Agreement.

10. Reporting. Partner shall provide the Alliance with one progress report due upon completion of each Milestone phase as indicated in the Payment Schedule set forth in the SOW, and such other documentation as may be required under the SOW. Partner shall also provide a final report due one (1) calendar year from the Phase Two Completion Date, but in any event no later than the end of the Funding Term. Reporting templates will be provided by the Alliance and available on the Alliance's online incentives portal. Partner will submit the progress and final reports through the Alliance's online incentives portal. Failure to submit these report(s)

will be considered a material breach of this Agreement, may delay interim or final payments of the Award and may disqualify Partner from receiving future funding from the Alliance.

11. Evaluation and Monitoring. The Alliance may monitor and conduct evaluation of operations under this Agreement. This may include a visit from Alliance staff to observe the Partner's operations related to the Project and the Award, discuss the Project and program activities with the Partner's personnel, and review financial or other records and materials connected with the Project activities financed by the Award.

12. Corrective Action. While uncommon, there may be extraordinary and rare circumstances in which the Alliance deems it necessary or desirable to utilize a corrective action plan for modifying the Agreement terms to facilitate the Partner's compliance with its terms, including adjustment of Milestones, the amount of the Award, completion documentation, and/or extension of completion dates. Partner shall promptly notify the Alliance if Partner anticipates it will not timely achieve any Milestones outlined in the SOW in their entirety, along with a written explanation and any documentation supporting the reasons for Partner's delay. Circumstances within Partner's control shall not in themselves be considered sufficient justification for granting a corrective action. Partner noncompliance with modified terms under a corrective action plan shall result in termination of this Agreement consistent with Section 18, except to the extent that the Alliance elects to further modify the terms of the Agreement in accordance with the foregoing.

13. Bad Faith Recoupment. The Alliance reserves the right to request additional documentation as it deems necessary to validate Partner's use of the Award, either before or after Partner's use. If the Alliance reasonably determines that Partner is in breach of Partner's implied covenant of good faith and fair dealing by failing to take reasonable steps to achieve Milestones or deliver the deliverables, then the Alliance may, in its sole discretion, recoup, withhold, or reduce all or part of any Award payment, as applicable.

14. Compliance with Other Obligations. Partner shall comply with laws and regulations and any regulatory agreements, commitments or undertakings that are imposed on Partner as a result of its receipt of funding from other sources pursuant to Sections 17, 21, 24, and the SOW.

15. Books and Records. Partner agrees to maintain satisfactory financial accounts, documents, and records in connection with the Award and make them available to the Alliance, the State of California, the United States Department of Health and Human Services, the Comptroller General of the United States, or as otherwise required by law. Partner also agrees to retain such financial accounts, documents and records for three (3) calendar years following termination of this Agreement. Partner agrees to maintain and make available for inspection by the Alliance accurate records of all of its costs, disbursements, and receipts with respect to its activities under this Agreement.

16. Funding Promotion. Any materials used to advertise, announce, or otherwise inform the public of the receipt of the funding provided for hereunder shall describe the funding and the work funded by the Alliance accurately, and in a way that conforms to the purpose statement in the SOW. Any such materials that mention or include information about the Alliance shall refer to the health plan as "Central California Alliance for Health (the Alliance)" on first usage and

"the Alliance" thereafter. Any published list of funders who have supported activities related to this funding must include the Alliance. Funded organization must inform the public about the Alliance's funding through the use of signage, acknowledgement in published materials, news media, social media, websites, or other public announcements, as applicable. All materials produced in accordance with this Agreement (including but not limited to training curriculum, agendas, newsletters, flyers, brochures, reports, and videos, etc.) shall contain a statement that the material is funded through the Alliance. Funded organizations who receive funding for the purpose of constructing or renovating a building must memorialize Alliance financial support with a plaque. Funded organizations must refer to the Alliance's Promotion Toolkit for Funded Partners[1] for instruction on the required promotional verbiage, use of Alliance name and Alliance logo in promotional activities. If a funded organization wishes to execute promotional activities or communication not included in the toolkit, the funded organization must obtain written approval of communication materials promoting Alliance funding prior to engaging in these efforts or activities.

17. Legal Compliance.

    a. Applicable Law. Partner shall perform its obligations under this Agreement at all times in strict accordance with all applicable federal, state, and local laws, including, but not limited to, Prevailing Wage Laws, equal opportunity laws, disability rights legislation, general procurement standards, contract work hours and safety standards, ordinances, regulations, HIPAA, and DHCS guidelines. Additionally, this is a publicly-funded Project and is subject to all state and local laws and regulations for public works, including, without limitation, California Labor Code Section 1720, et seq. and Public Contract Code § 1100 et seq. ("Prevailing Wage Laws"). Partner understands that such laws and regulations include exemptions that may apply to the Project, but Partner will assume responsibility for and indemnify the Alliance relating to such laws as such may be applicable to the Project.

    b. Disallowed Funds. With respect to Award funds, if any, which are ultimately provided by the State or Federal government, Partner agrees that if Partner claims or receives payment from the Alliance for an eligible expense, payment, or reimbursement of which is later disallowed by the State or Federal government, Partner shall promptly refund the disallowed amount to the Alliance upon the Alliance's request. At its option, the Alliance may offset all or any portion of the disallowed amount against any other payment due to Partner hereunder or under any other agreement. Any such offset with respect to a portion of the disallowed amount shall not release Partner from Partner's obligation hereunder to refund the remainder of the disallowed amount.

18. Term and Termination.

    a. This Agreement shall be effective on the Effective Date and shall automatically expire thirty-nine (39) months after the Effective Date unless earlier terminated by the parties as permitted herein ("Funding Term"). This Funding Term accounts for the activity period to

[1] https://brandfolder.com/alliance/funded-partners-brand-toolkit

perform the Project activities and an additional three months for reporting and payment after completion of all Project Milestones as set forth in the SOW.

b. The Alliance may terminate this Agreement for cause at any time upon written notice to Partner. Cause includes but is not limited to the following: (i) Partner fails to comply with the terms of this Agreement, including any failure to timely complete the Milestones or failure to satisfy the conditions precedent to disbursement of Award funds; (ii) Partner is unable to or is reasonably anticipated to be unable to complete the Project as set forth in the SOW; (iii) Unless otherwise agreed upon as set forth in this Agreement, Partner ceases its plans to utilize or discontinues its utilization of the facility to serve Medi-Cal eligible recipients, prior to reaching assigned capacity, or otherwise materially curtails operations necessary for completion of the Project; (iv) the Alliance determines that any material fact or representation made or furnished to the Alliance by Partner in connection with its application or Letter of Intent was untrue or misleading at the time that such fact or representation was made known to the Alliance, or subsequently becomes untrue or misleading; or (v) the Alliance discovers that Partner has concealed any material fact from the Alliance related to the Letter of Intent, this Agreement, or the Project.

c. The Alliance may terminate this Agreement or cease providing payments hereunder in the event that the Alliance determines, in its sole discretion: (i) that further payments as set forth in this Agreement could violate laws or regulations, including laws or regulations in existence on the Effective Date that may have been clarified or subject to new or changed interpretation, or (ii) in the event of a natural disaster or other event that causes the Alliance to be unable to fulfill its commitment hereunder.

d. This Agreement and the Alliance's obligation to make further payment hereunder shall terminate immediately in the event that Partner ceases operations or in the event of Partner's insolvency, which insolvency shall be considered to have occurred when Partner makes an assignment for the benefit of creditors, files a petition in bankruptcy, is adjudicated insolvent or bankrupt, if a receiver or trustee is appointed with respect to a substantial part of such other party's property, or a proceeding is commenced against it which will substantially impair Partner's ability to complete the Project described in the SOW. The Alliance reserves the maximum rights it is entitled to under any law and under the terms of this Agreement to seek return of any payments made prior to Partner's cessation of operations or insolvency, and to ensure that no funds provided pursuant to this Agreement, no matter when they were provided, shall be used for the purpose of paying Partner's general creditors or for any purpose other than as specifically set forth in the SOW.

19. Effect of Termination. In the event of termination, this Agreement shall terminate and have no further force or effect with respect to either party as of the termination date, except that all obligations arising or accruing prior to termination, including requirements regarding the use or return of Award funds, shall be performed in accordance with the terms of this Agreement and shall survive termination. Termination or expiration of this Agreement shall not affect Partner's obligations under Sections 6-8 and Sections 13-43 of this Agreement, Useful Life obligations in the SOW, or any other obligation that, by its nature, is intended to survive

termination or expiration of this Agreement. Upon any termination by the Alliance for cause, Partner shall return any unexpended Award funds to the Alliance within thirty (30) calendar days of the Alliance's written notice of termination, unless the Alliance has approved an alternate arrangement in advance and in writing, as provided below. Such termination will not limit any other remedies that may be available to the Alliance under this Agreement, at law, or in equity.

20. Remedies.

    a. In the event that Partner is unable to provide documentation evidencing that Partner utilized Award funds for the sole purpose of completing the Project in accordance with the SOW, Partner shall return such portions of the Award funds to the Alliance for which Partner is unable to provide supporting documentation within thirty (30) business days of the Alliance's request.

    b. In the event Partner fails to timely complete the Project Milestones set forth in the SOW, the Alliance may require Partner to return any Award funds that Partner has already received under this Agreement, even if such funds were properly used. Partner's specific obligation to return funds is further set forth in the SOW.

    c. In addition to any other provision of this Agreement, if the Alliance determines, in its sole discretion, that Partner has violated or failed to carry out any provision of this Agreement, including but not limited to failure to provide documentation provided for in Section 6 and Section 10 of this Agreement and the SOW, the Alliance may, in addition to any other legal remedies it may have, refuse to make any further Award payments to Partner or on Partner's behalf under this or any other grant agreement, and may demand the return of all or part of the Award funds previously received by Partner or any third-parties on Partner's behalf, which Partner shall immediately pay to the Alliance. The Alliance may also avail itself of any other remedies available under the law.

21. Other Capital Implementation Terms and Conditions; Return of Funds. Partner agrees that its receipt of funds is conditioned on meeting the applicable requirements of this Section 21. To the extent that the requirements in this Section 21 are applicable to the Project funded under this Agreement, if Partner fails to meet any of these Section 21 requirements, the Alliance may withhold payment hereunder and may, in its sole discretion, exercise any available legal or equitable rights applicable to Partner's return of Award funds received by Partner hereunder. Partner shall provide the Alliance with such documentation as the Alliance may request from time to time during the Funding Term that demonstrates to the satisfaction of the Alliance that Partner has satisfied and will satisfy all the applicable requirements set forth in this Section 21.

    a. Additional Financial Commitments. Partner represents that the Award Amount received hereunder represents no more than 50% of total Project costs, and that the remaining 50% of funding necessary to complete the implementation of the Project will come from sources other than the Alliance, such as through third-party donations, in-kind products and/or

services, cash or documented loans or lines of credit, and/or other state, local, or grant funding.

b. Proof of Ownership, Lease Agreement, or Intent to Purchase. Partner warrants and represents that it has secured long-term rights to use the site-specific facility described in the SOW for which the Maximum Award was determined, and provided the Alliance with proof of such rights by all of the following means:

   i. Partner or a third-party over which Partner has authority to ensure performance has secured a three-year lease agreement ("Initial Lease") for the property on which the Project will be located with provisions that enable the lessee to complete the Project in a timely manner and in accordance with all the requirements of this Agreement, and Partner has provided a copy of the Initial Lease to the Alliance; and

   ii. Where the Initial Lease and/or any subsequent lease governing the Project's location is in the name of an entity other than Partner, Partner has executed agreements with such entity that clearly demonstrate Partner has sufficient authority and control over such entity and/or Project property to ensure that the Project shall be completed and operated in conformance with all the terms of this Agreement, and Partner has provided a copy of such agreements to the Alliance;

   Partner warrants and represents that during the Term of this Agreement and for the Project's Useful Life, as defined below, Partner shall exercise all rights available to Partner under the Initial Lease and/or its agreements with any applicable third-parties to ensure Partner continues to own, place, and operate the Project in compliance with this Agreement for the Useful Life.

c. Useful Life. Partner represents that the completed Project facility will serve Medi-Cal eligible individuals as set forth in this Agreement, including meeting the Minimum Medi-Cal Occupancy requirements defined in the SOW, for an aggregate period of not less than ten (10) years following the Phase Two Completion Date ("Useful Life").

   Should the Partner lose site control over the property on which the Project units are placed during any period following the Project Completion Date, the Useful Life period shall be tolled for no more than ninety (90) days ("Tolling Period") to allow Partner to find and relocate the units on an alternative property. Partner shall have no more than one (1) Tolling Period for every two (2) consecutive years during the Useful Life. Should Partner fail to maintain site control over the property on which the Project units are then-placed for a consecutive period of more than ninety (90) days and/or more than once during a two (2) year period prior to the expiration of the Useful Life, Partner shall pay to the Alliance the appropriate recoupment amount set forth in this Section 21(c) below; in such an event, the period in which the Minimum Medi-Cal Occupancy standard has been maintained shall be calculated as the time between the Project Completion Date and the then-current date, less any Tolling Period. For the avoidance of doubt, Tolling Periods shall only apply to any loss of site control over the Project property by Partner and shall be in lieu of, and not cumulative with, any ninety (90) calendar day negotiation period available for the same

event. Notwithstanding the foregoing, the Alliance and Partner may from time to time mutually agree by written communication to modify the permitted length and/or permitted frequency of any Tolling Periods as they may deem necessary without the necessity of a mutually executed written amendment.

Partner shall give written notice to the Alliance upon discovery of any material failure to maintain the Minimum Medi-Cal Occupancy standard during the Useful Life, including any loss of site control over the then-current location of the Project units. Partner shall include in such notice: (i) details regarding any event or deficiency giving rise to Partner's inability to maintain Minimum Medi-Cal Occupancy; (ii) if curable, what actions Partner intends to take to cure Partner's noncompliance with Minimum Medi-Cal Occupancy requirements, and (iii) as applicable, the date by which Partner intends to complete such actions and cure the noncompliance.

If the facility ceases to service Medi-Cal eligible individuals in accordance with this Agreement prior to the end of the Useful Life, Partner shall provide the Alliance with at least ninety (90) days advance notice prior to the date upon which the facility ceases to service Medi-Cal eligible individuals. In the event that the Partner ceases using the facility to serve Medi-Cal eligible individuals as required under this Agreement or reduces the availability of units for Medi-Cal eligible individuals below the required Minimum Medi-Cal Occupancy, Partner shall pay to the Alliance a prorated portion of the Award amount, as follows:

i. Less than Three Years. If Partner maintains the Minimum Medi-Cal Occupancy standard for less than three years after receipt of the final payment, Partner shall pay the Alliance an amount equal to 80% of the Award amount.

ii. Less than Five Years. If Partner maintains the Minimum Medi-Cal Occupancy standard for three or more but less than five years after receipt of the final payment, Partner shall pay the Alliance an amount equal to 50% of the Award amount.

iii. Less than Seven Years. If Partner maintains the Minimum Medi-Cal Occupancy standard for five or more but less than seven years after receipt of the final payment, Partner shall pay the Alliance an amount equal to 20% of the Award amount.

iv. Less than Ten Years. Partner maintains the Minimum Medi-Cal Occupancy standard for seven or more but less than ten years after receipt of the final payment, Partner shall pay the Alliance an amount equal to 10% of the Award amount.

v. Waiver of Repayment Obligation. In the event that Partner fails to maintain the Minimum Medi-Cal Occupancy standard or fails to continue using the facility for the benefit of Medi-Cal eligible individuals during the Useful Life, the Alliance may waive all or some of Partner's repayment obligation if the Alliance determines, in its sole discretion, that such failure is attributable to circumstances that are beyond Partner's control.

vi. Serving Medi-Cal Eligible Individuals at a Different Facility. The Alliance may waive Partner's repayment obligation if Partner ceases to occupy the facility but continues to make the same number of Minimum Medi-Cal Occupancy units available to Medi-Cal eligible individuals without interruption at a different facility that has at least the capacity as the facility for which Partner has received an Award hereunder, and that is within the service area of the Alliance (i.e., the Counties of Mariposa, Merced, Monterey, San Benito, and Santa Cruz).

vii. Operation of Facility by Third Party. If Partner sells the facility or leases or subleases the facility to a third party or enters into any transaction through which Partner no longer owns or leases or has responsibility for and control of the operation of the facility as contemplated herein, Partner shall pay to the Alliance the applicable prorated amounts set forth in this Section 21 unless such third party agrees in writing to, and is deemed by the Alliance, in its sole discretion to be qualified to continue serving Medi-Cal eligible individuals at Minimum Medi-Cal Occupancy levels under the same terms and conditions that Partner has agreed to as set forth herein. Partner shall provide the Alliance with at least ninety (90) days' advance notice of a transaction described herein.

d. Useful Life Extenuating Circumstances. Partner represents and warrants that, based on its reasonable best efforts estimates as of the Effective Date, Partner has secured sufficient enforceable funding commitments to perform its obligations as set forth in this Agreement and SOW. The Alliance understands, however, that such funds may later prove to be insufficient to cover the Project's Useful Life operational costs due to future circumstances beyond Partner's control, such as costs related to natural disasters and/or government-declared emergencies, State and Federal budget cuts which reduce the availability of Medi-Cal reimbursements for the Project's onsite medical and/or social supportive services, and changes in applicable laws, regulations, or other governmental restrictions.

Should Partner fail to meet the Minimum Medi-Cal Occupancy standard during the Useful Life due to future circumstances beyond Partner's control, the Alliance agrees that prior to exercising its recoupment rights for such noncompliance, the Alliance will first attempt to negotiate with Partner in good faith for a period not to exceed ninety (90) calendar days (which the Alliance may extend in its sole discretion), with a view toward finding an alternative solution that supports the Project's purpose under this Agreement, provided that:

i. The Alliance determines that Partner's failure to maintain the Useful Life requirement was the direct result of circumstances beyond Partner's control and despite Partner's continual best efforts to fulfill the Minimum Medi-Cal Occupancy requirement;

ii. Partner demonstrates to the Alliance's satisfaction that Partner has made best efforts to leverage local, state, federal, and philanthropic funding to prevent and fill any funding gaps preventing Partner from meeting the Minimum Medi-Cal Occupancy standard, and that such best efforts were ultimately unsuccessful;

iii. Partner must cure the Minimum Medi-Cal Occupancy deficiency within the ninety (90) calendar day negotiation period unless otherwise agreed upon in writing by the parties during such ninety (90) calendar day period;

iv. The ten-year Useful Life period is extended by at least the same period of time Partner requires to cure such noncompliance with the Minimum Medi-Cal Occupancy standard.

In the event that the parties agree to an alternative solution during the ninety (90) calendar day negotiation period, the parties shall promptly modify the terms of this Agreement accordingly.

Notwithstanding anything to the contrary, the Alliance may waive any noncompliance with the Minimum Medi-Cal Occupancy requirements in the Alliance's sole and absolute discretion if the Alliance deems that it is in the public interest and advances the Alliance's mission.

22. Notices. All notices required or permitted by this Agreement shall be in writing and may be delivered in person or may be sent by registered or certified mail, return receipt requested, or U.S. Postal Service Express Mail, with postage prepaid, or by Federal Express or other overnight courier that guarantees next day delivery. Unless otherwise stated in the SOW, notices shall be sent to the address of the receiving party's principal place of business. Either party may change the address for notice by giving written notice to the other party. Changes to either party's notice address or Liaison shall not require an amendment to this Agreement.

23. Taxes. Partner shall pay to the appropriate governmental authority, as and when due, any and all taxes, fees, assessments or other governmental charges, including possessory interest taxes and California sales and use taxes, levied upon or in connection with this Agreement, the Project, the Award, or any of the activities contemplated by this Agreement.

24. Compliance with Services Agreement. If Partner is a party to any other agreement(s) with the Alliance, Partner shall comply with all of the requirements in such agreement(s), including any nondiscrimination provisions.

25. Use of Subcontractors. As between Alliance and Partner, Partner shall be responsible for the acts, defaults and omissions of any subcontractor or its agents or employees as fully as if they were the acts, defaults or omissions of Partner. Partner shall ensure that its subcontractors comply with all of the terms of this Agreement, insofar as they apply to the subcontracted portion of the Project. All references herein to duties and obligations of Partner shall be deemed to pertain also to all subcontractors to the extent applicable. A breach by any subcontractor shall be deemed to be a breach hereunder. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and Alliance. Each subcontract shall incorporate all of the terms of this Agreement to the extent they apply to the subcontracted portion of the Project. Without limiting the scope of the foregoing, Partner shall ensure that each subcontract shall provide the Alliance, the audit and inspection rights set forth herein.

Upon the request of Alliance, Partner shall promptly furnish to the Alliance true and correct copies of each subcontract permitted hereunder.

26. Liability of Alliance. THE ALLIANCE'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE AWARD. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL THE ALLIANCE BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE PROJECT PERFORMED IN CONNECTION WITH THIS AGREEMENT.

27. Indemnification. Partner, at its own expense, agrees to defend, indemnify, and hold harmless the Alliance and the Alliance's affiliates, subsidiaries, directors, officers, employees, representatives, and agents from and against any and all liabilities, losses, costs, expenses (including, without limitation, attorneys' fees), damages, claims, suits, and/or demands (including, without limitation, those based on the injury to or death of any person or damage to property), directly or indirectly arising out of, or resulting from, (i) any act or omission of Partner related to any of its obligations performed hereunder, (ii) any breach of Partner's representations or warranties set forth in this Agreement, and/or (iii) any actual or alleged infringement, misappropriation, or other violation of any third-party rights or any laws or regulations relating to Partner's performance of its obligations under this Agreement.

28. Debarment and Suspension Certification. Partner hereby certifies that neither it nor any of its principals, owners, employees or subcontractors (a) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in a covered transaction by any federal department or agency, or is excluded as the result of state or federal action from participation in any federally-funded health care program; (b) has within a three-year period preceding this Agreement been convicted of or had a civil judgment rendered against it or them for (i) commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, (ii) violation of federal or state antitrust statutes or (iii) commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; (c) is presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in clause (b) above; or (d) has within a three-year period preceding this Agreement had one or more public transaction (federal, state or local) terminated for cause or default. (The terms "covered transaction", "debarred", "suspended", "ineligible" and "voluntarily excluded" have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549.) Partner shall provide immediate written notice to the Alliance if at any time the foregoing certification becomes erroneous. Upon the request of the Alliance at any time during the term of this Agreement, Partner shall update and reissue such certification. Partner further agrees that it will obtain from all subcontractors to whom Partner subcontracts any portion of the Services, if any, such subcontractor's written certification of, and agreement to, the matters set forth in this paragraph, in a form acceptable to the Alliance.

29. Insurance. At all times during the Term and for such period of time thereafter as required for Partner to maintain Insurance Coverage with respect to all of the Services performed hereunder and all of Partner's (and its employees') acts and omissions in connection with this Agreement, Partner shall maintain in full force and effect the following types of insurance to insure against risks or liability (collectively, "Insurance Coverage"):

    a. Commercial General Liability Insurance, including premises liability, products liability (if products are being provided), completed operations coverage, and contractual liability, with minimum limits of $1,000,000 per occurrence, $2,000,000 policy aggregate, including bodily injury (including death) and property damage, covering all of Partner's operations under this Agreement (which insurance shall be provided on an "occurrence" form).

    b. Commercial Automobile Liability Insurance, with minimum limits of $1,000,000 per occurrence, combined single limit, for bodily injury (including death) and property damage, covering all owned, non-owned and hired automobiles.

    c. Workers' Compensation, with minimum limits as required by law, and Employer's Liability insurance (if applicable) with the following minimum limits: (1) Bodily Injury by accident: $1,000,000 each accident; (2) Bodily Injury by disease: $1,000,000 each employee; and (3) Bodily Injury by disease: $1,000,000 policy limit.

    If, in any of the foregoing cases, Partner has procured a claims-made based policy (or policies) and such policy (or policies) are cancelled or not renewed, Partner agrees to exercise any option contained in said policy (or policies), or otherwise obtain tail coverage, that extends the reporting period for a period of at least four (4) years after the termination or expiration of this Agreement.

    None of the foregoing requirements as to the type and limits of insurance to be maintained by Partner are intended to and should not be construed as limiting in any manner Partner's obligations under this Agreement.

    Each of Partner's insurance policies shall: (i) be issued by companies that have an A. M. Best rating of not less than "A-", and are in a size category which is not lower than "VIII"; (ii) be primary and noncontributory with any of the Alliance's insurance; (iii) add the Alliance as an additional insured (except workers compensation and errors and omissions coverages); and (iv) not be cancelled or non-renewed except upon at least thirty (30) days' prior written notice to the Alliance. Upon or prior to the full execution of this Agreement, and upon expiration or renewal of any required certificate or endorsement, Partner shall provide to the Alliance certificates evidencing all insurance and endorsements required by this Section 29. Certificates and endorsements shall be submitted electronically to: COI@ccah-alliance.org. Notwithstanding anything else, if Partner fails to so provide the Alliance with any such certificates, the Alliance may withhold payment of any amounts that are otherwise due to Partner until up to thirty (30) calendar days after such certificates are provided to the Alliance, and/or terminate this Agreement immediately upon notice.

30. Conflict of Interest. Partner hereby certifies that it has read and is aware of the provisions of California Government Code Section 1090 et seq., the California Political Reform Act

(California Government Code Section 81000 et seq.), and Title 22 California Code of Regulations (CCR) Section 53600 relating to conflict of interest of public officers and employees. Partner agrees that it is unaware of any financial or economic interest of any public officer or employee of the Alliance relating to this Agreement. Notwithstanding any other provision of this Agreement, it is further understood and agreed that if such financial interest does exist at the inception of this Agreement, the Alliance may immediately terminate this Agreement by giving written notice thereof.

31. Equitable Remedies. Partner acknowledges and agrees that the Alliance may suffer immediate, irreparable harm in the event Partner fails to comply with its obligations under this Agreement, and monetary damages may be inadequate to compensate the Alliance for such breach. Partner agrees that the Alliance will be entitled to seek a judicial temporary restraining order, preliminary injunction, or other equitable relief against Partner (without the requirement of posting a bond or other form of security) to enforce the terms of this Agreement.

32. Arbitration. Any controversy, dispute or claim of whatever nature and irrespective of the facts or circumstances or the legal theories advanced shall be resolved by binding arbitration at the request of either Party. A single neutral arbitrator shall be appointed. The arbitration shall be administered by JAMS and in accordance with the JAMS Comprehensive Arbitration Rules and Procedures. Such arbitration shall occur in Santa Cruz, California. The arbitrator shall apply California substantive law and federal substantive law where state law is preempted. The Federal Arbitration Act, 9 U.S.C. § 1-16, shall also apply. The arbitrator shall prepare in writing and provide to the Parties an award including factual findings and the legal reasons on which the award is based. The arbitrator may award compensatory damages as permitted by law, but exemplary or punitive damages shall not be awarded. The Parties shall divide equally the cost of the arbitration, including, but not limited to the arbitrator's fee and any related administrative fees and charges. The Parties shall each bear their respective attorneys' fees and costs incurred in the arbitration. The arbitration and any information obtained in connection with this Agreement or through discovery as set forth in this Section 32 shall be confidential and neither the Parties nor the arbitrator may disclose such information to third parties without the written consent of the Parties, except that the Parties may disclose such information as necessary to seek confirmation of the arbitration award, to enforce any judgment entered on account of the award or as otherwise is required by law; however, the Parties may make such disclosure as is necessary to their respective auditors, accountants, attorneys and insurers.

33. Independent Partners. The parties hereto are independent contractors and neither the Alliance nor Partner is an agent or employee of the other.

34. Taxpayer Identification Number and Certification. Upon execution of this Agreement, Partner shall complete and deliver to the Alliance the IRS Form W-9, Request for Taxpayer Identification and Certification.

35. Time is of the Essence. Time is of the essence with respect to Partner's performance of the Services and delivery of the Deliverables. FAILURE TO SATISFY ANY ONE OF THE PERFORMANCE MILESTONES WILL CONSTITUTE A BREACH OF THIS AGREEMENT AND ENTITLES THE ALLIANCE TO MANDATE THE PARTNER TO RETURN TO THE ALLIANCE ANY AWARD FUNDS DISBURSED; IN ANY SUCH

INSTANCE, THE ALLIANCE MAY ALSO CANCEL THIS AGREEMENT WITHOUT OWING ANY DAMAGES OR OTHER PAYMENT TO PARTNER.

36. Governing Law. This Agreement shall be governed and interpreted in accordance with the laws of the State of California without regard to the conflicts of law provisions thereof that would require the application of the laws of any other state.

37. Severability. Except as explicitly stated otherwise in this Agreement, if any provision of this Agreement or the application thereof is held invalid, that invalidity shall not affect other provisions or applications of the Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are severable.

38. Waiver. No terms or provision hereof will be considered waived by either party, and no breach excused by either party, unless such waiver or consent is in writing and signed by the waiving party. No consent by either party to, or waiver of, a breach by either party, whether expressed or implied, will constitute consent to, waiver of, or excuse of any other, different, or subsequent breach by either party.

39. Assignment. This Agreement shall not be assigned by the Partner either in whole or in part, unless otherwise agreed upon in writing.

40. Successors; No Third-Party Beneficiaries. The terms of this Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their successors and assigns. Nothing in this Agreement, whether express or implied, shall be construed to give any person or entity any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenants, conditions or provisions contained herein.

41. Order of Precedence. In the event of any express and unequivocal conflict or inconsistency between the provisions of any SOW and the provisions of this Agreement, the provisions of this Agreement will govern and control.

42. Entire Agreement. This Agreement shall supersede any prior oral or written understandings or communications between the parties and constitutes the entire agreement of the parties with respect to the subject matter hereof. This Agreement may not be amended or modified, except in writing signed by both parties.

43. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed to be an original, and all of which taken together constitute one and the same instrument. Telecopied or scanned signatures will be deemed to have the same effect as an original.

44. Guaranty. Partner hereby guarantees to the Alliance, for the benefit of Partner, the due and proper performance of this Agreement and all obligations, liabilities, and covenants of Partner set forth in this Agreement, including Useful Life obligations, and any modification or addition to this Agreement. Partner hereby waives any defenses to enforcement of the Alliance's guarantee rights it may now or later have by reason of (a) any determination that this Agreement or any portion thereof is invalid or unenforceability; (b) any change in the time,

place, or manner of the performance of this Agreement or Project; (c) any failure of the Alliance to enforce any of the provisions of the Agreement; (d) any change or restructuring of the corporate structure, ownership or existence of Partner; (e) any bankruptcy, insolvency, liquidation, reorganization, or dissolution of affecting the Partner or its assets or any resulting restructuring, release or discharge of this Agreement or any of Partner's obligations hereunder; or (e) any other circumstance (including, without limitation, any statute of limitations), act, omission or manner of administering this Agreement or any existence of or reliance on any representation by the Alliance or Partner.

The parties are concurrently executing this Agreement, and the SOW attached as Exhibit 1 and fully incorporated herein, both effective upon final signature ("Effective Date").

[*signatures appear on following page*]

Partner:	**Alliance:**
County of Monterey	Santa Cruz-Monterey-Merced-San Benito-Mariposa Managed Medical Care Commission, operating as Central California Alliance for Health
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date Signed:_____	Date Signed:_____

EXHIBIT 1
STATEMENT OF WORK
ALLIANCE HOUSING FUND AWARD

This Statement of Work ("SOW") is entered into pursuant to, and is governed by, that certain Letter of Agreement ("Agreement") concurrently executed between Santa Cruz-Monterey-Merced-San Benito-Mariposa Managed Medical Care Commission, operating as Central California Alliance for Health (the "Alliance"), having a principal place of business at 1600 Green Hills Road, Suite 101, Scotts Valley, CA 95066-4981, and County of Monterey ("Partner"), having a principal place of business at 168 West Alisal Street, Salinas, CA 93901.

This SOW is fully incorporated into the Agreement and sets forth additional terms and conditions that apply to Partner's receipt of the Alliance Housing Fund Award described below. Any individual reference to the "Agreement" or "SOW" shall be deemed to include the terms of both the Agreement and SOW.

Project:	Recurso de Fuerza Low Barrier Navigation Center ("Project")"
Award Letter Date:	September 17, 2025
Partner Name:	County of Monterey
Partner's Liaison:	Roxanne Wilson
Award:	The actual amount of the Alliance Housing Fund funds awarded to Partner shall be determined commensurate with Partner's achievement of the Project Milestones below and contingent upon Partner's compliance with the terms of the Agreement in which this SOW is incorporated ("Award").
Maximum Award:	The Award amount shall not exceed **$1,228,961.00** ("Maximum Award")
Purpose of Project:	To support the Project as described in this Agreement and the revised Letter of Intent dated September 17, 2025, that is or will be located at 118 1st Street, Watsonville, CA 95076, and to provide services to Medi-Cal eligible individuals currently experiencing homelessness.
Minimum Medi-Cal Eligible Individuals Preference Threshold Requirement:	Partner must restrict occupancy for at least 80% of the Project's total units (27 of 34 units) to Medi-Cal eligible individuals ("Minimum Medi-Cal Occupancy").

A. PAYMENT PRECONDITIONS: The Alliance will not disburse any Award payments until this Agreement, including this SOW, has been fully executed and the Alliance has approved a Project Plan, as described below, and all required supporting documents. The Partner shall

append applicable supporting documents to the Project Plan, all in form and substance acceptable to the Alliance. To ensure Project feasibility and financial sustainability, Partner must fulfill the payment preconditions below and provide documentation for review in accordance with the terms of this Agreement and SOW before receiving any Award funds. All other funds necessary to complete the full Project costs, including any pre-development, development, and post-development activities described in this Agreement and SOW must be committed as a condition precedent to receiving Award funds. It is mutually agreed that if the Partner does not appropriate sufficient funds to cover the full Project costs, the Alliance may immediately terminate the Agreement, and the Alliance shall have no liability to pay any Award funds whatsoever or to furnish any other considerations to Partner. Such termination will not limit any other remedies that may be available to the Alliance under this Agreement, at law, or in equity.

1. **Project-Specific Contingencies**: None

2. **Funding Sources**: Partner will satisfy its obligation to cover the costs of the Project's development, operations, and services as set forth in this Agreement by leveraging funding commitments, or other reasonable funding assurances, from other funding sources. Partner agrees that the Award is contingent upon Partner securing funding from such sources to cover the total cost of completing the Project and fulfilling Partner's obligations under the Agreement, including the Useful Life requirement. The Alliance's obligation to make any disbursements of Award funds to Partner is subject at all times to Partner's ongoing demonstration of its ability to cover the costs of the Project. Partner must list all funding sources below (both private and public) with each funding source's full legal name, the funding dollar amount(s), and timing of funding availability. Partner represents that Partner has secured funding for the Project as follows:

    a. Non-Alliance funding sources secured by Partner:
        1. Encampment Resolution Funding - $5,034,591.00 (Construction & Site Development Only)
        2. Encampment Resolution Funding - $2,571,460.00 (Services and Operations Only)

    i. Other financial support: None

Partner must fulfill the above payment preconditions and provide documentation for review in accordance with the terms in this Agreement and Section B and C of this SOW to ensure project feasibility and financial sustainability. All funds necessary to complete the full Project costs, including the development and post-development activities described in the Agreement and this SOW, must be timely committed as set forth in this Agreement. It is mutually agreed that if the Partner does not appropriate sufficient funds to cover the full Project costs, the Alliance may immediately terminate the Agreement, and the Alliance shall have no liability to pay any Award funds whatsoever or to furnish any other considerations to Partner. Such termination will not limit any other remedies that may be available to the Alliance under this Agreement, at law, or in equity.

B. PROJECT PLAN: For purposes of this Agreement, "Project Plan" shall mean a clear, precise, and detailed implementation schedule with an itemized budget for the Project, including a description of the work to be performed under each Milestone, corresponding completion dates, and corresponding costs. The Project Plan must include all uses of funds (ex., acquisition costs, site preparation and infrastructure costs, rehabilitation/or construction costs, financing costs, professional fees, developer fees, and other soft costs) associated with the Project. Partner shall prepare and submit a proposed Project Plan to the Alliance for approval in accordance with the Phase 1 Milestones below. The Project Plan must include documentation in a form satisfactory to the Alliance evidencing the firm commitments of the Funding Sources listed above with all applicable terms and conditions. Examples of satisfactory forms of documentation include:

a. Final loan approval letters;
b. Bank statement demonstrating reserves earmarked for the Project;
c. Tax credit award letters;
d. Binding Grant award letters;
e. If the applicant is a partnership or limited liability corporation, a copy of the partnership agreement or operating agreement, which will indicate the cash contributions by the partner(s) or member(s);
f. If equity is committed by the developer or owner(s), evidence of available equity funds; and
g. Board resolution documenting committed funding

The Alliance shall have ten (10) business days to review and, in its discretion, approve or raise objections to the proposed Project Plan. If the Alliance raises any such objections, Partner shall have three (3) business days to revise and resubmit a proposed Project Plan. The Alliance shall have no obligation to disburse any Award funds unless and until Partner submits a Project Plan acceptable to the Alliance. Upon acceptance, the Project Plan shall automatically become incorporated into and form an essential part of this Agreement, and the Award shall be conditioned upon Partner's adherence to the deliverables schedule under the approved Project Plan.

Partner must promptly notify the Alliance of any unexpected delays and challenges that are likely to have a material adverse impact on Partner's ability to complete the Project in a manner consistent with the approved Project Plan, such as weather, strikes, differing site conditions, price increases in construction materials, and other events beyond Partner's control. Partner must obtain written approval from the Alliance prior to making any material changes to the Project Plan. Minor variances in Project Plan budget line items shall not be considered material unless total Project expenditures would exceed the total budget amount or result in significant delays. Changes to the Project Plan requiring the Alliance's prior approval will not be effective unless and until approved in writing by the Alliance. Changes approved by the Alliance will not necessitate an amendment of this Agreement.

C. PROJECT MILESTONES: In order to maintain continued eligibility to receive the Award funds hereunder, Partner must meet the following Project milestones (each, a "Milestone"):

1. **Phase One.**
    a. Phase One Milestones:
        i. Confirm acquisition process.
        i. Obtain design plans.
        ii. Complete construction budget.
        ii. Acquire permits from the City of Watsonville to build a 34-unit non-congregate, Low Barrier Navigation Center ("Modular Units").
            - By July 1, 2025, Partner will have received architectural plans and permits to begin construction of the Modular Units at 118 1st Street, Watsonville, CA 95076
        iii. Provide proof of signed general contractor contract.
        iv. Begin construction.
            - Construction Start Date. Partner began construction of the Project on: July 21, 2025 ("Construction Start Date").
    b. Phase One Completion Date: Within ten (10) business days of Effective Date.
    c. Deliverables: Documentation of Phase One Milestones completion, including submission of proposed Project Plan and documentation of any applicable Payment Preconditions listed in Section A of this SOW.
    d. Deliverable Due Date: Within ten (10) business days of Effective Date.
    e. Payment Percentage: 80% of Maximum Award

2. **Phase Two**
    a. Phase Two Milestones:
        i. Establish Prioritization Process for Medi-Cal Eligible Individuals. By November 30, 2025, Partner will establish a process for prioritizing Medi-Cal eligible individuals for placement. All prioritization systems must be at all times in strict accordance with all applicable federal, state, and local laws, including the U.S. Department of Housing and Urban Development's Fair Housing Act.[2] Partner shall develop Project prioritization systems as follows:
            - Non-Permanent Supportive Housing. If all or a portion of the Project is for uses other than permanent supportive housing (e.g., recuperative care and short-term post hospitalization housing), the following shall apply to such non-permanent supportive housing units:
                - Partner shall submit a proposed process of prioritization to the Alliance at least 30 days prior to implementing such process under this Agreement. Such proposal must be delivered in writing by Partner and include a detailed narrative description of the prioritization process, how such system will prioritize placement of Medi-Cal eligible individuals to meet Minimum Medi-Cal Occupancy

[2] Housing Discrimination Under the Fair Housing Act | HUD.gov / U.S. Department of Housing and Urban Development (HUD)

requirements, and an attestation that the placement prioritization process complies with the terms of this Agreement and Medi-Cal eligibility income requirements.
    - Should Partner include a proposed process of prioritization in Partner's Phase 1 Milestone Project Plan deliverable, such system shall be considered approved under this Agreement upon the Alliance's approval of the Project Plan.

ii. Complete Construction.
- By December 31, 2025, Partner will complete the Modular Units at 118 1st Street, Watsonville, CA 95076, for the purpose of Short-Term Post-Hospitalization Housing and Recuperative Care.

iii. Obtain Certificate of Occupancy.
- By December 31, 2025, all interim supportive housing units will be fully occupied, and meet Minimum Medi-Cal Occupancy.

iv. Establish Service Availability and Best Efforts Prioritization Outcomes.
- By March 31, 2026, Partner will ensure that on-site case management services are available/provided and individual services plans are developed for all Medi-Cal eligible residents receiving case management services.

b. Phase Two Completion Date: March 31, 2026
c. Deliverables: Detailed documentation of Phase Two Milestones completion, including timely submission of reports and, as applicable, validated prioritization lists.
d. Deliverable Due Date: April 30, 2026
e. Payment Percentage: 10% of Maximum Award

3. **Post Completion; Useful Life.**
    a. Useful Life Implementation. At all times during the Useful Life (i.e., 10 years following Phase Two Completion Date), Partner shall place Medi-Cal residents as set forth in this Agreement consistent with Medi-Cal eligibility income requirements and the approved prioritization process. For this purpose, Partner agrees to provide the Alliance with an annual report which attests that Partner has maintained the Minimum Medi-Cal Occupancy requirement as set forth in this Agreement and SOW, and that Partner has continued to comply with all terms of this Agreement. Partner agrees to submit a complete and accurate report to the Alliance by March 31st of each calendar year for the Useful Life of the Project, (i.e., 10 years following Phase Two Completion Date) ("Annual Attestation"). The Annual Attestation shall be consistent with the format outlined in the Annual Attestation Template attached as Exhibit 2 to this Agreement. Partner also agrees to timely provide all information reasonably requested by the Alliance to validate Partner's Annual Attestation responses. Partner may deliver the Annual Attestation to the Alliance in the manner specified in Section 22 of the Agreement, by submission through the Alliance's online incentives portal, or by email to: pdincentives@thealliance.health with a copy to the Alliance's Liaison. If delivered by email, the Annual Attestation shall be deemed given when actually received by the Alliance. The failure of Partner to timely submit the Annual Attestation shall

be a material breach of this Agreement. This Section shall survive termination of the Agreement.

b. Should a Medi-Cal eligible individual cease to be eligible for Medi-Cal after placement due to an increase in such individual's income or a decrease in the Medi-Cal eligibility income limits, and such change in status causes Medi-Cal eligible occupancy to fall below the Minimum Medi-Cal Occupancy, Medi-Cal eligible individuals must be given first priority for all next available units until the Minimum Medi-Cal Occupancy is reached. Partner's failure to meet the Minimum Medi-Cal Occupancy for the aforementioned reasons shall not be considered a violation of this Agreement or SOW, provided that Partner follows the foregoing procedure. This Section shall survive termination of the Agreement.
c. In the event of Partner's nonperformance of the Useful Life obligations or other breach of Partner's obligations under this Agreement, Partner shall indemnify the Alliance against all losses, damages, costs, and expenses incurred by the Alliance as a result of such breach or nonperformance by the Partner. The Alliance may proceed directly against Partner in connection with this guarantee without being required to proceed against Partner under this Agreement or to pursue or exhaust any other rights or remedies the Alliance may have against Partner or any other party.
d. Useful Life End Date: 10 Years from Phase Two Completion Date
e. Deliverables: Annual attestation.
f. Deliverable Due Date: March 31st of each calendar year during the Useful Life.

D. PROJECT DURATION: Partner shall have a period of 39 months from the Effective Date to complete all activities that were submitted for funding in the Letter of Intent approved by the Alliance on September 17, 2025, and all required reporting. Partner shall continue to house Medi-Cal eligible individuals in accordance with this Agreement for no less than the Useful Life (i.e., 10 years following Phase Two Completion Date).

E. PAYMENT SCHEDULE: Payments shall be made to Partner by the Alliance according to the schedule provided below, subject to the Alliance's receipt of all documentation reasonably required by the Alliance and Partner's compliance with all of the terms of this Agreement:

1. **Initial Payment**. The initial payment shall not exceed eighty percent (80%) of the Maximum Award amount and shall be paid within thirty (30) business days of the Alliance's actual receipt of a progress report from Partner indicating that all Phase One Milestones have been completed.

2. **Final Payment**. Final payment of twenty percent (20%) of the Maximum Award amount (or remaining balance per actual Project expenses) shall be paid within thirty (30) business days of the receipt by the Alliance of a progress report indicating that all Milestones of the Project have been completed. The progress report will include a narrative, original Project budget versus actual expenses, and verification of Project expenses incurred since the previous payment. Progress report should include documentation demonstrating that the Project is complete (e.g. certificate of occupancy).

F. DOCUMENTATION: Partner shall provide the Alliance with such documentation as the Alliance may request to verify Partner's progress and completion of the Project Milestones as required under this SOW. Partner will submit documentation through the Alliance's online incentives portal unless otherwise requested by the Alliance. Partner shall notify the Alliance when Partner meets the Construction Start Date and Phase Two Completion Date requirements. Partner shall further provide, within thirty (30) calendar days of the Alliance's request, such progress, financial, operational, and other reports as the Alliance may from time-to-time request, in a form and substance satisfactory to the Alliance. Failure to provide requested documentation within the required time period shall be considered a material breach of this Agreement, and the Alliance may, at its discretion, terminate this Agreement for cause and recoup payment in accordance with the terms of this Agreement, and/or withhold any portion of the Award otherwise payable under this Agreement.

G. DISCRETION OF ALLIANCE: If Partner fails to meet the required Construction Start Date or the required Phase Two Completion Date and/or reporting deadlines, the Alliance shall have the discretion to withhold interim or final payments hereunder, as the case may be, and may, at its sole discretion, change or adjust any of the deadlines provided for herein, including requiring such additional documentation or changes as it shall determine to be reasonable and necessary for the completion of the Project under an alternative schedule.

H. ACTUAL COSTS: Payments shall be made for Partner's actual costs incurred and reported in accordance with this Agreement. Under no circumstances shall payment exceed the amount of the Maximum Award.

I. RELIGIOUS ACTIVITIES: Partner may not engage in inherently religious activities, such as worship, religious instruction, or proselytization as part of the Project. If Partner conducts such activities, the activities must be offered separately, in time or location, from the Project or services funded under this Agreement, and participation must be voluntary for all Project participants and residents. Partner shall not use any Award funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. In addition, Partner shall not discriminate against any potential or actual Project resident or other participant on the basis of religion or religious belief. The Award may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Sanctuaries, chapels, or other rooms that Partner uses as its principal place of worship are ineligible for Award-funded construction or improvements.

[*signatures appear on following page*]

The parties are concurrently executing this SOW and the Agreement, both effective upon final signature ("Effective Date").

For Partner:	**For the Alliance:**
County of Monterey	Santa Cruz-Monterey-Merced-San Benito-Mariposa Managed Medical Care Commission, operating as Central California Alliance for Health
By: _____	By: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date Signed:_____	Date Signed:_____

EXHIBIT 2

LETTER OF INTENT

Docusign Envelope ID: 815FB455-DAD6-473A-A050-4ECB5019E124

County of Monterey
ADMINISTRATIVE OFFICE
Sonia M. De La Rosa
COUNTY ADMINISTRATIVE OFFICER

168 West Alisal St. 3rd Floor
Salinas, CA 93901
831 755 5115
cao-admin@co.monterey.ca.us

September 17, 2025

Christy Puga, Senior Program Development Analyst
Central California Alliance for Health (Alliance)
1600 Green Hills Road, Suite 101
Scotts Valley, CA 95066-4981

Re: Alliance Housing Funding Application $1,228,961

The County of Monterey Administrative Office's Homelessness Strategies and Initiatives Division respectfully submits this revised Letter of Intent (LOI) to request consideration for a Housing Fund (Funds) award in the amount of $1,228,961 by the Central California Alliance for Health (Alliance) to provide gap funds in support of the construction of a 34-bed Low Barrier Navigation Center (LBNC) project which will provide short-term post hospitalization and recuperative care services in addition to provision of shelter, housing navigation, and supportive, wrap-around services.

This revised LOI supersedes the original LOI submitted to the Alliance on June 11, 2025, by the selected LBNC operator, Community Action Board of Santa Cruz County Inc. (CAB). The updated LOI reflects the following key revisions:

- The County of Monterey (COM) is now the designated requestor for the Funds award, as the owner of the modular units for the LBNC.
- An updated budget summary has been included.
- Details of the contract with Dignity Moves for construction and a subcontract with CAB for the LBNC FF&E (Furniture, Fixtures, and Equipment).

Project Description: The 34-bed LBNC project (Project) is a joint effort between the County of Monterey (COM) and the County of Santa Cruz (COSC), established through a Memorandum of Understanding (MOU), executed in February 2024, to humanly resolve encampments along the Pajaro River levee in anticipation of critical river levee repairs. The executed MOU between COM and COSC is attached for reference (Attachment 1).

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Due to the location of the levee, its proximity to Watsonville, and distance from any services in Monterey County, the site for the LBNC was determined to be best suited in Watsonville on property owned by Westview Presbyterian Church (WPC). The LBNC will provide shelter, recuperative care, and comprehensive service for individuals transitioning out of the encampment.

Project Funding: The project is primarily funded by an Encampment Resolution Funding Program Round Two (ERF-2-R) grant awarded to COM by the California Department of Housing and Community Development (HCD) in the amount of $8 million, supporting both construction of the 34-bed LBNC and funding up to two years of operations and service delivery. The executed ERF-2-R agreement between HCD and COM is attached for reference (Attachment 2).

Project Goals: The goal of the LBNC project is to move encampment occupants to a safe space and allow for levee repairs to begin and to provide support to connect these individuals into permanent or other supportive housing options.

Project Features: The LBNC will be constructed using HCD-certified modular units and will include:

- 28 single occupancy sleeping units
- 2 double occupancy sleeping units
- 4 ADA-compliant sleeping units
- Hygiene units (showers & restrooms), laundry, common areas, multipurpose/dining space, intake, and admin units
- Recuperative care multipurpose unit
- Outdoor amenities, a pet relief area, bike racks and storage facilities

The LBNC will implement a Housing first and trauma-informed care model, with CAB contracted as the operator via a subcontract with the Coalition of Homeless Services Providers (CHSP), Monterey and San Benito Counties Continuum of Care lead agency, utilizing ERF-2 funding provided by COM. CAB also holds a separate agreement with CHSP to utilize Homeless Housing, Assistance and Prevention (HHAP) funding for interim sheltering services for this project. The executed LBNC operations and services subcontract between CHSP and CAB is attached for reference (Attachment 3).

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Property Ownership and Lease Agreement with WPC: Upon completion of construction, the modular units will be owned by COM until June 30, 2026, when there will be a transfer of the LBNC to COSC on July 1, 2026, per the MOU between the Counties. The land where the LBNC will be constructed is owned by WPC, located at 118 First Street, Watsonville, CA and will be leased to CAB for a three-year term lease. WPC intends to renew the lease in the event there is a transfer of ownership of the modular units from the COM to the COSC. The executed Lease Agreement between CAB and WPC is attached for reference (Attachment 4).

Construction Contract with DignityMoves: COM has entered a partnership with DignityMoves, the development management agency to coordinate and manage the construction and site infrastructure for the LBNC. Through a subcontract, COM will administer the Housing Fund award toward Dignity Moves' estimated construction budget of $6,122,666 for the construction portion of the project, which is also financially supported by COM's funding award from an Encampment Resolution Funding grant in the amount of $5,034,591. The executed Development Management Agreement for the site development and construction of the LBNC between COM and DignityMoves is attached for reference (Attachment 5).

Operations Subcontract with CHSP/CAB: COM entered a partnership with CHSP to select and subcontract with CAB to serve as the LBNC Operator until the transfer of the LBNC to COSC. Through the CHSP subcontract with CAB, COM will administer the Housing Fund award toward FF&E expenditures for the LBNC, which is also financially supported by COM's funding award from an Encampment Resolution Funding grant in the amount of $2,571,460. The executed Agreement for the selection of the LBNC Operator between COM and The Coalition of Homeless Services Providers is attached for reference (Attachment 6).

Updated Budget Summary: The Funds request focusing on capital and site readiness needs a total $1,228,961 and includes partial payment toward the LBNC construction and FF&E expenditures.

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Anticipated Timeline:

Milestone	Timeline
Permitting, personnel recruitment, and contract negotiations	August 2024 to July 2025
Finalize permits and commence construction	July 2025
Construction Start Date	July 21, 2025
Delivery of Modular Units to Property Site	July to August 2025
Completion of construction of LBNC	November 2025
CAB site access and setup	November to December 2025
Ramp up to full capacity	December 2025 to March 2026
LBNC ownership transition from COM to COSC	July 1, 2026

The County of Monterey is grateful for CCAH's continued support and partnership in addressing regional homelessness. We believe this 34-bed LBNC represents a transformative project for a vulnerable population and aligns closely with the Alliance's mission to support the health and well-being of our communities.

We respectfully request your favorable consideration of this revised LOI.

Sincerely,

Signed by:
82FE8C3D092A48F

Roxanne Wilson
Director, Homeless Services
County of Monterey Administrative Office
Division of Homelessness Strategies and Initiatives

Attachments: MOU between COM and COSC (1)

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ERF-2-R Grant Agreement between HCD and COM (2)
Services Contract between CHSP and CAB (3)
Lease between WPC and CAB (4)
Development Management Agreement between COM and DignityMoves (5)
Contract for LBNC service provider selection between COM and CHSP (6)

EXHIBIT 3

ANNUAL ATTESTATION TEMPLATE FOR

CENTRAL CALIFORNIA ALLIANCE FOR HEALTH HOUSING FUND

This Annual Attestation applies to Partner's receipt of Housing Fund Award funds under the Letter of Agreement referenced below between Partner and the Santa Cruz-Monterey-Merced-San Benito-Mariposa Managed Medical Care Commission, operating as Central California Alliance for Health, ("Alliance"), having a principal place of business at 1600 Green Hills Road, Suite 101, Scotts Valley, CA 95066-4981.

Partner must accurately complete and submit this Annual Attestation to the Alliance by March 31st of each calendar year for the Useful Life of the Project, as further set forth in the Letter of Agreement.

Partner may deliver this Annual Attestation to the Alliance Liaison by any of the following: by submission in the Alliance's online incentives portal, in person, by registered or certified mail, return receipt requested, or U.S. Postal Service Express Mail, with postage prepaid, by Federal Express, other overnight courier that guarantees next day delivery, or by email to: pdincentives@thealliance.health. If delivered by email, the Annual Attestation shall be deemed given when confirmed actually received by the Alliance.

Project:	Recursos de Fuerza, a Low Barrier Navigation Center ("Project")
Letter of Agreement Effective Date:	
Partner Name:	County of Monterey
Minimum Medi-Cal Eligible Individuals Preference Threshold Requirement:	Partner must restrict occupancy for at least 80% of the Project's total units (27 of 34 units) to Medi-Cal eligible individuals ("Minimum Medi-Cal Occupancy").

Requirement Type	Description of Requirement	Partner Response
Minimum Medi-Cal Occupancy	Partner must restrict occupancy for at least the Minimum Medi-Cal Occupancy levels specified above. Please confirm Partner has maintained Minimum Medi-Cal Occupancy. If Partner failed to meet Minimum Medi-Cal Occupancy levels, please provide good faith estimate of	□ Yes. □ No. If "No," please explain:

	occupancy by Medi-Cal eligible individuals during the reporting year and narrative explanation of Partner's failure to meet requirement. • Project is for Recuperative Care or Short-Term Post-Hospitalization Housing, minimum threshold is based on number of stays by Medi-Cal eligible individuals out of total stays.	
Prioritization Process	Current prioritization process. Please confirm use of approved prioritization process. If Partner is currently using a prioritization process other than the process approved by the Alliance, please provide narrative description of current process and how process complies with Medi-Cal eligibility income requirements in alignment with the Letter of Agreement.	□ Yes □ No. If "No," please explain:

By signing the below, Partner attests that the information above is true and correct, that Partner has continued to act in compliance with the Letter of Agreement, and that the Project facilities have continued to operate in alignment with the Letter of Agreement. Partner shall provide all information reasonably requested by the Alliance to validate the above information or to support any response to any government audits or inquiries related to the Letter of Agreement.

Partner:

By: _____

Print Name: _____

Title: _____

Date Signed: _____

September 17, 2025

Roxanne Wilson
Director, Homeless Services
County of Monterey Administrative Office
Division of Homelessness Strategies and Initiatives

CC: MariaElena de la Garza
Chief Executive Officer
Community Action Board of Santa Cruz County, Inc.

Dear Ms. Wilson:

On behalf of the Central California Alliance for Health ("Alliance"), it is my pleasure to inform the County of Monterey that, after careful consideration, your request for funding under the Alliance's Housing Fund dated September 17, 2025 to build a 34-bed Low Barrier Navigation Center on Westview Presbyterian Church's property at 118 First Street, Watsonville, CA ("LBNC Project") has been approved in the amount of $1,228,961.00. We understand that the the County of Monterey and the original funding applicant for the LBNC Project, Community Action Board of Santa Cruz County, Inc. ("CAB"), are requesting that the County of Monterey shall take the place of CAB as the LBNC Project's funding applicant. Accordingly, this award replaces and supecedes any previous Alliance Housing Fund award to CAB in connection with the Letter of Interest submitted by CAB dated June 11, 2025, and all other prior dealings between the Alliance and CAB or Monterey County regarding the LBNC Project.

This award is conditioned upon execution of a definitive Letter of Agreement, a copy of which is enclosed. Please review the Letter of Agreement very carefully, including the reporting requirements. The award funds will be distributed based upon the Letter of Agreement's final terms and payment schedule. Once your Letter of Agreement is fully executed, you will receive a confirmation email from the Alliance with details regarding your follow up forms that will be available in the online awards portal ("Portal"). The Portal is a web-based platform where Housing Fund awardees will have access to view award documentation, review payment information and installment details, and complete and submit any required reports. You will also receive an Awardee Checklist outlining the key steps for Alliance Housing Fund awards.

Please note that although the Alliance is currently reserving the above award amount for the LBNC Project, unless and until a definitive Letter of Agreement is executed between the Alliance and County of Monterey, the award may be withdrawn or revoked. If County of Monterey and the Alliance cannot agree on the terms of the Letter of Agreement after one month of good faith negotiation, the Alliance may choose to withdraw the award from County of Monterey and reallocate the funds to other projects. You will have a period of up to nine (9) months from the date of execution of the Letter of Agreement to begin construction of the LBNC Project. Please be sure to partner with us on any press release, construction signage or other recognition of the Alliance's contribution to the LBNC Project prior to making any such announcement. Once your Letter of Agreement is in place, please refer to the Alliance Funded Partners Brand Toolkit for instruction on the permitted visual presentation, form, and manner in which the Alliance's name and logos should be used in promotional activities: https://brandfolder.com/alliance/funded-partners-brand-toolkit.

If you have any questions, please do not hesitate to reach out to our team at pdincentives@thealliance.health. We are proud to partner with you to expand permanent supporting housing opportunities across the Alliance's service areas.

Sincerely,

Shannon Carini

Shannon Carini
Asociate Counsel

On behalf of and Acting on Authority of
Jessica Finney
Community Grants Director

Introduced: 8/27/2025

Current Status: Housing & Community Development - Consent

Version: 2

Matter Type: BoS Agreement

a. Find that the acceptance of the Conservation and Scenic Easement Deed is Categorically Exempt pursuant to California Environmental Quality Act **(**CEQA) Guidelines section 15317;
b. Accept a Conservation and Scenic Easement Deed to preserve California Condor habitat on property owned by the Conservancy for the Range of the Condor in Cachagua;
c. Authorize the Chair of the Board of Supervisors to execute the Conservation and Scenic Easement Deed; and
d. Direct the Clerk of the Board to submit the Conservation and Scenic Easement Deed to the County Recorder for recordation.

Conservation and Scenic Easement Deed - PLN250124/Conservancy for the Range of the Condor, located south of Lamberts Flats Road and east of Tassajara Road, Cachagua (Assessor's Parcel Numbers 418-301-087-000 and 418-301-088-000)

PROJECT INFORMATION:

Planning File Number: PLN250124
Applicants: Conservancy for the Range of the Condor
Project Location: South of Lambert Flat Road and east of Tassajara Road
APNs: 418-301-087-000 and 418-301-088-000
Plan Area: Cachagua Area Plan
Flagged and Staked: No
CEQA Action: Categorically Exempt pursuant to CEQA Guidelines section 15317

RECOMMENDATION:

It is recommended that the Board of Supervisors:
a. Find that the acceptance of the Conservation and Scenic Easement Deed is Categorically Exempt pursuant to CEQA Guidelines section 15317;
b. Accept a Conservation and Scenic Easement Deed (**Attachment B**) to preserve habitat for California Condors on property owned by the Conservancy for the Range of the Condor in Cachagua;
c. Authorize the Chair of the Board of Supervisors to execute the Conservation and Scenic Easement Deed; and
d. Direct the Clerk of the Board to submit the Conservation and Scenic Easement Deed to the County Recorder for recordation.

SUMMARY/DISCUSSION:

The Conservancy for the Range of the Condor owns two parcels south of Lambert Flat Road and east

of Tassajara Road in Cachagua. The Conservancy proposes a conservation and scenic easement deed that covers the entirety of the two parcels for the purpose of preserving habitat for Condors and other plant and animal species.

No development, including residential or commercial structures, will be placed or erected upon the Conservation and Scenic Easement Area, except for small maintenance structures for the sole purpose of managing the land. Staff has considered the Conservancy's request to secure the easements for preservation of habitat and recommends the Board accept, execute, and consent to the recordation of the Conservation and Scenic Easement Deed (**Attachment A**).

Acceptance of the scenic easement qualifies for a Class 17 Categorical Exemption pursuant to CEQA because it constitutes the acceptance of easements to maintain the open space character of the area (CEQA Guidelines, § 15317).

OTHER AGENCY INVOLVEMENT:
The Office of the County Counsel has approved the Conservation and Scenic Easement Deed as to form.

FINANCING:
Funding for staff time associated with this project is included in the FY2025-26 Adopted Budget for Housing and Community Development (HCD) Appropriation Unit HCD002, Unit 8543. All costs associated with the maintenance of the CSED will be borne by the project applicant, not the County of Monterey.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
This action represents effective and timely response to our HCD customers. Processing this application in accordance with all applicable policies and regulations also provides the County accountability for proper management of our land resources.

Check the related Board of Supervisors Strategic Initiatives:
X Administration
_ Economic Development
_ Health & Human Services
_ Infrastructure
_ Public Safety

Prepared by: Kayla Nelson, Associate Planner, ext. 6408
Reviewed and Approved by: Craig Spencer, HCD Director

The following attachments are on file with the Clerk of the Board:
Attachment A - Memorandum to the Clerk of the Board
Attachment B - Conservation and Scenic Easement Deed, including:
Legal Descriptions

cc: Front Counter Copy; Kayla Nelson, Associate Planner; Craig Spencer, HCD Director; Don

Gruber (Conservancy of the Range of the Condor), Property Owner; Chris Gourlay, Agent; The Open Monterey Project (Molly Erickson); LandWatch (Executive Director); Lozeau Drury LLP; Christina McGinnis, Keep Big Sur Wild; Project File PLN250124.

Introduced: 8/27/2025

Current Status: Housing & Community Development - Consent

Version: 2

Matter Type: BoS Agreement

a. Find that the acceptance of the Conservation and Scenic Easement Deed is Categorically Exempt pursuant to California Environmental Quality Act **(**CEQA) Guidelines section 15317;
b. Accept a Conservation and Scenic Easement Deed to preserve California Condor habitat on property owned by the Conservancy for the Range of the Condor in Cachagua;
c. Authorize the Chair of the Board of Supervisors to execute the Conservation and Scenic Easement Deed; and
d. Direct the Clerk of the Board to submit the Conservation and Scenic Easement Deed to the County Recorder for recordation.

Conservation and Scenic Easement Deed - PLN250124/Conservancy for the Range of the Condor, located south of Lamberts Flats Road and east of Tassajara Road, Cachagua (Assessor's Parcel Numbers 418-301-087-000 and 418-301-088-000)

PROJECT INFORMATION:

Planning File Number: PLN250124
Applicants: Conservancy for the Range of the Condor
Project Location: South of Lambert Flat Road and east of Tassajara Road
APNs: 418-301-087-000 and 418-301-088-000
Plan Area: Cachagua Area Plan
Flagged and Staked: No
CEQA Action: Categorically Exempt pursuant to CEQA Guidelines section 15317

RECOMMENDATION:

It is recommended that the Board of Supervisors:
a. Find that the acceptance of the Conservation and Scenic Easement Deed is Categorically Exempt pursuant to CEQA Guidelines section 15317;
b. Accept a Conservation and Scenic Easement Deed (**Attachment B**) to preserve habitat for California Condors on property owned by the Conservancy for the Range of the Condor in Cachagua;
c. Authorize the Chair of the Board of Supervisors to execute the Conservation and Scenic Easement Deed; and
d. Direct the Clerk of the Board to submit the Conservation and Scenic Easement Deed to the County Recorder for recordation.

SUMMARY/DISCUSSION:

The Conservancy for the Range of the Condor owns two parcels south of Lambert Flat Road and east of Tassajara Road in Cachagua. The Conservancy proposes a conservation and scenic

easement deed that covers the entirety of the two parcels for the purpose of preserving habitat for Condors and other plant and animal species.

No development, including residential or commercial structures, will be placed or erected upon the Conservation and Scenic Easement Area, except for small maintenance structures for the sole purpose of managing the land. Staff has considered the Conservancy's request to secure the easements for preservation of habitat and recommends the Board accept, execute, and consent to the recordation of the Conservation and Scenic Easement Deed (**Attachment A**).

Acceptance of the scenic easement qualifies for a Class 17 Categorical Exemption pursuant to CEQA because it constitutes the acceptance of easements to maintain the open space character of the area (CEQA Guidelines, § 15317).

OTHER AGENCY INVOLVEMENT:
The Office of the County Counsel has approved the Conservation and Scenic Easement Deed as to form.

FINANCING:
Funding for staff time associated with this project is included in the FY2025-26 Adopted Budget for Housing and Community Development (HCD) Appropriation Unit HCD002, Unit 8543. All costs associated with the maintenance of the CSED will be borne by the project applicant, not the County of Monterey.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
This action represents effective and timely response to our HCD customers. Processing this application in accordance with all applicable policies and regulations also provides the County accountability for proper management of our land resources.

Check the related Board of Supervisors Strategic Initiatives:
X Administration
_ Economic Development
_ Health & Human Services
_ Infrastructure
_ Public Safety

Prepared by: Kayla Nelson, Associate Planner, ext. 6408
Reviewed and Approved by: Craig Spencer, HCD Director

The following attachments are on file with the Clerk of the Board:
Attachment A - Memorandum to the Clerk of the Board
Attachment B - Conservation and Scenic Easement Deed, including:
Legal Descriptions

cc: Front Counter Copy; Kayla Nelson, Associate Planner; Craig Spencer, HCD Director; Don Gruber (Conservancy of the Range of the Condor), Property Owner; Chris Gourlay, Agent; The Open Monterey Project (Molly Erickson); LandWatch (Executive Director); Lozeau Drury LLP; Christina McGinnis, Keep Big Sur Wild; Project File PLN250124.

Attachment A

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COUNTY OF MONTEREY

HOUSING AND COMMUNITY DEVELOPMENT

CRAIG W. SPENCER, DIRECTOR

Planning – Building - Housing
1441 Schilling Place, South 2nd Floor
Salinas, California 93901-4527
(831) 755-5025
co.monterey.ca.us

MEMORANDUM

Date: Board of Supervisors Consent Agenda – September 16, 2025

To: Valerie Ralph
Clerk of the Board

From: Kayla Nelson, Associate Planner
HCD-Planning

Subject: Conservation and Scenic Easement Deed for Conservancy for the Range of the Condor – HCD-Planning File No. PLN250124

After approval/acceptance by the Board of Supervisors, the Clerk of the Board will submit the Conservation and Scenic Easement Deed (**Attachment B**) to the County Recorder for filing and recordation. Please contact Kayla Nelson, HCD-Planning, at (831) 796-6408 or Nelsonk@countyofmonterey.gov, prior to recording the documents.

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Attachment B

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When recorded return to:
COUNTY OF MONTEREY HOUSING
AND COMMUNITY DEVELOPMENT
DEPARTMENT - PLANNING
ATTN: **KAYLA NELSON**
1441 SCHILLING PL 2ND FLOOR
SALINAS, CA 93901
(831) 755-5025

Space above for Recorder's Use

No fee document pursuant to Government Code Section 27383.

Owner Name:	The Conservancy for the Range of the Condor
Permit No.:	PLN250124
APNs:	418-301-087-000 & 418-301-088-000
Project Planner:	Kayla Nelson

The Undersigned Grantor(s) Declare(s):
DOCUMENTARY TRANSFER TAX OF $ 0
[ ] computed on the consideration or full value of property conveyed, OR
[ ] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
[ ] unincorporated area; and
[X] Exempt from transfer tax,
Reason: Transfer to a governmental entity

Secretary
Signature of Declarant or Agent

CONSERVATION AND SCENIC EASEMENT DEED (INLAND)

THIS DEED made this _____ day of _____, _____ by and between The Conservancy for the Range of the Condor, a California Corporation, as Grantor, and the *COUNTY OF MONTEREY*, a political subdivision of the State of California (County), as Grantee.

WITNESSETH:

WHEREAS, said Grantor is the owner in fee of the real property more particularly described in Exhibit "A" attached hereto and made a part hereof, situated in Monterey County, California (the Property), in the Cachagua Area Plan; and

WHEREAS, the Property of said Grantor has certain natural scenic beauty and existing openness; and

WHEREAS, the Grantor and the Grantee desire to preserve and conserve for the public benefit the great natural scenic beauty and existing openness, natural condition and present state of use of said Property of the Grantor; and

WHEREAS, it is intended that this easement is irrevocable and shall constitute enforceable restrictions within the meaning of Article XIII, Section 8, of the California Constitution and that said easement shall thereby qualify as an enforceable restriction under the provision of the California Revenue and Taxation Code, Section 402.1; and

WHEREAS, the said Grantor is willing to grant to the County of Monterey the conservation and scenic use as herein expressed of the Property, and thereby protect the present scenic beauty and existing openness by the restricted use and enjoyment of the Property by the Grantor through the imposition of the conditions hereinafter expressed;

NOW, THEREFORE, the Grantor does hereby grant and convey unto the County of Monterey an estate, interest, and conservation and scenic easement in said real property of Grantor of the nature and character and to the extent hereinafter expressed, which estate, interest, and easement will result from the restrictions hereby imposed upon the use of said Property by said Grantor, and to that end and for the purposes of accomplishing the intent of the parties hereto, said Grantor covenants on behalf of itself, its heirs, successors, and assigns, with the said Grantee, its successors and assigns, to do and refrain from doing severally and collectively upon the Grantor's Property the various acts hereinafter mentioned.

A. PROPERTY SUBJECT TO EASEMENT. The Property of the Grantor hereinabove referred to and to which the provisions of this instrument apply is situated in the County of Monterey, State of California, and is particularly described in Exhibit "A", attached hereto, and made a part hereof, hereinafter referred to as the "Conservation and Scenic Easement Area."

B. RESTRICTIONS. The restrictions hereby imposed upon the use of the Conservation and Scenic Easement Area by the Grantor and the acts which said Grantor shall refrain from doing upon the Conservation and Scenic Easement Area in connection herewith are, and shall be, as follows:

1. That no residential or commercial structures will be placed or erected upon the Conservation and Scenic Easement Area except small maintenance structures for the sole purpose of managing the land.

2. That no advertising of any kind or nature shall be located on or within the Conservation and Scenic Easement Area except for educational and informational signs along pedestrian walking and hiking trails.

3. That the Grantor shall not plant any agricultural crops including vineyards nor permit to be planted any vegetation upon the Conservation and Scenic Easement Area, except California native plant species beneficial to the land being protected for restoration purposes.

4. That, except for the construction, alteration, relocation, and maintenance of existing public roads, utility easements, access easements, and public and private pedestrian trails, the general topography of the landscape shall be maintained in its present condition and no excavation or topographic changes shall be made except shaded fuel breaks in strategic locations, principally around neighboring properties.

5. That no livestock or grazing operations be allowed upon said easement except for the use of resident or rented goats for the purpose of fuel management practices and fire control.

6. That no use of the Conservation and Scenic Easement Area which will or does materially alter the landscape or other attractive scenic features of said Property other than those specified above shall be done or suffered.

C. EXCEPTIONS AND RESERVATIONS. The following are excepted and reserved to the Grantor to be implemented consistently with the objectives, purposes, and conditions of this easement:

1. The right to maintain all existing private roads, bridges, utility and access easements, trails and structures upon the Conservation and Scenic Easement Area, and the right to create new pedestrian trails as desired.

2. The use and occupancy of the Conservation and Scenic Easement Area shall be consistent with the conditions and restrictions herein imposed.

3. Management of vegetation within the Conservation and Scenic Easement Area in accordance with the fuel management practices as required by California fire prevention standards.

4. The gathering and harvesting of downed trees for firewood at the owner's discretion, and the gathering of indigenous plants that are not species-status protected species, and other appropriate cultural heritage activities. For purposes of this

Easement, *Cultural Heritage Activities* shall mean traditional, ceremonial, spiritual, educational, and stewardship practices conducted by members of local Native American Tribes with historical and cultural ties to the Carmel Valley region, including but not limited to the Esselen and Rumsen Ohlone peoples. These activities may include, without limitation:

- Seasonal gathering and use of native (non-protected) plants for food, medicine, or ceremonial use;
- Conducting ceremonies and spiritual practices in accordance with tribal customs;
- Traditional ecological knowledge-based land stewardship practices (e.g., controlled burns, tending native plant habitats);
- Educational visits or programs led by tribal members to teach tribal youth and others about tribal history, culture, and traditional lifeways;
- Construction or use of temporary, non-permanent structures (e.g., shade shelters, altars) related to ceremonial or educational use; and
- Access to sacred sites for prayer, song, and other forms of spiritual expression.

All such activities shall be carried out in a manner that is consistent with the conservation purposes of this Easement, does not involve commercial exploitation of natural resources, and does not result in significant alteration of the landscape or harm to protected species or habitats. The Grantor and Grantee may collaborate with Tribal representatives to establish protocols or guidelines to ensure that such uses are respectful, safe, and aligned with the conservation values protected herein.

D. SUBJECT TO APPLICABLE LAWS. Land uses permitted or reserved to the Grantor by this instrument shall be subject to all applicable laws regulating the use of land.

E. BENEFIT AND BURDEN. This grant of conservation and scenic easement shall run with and burden the Property, and all obligations, terms, conditions, and restrictions hereby imposed shall be deemed to be covenants and restrictions running with the land and shall be effective limitations on the use of the Property from the date of recordation of this document and shall bind the Grantor and all of its successors and assigns. This grant shall benefit the County of Monterey and its successors and assigns forever.

F. RIGHT OF ENTRY. The Grantee or its agent may enter onto the Property to ascertain whether the use restrictions set forth above are being observed at times reasonably acceptable to the Grantor.

G. ENFORCEMENT. Any act or any conveyance, contract, or authorization whether written or oral by the Grantor which uses or would cause to be used or would permit use of the Property contrary to the terms of this grant of easement will be deemed a breach hereof. The Grantee may bring any action in court necessary to enforce this grant of easement, including, but not limited to, injunction to terminate a breaching activity and to force the restoration of all damage done by such activity, or an action to enforce the terms and provisions hereof by specific performance. It is understood and agreed that the Grantee may pursue any appropriate legal and equitable remedies. The Grantee shall have sole discretion to determine under what circumstances an action to enforce the terms and conditions of this grant of easement shall be brought in law or in equity. Any forbearance on the part of the Grantee to enforce the terms and provisions hereof in the event of a breach shall not be deemed a waiver of Grantee's rights regarding any subsequent breach.

H. MAINTENANCE. The Grantee shall not be obligated to maintain, improve, or otherwise expend any funds in connection with the Property or any interest or easement created by this grant of easement. All costs and expenses for such maintenance, improvement use, or possession shall be borne by the Grantor, except for costs incurred by Grantee for monitoring compliance with the terms of this easement.

I. LIABILITY AND INDEMNIFICATION. This conveyance is made and accepted upon the express condition that the Grantee, its agencies, departments, officers, agents, and employees are to be free from all liability and claim for damage by reason of any injury to any person or persons, including Grantor, or property of any kind whatsoever and to whomsoever belonging, including Grantor, from any cause or causes whatsoever, except matters arising out of the sole negligence of the Grantee, while in, upon, or in any way connected with the Property, Grantor hereby covenanting and agreeing to indemnify and hold harmless the Grantee, its agencies, departments, officers, agents, and employees from all liability, loss, cost, and obligations on account of or arising out of such injuries or losses however occurring. The Grantee shall have no right of control over, nor duties and responsibilities with respect to the Property which would

subject the Grantee to any liability occurring upon the Property by virtue of the fact that the right of the Grantee to enter the Property or Conservation and Scenic Easement Area is strictly limited to preventing uses inconsistent with the interest granted, the Property is not "property of a public entity" or "public property," and Grantee's rights herein do not include the right to enter the Property or Conservation and Scenic Easement Area for the purposes of correcting any "dangerous condition" as those terms are defined by California Government Code Section 830.

J. SUCCESSORS AND ASSIGNS. The terms, covenants, conditions, exceptions, obligations, and reservations contained in this conveyance shall be binding upon and inure to the benefit of the successors and assigns of both the Grantor and the Grantee, whether voluntary or involuntary.

K. SEVERABILITY. If any provision of this conservation and scenic easement is held to be invalid or for any reason becomes unenforceable, no other provision shall be thereby affected or impaired.

Executed this 10th day of July, 2025, at Carmel, California.

Conservancy for the Range of the Condor

By: _____ (Signature)
Gail Bower Vice Preisdat
(Print or Type Name and Title)

By: _____ (Signature)
Virginia Hanson, Secretary
(Print or Type Name and Title)

NOTE TO NOTARY PUBLIC: If you are notarizing the signatures of persons, signing on behalf of a corporation, partnership, trust, etc., please use the correct notary jurat (acknowledgment) as explained in your Notary Public Law Book.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF MONTEREY)

On July 10, 2025 before me, Miranda Martinez-Zepeda, a Notary Public, personally appeared Gail Bower, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

MIRANDA MARTINEZ-ZEPEDA
Notary Public - California
Monterey County
Commission # 2467381
My Comm. Expires Oct 20, 2027

(Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)

COUNTY OF MONTEREY)

On July 10, 2025 before me, Miranda Martinez-Zepeda, a Notary Public, personally appeared Virginia Hansen, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

MIRANDA MARTINEZ-ZEPEDA
Notary Public - California
Monterey County
Commission # 2467381
My Comm. Expires Oct 20, 2027

(Seal)

ACCEPTANCE AND CONSENT TO RECORDATION

This is to certify that the interest in real property conveyed by the deed or grant from **Conservancy for The Range of The Condor** to the County of Monterey, a political corporation and/or governmental agency is hereby accepted by order of the Board of Supervisors on _____, (or by the undersigned officer or agent on behalf of the County of Monterey pursuant to authority conferred by resolution of the Board of Supervisors adopted on _____,) and the grantee consents to recordation thereof by its duly authorized officer.

DATED: _____.

_____
Chris Lopez
Chair, Monterey County Board of Supervisors

ATTEST:
DATED: _____.

_____
Valerie Ralph
Clerk of Said Board

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) SS.
COUNTY OF MONTEREY)

On _____ before me, _____, a Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

Approved as to form:
Susan K. Blitch, County Counsel

By: _____ DATED: 7-15-25

Type/Print Name: Robert I. Brayer, Deputy County Counsel

EXHIBITS TO BE ATTACHED TO:

CONSERVATION AND SCENIC EASEMENT DEED

1. ***EXHIBIT "A":*** Full legal description of the entire property.

"ANY EXHIBIT(S) MUST BE NO LARGER THAN 8 1/2" X 14"

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 418-301-087

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF MONTEREY, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL I:

The Northeast Quarter of the Southwest Quarter of Section 20, in Township 18 South of Range 4 East of the Mount Diablo Meridian, in the County of Monterey, State of California, according to the official plat thereof.

Said legal description is approved pursuant the Certificate of Compliance recorded August 21, 2002, in Document No. 2002077175, of Official Records.

PARCEL II:

A non-exclusive easement for road and utility purposes over a strip of land 20 feet wide lying within the Southwest quarter of the Northwest quarter and within the Northwest quarter of the Southwest quarter of said Section 20 over the existing traveled road as set forth in Deed to William G. Lambert, et ux., recorded July 9, 1970 in Reel 657, Page 709, of Official Records.

PARCEL III:

A non-exclusive easement for road and utility purposes over the existing road in Section 19, Township 18 South, Range 4 East, Mount Diablo Meridian, leading from the Tassajara County Road to the Westerly line of Section 20, being over the same road as set forth in the deed from William G. Lambert, et ux., to Steve J. Bardin, recorded July 9, 1970 in Reel 657, Page 711, of Official Records.

PARCEL IV:

A non-exclusive easement and right of way for a road or trail for non-vehicular travel, over a strip of land 10 feet wide lying along, adjacent to, and Easterly of a line beginning at the Northwest corner of the South half of the Northwest quarter of the Southwest quarter of said Section 20; and running thence along the West line of said Section 20 to the South line of the existing road referred to in Paragraphs II and III above.

PARCEL V:

A non-exclusive easement over a strip of land 20 feet wide over the most practical and direct route from the existing road referred to in Parcel II above, over, that portion of the Northwest quarter of the Northwest quarter of the Southwest quarter of said Section 20 that lies Easterly of the east branch of the main canyon running through last mentioned property.

Xochitl Marina Camacho
MontereyCounty Clerk-Recorder
Recorded at the request of:
CHICAGO TITLE COMPANY (CA) -

2024033722

09/20/2024 08:40:25
Titles: 1 Pages: 3

Fees: $19.00
Taxes: $550.00
AMT PAID: $569.00

RECORDING REQUESTED BY:
Chicago Title Company

When Recorded Mail Document and Tax Statement To:
Conservancy for The Range of The Condor, a California corporation
P. O. Box 190
Monterey, CA 93942

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Escrow No.: FWMN-5252400455

Property Address: A.P.N. 418-301-087
Tassajara Road,
Carmel Valley, CA 93924

APN/Parcel ID(s): 418-301-087

GRANT DEED

The undersigned grantor(s) declare(s)

☐ This transfer is exempt from the documentary transfer tax.
☑ **The documentary transfer tax is $550.00** and is computed on:
  ☑ the full value of the interest or property conveyed.
  ☐ the full value less the liens or encumbrances remaining thereon at the time of sale.
The property is located in ☑ an Unincorporated area.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

John R. Hain and Jennifer L. Allen, Trustees of The Conrad McQuay Hain Irrevocable Trust, dated 12/27/1996

hereby GRANT(S) to

Conservancy for The Range of The Condor, a California corporation

the following described real property in the Unincorporated Area of the County of Monterey, State of California:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

PROPERTY COMMONLY KNOWN AS: A.P.N. 418-301-087 Tassajara Road, Carmel Valley, CA 93924

MAIL TAX STATEMENTS AS DIRECTED ABOVE

RECORDING REQUESTED BY:
Chicago Title Company

When Recorded Mail Document and Tax Statement To:
Conservancy for The Range of The Condor, a California corporation
P. O. Box 190
Monterey, CA 93942

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Escrow No.: FWMN-5252400455

Property Address: A.P.N. 418-301-087
Tassajara Road,
Carmel Valley, CA 93924

APN/Parcel ID(s): 418-301-087

GRANT DEED

The undersigned grantor(s) declare(s)

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☑ **The documentary transfer tax is $550.00** and is computed on:
  ☑ the full value of the interest or property conveyed.
  ☐ the full value less the liens or encumbrances remaining thereon at the time of sale.
The property is located in ☑ an Unincorporated area.

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

John R. Hain and Jennifer L. Allen, Trustees of The Conrad McQuay Hain Irrevocable Trust, dated 12/27/1996

hereby GRANT(S) to

Conservancy for The Range of The Condor, a California corporation

the following described real property in the Unincorporated Area of the County of Monterey, State of California:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

PROPERTY COMMONLY KNOWN AS: A.P.N. 418-301-087 Tassajara Road, Carmel Valley, CA 93924

MAIL TAX STATEMENTS AS DIRECTED ABOVE

GRANT DEED
(continued)

APN/Parcel ID(s): 418-301-087

Dated: September 13, 2024

IN WITNESS WHEREOF, the undersigned have executed this document on the date(s) set forth below.

The Conrad McQuay Hain Irrevocable Trust, dated 12/27/1996

BY: _____
John R. Hain
Trustee

BY: _____
Jennifer L. Allen
Trustee

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Monterey

On 9-18-2024 before me, Gerry E. Wiles, Notary Public,
(here insert name and title of the officer)

personally appeared John R. Hain and Jennifer L. Allen,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____
Signature

GERRY E. WILES
Notary Public - California
Monterey County
Commission # 2373913
My Comm. Expires Sep 5, 2025

GERRY E. WILES
Notary Public - California
Monterey County
Commission # 2373913
My Comm. Expires Sep 5, 2025

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 418-301-087

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE UNINCORPORATED AREA IN COUNTY OF MONTEREY, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

PARCEL I:

The Northeast Quarter of the Southwest Quarter of Section 20, in Township 18 South of Range 4 East of the Mount Diablo Meridian, in the County of Monterey, State of California, according to the official plat thereof.

Said legal description is approved pursuant the Certificate of Compliance recorded August 21, 2002, in Document No. 2002077175, of Official Records.

PARCEL II:

A non-exclusive easement for road and utility purposes over a strip of land 20 feet wide lying within the Southwest quarter of the Northwest quarter and within the Northwest quarter of the Southwest quarter of said Section 20 over the existing traveled road as set forth in Deed to William G. Lambert, et ux., recorded July 9, 1970 in Reel 657, Page 709, of Official Records.

PARCEL III:

A non-exclusive easement for road and utility purposes over the existing road in Section 19, Township 18 South, Range 4 East, Mount Diablo Meridian, leading from the Tassajara County Road to the Westerly line of Section 20, being over the same road as set forth in the deed from William G. Lambert, et ux., to Steve J. Bardin, recorded July 9, 1970 in Reel 657, Page 711, of Official Records.

PARCEL IV:

A non-exclusive easement and right of way for a road or trail for non-vehicular travel, over a strip of land 10 feet wide lying along, adjacent to, and Easterly of a line beginning at the Northwest corner of the South half of the Northwest quarter of the Southwest quarter of said Section 20; and running thence along the West line of said Section 20 to the South line of the existing road referred to in Paragraphs II and III above.

PARCEL V:

A non-exclusive easement over a strip of land 20 feet wide over the most practical and direct route from the existing road referred to in Parcel II above, over, that portion of the Northwest quarter of the Northwest quarter of the Southwest quarter of said Section 20 that lies Easterly of the east branch of the main canyon running through last mentioned property.

BOE-502-A (P1) REV. 18 (05-23)

PRELIMINARY CHANGE OF OWNERSHIP REPORT

To be completed by the transferee (buyer) prior to a transfer of subject property, in accordance with section 480.3 of the Revenue and Taxation Code. A *Preliminary Change of Ownership Report* must **be filed with each conveyance in the County Recorder's office for the county where the property is located.**

NAME AND MAILING ADDRESS OF BUYER/TRANSFEREE
(Make necessary corrections to the printed name and mailing address)

Conservancy for The Range of The Condor, a California corporation
P. O. Box 190
Monterey, CA 93942

ASSESSOR'S PARCEL NUMBER
418-301-087

SELLER/TRANSFEROR
John R. Hain and Jennifer L. Allen, Trustees of The Conrad McQuay Hain Irrevocable Trust, dated 12/27/1996

BUYER'S DAYTIME TELEPHONE NUMBER
(831) 238-2787

BUYER'S EMAIL ADDRESS

STREET ADDRESS OR PHYSICAL LOCATION OF REAL PROPERTY
A.P.N. 418-301-087 Tassajara Road, Carmel Valley, CA 93924

☐ YES ☑ NO This property is intended as my principal residence. If YES, please indicate the date of occupancy or intended occupancy. MO | DAY | YEAR

☐ YES ☑ NO Are you a 100% rated disabled veteran who was compensated at 100% by the Department of Veterans Affairs or an unmarried surviving spouse of a 100% rated disabled veteran?

MAIL PROPERTY TAX INFORMATION TO (NAME)
Conservancy for The Range of The Condor, a California corporation

MAIL PROPERTY TAX INFORMATION TO (ADDRESS)	CITY	STATE	ZIP CODE
P. O. Box 190	Monterey	CA	93942

PART 1. TRANSFER INFORMATION *Please complete all statements.*

This section contains possible exclusions from reassessment for certain types of transfers.

YES NO

☐ ☑ A. This transfer is solely between spouses *(addition or removal of a spouse, death of a spouse, divorce settlement, etc.)*.

☐ ☑ B. This transfer is solely between domestic partners currently registered with the California Secretary of State *(addition or removal of a partner, death of a partner, termination settlement, etc.)*.

☐ ☑ * C. This is a transfer: ☐ between parent(s) and child(ren) ☐ between grandparent(s) and grandchild(ren).
Was this the transferor/grantor's principal residence? ☐ YES ☐ NO
Is this a family farm? ☐ YES ☐ NO

☐ ☑ * D. This transfer is the result of a cotenant's death. Date of death _____

☐ ☑ * E. This transaction is to replace a principal residence owned by a person 55 years of age or older.

☐ ☑ * F. This transaction is to replace a principal residence by a person who is severely disabled.

☐ ☑ * G. This transaction is to replace a principal residence substantially damaged or destroyed by a wildfire or natural disaster for which the Governor proclaimed a state of emergency.

☐ ☑ H. This transaction is only a correction of the name(s) of the person(s) holding title to the property *(e.g., a name change upon marriage)*.
If YES, please explain: _____

☐ ☑ I. The recorded document creates, terminates, or reconveys a lender's interest in the property.

☐ ☑ J. This transaction is recorded only as a requirement for financing purposes or to create, terminate, or reconvey a security interest *(e.g., cosigner)*. If YES, please explain: _____

☐ ☑ K. The recorded document substitutes a trustee of a trust, mortgage, or other similar document.

L. This is a transfer of property:

☐ ☑ 1. to/from a revocable trust that may be revoked by the transferor and is for the benefit of
☐ the transferor, and/or ☐ the transferor's spouse ☐ registered domestic partner.

☐ ☑ 2. to/from an irrevocable trust for the benefit of the
☐ creator/grantor/trustor and/or ☐ grantor's/trustor's spouse ☐ grantor's/trustor's registered domestic partner.

☐ ☑ M. This property is subject to a lease with a remaining lease term of 35 years or more including written options.

☐ ☑ N. This is a transfer between parties in which proportional interests of the transferor(s) and transferee(s) in each and every parcel being transferred remain exactly the same after the transfer.

☐ ☑ O. This is a transfer subject to subsidized low-income housing requirements with governmentally imposed restrictions, or restrictions imposed by specified nonprofit corporations.

☐ ☑ * P. This transfer is to the first purchaser of a new building containing a ☐ leased ☐ owned active solar energy system.

☐ ☑ Q. Other. This transfer is to _____

* Please refer to the instructions for Part 1.

Please provide any other information that will help the Assessor understand the nature of the transfer.

THIS DOCUMENT IS NOT SUBJECT TO PUBLIC INSPECTION

PART 2. OTHER TRANSFER INFORMATION *Check and complete as applicable.*

A. Date of transfer, if other than recording date: _____

B. Type of transfer:

☐ Purchase ☐ Foreclosure ☐ Gift ☑ Trade or exchange ☐ Merger, stock, or partnership acquisition (Form BOE-100-B)

☐ Contract of sale. Date of contract: _____ ☐ Inheritance. Date of death: _____

☐ Sale/leaseback ☐ Creation of a lease ☐ Assignment of a lease ☐ Termination of a lease. Date lease began: _____

Original term in years *(including written options)*: _____ Remaining term in years *(including written options)*: _____

☐ Other. Please explain: _____

C. Only a partial interest in the property was transferred. ☐ YES ☑ NO If YES, indicate the percentage transferred: _____ %

PART 3. PURCHASE PRICE AND TERMS OF SALE *Check and complete as applicable.*

A. Total purchase price $ 500,000.00

B. Cash down payment or value of trade or exchange excluding closing costs Amount $ 500,000.00

C. First deed of trust @_____% interest for _____ years. Monthly payment $_____ Amount $_____

☐ FHA (____Discount Points) ☐ Cal-Vet ☐ VA (____Discount Points) ☐ Fixed rate ☐ Variable rate

☐ Bank/Savings & Loan/Credit Union ☐ Loan carried by seller

☐ Balloon payment $_____ Due date: _____

D. Second deed of trust @_____% interest for _____ years. Monthly payment $_____ Amount $_____

☐ Fixed rate ☐ Variable rate ☐ Bank/Savings & Loan/Credit Union ☐ Loan carried by seller

☐ Balloon payment $_____ Due date: _____

E. Was an Improvement Bond or other public financing assumed by the buyer? ☐ YES ☐ NO Outstanding balance $_____

F. Amount, if any, of real estate commission fees paid by the buyer which are not included in the purchase price $_____

G. The property was purchased: ☐ Through real estate broker. Broker name: _____ Phone number: (____) _____

☐ Direct from seller ☐ From a family member-Relationship _____

☐ Other. Please explain: _____

H. Please explain any special terms, seller concessions, broker/agent fees waived, financing, and any other information (e.g., buyer assumed the existing loan balance) that would assist the Assessor in the valuation of your property.

_____

PART 4. PROPERTY INFORMATION *Check and complete as applicable.*

A. Type of property transferred

☐ Single-family residence ☐ Co-op/Own-your-own ☐ Manufactured home

☐ Multiple-family residence. Number of units: _____ ☐ Condominium ☑ Unimproved lot

☐ Other. Description: (i.e., timber, mineral, water rights, etc.) ☐ Timeshare ☐ Commercial/Industrial

_____

B. ☐ YES ☑ NO Personal/business property, or incentives, provided by seller to buyer are included in the purchase price. Examples of personal property are furniture, farm equipment, machinery, etc. Examples of incentives are club memberships, etc. Attach list if available.

If YES, enter the value of the personal/business property: $_____ Incentives $_____

C. ☐ YES ☑ NO A manufactured home is included in the purchase price.

If YES, enter the value attributed to the manufactured home: $_____

☐ YES ☑ NO The manufactured home is subject to local property tax. If NO, enter decal number: _____

D. ☐ YES ☑ NO The property produces rental or other income.

If YES, the income is from: ☐ Lease/rent ☐ Contract ☐ Mineral rights ☐ Other: _____

E. The condition of the property at the time of sale was: ☑ Good ☐ Average ☐ Fair ☐ Poor

Please describe: _____

CERTIFICATION

I certify (or declare) that the foregoing and all information hereon, including any accompanying statements or documents, is true and correct to the best of my knowledge and belief.

SIGNATURE OF BUYER/TRANSFEREE OR CORPORATE OFFICER ▶	DATE	TELEPHONE
	SEPT 18, 2024	831-238-2787
NAME OF BUYER/TRANSFEREE/PERSONAL REPRESENTATIVE/CORPORATE OFFICER (PLEASE PRINT)	TITLE	EMAIL ADDRESS
DON L. GRUSOR	President	

The Assessor's office may contact you for additional information regarding this transaction.

Introduced: 9/3/2025

Current Status: Housing & Community Development - Consent

Version: 1

Matter Type: BoS Resolution

a. Adopt a resolution to approve an Addendum to the Final Environmental Impact Report for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (REF140048) to amend mitigation measure CUL-9 to construct a berm around historic buildings; and
b. Adopt a resolution revising the Mitigation, Monitoring and Report Plan for the CRFREE Project to incorporate changes to the Final EIR as adopted by the Board of Supervisors on January 28, 2020 to amend mitigation measure CUL-9.

Project: REF140048/Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project
Project Location: Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE), State Highway Route 1, Carmel, CA, 93923, Carmel Area Land Use Plan, Assessor's Parcel Numbers (APNs) 243-071-005-000, 243-071-006-000, 243-071-007-000, 243-021-007-000¸ 157-121-001-000 and 243-081-005-000, 243-071-008-000
Proposed California Environmental Quality Act (CEQA) Action: Pursuant to CEQA California Code of Regulations (CCR) section15164, consider an addendum together with the previously certified Final Environmental Impact Report (FEIR) for the CRFREE Project.

RECOMMENDATION:
It is recommended that the Board of Supervisors adopt a resolution to:
a. Approve an Addendum to the Final Environmental Impact Report for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (REF140048) to amend mitigation measure CUL-9 to construct a berm as flood protection around the Historic Barn Complex on property owned by the California Department of Parks and Recreation; and
b. Revise the Mitigation, Monitoring and Report Plan for the CRFREE Project to incorporate changes to the Final EIR as adopted by the Board of Supervisors on January 28, 2020, and to amend mitigation measure CUL-9.

SUMMARY:
Approval of this action will adopt a resolution amending the approved Mitigation, Monitoring and Reporting Plan for the Carmel River Floodplain Restoration and Environmental Enhancement Project (CRFREE Project). (**Attachment A**) The CRFREE Project is a comprehensive effort to improve flood control and restore native riparian habitat, floodplain habitat, and hydrologic function to a portion of the lower floodplain along the Carmel River. Key aspects of the CRFREE Project are to: 1) Create notches in the levees along the south bank of the lower Carmel River, 2) Restore the south lower Carmel River floodplain, and 3) Build a causeway along Highway 1, restoring connectivity between

the lower Carmel River Floodplain and the south arm of the Carmel Lagoon. The CRFREE Project will lower the 100-year flood risk for Community Service Area (CSA) 50 and create public access trails between Carmel River Beach State Park to the west and Palo Corona Monterey Peninsula Regional Parks District (MPRPD) park to the east. The Project Environmental Impact Report (EIR) was certified by the Board of Supervisors during a public hearing on January 20, 2020. (**Attachment B**) The Project and Mitigation Monitoring and Reporting Plan (MMRP) was approved by separate resolution in June 2021.

DISCUSSION:
The CRFREE project will reconnect the south arm of the Carmel Lagoon with flood flows from the lower Carmel River, which will potentially increase the 100-year flood elevation west of State Route 1. To mitigate the potential increase in flood risk to the historic Creamery and Blacksmith Shop within the Historic Barn Complex on California Department of Parks and Recreation (State Parks) land, approved mitigation measure CUL-9 proposed to raise the Creamery and Blacksmith Shop. (**Attachment C**) Updated flood flow modeling from County Contractor Balance Hydrologics showed that the flood risk to the Historic Barn Complex was different than previously thought, with higher elevation 100-year flood flow base flood elevations at all four buildings within the Historic Barn Complex. (**Attachment D**) The previously contemplated protective berm would be an equally appropriate mitigation measure, and to elevate the buildings above base flood elevation would require a higher first floor elevation than previously thought. State Parks' stated preference is for a berm surrounding the Historic Barn Complex, due to the potential reduced accessibility to the buildings if they are raised.

Per California Environmental Qualtiy Act (CEQA), California Code of Regulations, CEQA Guidelines Section 15164, an addendum is used when minor changes are made to a project after the EIR has been certified. The decision-making body must consider the changes, and noticing is not required. The proposed amended mitigation measure CUL-9 would provide equal protection to the Creamery and Blacksmith Shop within the Historic Barn Complex, as well as the former residence and the barn. The proposed amendment and addendum to the EIR would allow for the existing berm to be extended around the Historic Barn Complex. (**Attachment E)** This would remove the necessity of raising the historic buildings and meet the request of State Parks to retain the current accessibility of the structures. Staff consider this a minor change which does not require preparation of a subsequent EIR.

In late 2024 the Federal Emergency Management Agency (FEMA) consulted with the State Historic Preservation Office (SHPO) as part of the FEMA Environmental Assessment and review. The SHPO concurred with the amended mitigation measure text. (**Attachment F**)

The CRFREE Project is currently in the final stages of design and pre-construction coordination, including grant funding, easements, and agreements. Approval of this action will amend the mitigation measure CUL-9, per the request of State Parks, and add an addendum to the previously certified Environmental Impact Report.

OTHER AGENCY INVOLVEMENT:
BSLT is co-sponsor for the CRFREE Project. BSLT, State Parks and MPRPD are property owners within the CRFREE Project area. Through a Cooperative Agreement with Caltrans, the County of

Monterey is acting as the Lead Agency under the California Environmental Quality (CEQA) Act for the Project. FEMA conducted an Environmental Assessment and consulted with SHPO for concurrence on the amended mitigation measure CUL-9 text.

ENVIRONMENTAL REVIEW

The Project Environmental Impact Report (EIR) was certified by the Board of Supervisors during a public hearing on January 20, 2020. The U.S. Fish and Wildlife Service (USFWS), as lead federal agency for the floodplain restoration portion of the CRFREE Project issued a finding of no significant impact (FONSI) on October 30, 2020. The Project was approved, and the corresponding Mitigation Monitoring and Reporting Program (MMRP) was adopted by the Board of Supervisors on June 15, 2021. Federal environmental review was completed on April 23, 2021, when Caltrans, as the lead federal agency for the causeway portion of the Project, issued a FONSI consistent with the FONSI issued by the USFWS. FEMA has an additional internal environmental review process, and published an Environmental Assessment in May 2025, and is still pending issuing a FONSI.

FINANCING:

Based on the December 2023 95% Design Engineers estimate, CRFREE is estimated to cost approximately $56.5 million, escalated to a 2027 construction season, to complete the final design, construction, and restoration efforts, including construction management and soft costs (**Attachment G**). Funding for the CRFREE Project comes from State, Federal and local grants and funds, including from Monterey Peninsula Regional Parks District (MPRPD) fair share contribution for a left-hand turn lane on State Highway 1. The Project responsibility for cost of utility relocation and contribution from utility companies is estimated and will be better determined later this year. Approximately $2.6 million in grant funds have been spent to date on the CRFREE Project. The County and Big Sur Land Trust have currently been awarded $28.5 million in unexpended grant funds for the Project pre-construction, construction, and monitoring, with an additional $30 million pending award, the bulk of which is expected from CalOES/FEMA (Attachment D). The CRFREE Project is budgeted in Capital Project Fund 404, Unit 8564 with $15.2 million budgeted in the FY25-26 Adopted Budget. Ongoing long-term maintenance of the MFCAs is estimated to begin in Fiscal Year 2028 at the earliest, at an estimated cost of up to $30,000 annually and shall be financed by CSA 50 Fund 077-3200-8566-PFP031.

Prepared by: Shandy Carroll, Management Analyst III, (831) 784 5643
Reviewed by: Sarah Wikle, Principal Planner
Approved by: Melanie Beretti, AICP, Chief of Planning
Approved by: Craig Spencer, HCD Director

The following attachments are on file with the Clerk of the Board:
Attachment A - Draft Resolution
Attachment B - Link to EIR
Attachment C - CUL -9 current and proposed text
Attachment D - Memo from Balance Hydrologics
Attachment E - Addendum to the EIR
Attachment F - SHPO Concurrence letter
Attachment G - Grant Funding overview

Introduced: 9/3/2025

Current Status: Housing & Community Development - Consent

Version: 1

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Proposed California Environmental Quality Act (CEQA) Action: Pursuant to CEQA California Code of Regulations (CCR) section15164, consider an addendum together with the previously certified Final Environmental Impact Report (FEIR) for the CRFREE Project.

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Per California Environmental Qualtiy Act (CEQA), California Code of Regulations, CEQA Guidelines Section 15164, an addendum is used when minor changes are made to a project after the EIR has been certified. The decision-making body must consider the changes, and noticing is not required. The proposed amended mitigation measure CUL-9 would provide equal protection to the Creamery and Blacksmith Shop within the Historic Barn Complex, as well as the former residence and the barn. The proposed amendment and addendum to the EIR would allow for the existing berm to be extended around the Historic Barn Complex. (**Attachment E)** This would remove the necessity of raising the historic buildings and meet the request of State Parks to retain the current accessibility of the structures. Staff consider this a minor change which does not require preparation of a subsequent EIR.

In late 2024 the Federal Emergency Management Agency (FEMA) consulted with the State Historic Preservation Office (SHPO) as part of the FEMA Environmental Assessment and review. The SHPO concurred with the amended mitigation measure text. (**Attachment F**)

The CRFREE Project is currently in the final stages of design and pre-construction coordination, including grant funding, easements, and agreements. Approval of this action will amend the mitigation measure CUL-9, per the request of State Parks, and add an addendum to the previously certified Environmental Impact Report.

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Monterey is acting as the Lead Agency under the California Environmental Quality (CEQA) Act for the Project. FEMA conducted an Environmental Assessment and consulted with SHPO for concurrence on the amended mitigation measure CUL-9 text.

ENVIRONMENTAL REVIEW

The Project Environmental Impact Report (EIR) was certified by the Board of Supervisors during a public hearing on January 20, 2020. The U.S. Fish and Wildlife Service (USFWS), as lead federal agency for the floodplain restoration portion of the CRFREE Project issued a finding of no significant impact (FONSI) on October 30, 2020. The Project was approved, and the corresponding Mitigation Monitoring and Reporting Program (MMRP) was adopted by the Board of Supervisors on June 15, 2021. Federal environmental review was completed on April 23, 2021, when Caltrans, as the lead federal agency for the causeway portion of the Project, issued a FONSI consistent with the FONSI issued by the USFWS. FEMA has an additional internal environmental review process, and published an Environmental Assessment in May 2025, and is still pending issuing a FONSI.

FINANCING:

Based on the December 2023 95% Design Engineers estimate, CRFREE is estimated to cost approximately $56.5 million, escalated to a 2027 construction season, to complete the final design, construction, and restoration efforts, including construction management and soft costs (**Attachment G**). Funding for the CRFREE Project comes from State, Federal and local grants and funds, including from Monterey Peninsula Regional Parks District (MPRPD) fair share contribution for a left-hand turn lane on State Highway 1. The Project responsibility for cost of utility relocation and contribution from utility companies is estimated and will be better determined later this year. Approximately $2.6 million in grant funds have been spent to date on the CRFREE Project. The County and Big Sur Land Trust have currently been awarded $28.5 million in unexpended grant funds for the Project pre-construction, construction, and monitoring, with an additional $30 million pending award, the bulk of which is expected from CalOES/FEMA (Attachment D). The CRFREE Project is budgeted in Capital Project Fund 404, Unit 8564 with $15.2 million budgeted in the FY25-26 Adopted Budget. Ongoing long-term maintenance of the MFCAs is estimated to begin in Fiscal Year 2028 at the earliest, at an estimated cost of up to $30,000 annually and shall be financed by CSA 50 Fund 077-3200-8566-PFP031.

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Reviewed by: Sarah Wikle, Principal Planner
Approved by: Melanie Beretti, AICP, Chief of Planning
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The following attachments are on file with the Clerk of the Board:
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Board of Supervisors
County of Monterey, State of California

Resolution No. 25-_____

In the matter of the application of:	)
Carmel River Floodplain Restoration and	)
Environmental Enhancement (REF140048)	)
(SCH#2011021038) Resolution by the Monterey	)
County Board of Supervisors to:	)
a. Approve an Addendum to the Final	)
Environmental Impact Report for the Carmel River	)
Floodplain Restoration and Environmental	)
Enhancement (CRFREE) Project (REF140048) to	)
amend mitigation measure CUL-9 to construct a	)
berm as flood protection around the Historic Barn	)
Complex on property owned by the California	)
Department of Parks and Recreation; and	)
b. Revise the Mitigation, Monitoring and Report	)
Plan for the CRFREE Project to incorporate	)
changes to the Final EIR as adopted by the	)
Board of Supervisors on January 28, 2020, and	)
to amend mitigation measure CUL-9	)
[Carmel River Floodplain Restoration and	)
Environmental Enhancement (CRFREE), State	)
Route 1, Carmel, CA, 93923, Carmel Area Land	)
Use Plan, Assessor's Parcel Numbers (APNs)	)
243-071-005-000, 243-071-006-000, 243-071-	)
007-000, 243-021-007-000¸ 157-121-001-000	)
and 243-081-005-000, 243-071-008-000]	)

The addendum to the previously certified Environmental Impact Report, and amendment to a Cultural Mitigation Measure for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project came on for public hearing before the Board of Supervisors of the County of Monterey on September 23, 2025. Having considered all the written and documentary evidence, the administrative record, the staff report, oral testimony, and other evidence presented, the Board of Supervisors finds and decides as follows:

FINDINGS

1. **FINDING: PROCESS** – The County has processed the subject amendment to mitigation measure CUL-9 (a Cultural mitigation measure) of the CRFREE Project in compliance with all applicable procedural requirements. The mitigation measure was identified in the certified CRFREE Final Environmental Impact Report (FEIR) (Board of Supervisors Resolution No. 20-015) and adopted Mitigation Monitoring

and Reporting Plan (MMRP) (Board of Supervisors' Resolution No:21-163 (Housing and Community Development Project REF 140048)) ("Project").

EVIDENCE: a) Certification of FEIR – On January 28, 2020, the Board of Supervisors certified a FEIR entitled *Environmental Impact Report, Carmel River Floodplain Restoration and Environmental Enhancement Project* for the CRFREE Project (SCH#2011021038), Board of Supervisors Resolution No. 20-015. (Attachment B of the September 23, 2025, staff report to the Board of Supervisors)

b) Adoption of Mitigation Monitoring and Reporting Plan: On June 15, 2021, the Board of Supervisors approved the CRFREE Project, and adopted a Mitigation Monitoring and Reporting Plan, Board of Supervisors Resolution No. 21-163. As described in Finding 1, Evidence "a" the CRFREE Project consists of two interdependent components: The Floodplain Restoration (Levee Removal/Enhancement Area), and the Causeway.

c) The CRFREE Project will impact cultural resources by increasing backwater flood elevations at the Creamery and Blacksmith shop in the Historic Barn Complex on land owned by the Department of Parks and Recreation (State Parks), as described in the FEIR. The buildings within the Barn Complex are within the 100-year floodplain and are at risk for flood damage under pre-project conditions. The FEIR identified that post project conditions may increase the 100-year Base Flood Elevation (BFE) by 0.1-0.2 feet.

The FEIR identified that to mitigate for the impact of the CRFREE Project on the Creamery and Blacksmith shop the first-floor elevation should be raised one foot above the BFE.

d) As described in Finding 5, Evidence 'd' of the CRFREE Resolution adopted on June 15, 2021, the CRFREE Project will potentially have an adverse effect on indirect operational impacts resulting from an increase in backwater flood elevations at the Historic Barn Complex. All of the buildings that comprise of the Barn Complex are located within the 100-year floodplain and are currently at risk under existing conditions. However, due to the larger volume of flow that will be routed under the causeway and out to the south arm of the Carmel Lagoon under the Preferred Project, the 100-year flood elevation will potentially increase by as much as 0.1 foot at the Historic Barn Complex. The potentially significant impact can be reduced to less than significant with implementation of the CUL-9 mitigation measure.

e) CUL-9: The Creamery and Blacksmith Shop will be raised and placed on concrete foundations prior to the levee plugs being removed (approximately three to five years following construction). It is anticipated that the buildings will be elevated between six to eight inches and then placed on concrete perimeter or pier foundations. Existing engineering plans, which were originally

prepared by State Parks, shall be updated prior to implementation of this measure to reflect any changed conditions or changes in building codes since the original preparation. The State Parks historian shall be contacted prior to construction work on the Creamery and Blacksmith Shop. The County intends to enter into an MOU with State Parks prior to the initiation of construction that outlines the details of this effort, including cost sharing. The MOU shall include the minimum experience requirements of the contractor(s) who bid for the lifting, cribbing, and moving of the structures and the foundation repair. The MOU shall have concurrence by the State Parks historian with regard to writing specifications for a qualified contractor to raise each building, prior to executing a contract. Additionally, any required consultation with SHPO for raising of the buildings shall be conducted prior to construction.

f) Amendment to the approved MMRP: Mitigation measure CUL-9 of the 2021 approved MMRP has been amended to allow for extending the existing berm around the Historic Barn Complex to protect all of the buildings, instead of raising the Blacksmith shop and Creamery.

2. **FINDING:** **ADDENDUM** – A technical addendum to the CRFREE 2020 EIR, entitled *Environmental Impact Report, Carmel River Floodplain Restoration and Environmental Enhancement Project* has been prepared pursuant to Article 11, Section 15164 of the CEQA guidelines to address Mitigation Measure CUL-9 of the FEIR. The Board finds that the revision of the FEIR in regards mitigation measure CUL-9 does not change the impact of the CRFREE Project on the Historic Barn Complex operations.

   EVIDENCE: a) The purpose of this Addendum is to consider the FEIR adopted by the Board of Supervisors of the County of Monterey, and to formally amend CUL-9 in the FEIR to allow for the construction a berm to extend the existing berm around the Historic Barn Complex and protect the four buildings within the Historic Barn Complex to be protected from secondary backwater impacts of a 100-year flood, and meet the request of State Parks. The Draft Amended Mitigation Measure CUL-9 is provided in Attachment C of the September 23, 2025 staff report to the Board of Supervisors. The language to be amended is found on pages 111, 307 of the FEIR entitled *Environmental Impact Report, Carmel River Floodplain Restoration and Environmental Enhancement Project*.

   b) The addendum to the FIER to modify mitigation measure CUL-9 would not result in any new significant environmental effects or an increase in the severity of a previously identified significant impact. Attachment E of the September 23, 2025 staff report describes how the Draft Amended Mitigation Measure CUL-9 does not change the required flood protection to the Historic Barn Complex by the CRFREE Project so that the backwater flow during a 100-year flood

event does not impact operations at the Historic Barn Complex, as described in Mitigation Measure CUL-9. Specifically, the existing berm will be extended to protect from backwater flooding, reducing the impact of the CRFREE Project to less than significant.

c) With approval of this resolution, the following underlined language shall be added on pages 11, and 307 of the FEIR, and in all references to CUL-9 to read as follows:

CUL-9 The existing berm around the Creamery and Blacksmith Shop will be expanded to surround the Historic Barn Complex prior to the levee plugs being removed (approximately three to five years following construction). The berm will be built with a top elevation above the 100-year flood elevation. The soil used to create the berm will be obtained on-site from the adjacent floodplain excavation area (therefore resulting in no increase in total earthwork). In general the berm height above existing grade will be less than 2 feet. The maximum proposed fill depth is approximately 4 feet.

The berm construction will impact 0.25 acres of riparian/coastal wetland. It will be mitigated at a 3:1 ratio (0.75 acres) which will be incorporated by expanding the existing mitigation planting area on State Parks property.

d) Approval of this resolution amends only amends CUL-9, and does not change CUL-1 to 8, or CUL-10 which include mitigation measures related to archaeological and cultural monitoring, coordinating with tribal representatives, training of construction crews, coordination with State Parks Archaeologist, and preparation of a plan of action in the case of finding significant cultural resources during construction.

3. **FINDING:** **AMENDMENT** – A Draft Amended Mitigation Measure CUL-9 of the approved Mitigation Monitoring and Reporting Plan of the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) EIR has been prepared.

EVIDENCE: a) Cultural Resources: As described in Finding 2, Evidence "d" of this resolution, the CRFREE Project is consistent with applicable County policies for cultural resource protection as proposed, conditioned and mitigated. The CRFREE Project will potentially have an adverse effect on cultural resources that is mitigated to less than significant with incorporation of mitigation measures. The extension of the existing berm around the State Parks Historic Barn Complex will mitigate the potentially significant impact on cultural resources from flooding impacts, while maintaining the current accessibility of the structures and avoiding raising the Creamery and Blacksmith buildings.

b) Amendment to CUL-9: As shown in Attachment E of September 23, 2025 Staff report to the Board of Supervisors, the following underlined language shall be added as an amendment to the MMRP,

replacing the strikethrough language with approval of this resolution so that CUL-9 reads as follows:

CUL-9: ~~The Creamery and Blacksmith Shop will be raised and placed on concrete foundations prior to the levee plugs being removed (approximately three to five years following construction). It is anticipated that the buildings will be elevated between six to eight inches and then placed on concrete perimeter or pier foundations. Existing engineering plans, which were originally prepared by State Parks, shall be updated prior to implementation of this measure to reflect any changed conditions or changes in building codes since the original preparation. The State Parks historian shall be contacted prior to construction work on the Creamery and Blacksmith Shop. The County intends to enter into a MOU with State Parks prior to the initiation of construction that outlines the details of this effort, including cost sharing. The MOU shall include the minimum experience requirements of the contractor(s) who bid for the lifting, cribbing, and moving of the structures and the foundation repair. The MOU shall have concurrence by the State Parks historian with regard to writing specifications for qualified contractor to raise each building, prior to executing a contract. Additionally, any required consultation with SHPO for raising of the buildings shall be conducted prior to construction.~~

The existing berm around the Creamery and Blacksmith Shop will be expanded to surround the Historic Barn Complex prior to the levee plugs being removed (approximately three to five years following construction). The berm will be built with a top elevation above the 100-year flood elevation. The soil used to create the berm will be obtained on-site from the adjacent floodplain excavation area (therefore resulting in no increase in total earthwork). In general the berm height above existing grade will be less than 2 feet. The maximum proposed fill depth is approximately 4 feet (Figures 1 and 2).

The berm construction will impact 0.25 acres of riparian/coastal wetland (Figure 3). It will be mitigated at a 3:1 ratio (0.75 acres) which will be incorporated by expanding the existing mitigation planting area on State Parks property.

4. **FINDING:** CEQA (Addendum) – In accordance with California Code of Regulations (CCR) CEQA Guidelines Section 15164(d), the Board of Supervisors considered the addendum (Attachment E of the September 23, 2025 Staff report to the Board of Supervisors) with the FEIR (Attachment B of the September 23, 2025 Staff report to the Board of Supervisors) prior to approving the amendment of CUL-9. The Board finds that the amended mitigation measure CUL-9 does not cause substantial changes to the project and that there are no substantial changes in circumstances or new information of substantial importance that would require major revisions to the certified EIR.

EVIDENCE: a) An FEIR for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project

(SCH#2011021038) was certified by the Board of Supervisors on January 28, 2020 (Resolution No. 20-015).
b) An addendum to the previously certified FEIR for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (SCH#2011021038) has been prepared pursuant to CEQA Guidelines CCR Section 15164 (CCR, tit. 14, sec. 15164). The Addendum attached as Attachment E to the September 23, 2025 Staff report to the Board of Supervisors reflects the County's independent judgement and analysis.
c) In accordance with Public Resources Code Section 21166 and CEQA Guidelines CCR Section 15162(a), the preparation of a subsequent or supplemental FSEIR is not required for the amendment of CUL-9. The County has determined, on the basis of substantial evidence in light of the whole record, that amendment of CUL-9 would not result in substantial project changes that would require major revisions to the FEIR. There are no changes in circumstances and no new information, not known at the time the FEIR was certified, that shows the amendment to the mitigation measure may have a significant environmental effect or a substantial increase in the severity of previously identified significant effects. As described in Finding 1, Evidence "c", the FEIR identified that the CRFREE project would impact the Historic Barn Complex, and to mitigate for these impacts the existing berm will be extended to provide backflow flood protection prior to the completion of the CRFREE project.
d) CRFREE project files (REF140048), documents and other material that constitute the record of proceedings are located at the County of Monterey, Housing and Community Development HCD-Planning, 1441 Schilling Place, 2nd Floor, Salinas, CA 93901 and at the Clerk of the Board of Supervisors Office located at the County of Monterey, Government Center, County Administration Building, 168 West Alisal Street, 1st floor, Salinas, CA 93901.

5. **FINDING:** **APPEALABILITY** - The decision by the Board of Supervisors on the amendment to CUL-9 is final and may not be appealed.
EVIDENCE: a) MCC Title 19 Section 19.16.025.A states that an appeal may be made to the Appeal Authority by any person aggrieved by a decision of an Appropriate Authority decision making body other than the Board of Supervisors.
b) MCC Title 21 Section 21.80.050.A states an appeal may be made to the Appeal Authority by any person aggrieved by a decision of an Appropriate Authority other than the Board of Supervisors.

DECISION

NOW, THEREFORE, based on the findings and evidence and the administrative record as a whole, the Board of Supervisors of the County of Monterey does hereby:

a. Approve an Addendum to the Final Environmental Impact Report for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project (REF140048) to amend mitigation measure CUL-9 to construct a berm as flood protection around the Historic Barn Complex on property owned by the California Department of Parks and Recreation; and
b. Revise the Mitigation, Monitoring and Reporting Plan for the CRFREE Project to incorporate changes to the Final EIR as adopted by the Board of Supervisors on January 28, 2020, and to amend mitigation measure CUL-9.

PASSED AND ADOPTED upon this ___ day of September 2025, by roll call vote:

AYES: Supervisors
NOES:
ABSENT:

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original resolution of said Board of Supervisors duly made and entered in the minutes thereof Minute Book___ for the meeting on September 16, 2025.

Dated: September 23, 22025
File Number: RES 21-
Agenda Item:

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

By _____
Deputy

Attachment B

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Link to *Final Environmental Impact Report, Carmel River Floodplain Environmental Enhancement Project,* Adopted January 28, 2020:
https://www.co.monterey.ca.us/home/showpublisheddocument/87783/637195973614930000

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Attachment C

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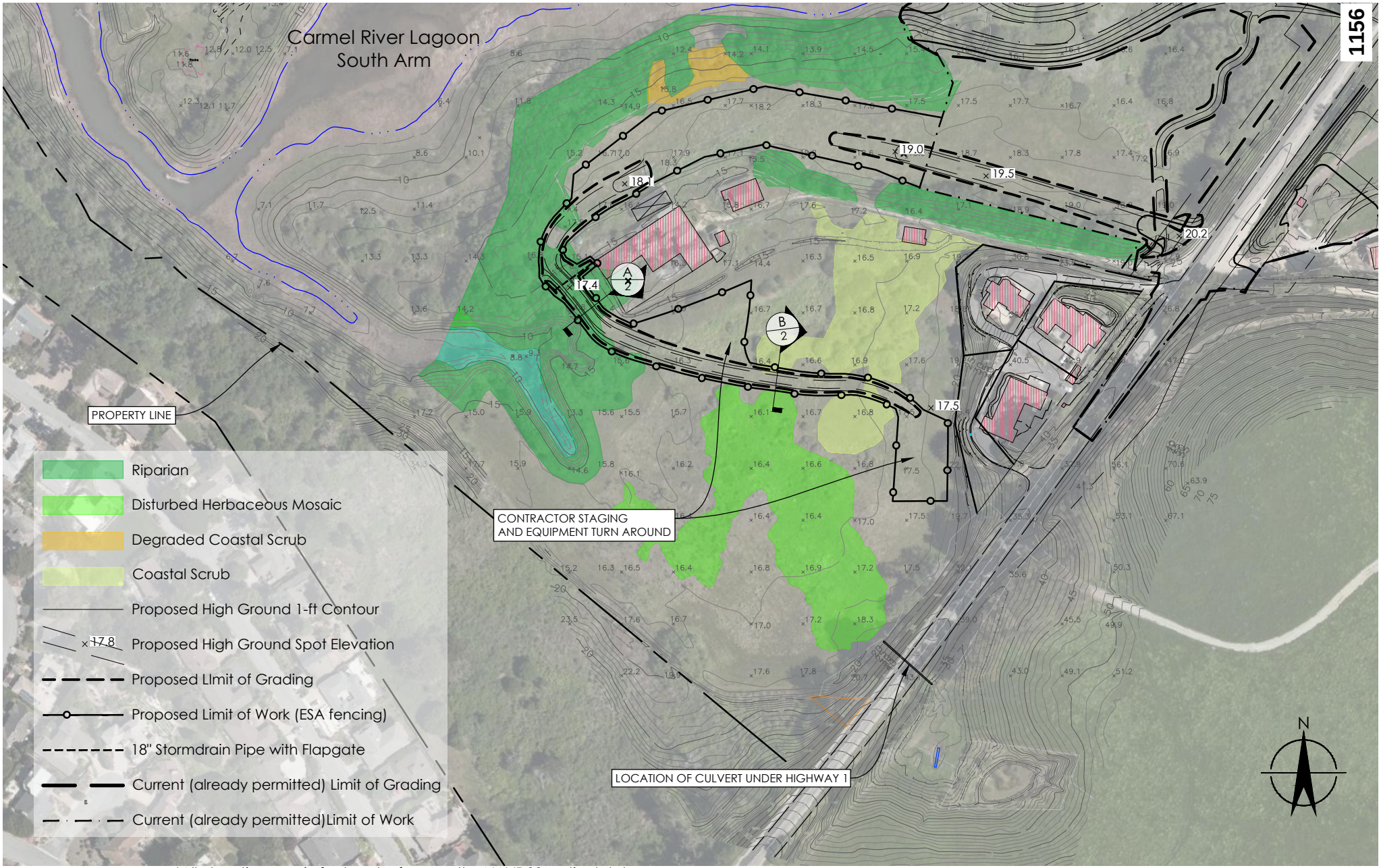
Proposed project description:

The existing berm around the Creamery and Blacksmith Shop will be expanded to surround the Historic Barn Complex prior to the levee plugs being removed (approximately three to five years following construction). The berm will be built with a top elevation above the 100-year flood elevation. The soil used to create the berm will be obtained on-site from the adjacent floodplain excavation area (therefore resulting in no increase in total earthwork). In general the berm height above existing grade will be less than 2 feet. The maximum proposed fill depth is approximately 4 feet. (Figures 1 and 2)

The berm construction will impact 0.25 acres of riparian/coastal wetland. (Figure 3) It will be mitigated at a 3:1 ratio (0.75 acres) which will be incorporated by expanding the existing mitigation planting area on State Parks property.

Existing text of CUL-9

The Creamery and Blacksmith Shop will be raised and placed on concrete foundations prior to the levee plugs being removed (approximately three to five years following construction). It is anticipated that the buildings will be elevated between six to eight inches and then placed on concrete perimeter or pier foundations. Existing engineering plans, which were originally prepared by State Parks, shall be updated prior to implementation of this measure to reflect any changed conditions or changes in building codes since the original preparation. The State Parks historian shall be contacted prior to construction work on the Creamery and Blacksmith Shop. The County intends to enter into a MOU with State Parks prior to the initiation of construction that outlines the details of this effort, including cost sharing. The MOU shall include the minimum experience requirements of the contractor(s) who bid for the lifting, cribbing, and moving of the structures and the foundation repair. The MOU shall have concurrence by the State Parks historian with regard to writing specifications for qualified contractor to raise each building, prior to executing a contract. Additionally, any required consultation with SHPO for raising of the buildings shall be conducted prior to construction.



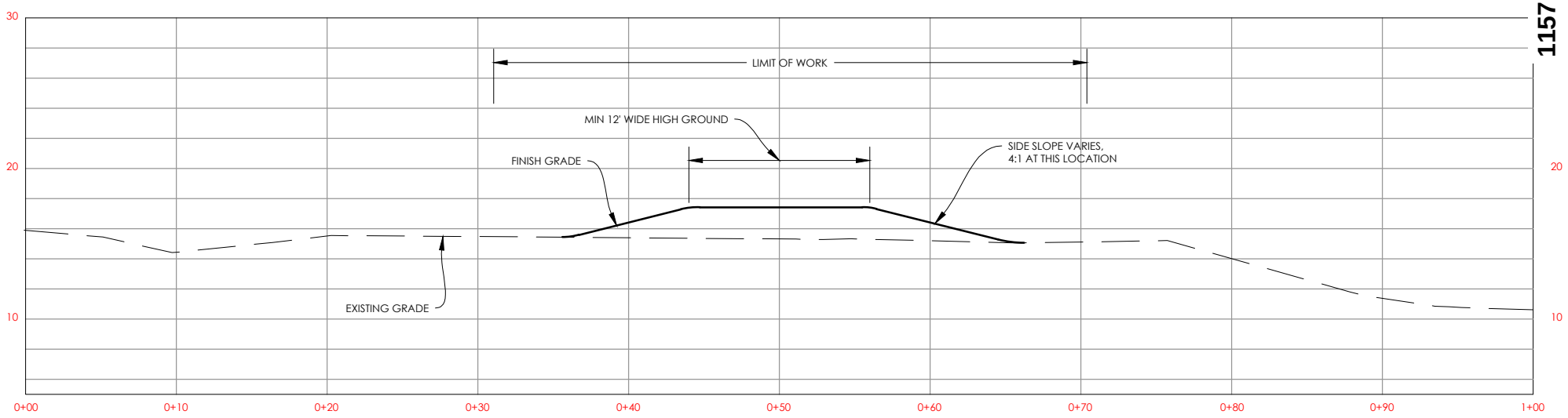
*All elevations are in feet and reference the NAVD88 vertical datum

Figure 1. Conceptual design for mitigating 100-year flood risk at the State Parks Barn Complex, Monterey County, California. Revised August 2022.

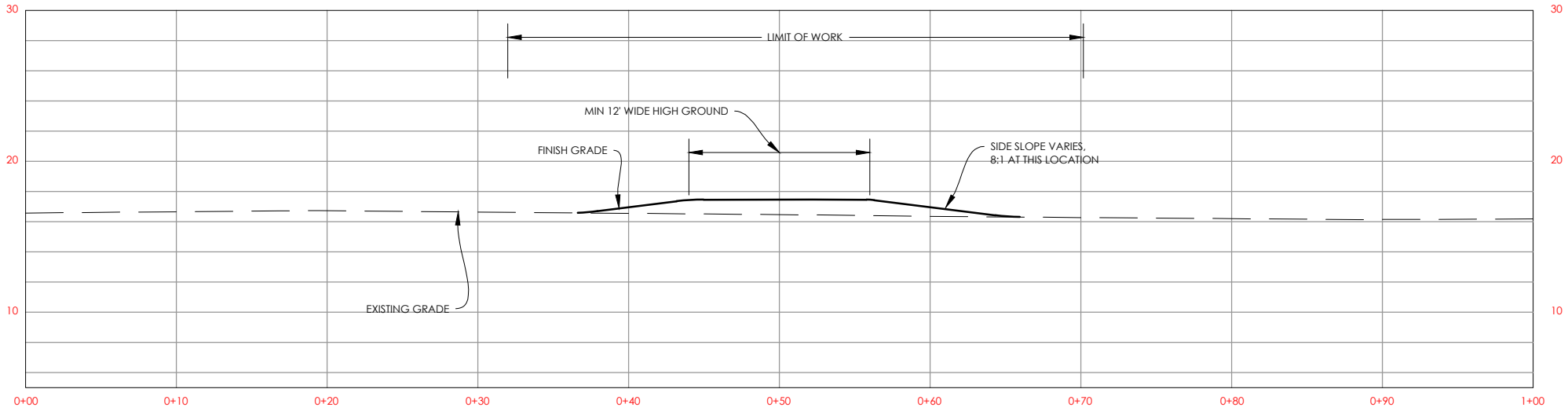
Balance Hydrologics, Inc.

220044 Grading around barn complex.dwg

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A SECTION
SCALE: 1" = 10'



B SECTION
SCALE: 1" = 10'

Balance Hydrologics, Inc.

220044 Grading around barn complex.dwg

Figure 2. Conceptual design for mitigating 100-year flood risk at the State Parks Barn Complex, Monterey County, California. Revised August 2022.

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Legend

- CRFREE Project Site
- Phase 2 Grading Area
- State Parks Alternative Mitigation Analysis Area
- Proposed Berm (Permanent Impact)
- Staging and Access (Temporary Impact)

Habitats

- Riparian Forest
- Riparian Scrub
- Emergent Marsh (Semi-Permanent)
- Disturbed Herbaceous Mosaic
- Non-Native Annual Grassland
- Dogwood-Coffeeberry Scrub
- Coastal Scrub
- Degraded Coastal Scrub
- Invasive Weeds
- Developed
- Planted Trees
- Ruderal

Wetlands/Waters

- Potential Federal Wetland
- Potential State Wetland

Habitat	Temporary Impacts (acres)	Permanent Impacts (acres)	Total Impacts (acres)
State Wetlands			
Riparian Forest	0.06	0.16	0.22
Riparian Scrub	0.02	0.01	0.03
Disturbed Herbaceous Mosaic	0.004	0.0004	0.004
Total State Wetlands	*0.08*	*0.17*	*0.25*
Other Habitats			
Non-Native Annual Grassland	1.36	0.47	1.83
Invasive Weeds	0.25	0.08	0.33
Total Other Habitats	*1.61*	*0.55*	*2.16*
Total Impacts	**1.69**	**0.72**	**2.41**

N

0 100 200 ft

0 30 60 m

State Parks Alternative Mitigation Vegetation & Wetlands Map

Denise Duffy and Associates, Inc.
Planning and Environmental Consulting

Date 08-11-2022
Scale 1 in=0 mi

1158

C:\GIS\GIS_Projects\2014-35 Carmel River Floodplain Restoration\Final Products\State Parks Alt Mitigation\SP_Alt_Mitigation_Vegetation_Map.mxd

Attachment D

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MEMO

To: Nathaniel Milam, P.E. (Whitson Engineers)

From: Tarick Abu-Aly, P.E.

Date: March 22, 2022

Subject: Addendum to Potential Impacts to the State Parks Barn Complex Due to the Carmel River Floodplain Restoration and Environmental Enhancement Project

In September of 2016, Balance Hydrologics submitted a memo summarizing the potential impacts to the State Park Barn Complex located west of the proposed Highway 1 Causeway Bridge (**Attachment A**). The Base Flood Elevations (BFEs) published in the memo were based on hydraulic modeling of pre- and post-project conditions performed by Balance in 2015. Since then, Balance has kept the hydraulic model updated as the design plans have progressed. More recently in 2021, as part of an effort to obtain a Conditional Letter of Map Revision (CLOMR) from the Federal Emergency Management Agency (FEMA), the hydraulic model was revised based on minor design changes and comments received from FEMA. The revised pre- and post-project hydraulic models and associated BFEs have been tentatively approved by FEMA and, although we have not received the final CLOMR yet, the model results can be considered "draft final".

As an addendum to the prior memo, we have updated **Table 1** and **Figure 1** to reflect the most recent modeled BFEs and revised target First Floor Elevations (FFEs). Although the BFEs have changed slightly, the flood risk mitigation recommendations of the 2016 memo still apply.

Table 1: Revised Pre- and Post-Project BFEs

Building	Existing FFE (ft)[1]	LAG (ft)	Pre-Project BFE (ft)	Post-Project BFE (ft)	Target FFE (ft)
Barn	17.7 (concrete floor, southern bay)	17.1 (next to concrete floor) 14.3 (next to NE corner)	17.29	17.41	18.41
Blacksmith Shop	18.5	16.1	17.63	17.63	18.63
Creamery	16.7 (western addition, slab on grade) 17.3 (eastern addition, slab on grade) 17.5 (raised wood floor)	15.5	17.82	17.75	18.75
Former Residence	18.7	16.0	19.16	18.61	19.61

[1]All elevations in this addendum and the original 2016 memo reference the North American Vertical Datum of 1988 (NAVD88)

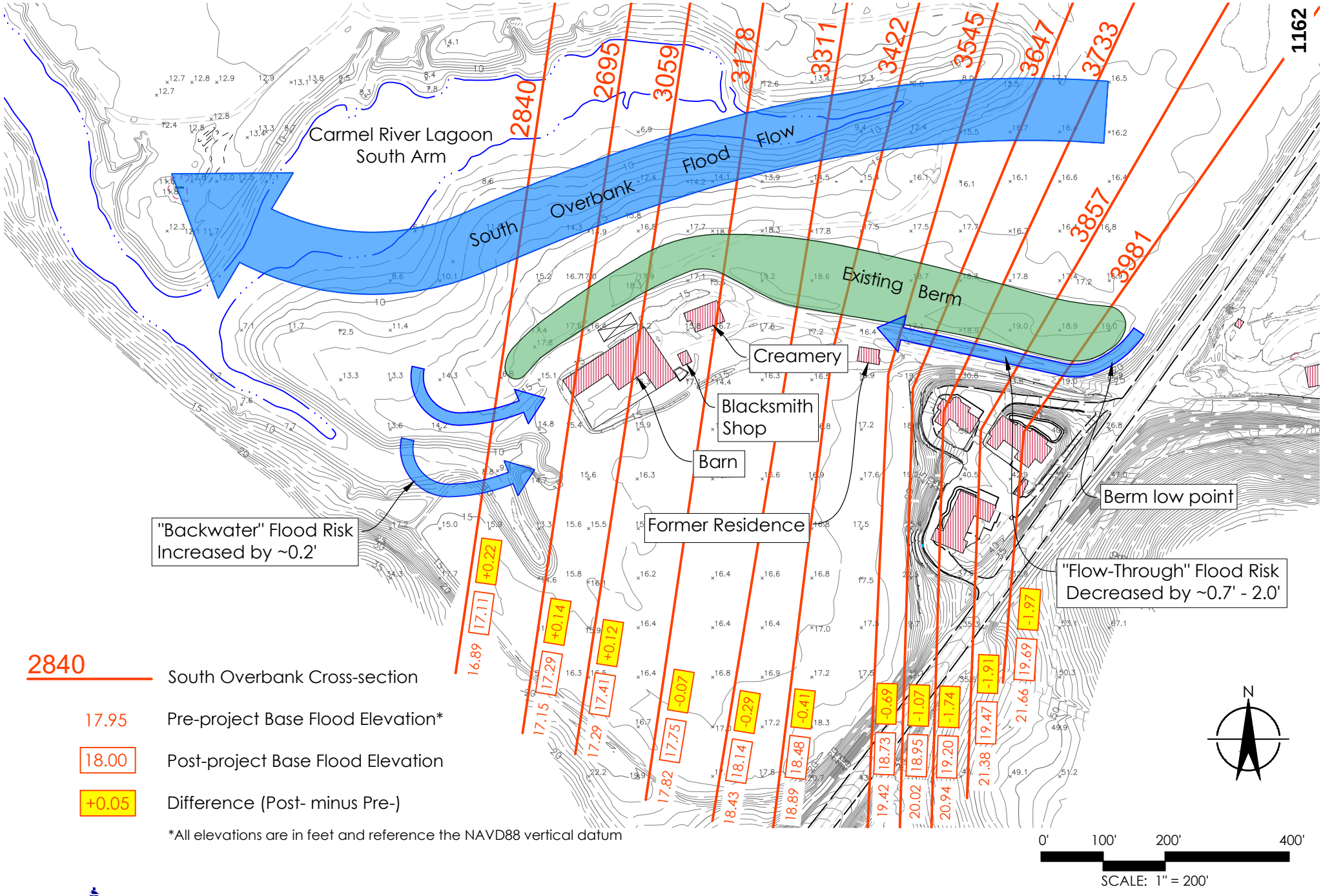


Figure 1. **100-year flood risk assessment at the State Parks Barn Complex, Monterey County, California. Revised March 2022.**

Balance Hydrologics, Inc.

214044 Flooding Risk Assessment.dwg

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ATTACHMENT A

STATE PARKS BARN COMPLEX IMPACTS MEMO 09-15-2016

MEMO

To: Nathaniel Milam, P.E. (Whitson Engineers)

From: Anna Nazarov, P.E., CFM, Edward D. Ballman, P.E.

Date: September 15, 2016

Subject: Potential Impacts to the State Parks Barn Complex Due to the Carmel River Floodplain Restoration and Environmental Enhancement Project

In August of 2015, Balance Hydrologics reviewed the hydraulic modeling analyses prepared for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project and summarized anticipated changes in downstream flood elevations in a technical memo. The focus of that review was on Base Flood Elevations (BFEs), also known as 100-year flood elevations, since they are the primary regulatory standard for County ordinances and regulations under the National Flood Insurance Program. This memo builds off of that work to summarize the potential impacts at the State Park Barn Complex located west of the proposed Causeway.

Existing Conditions

The State Parks Barn Complex is located west of Highway 1. These buildings are known as the Barn, the Blacksmith Shop, the Creamery, and the Former Residence, and can be seen on Figure 1. All four are currently mapped in a FEMA 100-year floodplain since the existing berm along the north edge of the property does not provide full flood protection and does not meet FEMA's levee accreditation standards. As a result, the structures are subject to a FEMA mapped risk, which represents the worst case scenario (i.e., it's mapped as if the berm does not exist).

Unlike the FEMA mapping methodology, the actual flood risk (and the question of actual project impact) is determined by several factors: the ability of the existing berm to remain intact during the design 100-year flood event; flooding potential from the east (flow-through flooding), and flooding potential from the west (backwater flooding). Balance has not performed the detailed seepage, stability, and scour analyses needed to determine if the berm is able to provide flood protection during the 100-year event. For the analysis of the two types of risk that follows, it is assumed that the berm would not fail during the 100-year event.

1. **Flow-Through Flooding Risk.** While the top of berm is, in general, above or just at the existing 100-year BFE, a low point exists near Highway 1 (see Figure 1). Under existing conditions, the modeled BFE at this low point is 19.8 feet compared to a low ground elevation of just under 18.0 feet based on best available topographic data. Actual flood elevations at the Barn Complex would be expected to be lower than this modeled elevation because the 100-year peak flow would likely not crest long enough and the low point would not be wide enough to equalize the water surface elevations on the inboard

and outboard sides of the berm. Instead, this flooding risk represents a high velocity, "flow-through" risk to the structures.

2. **Backwater Flooding Risk.** The Barn Complex is also subject to shallow backwater flooding from the west up to an elevation of 16.9 feet.[1] Unlike the high velocity flow that could be expected through the low point in the berm, this represents a stillwater elevation.

Post-Project Conditions

While some water surface elevations are expected to decrease with the construction of the Causeway, all four properties would still be mapped in the FEMA 100-year floodplain unless substantial work is completed to covert the berm to a FEMA-certified levee with the appropriate freeboard and structural integrity. The pre- and post-project mapped BFEs are shown on the cross-sections in Figure 1.

Again, if we assume that the existing berm could withstand the 100-year event, we can assess the residual risk to the structures:

1. **Flow-Through Flooding Risk.** The aforementioned flow-through risk decreases for all structures as the post-project BFE at the low point in the berm upstream of the Barn Complex is decreased by 0.5 feet[2].
2. **Backwater Flooding Risk.** Due to the larger volume of flow that will be routed under the Causeway and out to the South Arm of the Carmel Lagoon, the backwater flooding elevation increases by 0.2 feet (from elevation 16.9 to 17.1 feet) immediately downstream of the berm protecting the Barn Complex.

Improvement Options

Several options to mitigate the two types of flooding risk are available, including:

1. **Flow-Through Flooding Risk.** Although the flow-through flooding risk decreases with the construction of the Causeway, it is not fully eliminated. One option is to eliminate the flow-through risk altogether by improving the existing berm to provide additional freeboard and closing off the low point that allows flow-through flooding.
2. **Backwater Flooding Risk.** Backwater flooding risk will remain unless a) the existing berm is improved as above and the protection is extended around the west and south boundaries of the Barn Complex with a berm or a low flood wall or b) the affected buildings and/or the entire site is elevated.

Improving the exiting berm is a relatively inexpensive option that would involve adding additional fill to the existing berm to provide freeboard and protect from the high velocity

[1] This backwater flooding originates in the South Arm of the Carmel Lagoon and would impact the site from the southwest coming around the end of the berm, since it does not fully enclose the area on the west and south.
[2] Counterintuitively, 100-year elevations on the downstream side of the proposed Causeway are expected to decrease when compared to existing conditions. In existing conditions, water must pond on the upstream side of Highway 1 before spilling over the top of the roadway. The Causeway will allow for more natural water conveyance, reducing flood elevations when compared to the presently-mapped "waterfall" condition over Highway 1.

flooding risk. This option would eliminate the flow-through flooding, but would not affect the backwater flood elevation of 17.1 feet just downstream of the berm. Extending the berm around the west and south is expected to be more expensive due to the length of required new berm/floodwall. This option has the potential to eliminate the backwater flooding risk, but would have some limited riparian habitat impact along the west side of the Barn building. This impact would require separate mitigation and compensatory habitat planting, which would contribute to the cost. Elevating the structures is likely the costliest, but would protect the elevated buildings from both mapped and actual flooding risk if completed in accordance with Monterey County's floodplain ordinance requirements.

Whitson Engineers' survey crew visited the property on September 12, 2016 to assess the existing first floor elevations (FFEs) for the four buildings. They are shown in the following table along with the lowest adjacent grade (LAG), the modeled pre and post-project 100-year BFEs, and the recommended target elevation that each building's first floor should be elevated to in order to comply with Monterey County's floodplain ordinance requirement of one foot above the BFE.

Building	Existing FFE (ft)	LAG (ft)	Pre-Project BFE (ft)	Post-Project BFE (ft)	Target FFE (ft)
Barn	17.7 (concrete floor, southern bay)	17.1 (next to concrete floor) 14.3 (next to NE corner)	17.2	17.3	18.3
Blacksmith Shop	18.5	16.1	17.5	17.5	18.5
Creamery	16.7 (western addition, slab on grade) 17.3 (eastern addition, slab on grade) 17.5 (raised wood floor)	15.5	17.6	17.6	18.6
Former Residence	18.7	16.0	18.5	18.3	19.3

As the table shows, the post-project BFE (the mapped flooding risk) is expected to increase by 0.1 feet in the vicinity of the barn. No change in mapped flooding risk is expected at the Blacksmith Shop and the Creamery. The Former Residence should expect to see a 0.2-foot reduction in BFE (see footnote 2 above).

Regardless of whether changes in the mapped risk are expected, the existing FFEs of the Barn, the Blacksmith Shop, and the Former Residence buildings are higher than both the pre- and post-project BFEs[3]. These FFEs are also higher than the pre- and post- project backwater elevations of 16.9 and 17.1 feet, respectively. Without improvements to the berm, the buildings are still subject to flow-through flooding, but the risk is reduced in the post-project scenario as the flood elevation at the low point in the berm decreases from 19.8 to 19.3 feet. Therefore, the CRFREE

[3] While the Blacksmith Shop does appear to have the required one foot of freeboard, the survey crew noted that it is presently elevated on blocks. While this provides the required freeboard, it does not provide adequate protection from velocity flows through the site and would not be considered properly anchored based on the floodplain ordinance requirements.

project does not expose these structures to a significantly increased risk of flooding with respect to FFEs during the 100-year event.

While the Creamery first floors (slab on grade and raised wood floor portions) are below the pre-project BFE, the CRFREE project does not increase the BFE at this location. The western addition of this building is subject to backwater flooding in pre-project conditions (flooding elevation of 16.9 feet compared to an FFE of 16.7 feet). Without further improvements, this risk is increased by 0.2 feet as the post-project backwater elevation increases to 17.1 feet. Similarly to the other buildings, the Creamery is subject to flow-through flooding if no berm improvements are made, but the risk is reduced in the post-project scenario.

Closing

If you have any additional questions about this memo, please do not hesitate to contact us.

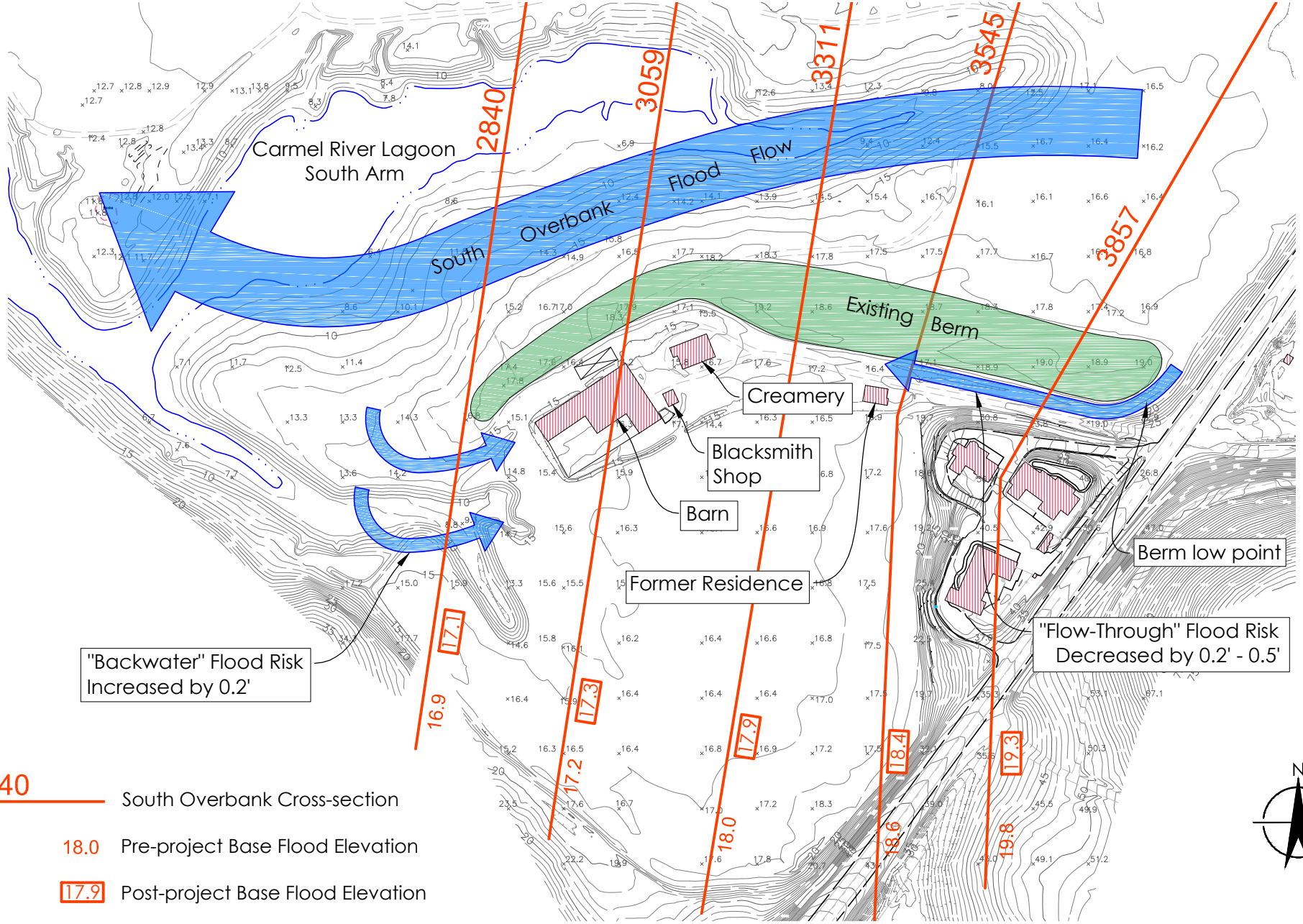


Figure 1. **100-year flood risk assessment at the State Parks Barn Complex, Monterey County, California.**

Balance Hydrologics, Inc.

214044 Flooding Risk Assessment.dwg

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Attachment E

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Addendum Pursuant to the California Environmental Quality Act ARTICLE 11 Section 15164

CUL-9

1. Introduction

This technical addendum has been prepared pursuant to Article 11 Section 15164 of the California Environmental Quality Act Guidelines to address Mitigation Measure CUL-9 of the Environmental Impact Report for the Carmel River Floodplain Restoration and Environmental Enhancement (CRFREE) Project. Mitigation Measure CUL-9 involves raising the State Parks owned Historic Creamery and Blacksmith Shop onto concrete foundations approximately 6-8 inches. Mitigation Measure CUL-9 also lays out the required consultation process between the County of Monterey and State Parks, and consultation with SHPO.

The County of Monterey, as the lead agency for the CRFREE Project, prepared an Environmental Impact Report (EIR) to comply with the requirements of the California Environmental Quality Act (CEQA) (Pub. Resources Code, §21000, *et seq.*). The EIR, entitled *Environmental Impact Report, Carmel River Floodplain Restoration and Environmental Enhancement Project*, provided an analysis of the potential environmental impacts associated with the CRFREE Project. On January 28, 2020, the County of Monterey Board of Supervisors certified the Environmental Impact Report, entitled *Final Environmental Impact Report, Carmel River Floodplain Environmental Enhancement Project* (Adopted EIR). On June 15, 2021, the Board of Supervisors Adopted the Preferred Project as described in the Adopted EIR and Adopted a Mitigation Monitoring and Reporting Plan (MMRP).

The CRFREE Project will increase flood flows above existing risk for the Blacksmith and Creamery buildings. As stated on page 328 of the Adopted EIR; '*To mitigate potential adverse effects associated with the Proposed Project, the Undergrounding Project must be implemented prior to completion of the Proposed Project*'.

The Adopted mitigation measures outlined in the Adopted EIR reduce the impact of the CRFREE Project to less than significant. Specifically, CUL-9 provides avoidance and mitigation measures for the CRFREE Project related State Parks Historic buildings. The Adopted EIR is Attachment B of the September 16, 2025, Staff report to the Board of Supervisors.

CUL-9 requires the County to:

- Raise the Creamery and Blacksmith Shop approximately 6-8 inches and place the structures on concrete foundations or a pier perimeter prior to removal of the levee plugs (approximately 3-5 years following construction).
- Utilize existing State Parks engineering plans, which were to be updated prior to implementation of the measure, taking into account changed conditions or changes in building codes.
- County was to contact the State Parks Historian.
- County was to enter into an MOU with State Parks to lay out the minimum experience for

contractors who bd for the lifting, cribbing, and moving of the structures and the foundation repair.

- The MOU was to have concurrence by the State Parks historian.
- Consultation with SHPO was to be completed prior to construction.

2. Scope and Purpose of this Addendum

The purpose of this Addendum is to consider the EIR, as Adopted by the County of Monterey Board of Supervisors, and to formally amend CUL-9 in the Adopted EIR. Amending CUL-9 will allow for protection of the whole Historic Barn complex, reduce impact to the significantly decayed buildings, and meet State Parks' stated policies regarding historic building preservation and protection. Mitigation Measure CUL-9, as written on pages 146, 329, and A-15 of the Adopted EIR, is proposed to be amended as provided in Attachment C of the September 16, 2025, staff report to the Board of Supervisors.

3. Analysis

Section 15164 of the CEQA Guidelines governs the preparation of an Addendum to an EIR or Negative Declaration. Section 15164(a) states that the "lead agency… shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR have occurred." CEQA Guidelines Section 15162(a) indicates that "no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, one or more of the following:

1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was Adopted, shows any of the following:

   a) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
   b) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
   c) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
   d) Mitigation measures or alternatives which are considerably different from those analyzed

in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative."

The following discussion explains why a subsequent or supplemental EIR is not required under CEQA Guidelines Section 15162 in connection with the draft amended Mitigation Measure CUL-9 of the Adopted EIR and why an Addendum is the appropriate level of environmental review.

I. ANALYSIS

a. The Proposed Modification does not entail substantial changes which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

CEQA Guidelines Section 15162(a)(1) provides that no subsequent EIR shall be prepared unless the lead agency determines that "[s]ubstantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects of a substantial increase in the severity of previously identified significant effects." As noted above, the Draft Amended Mitigation Measure CUL-9, or the Proposed Modification, would not result in any new significant environmental effects or an increase in the severity of a previously identified significant impact. The Draft Amended Mitigation Measure CUL-9 does not change the required protection of the Blacksmith shop and Creamery buildings from 100-year flood event inundation. Therefore, the Draft Amended Mitigation Measure CUL-9 would not require major revisions of the previous information due to the involvement of new significant environmental effects or a substantial increase in the severity of a previously identified significant effect.

b. The Proposed Modification would not result in substantial changes with respect to the circumstances under which the project is undertaken which will require major revisions due to the involvement of new significant environmental effects or a substantial increase in the severity of a previously identified significant effect.

CEQA Guidelines Section 15162(a)(2) provides that no subsequent EIR shall be prepared unless the lead agency determines that "[s]ubstantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects."

The Draft Amended Mitigation Measure CUL-9 would not result in a substantial change with respect to the circumstances under which the project is undertaken, such that there would be additional environmental effects or increase the severity of a previously identified effect beyond those previously identified in the EIR certified in January 2020. The proposed mitigation measure amendment does not change the protection afforded to the historic buildings. Therefore, the Draft Amended Mitigation Measure CUL-9 would not result in substantial changes with respect to the circumstances under which the Draft Amended Mitigation Measure CUL-9 is undertaken which would require major revisions of the ADOPTED EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

c. The Proposed Modification does not entail new information of substantial importance.

CEQA Guidelines Section 15162(a)(3) provides that no subsequent EIR shall be prepared unless the lead agency determines that "[n]ew information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was Adopted, shows any of the following:

a) the project will have one or more significant effects not discussed in the previous EIR;
b) significant effects previously examined will be substantially more severe than shown in the previous EIR;
c) mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents declined to adopt the mitigation measure or alternative; or,
d) mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents declined to adopt the mitigation measure or alternative."

No new information of substantial importance has been identified such that the Draft Amended Mitigation Measure CUL-9 would result in: 1) significant environmental effects not identified in the *Final Environmental Impact Report, Carmel River Floodplain Environmental Enhancement Project, CEQA Significance Determinations for Cultural Measures*; 2) more severe environmental effects than described in the *Final Environmental Impact Report, Carmel River Floodplain Environmental Enhancement Project, CEQA Significance Determinations for Cultural Measures*; 3) mitigation measures or alternatives which were previously determined not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects, but the project proponents declines to adopt the measure or alternative; or, 4) mitigation measures or alternatives which are considerably different from those analyzed in the *Final Environmental Impact Report, Carmel River Floodplain Environmental Enhancement Project, CEQA Significance Determinations for Cultural Measures* would substantially reduce one or more significant effects on the environment, but the County declines to adopt the measures or alternatives.

The Draft Mitigation Measure CUL-9 would not result in any additional environmental effects or increase the severity of a previously identified significant effect. Similarly, no additional mitigation measures that are considerably different from those analyzed in the *Final Environmental Impact Report, Carmel River Floodplain Environmental Enhancement Project, CEQA Significance Determinations for Cultural Measures* have been identified, which would not result in any additional environmental effects beyond those identified in the Final EIR. There is no new information of substantial importance showing any of the items listed in CEQA Guidelines Section 15162(a)(3).

4. Conclusion

This addendum serves to demonstrate the Draft Mitigation Measure CUL-9 qualifies for an addendum to the previously certified *Final Environmental Impact Report, Carmel River*

Floodplain Environmental Enhancement Project, CEQA Significance Determinations for Cultural Measures pursuant to CEQA Guidelines Section 15164 to ensure an amended MMRP is Adopted but none of the conditions described in CEQA Guidelines Section 15162 calling for the preparation of a subsequent EIR have occurred. Based on the analysis contained in this Addendum, the Draft Amended Mitigation Measure CUL-9 would not: 1) result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects; 2) would not cause a substantial change with respect to the circumstances under which the Draft Amended Mitigation Measure CUL-9 is undertaken, which would require major revisions to the previously certified Adopted EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or, 3) result in new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous Adopted EIR was certified as complete. Based on the foregoing analysis the appropriate level of environmental review for the Draft Amended Mitigation Measure CUL-9 would be an Addendum.

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Attachment F

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State of California • Natural Resources Agency
Gavin Newsom, *Governor*

DEPARTMENT OF PARKS AND RECREATION
OFFICE OF HISTORIC PRESERVATION
Armando Quintero, *Director*

Julianne Polanco, State Historic Preservation Officer
1725 23rd Street, Suite 100, Sacramento, CA 95816-7100
Telephone: (916) 445-7000 FAX: (916) 445-7053
calshpo.ohp@parks.ca.gov www.ohp.parks.ca.gov

December 12, 2024

In reply, refer to: FEMA_2024_1106_001

Lisa Holm
Senior Environmental Protection
Specialist / Archaeologist
FEMA – U.S. Department of Homeland Security
1111 Broadway, Suite 1200
Oakland, CA 94607-4052

Subject: Carmel River Floodplain Restoration and Environmental Enhancement Project (CRFREE) – Design Change for Odello Barn West, Creamery, and Blacksmith Shop, LH-HMGP-4344-539-094

Dear Ms. Holm:

The California State Historic Preservation Officer (SHPO) has received FEMA's November 5, 2024, letter initiating consultation on a proposed undertaking in Trinity County, in compliance with Section 106 of the National Historic Preservation Act of 1966 (54 U.S.C. § 306108), as amended, and its implementing regulation found at 36 CFR Part 800, and the 2019 Programmatic Agreement (PA) among FEMA, SHPO, and California Office of Emergency Services. Along with the letter, FEMA provided the following documents.

- USFWS Letter and SHPO Concurrence Regarding Area of Potential Effects (SHPO File No. FWS_2015_1211_001)
- USFWS Letter and SHPO Concurrence Regarding Finding of No Adverse Effect
- for Structure Elevation (SHPO File No. FWS_2015_1211_001)
- Design Plans for Berm Construction
- SHPO Concurrence on Eligibility for the Carmel River Floodplain Agricultural Landscape and Historic District (SHPO File No. FWS_2015_1211_001)
- Department of Parks and Recreation Forms 523 for the Carmel River Floodplain Agricultural Landscape and Historic District
- FEMA Letters to Consulting Tribes

FEMA proposes to provide funding to Monterey County floodplain restoration to restore natural floodplain functions and values, including connectivity with the coastal and estuarine waters of the Carmel Lagoon. In previous consultation with the U.S. Fish and Wildlife Service (USFWS), the SHPO reviewed this project and concurred with a Finding of No Adverse Effect (FWS_2015_1211_001). In January 2017, USFWS proposed the

elevation of the Creamery and Blacksmith Shop within the Carmel River Floodplain Agricultural Landscape and Historic District as a protective measure, and the SHPO concurred in March 2017 with a finding of No Adverse Effect for the proposed measure. Subsequently, Monterey County withdrew from the USFWS National Coastal Wetlands Conservation Grant Program, and USFWS no longer has a direct nexus to the Undertaking. Monterey County has applied for funding from FEMA through the Hazard Mitigation Grant Program.

The purpose of FEMA's letter is to consult regarding a change in project design, specifically the protective measure to protect the Creamery and Blacksmith Shop. As project design developed, California State Parks raised concerns related to elevation of the structures because of a lack of structural integrity of the buildings and long-term interpretive plans for the structures. The Odello Barn West collapsed in 2003 and therefore could not be raised, and elevating the Creamery and Blacksmith Shop may damage the structures. In response, the design plans were updated to include the construction of two earthen berms that would expand the existing berm to surround the Odello Historic Barn Complex rather than elevating the structures.

Construction of the berms would occur prior to the levee plugs being removed (approximately three to five years following construction). The berms would have an approximate 40-foot-wide disturbance area, with a final berm width of approximately 30 feet. The berms would be approximately 2 feet above the existing grade and extend approximately 1,300 feet. The soil used to create the berms would be obtained on-site from the adjacent floodplain excavation area.

The USFWS consulted with the SHPO about the project's Area of Potential Effects (APE), defining it as comprising 200 acres. This includes 140 acres where potential ground disturbing activities would occur and an additional 60 acres where restoration activities might have the potential to introduce visual elements that may diminish the integrity of the significant features of historic properties. The SHPO responded on January 5, 2016, that there were no comments on the APE. For FEMA's consultation, the CRFREE APE remains the same as was determined in 2015. The vertical APE for construction of berms is limited to 6 inches required to prepare the existing ground surface to ensure effectiveness of the berms as a flood control feature.

On August 3, 2016, the SHPO concurred with the USFWS that the Carmel River Floodplain Agricultural Landscape and Historic District is a district eligible for listing in the National Register of Historic Places (NRHP). The district consists of 12 buildings, structures, and/or landscape features within and adjacent to the project on the west side of State Route 1. The Odello Barn West, Creamery, and Blacksmith Shop, the subjects of this consultation, are contributing elements to this District.

The Odello Historic Barn Complex area was surveyed in 2015 with negative results for archaeological deposits aside from scattered historic-era sheet refuse. For this current consultation, FEMA determined the previous efforts were sufficient to understand the effects of the updated design related to the Odello Barn West, Creamery, and Blacksmith Shop and no additional field investigations were warranted.

There are no known Native American archaeological or cultural resources in the area where the berm extension is proposed and, given the location on a floodplain consisting of silty sandy soil with minimal ground disturbance, there is a low likelihood of encountering buried archaeological deposits. The fill material to construct the berm would be sourced within the APE from the floodplain excavation area that is associated with floodplain grading activities described in the 2016 USFWS consultation.

Tribal consultation has been ongoing since 2015. Requests in 2015 and 2017 for a search of the Native American Heritage Commission's (NAHC) Sacred Lands File produced **negative** results.

Pursuant to their responsibilities as a federal lead agency, in 2015 the USFWS initiated consultation on the floodplain restoration and causeway project components through direct mail with the Native American Tribes on the NAHC's list, including Ohlone / Costanoan-Esselen Nation; the Amah Mutsun Tribal Band; the Amah Mutsun Tribal Band of Mission San Juan Bautista; the Indian Canyon Mutsun Band of Costanoan; the Costanoan Rumsen Carmel Tribe; the Trina Marine Ruano Family (Ohlone/Miwok), and Jakki Kehl. USFWS received no responses.

Between 2015 and 2020, the Subapplicant consulted further with the Ohlone / Costanoan-Esselen Nation and the Esselen Tribe of Monterey County in accordance with Assembly Bill 52 and its implementing California Public Resources Code (PRC) on the floodplain and causeway project components. The County developed a set of mitigation measures in collaboration with both Tribes to avoid and minimize impacts to tribal cultural resources that were included in the Final EIR/EA. These measures consisted of tribal monitoring, cultural sensitivity awareness training for workers, and discovery protocols.

Because of the proposed design change to construct the berm extension, FEMA mailed and emailed letters to the two Tribes who previously consulted with Monterey County on this project: the Ohlone / Costanoan Esselen Nation and the Esselen Tribe of Monterey County. FEMA agreed to make Tribal monitoring and cultural sensitivity awareness training for workers as mitigation measures a condition of project approval.

The proposed berms would be less than 2 feet above the surrounding ground surface. The low profile of the proposed berm extension would be consistent with the existing immediately surrounding topography and would not alter the landscape such that the

integrity of setting, feeling, materials, or workmanship are diminished. Construction would be temporary, and any mechanical work for the berm extension would not introduce any auditory or atmospheric effects that would alter these historic properties. In addition, construction of the berms rather than the elevation of the structures would avoid any modification or potential damage to the structures. Based upon this analysis, FEMA has determined that, while extension of the berm would introduce a new element within the boundaries of this historic property, this feature would not alter any of the characteristics that qualify the Odello Barn West, Creamery, or Blacksmith Shop for the NRHP. Further, this berm extension is so minimal that it would not have any effects upon the larger Carmel River Floodplain Agricultural Landscape and Historic District. FEMA has therefore made a finding of No Adverse Effect to Historic Properties with Conditions for this Undertaking per Stipulation II.C.5.a of the Agreement.

After reviewing the information submitted by FEMA, the SHPO offers the following comments.

- The proposed project qualifies as a federal undertaking with the potential to affect historic properties.
- The APE appears to be sufficient to take direct and indirect effects into account.
- Identification and evaluation efforts are sufficient. The previous documentation of the USFWS consultation was very helpful.
- The SHPO has no objection to the proposed Finding of No Adverse Effect with the conditions identified by FEMA above.
- Please be advised that under certain circumstances such as an unanticipated discovery or a change in project description, you may have future responsibilities for this undertaking under 36 CFR Part 800 and/or the 2019 FEMA PA.

If there are any questions, please contact Mark Beason, State Historian, at (916) 503-8599 or mark.beason@parks.ca.gov.

Sincerely,



Julianne Polanco
State Historic Preservation Officer

Attachment G

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ATTACHMENT E - CRFREE GRANT FUNDING SUMMARY

	Description	Pre-construction remaining costs	Construction phase soft costs	Construction and long term management/monitoring costs	Total*
	TOTAL REMAINING PROJECT COST	**$1,702,864**	**$3,839,000**	**$50,932,344**	**$56,474,208**
Awarded Funding	DWR Flood Corridor*	$935,490	$0	$2,786,564	$3,722,055
	Wildlife Conservation Board*	$342,528	$0	$6,546,000	$6,888,258
	DWR Coastal Flood	$32,055	$2,245,000	$2,870,095	$5,147,149
	California State Coastal Conservancy	$440,250	$55,444	$8,277,049	$8,717,299
	DWR Urban Streams (BSLT)			$700,000	$700,000
	DWR Budget Surplus (BSLT)			$1,450,000	$1,450,000
	IRWMG			$898,451	$898,451
	CalTrans funding			$1,000,000	$1,000,000
Pending Agreeme	MPRPD left hand turn lane funding			$500,000	$500,000
	FY24 Federal earmark funds (Caltrans distributes)			$3,000,000	$3,000,000
Pending Award	***CalOES/FEMA*** *[Pending FONSI & large project notification]*		$1,485,000	$25,611,483	$27,096,483
	TOTAL Remaining Grant Funds	**$1,750,322**	**$3,730,000**	**$53,639,642**	**$59,119,964**

*****Total for awarded grants includes the total remaining (unspent) grant funds.

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Introduced: 9/5/2025

Current Status: Public Works, Facilities & Parks - Consent

Version: 1

Matter Type: BoS Agreement

a. Approve and authorize the Contracts and Purchasing Officer or designee to execute a non-Standard Agreement with Axon Enterprises, Inc., for the purchase of Park Ranger equipment and training, effective September 26, 2025 through September 30, 2035, for an amount not to exceed $130,000; and,
b. Approve and authorize the Contracts and Purchasing Officer or designee to execute up to three future amendments to the Agreement where the total of the amendments does not exceed 10% ($13,000) of the Agreement amount and does not significantly change the scope of work, subject to County Counsel approval, for an aggregate not to exceed maximum of $143,000.

RECOMMENDATION:

It is recommended that the Board of Supervisors:
a. Approve and authorize the Contracts and Purchasing Officer or designee to execute a non-Standard Agreement with Axon Enterprises, Inc., for the purchase of Park Ranger equipment and training, effective September 26, 2025 through September 30, 2035, for an amount not to exceed $130,000; and,
b. Approve and authorize the Contracts and Purchasing Officer or designee to execute up to three future amendments to the Agreement where the total of the amendments does not exceed 10% ($13,000) of the Agreement amount and does not significantly change the scope of work, subject to County Counsel approval, for an aggregate not to exceed maximum of $143,000.

SUMMARY/DISCUSSION:

Sourcewell is a service cooperative created by the Minnesota legislature as a local unit of government providing its registered members a streamlined procurement process by developing Request For Proposals (RFPs) for national, competitive solicitations that meet or exceed the needs of participating agencies, allowing Sourcewell to offer products from nationally acclaimed suppliers.

The County of Monterey is a registered member of Sourcewell. Membership allows the County to piggyback off Sourcewell's negotiated contract terms for awarded solicited proposals. This procurement process provides an effective, efficient mechanism for procurement of information technology related products and services ensuring the prudent use of public funds.

Sourcewell entered into an agreement with Axon Enterprises, Inc. (Axon) on February 6, 2024 with an expiration date of December 15, 2027 for the provision of equipment, products or services for public safety personnel.

To expand the tools used by park rangers to keep County parks safe for all visitors, the Department of Public Works, Facilities and Parks (PWFP) would like to purchase Axon's taser products, accessories and training for County park rangers. Axon submitted Quote #for the purchase of Axon's Taser 10' with a ten-year program including hardware, software, services and warranties. Payments will be made in August each year and new tasers will be provided in the first year and fifth year of the agreement. Other equipment and accessories will be provided each year of the agreement.

An Addendum is included with the Standard Agreement, amending language for Section 6.01 Payment Conditions, Section 7.0 Termination, Section 8.0 Indemnification, Section 10.05 Royalties and Inventions and Section 9.03 Insurance Coverage Requirements language from the Standard Agreement to comply with the Sourcewell agreement. Section 16.06 is amended to state County may not assign, sell or otherwise transfer the agreement without Axon's consent.

PWFP requests the Board of Supervisors approve the non-Standard Agreement (Attachment A) with a term of September 26, 2025 through September 30, 2035 for the purchase of taser equipment and training services with an aggregate not to exceed of 143,000.

OTHER AGENCY INVOLVEMENT:
The Office of the County Counsel and the Auditor-Controller's Office have reviewed and approved the non-Standard Agreement as to form, and fiscal provisions, respectively.

FINANCING:
If approved, the County would enter a Master Services and Purchasing Agreement to purchase eight tasers, accessories and training. Payments would be split over a 10-year period. The Fiscal Year 2025-26 Adopted Budget, for General Fund 001, Park Operations Appropriation Unit PFP058 includes sufficient appropriations to support the first payment of approximately $12,972. Future costs for the remainder of the payments will be included in the respective fiscal year recommended budgets..
BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
The recommended action supports the Board of Supervisors Strategic Initiatives for Public Safety. Use of innovative tools helps law enforcement manage and mitigate evolving risks, bringing safer outcomes for both officers and parks patrons. Use of Axon's TASER 10 provides transparency and effective de-escalation of situations.

___ Economic Development
___ Administration
___ Health & Human Services
___ Infrastructure
_X_ Public Safety

Prepared by: Dona Luna, Management Analyst III, x5455
Reviewed by: Bryan Flores, Chief of Parks
Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

Attachments:
Attachment A - Non-Standard Agreement with Axon Enterprises, Inc.

Introduced: 9/5/2025
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

a. Approve and authorize the Contracts and Purchasing Officer or designee to execute a non-Standard Agreement with Axon Enterprises, Inc., for the purchase of Park Ranger equipment and training, effective September 19, 2025 through September 18, 2035, for an amount not to exceed $130,000; and,
b. Approve and authorize the Contracts and Purchasing Officer or designee to execute up to three future amendments to the Agreement where the total of the amendments does not exceed 10% ($13,000) of the Agreement amount and does not significantly change the scope of work, subject to County Counsel approval, for an aggregate not to exceed maximum of $143,000.

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Approve and authorize the Contracts and Purchasing Officer or designee to execute a non-Standard Agreement with Axon Enterprises, Inc., for the purchase of Park Ranger equipment and training, effective September 19, 2025 through September 18, 2035, for an amount not to exceed $130,000; and,
b. Approve and authorize the Contracts and Purchasing Officer or designee to execute up to three future amendments to the Agreement where the total of the amendments does not exceed 10% ($13,000) of the Agreement amount and does not significantly change the scope of work, subject to County Counsel approval, for an aggregate not to exceed maximum of $143,000.

SUMMARY/DISCUSSION:
Sourcewell is a service cooperative created by the Minnesota legislature as a local unit of government providing its registered members a streamlined procurement process by developing Request For Proposals (RFPs) for national, competitive solicitations that meet or exceed the needs of participating agencies, allowing Sourcewell to offer products from nationally acclaimed suppliers.

The County of Monterey (County) is a registered member of Sourcewell. Membership allows the County to piggyback off Sourcewell's negotiated contract terms for awarded solicited proposals. This procurement process provides an effective, efficient mechanism for procurement of information technology related products and services ensuring the prudent use of public funds.

Sourcewell entered into an agreement with Axon Enterprises, Inc. (Axon) on February 6, 2024 with an expiration date of December 15, 2027 for the provision of equipment, products or services for public safety personnel.

To expand the tools used by park rangers to keep County parks safe for all visitors, the Department of Public Works, Facilities and Parks (PWFP) would like to purchase Axon's taser products, accessories and training for County park rangers. Axon submitted Quote #for the purchase of Axon's Taser 10' with a ten-year program including hardware, software, services and warranties. Payments will be made in August each year and new tasers will be provided in the first year and fifth year of the agreement. Other equipment and accessories will be provided each year of the agreement.

An Addendum is included with the Standard Agreement, amending language for Section 6.01 Payment Conditions, Section 7.0 Termination, Section 8.0 Indemnification, Section 10.05 Royalties and Inventions and Section 9.03 Insurance Coverage Requirements language from the Standard Agreement to comply with the Sourcewell agreement. Section 16.06 is amended to state County may not assign, sell or otherwise transfer the agreement without Axon's consent.

PWFP requests the Board of Supervisors approve the non-Standard Agreement (Attachment A) with a term of September 19, 2025 through September 18, 2035 for the purchase of taser equipment and training services with an aggregate not to exceed of 143,000.

OTHER AGENCY INVOLVEMENT:
The Office of the County Counsel and the Auditor-Controller's Office have reviewed and approved the non-Standard Agreement as to form, and fiscal provisions, respectively.

FINANCING:
If approved, the County would enter a Master Services and Purchasing Agreement to purchase eight tasers, accessories and training. Payments would be split over a 10-year period. The Fiscal Year 2025-26 Adopted Budget, for General Fund 001, Park Operations Appropriation Unit PFP058 includes sufficient appropriations to support the first payment of approximately $12,972. Future costs for the remainder of the payments will be included in the respective fiscal year recommended budgets..

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:
The recommended action supports the Board of Supervisors Strategic Initiatives for Public Safety. Use of innovative tools helps law enforcement manage and mitigate evolving risks, bringing safer outcomes for both officers and parks patrons. Use of Axon's TASER 10 provides transparency and effective de-escalation of situations.

___ Economic Development
___ Administration
___ Health & Human Services
___ Infrastructure
_X_ Public Safety

Prepared by: Dona Luna, Management Analyst III, x5455
Reviewed by: Bryan Flores, Chief of Parks
Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

Attachments:
Attachment A - Non-Standard Agreement with Axon Enterprises, Inc.

Attachment A

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COUNTY OF MONTEREY STANDARD AGREEMENT

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:

AXON ENTERPRISES, INC.

(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1.0 GENERAL DESCRIPTION:

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

Provide: Park Ranger equipment and training services

2.0 PAYMENT PROVISIONS:

2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A,** subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of: **$** 130,000.00

3.0 TERM OF AGREEMENT:

3.01 The term of this Agreement is from September 26, 2025 to September 30, 2035 unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement.**

3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS:

The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions

Exhibit B Other: Sourcewell Axon Contract

Addendum to Standard Agreement

5.0 PERFORMANCE STANDARDS:

5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.

5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6.0 PAYMENT CONDITIONS:

6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.

6.03 Invoice amounts shall be billed directly to the ordering department.

6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.05 CONTRACTOR shall not receive reimbursement for mileage or travel expenses unless set forth in this Agreement.

7.0 TERMINATION:

7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8.0 INDEMNIFICATION:

CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9.0 INSURANCE REQUIREMENTS:

9.01 **Evidence of Coverage:** Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 **Qualifying Insurers:** All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current A.M. Best's Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Agent.

9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to

indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance: including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence, and $2,000,000 in the aggregate.
(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Auto Liability Coverage: must include motor vehicles, including scheduled, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.
(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance: if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.
(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.
(Note: Professional liability insurance coverage is required if the contractor is providing a professional service regulated by the state. Examples of service providers regulated by the state are insurance agents, professional architects and engineers, doctors, certified public accountants, lawyers, etc. However, other professional Contractors, such as computer or software designers, technology services, and services providers such as claims administrators, should also have professional liability. If in doubt, consult with your risk or contract manager.)

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor.

9.04 **Other Requirements:**

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Additional Insured Status:

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the auto liability policy for liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor. Auto liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance.

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage:

For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Workers' Compensation Waiver of Subrogation:

The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against COUNTY, its officers, officials, employees, agents, or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by CONTRACTOR. Should CONTRACTOR be self-insured for workers' compensation, CONTRACTOR hereby agrees to waive its right of subrogation against COUNTY, its officers, officials,

employees, agents, or volunteers.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance and endorsements with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10.0 RECORDS AND CONFIDENTIALITY:

10.01 **Confidentiality:** CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.02 **County Records:** When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.

10.03 **Maintenance of Records:** CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after reciept of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then CONTRACTOR shall retain said records until such action is resolved.

10.04 **Access to and Audit of Records:** The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining

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to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05 **Royalties and Inventions:** County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

10.06 **Format of Deliverables:** For this section, "Deliverables" shall mean all electronic documents CONTRACTOR provides to the County under this Agreement. CONTRACTOR shall ensure all Deliverables comply with the requirements of the Web Content Accessibility Guidelines ("WCAG") 2.1, pursuant to the Americans with Disabilities Act ("ADA"). CONTRACTOR bears the burden to deliver Deliverables, such as Adobe Acrobat Portable Document Format ("PDF") and Microsoft Office files, complying with WCAG 2.1. CONTRACTOR shall defend and indemnify the County against any breach of this Section. This Section shall survive the termination of this Agreement. Find more on Accessibility at this State website: https://webstandards.ca.gov/accessibility/.

11.0 NON-DISCRIMINATION:

11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS:

If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13.0 COMPLIANCE WITH APPLICABLE LAWS:

13.01 CONTRACTOR shall keep itself informed of and in compliance with all federal, state, and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT as well as any privacy laws including, if applicable, HIPAA. CONTRACTOR shall procure all permits and licenses,

pay all charges and fees, and give all notices require by law in the performance of the Services.

13.02 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

13.03 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations, and guidelines that are in force at the time such documentation is prepared.

14.0 INDEPENDENT CONTRACTOR:

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is always acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

15.0 NOTICES:

Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	**FOR CONTRACTOR:**
Bryan Flores, Chief of Parks	AXON Contracts Department
Name and Title	Name and Title
1441 Schilling Place, 1st Floor South Salinas CA 93901	17800 North 85th Street Scottsdale AZ 85255
Address	Address
(831) 755-4895	(800) 978-2737
Phone:	Phone:

16.0 MISCELLANEOUS PROVISIONS.

16.01 **Conflict of Interest:** CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance

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of the services required to be rendered under this Agreement.

16.02 **Amendment:** This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

16.03 **Waiver:** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

16.04 **Contractor:** The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

16.05 **Disputes:** CONTRACTOR shall continue to perform under this Agreement during any dispute.

16.06 **Assignment and Subcontracting:** The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

16.07 **Successors and Assigns:** This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

16.08 **Headings:** The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

16.09 **Time is of the Essence:** Time is of the essence in each and all of the provisions of this Agreement.

16.10 **Governing Law:** This Agreement shall be governed by and interpreted under the laws of the State of California; venue shall be Monterey County.

16.11 **Non-exclusive Agreement:** This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

16.12 **Construction of Agreement:** The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

16.13 **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

16.14 **Authority:** Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

16.15 **Integration:** This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.

16.16 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

17.0 CONSENT TO USE OF ELECTRONIC SIGNATURES.

17.01 The parties to this Agreement consent to the use of electronic signatures via DocuSign to execute this Agreement. The parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 U.S.C. Section 7001 et seq.; California Government Code Section 16.5; and, California Civil Code Section 1633.1 *et. seq.* Pursuant to said state and federal law as may be amended from time to time, the parties to this Agreement hereby authenticate and execute this Agreement, and any and all Exhibits to this Agreement, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF).

17.02 **Counterparts.**

The parties to this Agreement understand and agree that this Agreement can be executed in two (2) or more counterparts and transmitted electronically via facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) via email transmittal.

17.03 **Form: Delivery by E-Mail or Facsimile.**

Executed counterparts of this Agreement may be delivered by facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) by e-mail transmittal, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart or counterparts had been delivered to the other party in person.

********** THIS SECTION INTENTIONALLY LEFT BLANK **********

18.0 SIGNATURE PAGE

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By:

Contracts/Purchasing Officer

Date:

By:

Department Head (if applicable)

Date:

Approved as to Form
Office of the County Counsel[1]
Susan K. Blitch, County Counsel

By: Signed by: Michael J. Whilden
County Counsel

Date: 9/4/2025 | 11:51 AM PDT

Approved as to Fiscal Provisions

By: DocuSigned by: Jennifer Forsyth
Auditor/Controller

Date: 9/4/2025 | 3:45 PM PDT

Reviewed as to Liability Provisions
Office of the County Counsel-Risk Management

By:

David Bolton, Risk Manager

Date:

CONTRACTOR

Axon Enterprises, Inc.
Contractor/Business Name *

By: Signed by: Robert E. Driscoll Jr
(Signature of Chair, President, or Vice-President)

Robert E. Driscoll Jr — VP, Deputy General Counsel
Name and Title

Date: 9/4/2025 | 9:47 AM MST

By: Signed by:
(Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Isaiah Fields — Chief Legal Officer
Name and Title

Date: 9/4/2025 | 9:56 AM MST

County Board of Supervisors' Agreement No. _____ approved on _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers (California Corporations Code, §313). If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of either 1) any member, or 2) two (2) managers (Corporations Code, §17703.01, subds. (a) and (d)). If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute on behalf of the partnership (Corporations Code, §§16301 and 15904.02). If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign

[1] Approval by the Office of the County Counsel is required.

[2] Approval by Auditor-Controller is required.

[3] Review by Risk Management is necessary only if changes are made in the Indemnification or Insurance paragraphs.

EXHIBIT A

To Standard Agreement by and between
County of Monterey, hereinafter referred to as "County"
AND
Axon Enterprises, Inc. hereinafter referred to as "CONTRACTOR"

Scope of Services / Payment Provisions

A. SCOPE OF SERVICES

A.1 CONTRACTOR shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

County shall purchase the Axon Taser 10 Certification Pro 10YR equipment and training over a ten-year period.

A.2 CONTRACTOR shall produce the following deliverables (written reports, installed products, etc.) by the dates indicated below:

Annual Training and equipment as set forth in the attached
Quote #Q-661363-45888AS

All written reports required under this Agreement must be delivered to Supervising Ranger and County's Contract Manager, in accordance with the schedule above.

B. PAYMENT PROVISIONS

B.1 COMPENSATION/ PAYMENT

County shall pay an amount not to exceed $130,000 for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Work. CONTRACTOR'S compensation for services rendered shall be based on the following rates or in accordance with the following terms:

Payments shall be made annually at the rates set forth in the attached Quote.

There shall be no travel reimbursement allowed during this Agreement.

CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.

B.2 CONTRACTORS BILLING PROCEDURES

NOTE: Payment may be based upon satisfactory acceptance of each deliverable, payment after completion of each major part of the Agreement, payment at conclusion of the Agreement, etc.

County may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

Axon Enterprise, Inc.
17800 N 85th St.
Scottsdale, Arizona 85255
United States
VAT: 86-0741227
Domestic: (800) 978-2737
International: +1.800.978.2737

Q-661363-45775AS

Issued: 04/28/2025

Quote Expiration: 02/28/2025

Estimated Contract Start Date: 04/01/2025

Account Number: 112487

Payment Terms: N30

Mode of Delivery: UPS-GND

SHIP TO	BILL TO
Monterey County Parks Dept. - CA 10625 Nacimiento Lake Dr Bradley, CA 93426-9460 USA	Monterey County Parks Dept. - CA 10625 Nacimiento Lake Dr Bradley CA 93426-9460 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Adam Smith Phone: 602-751-1798 Email: asmith@taser.com Fax: (480) 463-2201	Isidro Trujillo Phone: 831-796-1131 Email: trujilloi1@countyofmonterey.gov Fax:

Quote Summary

Program Length	120 Months
TOTAL COST	$120,458.02
ESTIMATED TOTAL W/ TAX	$127,713.14

Discount Summary

Average Savings Per Year	$5,416.28
TOTAL SAVINGS	$54,162.78

Payment Summary

Date	Subtotal	Tax	Total
Mar 2025	$12,045.82	$725.49	$12,771.31
Mar 2026	$12,045.80	$725.49	$12,771.29
Mar 2027	$12,045.80	$725.49	$12,771.29
Mar 2028	$12,045.80	$725.49	$12,771.29
Mar 2029	$12,045.80	$725.49	$12,771.29
Mar 2030	$12,045.80	$725.49	$12,771.29
Mar 2031	$12,045.80	$725.49	$12,771.29
Mar 2032	$12,045.80	$725.49	$12,771.29
Mar 2033	$12,045.80	$725.49	$12,771.29
Mar 2034	$12,045.80	$725.71	$12,771.51
Total	**$120,458.02**	**$7,255.12**	**$127,713.14**

Quote Unbundled Price:	**$174,620.80**
Quote List Price:	**$120,457.60**
Quote Subtotal:	**$120,458.02**

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
Program									
C00023	BUNDLE - TASER 10 CERTIFICATION PRO 10YR	8	120	$176.48	$120.06	$120.06	$115,258.02	$7,255.12	$122,513.14
A la Carte Services									
80146	AXON BODY - PSO - VIRTUAL STARTER	1			$2,500.00	$2,500.00	$2,500.00	$0.00	$2,500.00
101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1			$2,700.00	$2,700.00	$2,700.00	$0.00	$2,700.00
Total							**$120,458.02**	**$7,255.12**	**$127,713.14**

Delivery Schedule

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100126	AXON VR - TACTICAL BAG	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100390	AXON TASER 10 - HANDLE - YELLOW CLASS 3R	8	2	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100393	AXON TASER 10 - MAGAZINE - LIVE DUTY BLACK	8	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100394	AXON TASER 10 - MAGAZINE - HALT TRAINING BLUE	4	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100395	AXON TASER 10 - MAGAZINE - LIVE TRAINING PURPLE	3	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100396	AXON TASER 10 - MAGAZINE - INERT RED	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100399	AXON TASER 10 - CARTRIDGE - LIVE	160	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100400	AXON TASER 10 - CARTRIDGE - HALT	80	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100401	AXON TASER 10 - CARTRIDGE - INERT	10	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100591	AXON TASER - CLEANING KIT	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100611	AXON TASER 10 - SAFARILAND HOLSTER - RH	8	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100623	ENHANCED HOOK-AND-LOOP TRAINING (HALT) SUIT (V2)	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100748	AXON VR - CONTROLLER - TASER 10	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100832	AXON VR - CONTROLLER - HANDGUN VR19H	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101122	AXON VR - HOLSTER - T10 SAFARILAND GRAY - RH	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101294	AXON VR - TABLET	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101300	AXON VR - TABLET CASE	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101455	AXON TASER 10 - REPLACEMENT TOOL KIT - INTERPOSER BUCKET	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101456	AXON TASER 10 - REPLACEMENT INTERPOSER BUCKET	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	20018	AXON TASER - BATTERY PACK - TACTICAL	2	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	20018	AXON TASER - BATTERY PACK - TACTICAL	8	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	20378	AXON VR - HEADSET - HTC FOCUS 3	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	70033	AXON - DOCK WALL MOUNT - BRACKET ASSY	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	71019	AXON BODY - DOCK POWERCORD - NORTH AMERICA	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	74200	AXON TASER - DOCK - SIX BAY PLUS CORE	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	80087	AXON TASER - TARGET - CONDUCTIVE PROFESSIONAL	1	1	03/01/2025

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
		RUGGEDIZED			
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	80090	AXON TASER - TARGET FRAME - PROFESSIONAL 27.5 IN X 75 IN	1	1	03/01/2025
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100399	AXON TASER 10 - CARTRIDGE - LIVE	30	1	03/01/2026
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100400	AXON TASER 10 - CARTRIDGE - HALT	70	1	03/01/2026
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100399	AXON TASER 10 - CARTRIDGE - LIVE	20	1	03/01/2027
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100400	AXON TASER 10 - CARTRIDGE - HALT	60	1	03/01/2027
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100210	AXON VR - TAP REFRESH 1 - TABLET	1	1	09/01/2027
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101009	AXON VR - TAP REFRESH 1 - SIDEARM CONTROLLER	1	1	09/01/2027
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101012	AXON VR - TAP REFRESH 1 - CONTROLLER	1	1	09/01/2027
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	20373	AXON VR - TAP REFRESH 1 - HEADSET	1	1	09/01/2027
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100399	AXON TASER 10 - CARTRIDGE - LIVE	30	1	03/01/2028
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100400	AXON TASER 10 - CARTRIDGE - HALT	70	1	03/01/2028
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100399	AXON TASER 10 - CARTRIDGE - LIVE	20	1	03/01/2029
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100400	AXON TASER 10 - CARTRIDGE - HALT	60	1	03/01/2029
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100211	AXON VR - TAP REFRESH 2 - TABLET	1	1	03/01/2030
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101010	AXON VR - TAP REFRESH 2 - SIDEARM CONTROLLER	1	1	03/01/2030
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101013	AXON VR - TAP REFRESH 2 - CONTROLLER	1	1	03/01/2030
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	20374	AXON VR - TAP REFRESH 2 - HEADSET	1	1	03/01/2030
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	20242	AXON TASER - CERTIFICATION PROGRAM YEAR 6-10 HARDWARE	8	1	09/01/2030
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100212	AXON VR - TAP REFRESH 3 - TABLET	1	1	09/01/2032
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101011	AXON VR - TAP REFRESH 3 - SIDEARM CONTROLLER	1	1	09/01/2032
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101014	AXON VR - TAP REFRESH 3 - CONTROLLER	1	1	09/01/2032
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	20375	AXON VR - TAP REFRESH 3 - HEADSET	1	1	09/01/2032

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101180	AXON TASER - DATA SCIENCE PROGRAM	8	04/01/2025	03/31/2035
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	20248	AXON TASER - EVIDENCE.COM LICENSE	8	04/01/2025	03/31/2035
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	20248	AXON TASER - EVIDENCE.COM LICENSE	1	04/01/2025	03/31/2035
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	20370	AXON VR - USER ACCESS - FULL VR	8	04/01/2025	03/31/2035

Services

Bundle	Item	Description	QTY
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100751	AXON TASER 10 - REPLACEMENT ACCESS PROGRAM - DUTY CARTRIDGE	8
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101193	AXON TASER - ON DEMAND CERTIFICATION	1
A la Carte	101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1
A la Carte	80146	AXON BODY - PSO - VIRTUAL STARTER	1

Warranties

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100197	AXON VR - EXT WARRANTY - HEADSET	1	03/01/2026	03/31/2035
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100213	AXON VR - EXT WARRANTY - TABLET	1	03/01/2026	03/31/2035
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	100704	AXON TASER 10 - EXT WARRANTY - HANDLE	8	03/01/2026	03/31/2035
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101007	AXON VR - EXT WARRANTY - CONTROLLER	1	03/01/2026	03/31/2035
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	101008	AXON VR - EXT WARRANTY - HANDGUN CONTROLLER	1	03/01/2026	03/31/2035
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	80374	AXON TASER - EXT WARRANTY - BATTERY PACK T7/T10	8	03/01/2026	03/31/2035
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	80374	AXON TASER - EXT WARRANTY - BATTERY PACK T7/T10	2	03/01/2026	03/31/2035

Warranties

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
BUNDLE - TASER 10 CERTIFICATION PRO 10YR	80396	AXON TASER - EXT WARRANTY - DOCK SIX BAY T7/T10	1	03/01/2026	03/31/2035

Shipping Locations

Location Number	Street	City	State	Zip	Country
1	10625 Nacimiento Lake Dr	Bradley	CA	93426-9460	USA
2	10625 Nacimiento Lake Dr	Bradley	CA	93426-9460	USA

Payment Details

Mar 2025

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1	101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1	$270.00	$0.00	$270.00
Year 1	80146	AXON BODY - PSO - VIRTUAL STARTER	1	$250.00	$0.00	$250.00
Year 1	C00023	BUNDLE - TASER 10 CERTIFICATION PRO 10YR	8	$11,525.82	$725.49	$12,251.31
Total				**$12,045.82**	**$725.49**	**$12,771.31**

Mar 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 2	101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1	$270.00	$0.00	$270.00
Year 2	80146	AXON BODY - PSO - VIRTUAL STARTER	1	$250.00	$0.00	$250.00
Year 2	C00023	BUNDLE - TASER 10 CERTIFICATION PRO 10YR	8	$11,525.80	$725.49	$12,251.29
Total				**$12,045.80**	**$725.49**	**$12,771.29**

Mar 2027

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 3	101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1	$270.00	$0.00	$270.00
Year 3	80146	AXON BODY - PSO - VIRTUAL STARTER	1	$250.00	$0.00	$250.00
Year 3	C00023	BUNDLE - TASER 10 CERTIFICATION PRO 10YR	8	$11,525.80	$725.49	$12,251.29
Total				**$12,045.80**	**$725.49**	**$12,771.29**

Mar 2028

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 4	101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1	$270.00	$0.00	$270.00
Year 4	80146	AXON BODY - PSO - VIRTUAL STARTER	1	$250.00	$0.00	$250.00
Year 4	C00023	BUNDLE - TASER 10 CERTIFICATION PRO 10YR	8	$11,525.80	$725.49	$12,251.29
Total				**$12,045.80**	**$725.49**	**$12,771.29**

Mar 2029

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 5	101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1	$270.00	$0.00	$270.00
Year 5	80146	AXON BODY - PSO - VIRTUAL STARTER	1	$250.00	$0.00	$250.00
Year 5	C00023	BUNDLE - TASER 10 CERTIFICATION PRO 10YR	8	$11,525.80	$725.49	$12,251.29
Total				**$12,045.80**	**$725.49**	**$12,771.29**

Mar 2030						
Invoice Plan	**Item**	**Description**	**Qty**	**Subtotal**	**Tax**	**Total**
Year 6	101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1	$270.00	$0.00	$270.00
Year 6	80146	AXON BODY - PSO - VIRTUAL STARTER	1	$250.00	$0.00	$250.00
Year 6	C00023	BUNDLE - TASER 10 CERTIFICATION PRO 10YR	8	$11,525.80	$725.49	$12,251.29
Total				**$12,045.80**	**$725.49**	**$12,771.29**

Mar 2031						
Invoice Plan	**Item**	**Description**	**Qty**	**Subtotal**	**Tax**	**Total**
Year 7	101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1	$270.00	$0.00	$270.00
Year 7	80146	AXON BODY - PSO - VIRTUAL STARTER	1	$250.00	$0.00	$250.00
Year 7	C00023	BUNDLE - TASER 10 CERTIFICATION PRO 10YR	8	$11,525.80	$725.49	$12,251.29
Total				**$12,045.80**	**$725.49**	**$12,771.29**

Mar 2032						
Invoice Plan	**Item**	**Description**	**Qty**	**Subtotal**	**Tax**	**Total**
Year 8	101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1	$270.00	$0.00	$270.00
Year 8	80146	AXON BODY - PSO - VIRTUAL STARTER	1	$250.00	$0.00	$250.00
Year 8	C00023	BUNDLE - TASER 10 CERTIFICATION PRO 10YR	8	$11,525.80	$725.49	$12,251.29
Total				**$12,045.80**	**$725.49**	**$12,771.29**

Mar 2033						
Invoice Plan	**Item**	**Description**	**Qty**	**Subtotal**	**Tax**	**Total**
Year 9	101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1	$270.00	$0.00	$270.00
Year 9	80146	AXON BODY - PSO - VIRTUAL STARTER	1	$250.00	$0.00	$250.00
Year 9	C00023	BUNDLE - TASER 10 CERTIFICATION PRO 10YR	8	$11,525.80	$725.49	$12,251.29
Total				**$12,045.80**	**$725.49**	**$12,771.29**

Mar 2034						
Invoice Plan	**Item**	**Description**	**Qty**	**Subtotal**	**Tax**	**Total**
Year 10	101208	AXON TASER 10 - 2 DAY INSTRUCTOR COURSE - INSIDE SALES	1	$270.00	$0.00	$270.00
Year 10	80146	AXON BODY - PSO - VIRTUAL STARTER	1	$250.00	$0.00	$250.00
Year 10	C00023	BUNDLE - TASER 10 CERTIFICATION PRO 10YR	8	$11,525.80	$725.71	$12,251.51
Total				**$12,045.80**	**$725.71**	**$12,771.51**

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Contract Sourcewell CEW Contract #092722-AXN is incorporated by reference into the terms and conditions of this Agreement. In the event of conflict the terms of Axon's Master Services and Purchasing Agreement shall govern.

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at https://www.axon.com/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature

Date Signed

4/28/2025



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Sourcewell

Solicitation Number: 101223

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Axon Enterprise, Inc., 17800 N. 85th St., Scottsdale, AZ 85255-6311 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

EXPIRATION DATE AND EXTENSION. This Contract expires December 15, 2027, unless it is cancelled sooner pursuant to Article 22. This Contract allows up to three additional one-year extensions upon the request of Sourcewell and written agreement by Supplier. Sourcewell retains the right to consider additional extensions beyond seven years as required under exceptional circumstances.

B. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

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2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services will perform in accordance with the manufacturer's specifications. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

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A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities, in accordance with Supplier's warranty process. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity in accordance with Supplier's warranty process.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

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- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and

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Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract. For avoidance of doubt, if a Participating Entity order extends beyond the Contract's expiration or cancellation, in addition to the survival terms set forth in Section 1.B of this Contract, Supplier's Master Services and Purchasing Agreement (MSPA) shall also apply, governing the order until all obligations of both the Participating Entity and Supplier are fulfilled.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. The Supplier's Master Services and Purchasing Agreement (MSPA) attached hereto as Exhibit A is hereby added and incorporated into this Contract. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum, the terms of which will be negotiated directly between the Participating Entity and the Supplier or its authorized dealers, distributors, or resellers, as applicable. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

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7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, performance issues, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and

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Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

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C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including reasonable attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any negligent act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. In no event will Supplier be liable for any special, indirect, incidental, exemplary, or consequential damages for any cause of action, whether in contract or tort. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:

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a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.

b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.

2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. *Termination*. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

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14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

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The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for products liability-completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

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no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Professional Liability*. During the term of this Contract, Supplier will maintain coverage for all claims the Supplier may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Supplier's professional services required under this Contract.

Minimum Limits:
$2,000,000 per claim or event
$2,000,000 – annual aggregate

6. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:
$2,000,000 per occurrence
$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

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Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

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Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with

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the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

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Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and

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records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

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R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell	Axon Enterprise, Inc.
DocuSigned by: Jeremy Schwartz C0FD2A139D06489...	DocuSigned by: 55DAEBB131A4424...
By: _____	By: _____
Jeremy Schwartz	Robert Driscoll
Title: Chief Procurement Officer	Title: Vice President Legal, Associate General Counsel
Date: 2/6/2024 | 12:43 PM CST	Date: 2/6/2024 | 11:02 AM MST

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Exhibit A
Axon Master Services and Purchasing Agreement (MSPA)

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Master Services and Purchasing Agreement for Agency

This Master Services and Purchasing Agreement ("**Agreement**") is between Axon Enterprise, Inc. ("**Axon**"), and the agency listed below or, if no agency is listed below, the agency on the Quote attached hereto ("**Agency**"). This Agreement is effective as of the later of the (a) last signature date on this Agreement or (b) signature date on the Quote ("**Effective Date**"). Axon and Agency are each a "**Party**" and collectively "**Parties**". This Agreement governs Agency's purchase and use of the Axon Devices and Services detailed in the Quote Appendix ("**Quote**"). It is the intent of the Parties that this Agreement will govern all subsequent purchases by Agency for the same Axon Devices and Services in the Quote, and all such subsequent quotes accepted by Agency shall be also incorporated into this Agreement by reference as a Quote. The Parties agree as follows:

1. **Definitions**.

   1.1. "**Axon Cloud Services**" means Axon's web services for Axon Evidence, Axon Records, Axon Dispatch, and interactions between Axon Evidence and Axon Devices or Axon client software. Axon Cloud Service excludes third-party applications, hardware warranties, and my.evidence.com.

   1.2. "**Axon Device**" means all hardware provided by Axon under this Agreement. Axon-manufactured Devices are a subset of Axon Devices.

   1.3. "**Quote**" means an offer to sell and is only valid for devices and services on the offer at the specified prices. Any inconsistent or supplemental terms within Agency's purchase order in response to a Quote will be void. Orders are subject to prior credit approval. Changes in the deployment estimated ship date may change charges in the Quote. Shipping dates are estimates only. Axon is not responsible for typographical errors in any Quote by Axon, and Axon reserves the right to cancel any orders resulting from such errors.

   1.4. "**Services**" means all services provided by Axon under this Agreement, including software, Axon Cloud Services, and professional services.

2. **Term**. This Agreement begins on the Effective Date and continues until all subscriptions hereunder have expired or have been terminated ("**Term**").

   2.1. All subscriptions including Axon Evidence, Axon Fleet, Officer Safety Plans, Technology Assurance Plans, and TASER 7 or TASER 10 plans begin on the date stated in the Quote. Each subscription term ends upon completion of the subscription stated in the Quote ("**Subscription Term**").

   2.2. Upon completion of the Subscription Term, the Subscription Term will automatically renew for an additional 5 years ("**Renewal Term**"). For purchase of TASER 7 or TASER 10 as a standalone, Axon may increase pricing to its then-current list pricing for any Renewal Term. For all other purchases, Axon may increase pricing on all line items in the Quote by up to 3% at the beginning of each year of the Renewal Term. New devices and services may require additional terms. Axon will not authorize services until Axon receives a signed Quote or accepts a purchase order, whichever is first.

3. **Payment**. Axon invoices upon shipment, or on the date specified within the invoicing plan in the Quote. Payment is due net 30 days from the invoice date. Payment obligations are non-cancelable. Unless otherwise prohibited by law, Agency will pay interest on all past-due sums at the lower of one-and-a-half percent (1.5%) per month or the highest rate allowed by law. Agency will pay invoices without setoff, deduction, or withholding. If Axon sends a past due account to collections, Agency is responsible for collection and attorneys' fees.

4. **Taxes**. Agency is responsible for sales and other taxes associated with the order unless Agency provides Axon a valid tax exemption certificate.

5. **Shipping**. Axon may make partial shipments and ship Axon Devices from multiple locations. All shipments are EXW (Incoterms 2020) via common carrier. Title and risk of loss pass to Agency upon Axon's delivery to the common carrier. Agency is responsible for any shipping charges in the Quote.

6. **Returns**. All sales are final. Axon does not allow refunds or exchanges, except warranty returns or as provided by state or federal law.

7. **Warranty**.

   7.1. **Limited Warranty**. Axon warrants that Axon-manufactured Devices are free from defects in workmanship and materials for one (1) year from the date of Agency's receipt, except Signal Sidearm and Axon-manufactured accessories, which Axon warrants for thirty (30) months and ninety (90) days, respectively, from the date of Agency's receipt. Used conducted energy weapon ("**CEW**") cartridges are deemed to have operated properly. Extended warranties run from the expiration of the one- (1-) year hardware warranty through the extended warranty term.

   7.2. **Disclaimer. All software and Axon Cloud Services are provided "AS IS," without any warranty of any kind, either express or implied, including without limitation the implied warranties of merchantability,**

fitness for a particular purpose and non-infringement. Axon Devices and Services that are not manufactured, published or performed by Axon ("Third-Party Products") are not covered by Axon's warranty and are only subject to the warranties of the third-party provider or manufacturer.

7.3. **Claims**. If Axon receives a valid warranty claim for an Axon-manufactured Device during the warranty term, Axon's sole responsibility is to repair or replace the Axon-manufactured Device with the same or like Axon-manufactured Device, at Axon's option. A replacement Axon-manufactured Device will be new or like new. Axon will warrant the replacement Axon-manufactured Device for the longer of (a) the remaining warranty of the original Axon-manufactured Device or (b) ninety (90) days from the date of repair or replacement.

7.3.1. If Agency exchanges an Axon Device or part, the replacement item becomes Agency's property, and the replaced item becomes Axon's property. Before delivering an Axon-manufactured Device for service, Agency must upload Axon-manufactured Device data to Axon Evidence or download it and retain a copy. Axon is not responsible for any loss of software, data, or other information contained in storage media or any part of the Axon-manufactured Device sent to Axon for service.

7.4. **Spare Axon Devices**. At Axon's reasonable discretion, Axon may provide Agency a predetermined number of spare Axon Devices as detailed in the Quote ("**Spare Axon Devices**"). Spare Axon Devices are intended to replace broken or non-functioning units while Agency submits the broken or non-functioning units, through Axon's warranty return process. Axon will repair or replace the unit with a replacement Axon Device. Title and risk of loss for all Spare Axon Devices shall pass to Agency in accordance with shipping terms under Section 5. Axon assumes no liability or obligation in the event Agency does not utilize Spare Axon Devices for the intended purpose.

7.5. **Limitations**. Axon's warranty excludes damage related to: (a) failure to follow Axon Device use instructions; (b) Axon Devices used with equipment not manufactured or recommended by Axon; (c) abuse, misuse, or intentional damage to Axon Device; (d) force majeure; (e) Axon Devices repaired or modified by persons other than Axon without Axon's written permission; or (f) Axon Devices with a defaced or removed serial number. Axon's warranty will be void if Agency resells Axon Devices.

7.5.1. To the extent permitted by law, the above warranties and remedies are exclusive. Axon disclaims all other warranties, remedies, and conditions, whether oral, written, statutory, or implied. If statutory or implied warranties cannot be lawfully disclaimed, then such warranties are limited to the duration of the warranty described above and by the provisions in this Agreement. Agency confirms and agrees that, in deciding whether to sign this Agreement, it has not relied on any statement or representation by Axon or anyone acting on behalf of Axon related to the subject matter of this Agreement that is not in this Agreement.

7.5.2. Axon's cumulative liability to any party for any loss or damage resulting from any claim, demand, or action arising out of or relating to any Axon Device or Service will not exceed the purchase price paid to Axon for the Axon Device, or if for Services, the amount paid for such Services over the twelve (12) months preceding the claim. Neither Party will be liable for direct, special, indirect, incidental, punitive or consequential damages, however caused, whether for breach of warranty or contract, negligence, strict liability, tort or any other legal theory.

7.6. **Online Support Platforms**. Use of Axon's online support platforms (e.g., Axon Academy and MyAxon) is governed by the Axon Online Support Platforms Terms of Use Appendix available at www.axon.com/sales-terms-and-conditions.

7.7. **Third-Party Software and Services**. Use of software or services other than those provided by Axon is governed by the terms, if any, entered into between Agency and the respective third-party provider, including, without limitation, the terms applicable to such software or services located at www.axon.com/sales-terms-and-conditions, if any.

7.8. **Axon Aid**. Upon mutual agreement between Axon and Agency, Axon may provide certain products and services to Agency, as a charitable donation under the Axon Aid program. In such event, Agency expressly waives and releases any and all claims, now known or hereafter known, against Axon and its officers, directors, employees, agents, contractors, affiliates, successors, and assigns (collectively, "**Releasees**"), including but not limited to, on account of injury, death, property damage, or loss of data, arising out of or attributable to the Axon Aid program whether arising out of the negligence of any Releasees or otherwise. Agency agrees not to make or bring any such claim against any Releasee, and forever release and discharge all Releasees from liability under such claims. Agency expressly allows Axon to publicly announce its participation in Axon Aid and use its name in marketing materials. Axon may terminate the Axon Aid program without cause immediately upon notice to the Agency.

8. **Statement of Work**. Certain Axon Devices and Services, including Axon Interview Room, Axon Channel Services,

and Axon Fleet, may require a Statement of Work that details Axon's Service deliverables ("**SOW**"). In the event Axon provides an SOW to Agency, Axon is only responsible for the performance of Services described in the SOW. Additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule. The SOW is incorporated into this Agreement by reference.

9. **Axon Device Warnings**. See www.axon.com/legal for the most current Axon Device warnings.

10. **Design Changes**. Axon may make design changes to any Axon Device or Service without notifying Agency or making the same change to Axon Devices and Services previously purchased by Agency.

11. **Bundled Offerings**. Some offerings in bundled offerings may not be generally available at the time of Agency's purchase. Axon will not provide a refund, credit, or additional discount beyond what is in the Quote due to a delay of availability or Agency's election not to utilize any portion of an Axon bundle.

12. **Insurance**. Axon will maintain General Liability, Workers' Compensation, and Automobile Liability insurance. Upon request, Axon will supply certificates of insurance.

13. **IP Rights**. Axon owns and reserves all right, title, and interest in Axon-manufactured Devices and Services and suggestions to Axon, including all related intellectual property rights. Agency will not cause any Axon proprietary rights to be violated.

14. **IP Indemnification**. Axon will indemnify Agency against all claims, losses, and reasonable expenses from any third-party claim alleging that the use of Axon-manufactured Devices or Services infringes or misappropriates the third-party's intellectual property rights. Agency must promptly provide Axon with written notice of such claim, tender to Axon the defense or settlement of such claim at Axon's expense and cooperate fully with Axon in the defense or settlement of such claim. Axon's IP indemnification obligations do not apply to claims based on (a) modification of Axon-manufactured Devices or Services by Agency or a third-party not approved by Axon; (b) use of Axon-manufactured Devices and Services in combination with hardware or services not approved by Axon; (c) use of Axon Devices and Services other than as permitted in this Agreement; or (d) use of Axon software that is not the most current release provided by Axon.

15. **Agency Responsibilities**. Agency is responsible for (a) Agency's use of Axon Devices; (b) breach of this Agreement or violation of applicable law by Agency or an Agency end user; (c) disputes between Agency and a third-party over Agency's use of Axon Devices; (d) ensuring Axon Devices are destroyed and disposed of securely and sustainably at Agency's cost; and (e) any regulatory violations or fines, as a result of improper destruction or disposal of Axon Devices.

16. **Termination**.

    16.1. **For Breach**. A Party may terminate this Agreement for cause if it provides thirty (30) days written notice of the breach to the other Party, and the breach remains uncured at the end of thirty (30) days. If Agency terminates this Agreement due to Axon's uncured breach, Axon will refund prepaid amounts on a prorated basis based on the effective date of termination.

    16.2. **By Agency**. If sufficient funds are not appropriated or otherwise legally available to pay the fees, Agency may terminate this Agreement. Agency will deliver notice of termination under this section as soon as reasonably practicable.

    16.3. **Effect of Termination**. Upon termination of this Agreement, Agency rights immediately terminate. Agency remains responsible for all fees incurred before the effective date of termination. If Agency purchases Axon Devices for less than the manufacturer's suggested retail price ("**MSRP**") and this Agreement terminates before the end of the Term, Axon will invoice Agency the difference between the MSRP for Axon Devices received, including any Spare Axon Devices, and amounts paid towards those Axon Devices. Only if terminating for non-appropriation, Agency may return Axon Devices to Axon within thirty (30) days of termination. MSRP is the standalone price of the individual Axon Device at the time of sale. For bundled Axon Devices, MSRP is the standalone price of all individual components.

17. **Confidentiality**. "**Confidential Information**" means nonpublic information designated as confidential or, given the nature of the information or circumstances surrounding disclosure, should reasonably be understood to be confidential. Each Party will take reasonable measures to avoid disclosure, dissemination, or unauthorized use of the other Party's Confidential Information. Unless required by law, neither Party will disclose the other Party's Confidential Information during the Term and for five (5) years thereafter. To the extent permissible by law, Axon pricing is Confidential Information and competition sensitive. If Agency receives a public records request to disclose Axon Confidential Information, to the extent allowed by law, Agency will provide notice to Axon before disclosure. Axon may publicly announce information related to this Agreement.

18. **General**.

18.1. **Force Majeure**. Neither Party will be liable for any delay or failure to perform due to a cause beyond a Party's reasonable control.

18.2. **Independent Contractors**. The Parties are independent contractors. Neither Party has the authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.

18.3. **Third-Party Beneficiaries**. There are no third-party beneficiaries under this Agreement.

18.4. **Non-Discrimination**. Neither Party nor its employees will discriminate against any person based on race; religion; creed; color; sex; gender identity and expression; pregnancy; childbirth; breastfeeding; medical conditions related to pregnancy, childbirth, or breastfeeding; sexual orientation; marital status; age; national origin; ancestry; genetic information; disability; veteran status; or any class protected by local, state, or federal law.

18.5. **Export Compliance**. Each Party will comply with all import and export control laws and regulations.

18.6. **Assignment**. Neither Party may assign this Agreement without the other Party's prior written consent. Axon may assign this Agreement, its rights, or obligations without consent: (a) to an affiliate or subsidiary; or (b) for purposes of financing, merger, acquisition, corporate reorganization, or sale of all or substantially all its assets. This Agreement is binding upon the Parties respective successors and assigns.

18.7. **Waiver**. No waiver or delay by either Party in exercising any right under this Agreement constitutes a waiver of that right.

18.8. **Severability**. If a court of competent jurisdiction holds any portion of this Agreement invalid or unenforceable, the remaining portions of this Agreement will remain in effect.

18.9. **Survival**. The following sections will survive termination: Payment, Warranty, Axon Device Warnings, Indemnification, IP Rights, and Agency Responsibilities.

18.10. **Governing Law**. The laws of the country, state, province, or municipality where Agency is physically located, without reference to conflict of law rules, govern this Agreement and any dispute arising from it. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.

18.11. **Notices**. All notices must be in English. Notices posted on Agency's Axon Evidence site are effective upon posting. Notices by email are effective on the sent date of the email. Notices by personal delivery are effective immediately. Notices to Agency shall be provided to the address on file with Axon. Notices to Axon shall be provided to Axon Enterprise, Inc., Attn: Legal, 17800 North 85th Street, Scottsdale, Arizona 85255 with a copy to legal@axon.com.

18.12 **Entire Agreement**. This Agreement, including the Appendices and any SOW(s), represents the entire agreement between the Parties. This Agreement supersedes all prior agreements or understandings, whether written or verbal, regarding the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by the Parties.

Each Party, by and through its respective representative authorized to execute this Agreement, has duly executed and delivered this Agreement as of the date of signature.

AXON:	**AGENCY**:
Choose an item.	_____
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

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Axon Cloud Services Terms of Use Appendix

1. Definitions.

    a. **"Agency Content"** is data uploaded into, ingested by, or created in Axon Cloud Services within Agency's tenant, including media or multimedia uploaded into Axon Cloud Services by Agency. Agency Content includes Evidence but excludes Non-Content Data.

    b. "**Evidence**" is media or multimedia uploaded into Axon Evidence as 'evidence' by an Agency. Evidence is a subset of Agency Content.

    c. "**Non-Content Data**" is data, configuration, and usage information about Agency's Axon Cloud Services tenant, Axon Devices and client software, and users that is transmitted or generated when using Axon Devices. Non-Content Data includes data about users captured during account management and customer support activities. Non-Content Data does not include Agency Content.

    d. "**Personal Data**" means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

2. **Access**. Upon Axon granting Agency a subscription to Axon Cloud Services, Agency may access and use Axon Cloud Services to store and manage Agency Content. Agency may not exceed more end users than the Quote specifies. Axon Air requires an Axon Evidence subscription for each drone operator. For Axon Evidence Lite, Agency may access and use Axon Evidence only to store and manage TASER CEW and TASER CAM data ("**TASER Data**"). Agency may not upload non-TASER Data to Axon Evidence Lite.

3. **Agency Owns Agency Content**. Agency controls and owns all right, title, and interest in Agency Content. Except as outlined herein, Axon obtains no interest in Agency Content, and Agency Content is not Axon's business records. Agency is solely responsible for uploading, sharing, managing, and deleting Agency Content. Axon will only have access to Agency Content for the limited purposes set forth herein. Agency agrees to allow Axon access to Agency Content to (a) perform troubleshooting, maintenance, or diagnostic screenings; and (b) enforce this Agreement or policies governing use of the Axon products.

4. **Security**. Axon will implement commercially reasonable and appropriate measures to secure Agency Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program to protect Axon Cloud Services and Agency Content including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital evidence; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum.

5. **Agency Responsibilities**. Agency is responsible for (a) ensuring Agency owns Agency Content; (b) ensuring no Agency Content or Agency end user's use of Agency Content or Axon Cloud Services violates this Agreement or applicable laws; and (c) maintaining necessary computer equipment and Internet connections for use of Axon Cloud Services. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to Axon Cloud Services.

    a. Agency will also maintain the security of end usernames and passwords and security and access by end users to Agency Content. Agency is responsible for ensuring the configuration and utilization of Axon Cloud Services meet applicable Agency regulation and standards. Agency may not sell, transfer, or sublicense access to any other entity or person. Agency shall contact Axon immediately if an unauthorized party may be using Agency's account or Agency Content, or if account information is lost or stolen.

    b. To the extent Agency uses the Axon Cloud Services to interact with YouTube®, such use may be governed by the YouTube Terms of Service, available at https://www.youtube.com/static?template=terms.

6. **Privacy**. Agency's use of Axon Cloud Services is subject to the Axon Cloud Services Privacy Policy, a current version of which is available at https://www.axon.com/legal/cloud-services-privacy-policy. Agency agrees to allow Axon access to Non-Content Data from Agency to (a) perform troubleshooting, maintenance, or diagnostic

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screenings; (b) provide, develop, improve, and support current and future Axon products and related services; and (c) enforce this Agreement or policies governing the use of Axon products.

7. **Axon Body 3 Wi-Fi Positioning**. Axon Body 3 cameras offer a feature to enhance location services where GPS/GNSS signals may not be available, for instance, within buildings or underground. Agency administrators can manage their choice to use this service within the administrative features of Axon Cloud Services. If Agency chooses to use this service, Axon must also enable the usage of the feature for Agency's Axon Cloud Services tenant. Agency will not see this option with Axon Cloud Services unless Axon has enabled Wi-Fi Positioning for Agency's Axon Cloud Services tenant. When Wi-Fi Positioning is enabled by both Axon and Agency, Non-Content and Personal Data will be sent to Skyhook Holdings, Inc. ("**Skyhook**") to facilitate the Wi-Fi Positioning functionality. Data controlled by Skyhook is outside the scope of the Axon Cloud Services Privacy Policy and is subject to the Skyhook Services Privacy Policy.

8. **Storage**. For Axon Unlimited Device Storage subscriptions, Agency may store unlimited data in Agency's Axon Evidence account only if data originates from Axon Capture or the applicable Axon Device. Axon may charge Agency additional fees for exceeding purchased storage amounts. Axon may place Agency Content that Agency has not viewed or accessed for six (6) months into archival storage. Agency Content in archival storage will not have immediate availability and may take up to twenty-four (24) hours to access.

   For Third-Party Unlimited Storage the following restrictions apply: (i) it may only be used in conjunction with a valid Axon's Evidence.com user license; (ii) is limited to data of the law enforcement agency that purchased the Third-Party Unlimited Storage and the Axon's Evidence.com end user or Agency is prohibited from storing data for other law enforcement agencies; and (iii) Agency may only upload and store data that is directly related to: (1) the investigation of, or the prosecution of a crime; (2) common law enforcement activities; or (3) any Agency Content created by Axon Devices or Evidence.com.

9. **Location of Storage**. Axon may transfer Agency Content to third-party subcontractors for storage. Axon will determine the locations of data centers for storage of Agency Content. For United States agencies, Axon will ensure all Agency Content stored in Axon Cloud Services remains within the United States. Ownership of Agency Content remains with Agency.

10. **Suspension**. Axon may temporarily suspend Agency's or any end user's right to access or use any portion or all of Axon Cloud Services immediately upon notice, if Agency or end user's use of or registration for Axon Cloud Services may (a) pose a security risk to Axon Cloud Services or any third-party; (b) adversely impact Axon Cloud Services, the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third-party to liability; or (d) be fraudulent. Agency remains responsible for all fees incurred through suspension. Axon will not delete Agency Content because of suspension, except as specified in this Agreement.

11. **Axon Cloud Services Warranty**. Axon disclaims any warranties or responsibility for data corruption or errors before Agency uploads data to Axon Cloud Services.

12. **Axon Records**. Axon Records is the software-as-a-service product that is generally available at the time Agency purchases an OSP 7 or OSP 10 bundle. During Agency's Axon Records Subscription Term, if any, Agency will be entitled to receive Axon's Update and Upgrade releases on an if-and-when available basis.

    a. The Axon Records Subscription Term will end upon the completion of the Axon Records Subscription as documented in the Quote, or if purchased as part of an OSP 7 or OSP 10 bundle, upon completion of the OSP 7 or OSP 10 Term ("**Axon Records Subscription**")

    b. An "**Update**" is a generally available release of Axon Records that Axon makes available from time to time. An "**Upgrade**" includes (i) new versions of Axon Records that enhance features and functionality, as solely determined by Axon; and/or (ii) new versions of Axon Records that provide additional features or perform additional functions. Upgrades exclude new products that Axon introduces and markets as distinct products or applications.

    c. New or additional Axon products and applications, as well as any Axon professional services needed to configure Axon Records, are not included. If Agency purchases Axon Records as part of a bundled offering, the Axon Record subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Records to Agency.

    d. Users of Axon Records at the Agency may upload files to entities (incidents, reports, cases, etc) in Axon Records with no limit to the number of files and amount of storage. Notwithstanding the foregoing, Axon

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may limit usage should the Agency exceed an average rate of one-hundred (100) GB per user per year of uploaded files. Axon will not bill for overages.

13. **Axon Cloud Services Restrictions**. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:

    a. copy, modify, tamper with, repair, or create derivative works of any part of Axon Cloud Services;

    b. reverse engineer, disassemble, or decompile Axon Cloud Services or apply any process to derive any source code included in Axon Cloud Services, or allow others to do the same;

    c. access or use Axon Cloud Services with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;

    d. use trade secret information contained in Axon Cloud Services, except as expressly permitted in this Agreement;

    e. access Axon Cloud Services to build a competitive device or service or copy any features, functions, or graphics of Axon Cloud Services;

    f. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Cloud Services; or

    g. use Axon Cloud Services to store or transmit infringing, libelous, or other unlawful or tortious material; material in violation of third-party privacy rights; or malicious code.

14. **After Termination**. Axon will not delete Agency Content for ninety (90) days following termination. There will be no functionality of Axon Cloud Services during these ninety (90) days other than the ability to retrieve Agency Content. Agency will not incur additional fees if Agency downloads Agency Content from Axon Cloud Services during this time. Axon has no obligation to maintain or provide Agency Content after these ninety (90) days and will thereafter, unless legally prohibited, delete all Agency Content. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Agency Content from Axon Cloud Services.

15. **Post-Termination Assistance**. Axon will provide Agency with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Agency Content, including requests for Axon's data egress service, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.

16. **U.S. Government Rights**. If Agency is a U.S. Federal department or using Axon Cloud Services on behalf of a U.S. Federal department, Axon Cloud Services is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data", as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Agency is using Axon Cloud Services on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Agency will immediately discontinue use of Axon Cloud Services.

17. **Survival**. Upon any termination of this Agreement, the following sections in this Appendix will survive: Agency Owns Agency Content, Privacy, Storage, Axon Cloud Services Warranty, and Axon Cloud Services Restrictions.

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Axon Customer Experience Improvement Program Appendix

1. **Axon Customer Experience Improvement Program (ACEIP)**. The ACEIP is designed to accelerate Axon's development of technology, such as building and supporting automated features, to ultimately increase safety within communities and drive efficiency in public safety. To this end, subject to the limitations on Axon as described below, Axon, where allowed by law, may make limited use of Agency Content from all of its customers to provide, develop, improve, and support current and future Axon products (collectively, "ACEIP Purposes"). However, at all times, Axon will comply with its obligations pursuant to the Axon Cloud Services Terms of Use Appendix to maintain a comprehensive data security program (including compliance with the CJIS Security Policy for Criminal Justice Information), privacy program, and data governance policy, including high industry standards of de-identifying Personal Data, to enforce its security and privacy obligations for the ACEIP. ACEIP has 2 tiers of participation, Tier 1 and Tier 2. By default, Agency will be a participant in ACEIP Tier 1. If Agency does not want to participate in ACEIP Tier 1, Agency can revoke its consent at any time. If Agency wants to participate in Tier 2, as detailed below, Agency can check the ACEIP Tier 2 box below. If Agency does not want to participate in ACEIP Tier 2, Agency should leave box unchecked. At any time, Agency may revoke its consent to ACEIP Tier 1, Tier 2, or both Tiers.

2. **ACEIP Tier 1.**

   2.1. When Axon uses Agency Content for the ACEIP Purposes, Axon will extract from Agency Content and may store separately copies of certain segments or elements of the Agency Content (collectively, "**ACEIP Content**"). When extracting ACEIP Content, Axon will use commercially reasonable efforts to aggregate, transform or de-identify Agency Content so that the extracted ACEIP Content is no longer reasonably capable of being associated with, or could reasonably be linked directly or indirectly to a particular individual ("**Privacy Preserving Technique(s)**"). For illustrative purposes, some examples are described in footnote 1[1]. For clarity, ACEIP Content will still be linked indirectly, with an attribution, to the Agency from which it was extracted. This attribution will be stored separately from the data itself, but is necessary for and will be solely used to enable Axon to identify and delete all ACEIP Content upon Agency request. Once de-identified, ACEIP Content may then be further modified, analyzed, and used to create derivative works. At any time, Agency may revoke the consent granted herein to Axon to access and use Agency Content for ACEIP Purposes. Within 30 days of receiving the Agency's request, Axon will no longer access or use Agency Content for ACEIP Purposes and will delete any and all ACEIP Content. Axon will also delete any derivative works which may reasonably be capable of being associated with, or could reasonably be linked directly or indirectly to Agency. In addition, if Axon uses Agency Content for the ACEIP Purposes, upon request, Axon will make available to Agency a list of the specific type of Agency Content being used to generate ACEIP Content, the purpose of such use, and the retention, privacy preserving extraction technique, and relevant data protection practices applicable to the Agency Content or ACEIP Content ("**Use Case**"). From time to time, Axon may develop and deploy new Use Cases. At least 30 days prior to authorizing the deployment of any new Use Case, Axon will provide Agency notice (by updating the list of Use Case at https://www.axon.com/aceip and providing Agency with a mechanism to obtain notice of that update or another commercially reasonable method to Agency designated contact) ("**New Use Case**").

   2.2. **Expiration of ACEIP Tier 1**. Agency consent granted herein will expire upon termination of the Agreement. In accordance with section 1.1.1, within 30 days of receiving the Agency's request, Axon will no longer access or use Agency Content for ACEIP Purposes and will delete ACEIP Content. Axon will also delete any derivative works which may reasonably be capable of being associated with, or could reasonably be linked directly or indirectly to, Agency.

3. **ACEIP Tier 2**. In addition to ACEIP Tier 1, if Agency wants to help further improve Axon's services, Agency may choose to participate in Tier 2 of the ACEIP. ACEIP Tier 2 grants Axon certain additional rights to use Agency Content, in addition to those set forth in Tier 1 above, without the guaranteed deployment of a Privacy Preserving Technique

[1] For example; (a) when extracting specific text to improve automated transcription capabilities, text that could be used to directly identify a particular individual would not be extracted, and extracted text would be disassociated from identifying metadata of any speakers, and the extracted text would be split into individual words and aggregated with other data sources (including publicly available data) to remove any reasonable ability to link any specific text directly or indirectly back to a particular individual; (b) when extracting license plate data to improve Automated License Plate Recognition (ALPR) capabilities, individual license plate characters would be extracted and disassociated from each other so a complete plate could not be reconstituted, and all association to other elements of the source video, such as the vehicle, location, time, and the surrounding environment would also be removed; (c) when extracting audio of potential acoustic events (such as glass breaking or gun shots), very short segments (<1 second) of audio that only contains the likely acoustic events would be extracted and all human utterances would be removed.

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to enable product development, improvement, and support that cannot be accomplished with aggregated, transformed, or de-identified data.

☐ Check this box if Agency wants to help further improve Axon's services by participating in ACEIP Tier 2 in addition to Tier 1. Axon will not enroll Agency into ACEIP Tier 2 until Axon and Agency agree to terms in writing providing for such participation in ACEIP Tier 2.

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Professional Services Appendix

If any of the Professional Services specified below are included on the Quote, this Appendix applies.

1. **Utilization of Services**. Agency must use professional services as outlined in the Quote and this Appendix within six (6) months of the Effective Date.

2. **Axon Full Service (Axon Full Service)**. Axon Full Service includes advance remote project planning and configuration support and up to four (4) consecutive days of on-site service and a professional services manager to work with Agency to assess Agency's deployment and determine which on-site services are appropriate. If Agency requires more than four (4) consecutive on-site days, Agency must purchase additional days. Axon Full Service options include:

System set up and configuration • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories and custom roles based on Agency need • Register cameras to Agency domain • Troubleshoot IT issues with Axon Evidence and Axon Dock ("**Dock**") access • One on-site session included
Dock configuration • Work with Agency to decide the ideal location of Docks and set configurations on Dock • Authenticate Dock with Axon Evidence using admin credentials from Agency • On-site assistance, not to include physical mounting of docks
Best practice implementation planning session • Provide considerations for the establishment of video policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata in the field for organization purposes and other best practices for digital data management • Provide referrals of other agencies using the Axon camera devices and Axon Evidence • Recommend rollout plan based on review of shift schedules
System Admin and troubleshooting training sessions Step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon has fulfilled its contractual on-site obligations
Evidence sharing training Tailored workflow instruction for Investigative Units on sharing Cases and Evidence with local prosecuting agencies
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide
Post go-live review

3. **Body-Worn Camera Starter Service (Axon Starter)**. Axon Starter includes advance remote project planning and configuration support and one (1) day of on-site Services and a professional services manager to work closely with Agency to assess Agency's deployment and determine which Services are appropriate. If Agency requires more than one (1) day of on-site Services, Agency must purchase additional on-site Services. The Axon Starter options include:

System set up and configuration (Remote Support) • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories & custom roles based on Agency need • Troubleshoot IT issues with Axon Evidence and Dock access

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Dock configuration • Work with Agency to decide the ideal location of Dock setup and set configurations on Dock • Authenticate Dock with Axon Evidence using "Administrator" credentials from Agency • Does not include physical mounting of docks
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon's has fulfilled its contracted on-site obligations
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide

4. **Body-Worn Camera Virtual 1-Day Service (Axon Virtual)**. Axon Virtual includes all items in the BWC Starter Service Package, except one (1) day of on-site services.

5. **CEW Services Packages**. CEW Services Packages are detailed below:

System set up and configuration • Configure Axon Evidence categories & custom roles based on Agency need. • Troubleshoot IT issues with Axon Evidence. • Register users and assign roles in Axon Evidence. • **For the CEW Full Service Package**: On-site assistance included • **For the CEW Starter Package**: Virtual assistance included
Dedicated Project Manager Assignment of specific Axon representative for all aspects of planning the rollout (Project Manager). Ideally, Project Manager will be assigned to Agency 4–6 weeks before rollout
Best practice implementation planning session to include: • Provide considerations for the establishment of CEW policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata and best practices for digital data management • Provide referrals to other agencies using TASER CEWs and Axon Evidence • **For the CEW Full Service Package:** On-site assistance included • **For the CEW Starter Package:** Virtual assistance included
System Admin and troubleshooting training sessions On-site sessions providing a step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence
Axon Evidence Instructor training • Provide training on the Axon Evidence to educate instructors who can support Agency's subsequent Axon Evidence training needs. • **For the CEW Full Service Package:** Training for up to 3 individuals at Agency • **For the CEW Starter Package:** Training for up to 1 individual at Agency
TASER CEW inspection and device assignment Axon's on-site professional services team will perform functions check on all new TASER CEW Smart weapons and assign them to a user on Axon Evidence.
Post go-live review **For the CEW Full Service Package**: On-site assistance included. **For the CEW Starter Package**: Virtual assistance included.

6. **Smart Weapon Transition Service**. The Smart Weapon Transition Service includes:

Archival of CEW Firing Logs Axon's on-site professional services team will upload CEW firing logs to Axon Evidence from all TASER CEW Smart Weapons that Agency is replacing with newer Smart Weapon models.

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Return of Old Weapons
Axon's on-site professional service team will ship all old weapons back to Axon's headquarters. Axon will provide Agency with a Certificate of Destruction

*Note: CEW Full Service packages for TASER 7 or TASER 10 include Smart Weapon Transition Service instead of 1-Day Device Specific Instructor Course.

7. **VR Services Package.** VR Service includes advance remote project planning and configuration support and one (1) day of on-site service and a professional services manager to work with Agency to assess Agency's deployment and determine which Services are appropriate. The VR Service training options include:

System set up and configuration (Remote Support) • Instructor-led setup of Axon VR headset content • Configure agency settings based on Agency need • Troubleshoot IT issues with Axon VR headset
Axon instructor training (Train the Trainer) Training for up to five (5) Agency's in-house instructors who can support Agency's Axon VR CET and SIM training needs after Axon's has fulfilled its contracted on-site obligations
Classroom and practical training sessions Step-by-step explanation and assistance for Agency's configuration of Axon VR CET and SIM functionality, basic operation, and best practices

8. **Axon Air, On-Site Training.** Axon Air, On-Site training includes advance remote project planning and configuration support and one (1) day of on-site Services and a professional services manager to work closely with Agency to assess Agency's deployment and determine which Services are appropriate. If Agency's requires more than one (1) day of on-site Services, Agency must purchase additional on-site Services. The Axon Air, On-Site training options include:

System set up and configuration (Remote Support) • Instructor-led setup of Axon Air App (ASDS) • Configure agency settings based on Agency need • Configure drone controller • Troubleshoot IT issues with Axon Evidence
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon Air and Axon Evidence training needs after Axon's has fulfilled its contracted on-site obligations
Classroom and practical training sessions Step-by-step explanation and assistance for Agency's configuration of Axon Respond+ livestreaming functionality, basic operation, and best practices

9. **Axon Air, Virtual Training.** Axon Air, Virtual training includes all items in the Axon Air, On-Site Training Package, except the practical training session, with the Axon Instructor training for up to four hours virtually.

10. **Signal Sidearm Installation Service**.

    a. **Purchases of 50 SSA units or more**: Axon will provide one (1) day of on-site service and one professional services manager and will provide train the trainer instruction, with direct assistance on the first of each unique holster/mounting type. Agency is responsible for providing a suitable work/training area.

    b. **Purchases of less than 50 SSA units:** Axon will provide a 1-hour virtual instruction session on the basics of installation and device calibration.

11. **Out of Scope Services**. Axon is only responsible to perform the professional services described in the Quote and this Appendix. Any additional professional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

12. **Delivery of Services**. Axon personnel will work Monday through Friday, 8:30 a.m. to 5:30 p.m., except holidays. Axon will perform all on-site tasks over a consecutive timeframe. Axon will not charge Agency travel time by Axon personnel to Agency premises as work hours.

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13. **Access Computer Systems to Perform Services**. Agency authorizes Axon to access relevant Agency computers and networks, solely for performing the Services. Axon will work to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial itemized list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

14. **Site Preparation**. Axon will provide a hardcopy or digital copy of current user documentation for the Axon Devices ("**User Documentation**"). User Documentation will include all required environmental specifications for the professional services and Axon Devices to operate per the Axon Device User Documentation. Before installation of Axon Devices (whether performed by Agency or Axon), Agency must prepare the location(s) where Axon Devices are to be installed ("**Installation Site**") per the environmental specifications in the Axon Device User Documentation. Following installation, Agency must maintain the Installation Site per the environmental specifications. If Axon modifies Axon Device User Documentation for any Axon Devices under this Agreement, Axon will provide the update to Agency when Axon generally releases it

15. **Acceptance**. When Axon completes professional services, Axon will present an acceptance form ("**Acceptance Form**") to Agency. Agency will sign the Acceptance Form acknowledging completion. If Agency reasonably believes Axon did not complete the professional services in substantial conformance with this Agreement, Agency must notify Axon in writing of the specific reasons for rejection within seven (7) calendar days from delivery of the Acceptance Form. Axon will address the issues and re-present the Acceptance Form for signature. If Axon does not receive the signed Acceptance Form or written notification of reasons for rejection within seven (7) calendar days of delivery of the Acceptance Form, Axon will deem Agency to have accepted the professional services.

16. **Agency Network**. For work performed by Axon transiting or making use of Agency's network, Agency is solely responsible for maintenance and functionality of the network. In no event will Axon be liable for loss, damage, or corruption of Agency's network from any cause.

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Technology Assurance Plan Appendix

If Technology Assurance Plan ("**TAP**") or a bundle including TAP is on the Quote, this appendix applies.

1. **TAP Warranty**. The TAP warranty is an extended warranty that starts at the end of the one- (1-) year hardware limited warranty.
2. **Officer Safety Plan**. If Agency purchases an Officer Safety Plan ("**OSP**"), Agency will receive the deliverables detailed in the Quote. Agency must accept delivery of the TASER CEW and accessories as soon as available from Axon.
3. **OSP 7 or OSP 10 Term**. OSP 7 or OSP 10 begins on the date specified in the Quote ("**OSP Term**").
4. **TAP BWC Upgrade**. If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon body-worn camera ("**BWC Upgrade**") as scheduled in the Quote. If Agency purchased TAP, Axon will provide a BWC Upgrade that is the same or like Axon Device, at Axon's option. Axon makes no guarantee the BWC Upgrade will utilize the same accessories or Axon Dock.
5. **TAP Dock Upgrade**. If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon Dock as scheduled in the Quote ("**Dock Upgrade**"). Accessories associated with any Dock Upgrades are subject to change at Axon discretion. Dock Upgrades will only include a new Axon Dock bay configuration unless a new Axon Dock core is required for BWC compatibility. If Agency originally purchased a single-bay Axon Dock, the Dock Upgrade will be a single-bay Axon Dock model that is the same or like Axon Device, at Axon's option. If Agency originally purchased a multi-bay Axon Dock, the Dock Upgrade will be a multi-bay Axon Dock that is the same or like Axon Device, at Axon's option.
6. **Upgrade Delay**. Axon may ship the BWC and Dock Upgrades as scheduled in the Quote without prior confirmation from Agency unless the Parties agree in writing otherwise at least ninety (90) days in advance. Axon may ship the final BWC and Dock Upgrade as scheduled in the Quote sixty (60) days before the end of the Subscription Term without prior confirmation from Agency.
7. **Upgrade Change**. If Agency wants to upgrade Axon Device models from the current Axon Device to an upgraded Axon Device, Agency must pay the price difference between the MSRP for the current Axon Device and the MSRP for the upgraded Axon Device. If the model Agency desires has an MSRP less than the MSRP of the offered BWC Upgrade or Dock Upgrade, Axon will not provide a refund. The MSRP is the MSRP in effect at the time of the upgrade.
8. **Return of Original Axon Device**. Within thirty (30) days of receiving a BWC or Dock Upgrade, Agency must return the original Axon Devices to Axon or destroy the Axon Devices and provide a certificate of destruction to Axon including serial numbers for the destroyed Axon Devices. If Agency does not return or destroy the Axon Devices, Axon will deactivate the serial numbers for the Axon Devices received by Agency.
9. **Termination**. If Agency's payment for TAP, OSP, or Axon Evidence is more than thirty (30) days past due, Axon may terminate TAP or OSP. Once TAP or OSP terminates for any reason:
   - 9.1. TAP and OSP coverage terminate as of the date of termination and no refunds will be given.
   - 9.2. Axon will not and has no obligation to provide the Upgrade Models.
   - 9.3. Agency must make any missed payments due to the termination before Agency may purchase any future TAP or OSP.

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TASER 7 Appendix

This TASER 7 Appendix applies to Agency's TASER 7, OSP 7, or OSP 7 Plus purchase from Axon, if applicable.

1. **Duty Cartridge Replenishment Plan**. If the Quote includes "**Duty Cartridge Replenishment Plan**", Agency must purchase the plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty and those that only use a CEW for training. Agency may not resell cartridges received. Axon will only replace cartridges used in the line of duty.

2. **Training**. If the Quote includes a training voucher, Agency must use the voucher within one (1) year of issuance, or the voucher will be void. Axon will issue Agency a voucher annually beginning on the start of the TASER Subscription Term. The voucher has no cash value. Agency cannot exchange it for another device or service. Unless stated in the Quote, the voucher does not include travel expenses and will be Agency's responsibility. If the Quote includes Axon Online Training or Virtual Reality Content Empathy Development for Autism/Schizophrenia (collectively, "**Training Content**"), Agency may access Training Content. Axon will deliver all Training Content electronically.

3. **TASER Upgrade**. If Agency purchases Axon's 10-year certification program for Axon's latest version of its TASER energy weapon ("Certification Program") and has no outstanding payment obligations as of the beginning of the sixth (6^{th}) year of the Certification Program, Agency will qualify for an upgrade to any subsequent version of the Certification Program ("CEW Upgrade"). Agency will receive the CEW Upgrade at no additional cost, only to the extent such subsequent version of the Certification Program includes the same products or features as the Certification Program purchased by Agency. If Agency wants to upgrade to a Certification Program that includes additional products or features, Agency will pay the additional cost associated with such products and features. For the avoidance of doubt, Agency is not required to upgrade to any subsequent version of the Certification Program. Axon may ship the CEW Upgrade as scheduled in the Quote without prior confirmation from agency unless the Parties agree in writing otherwise at least ninety (90) days in advance. If necessary to maintain compatibility among Axon Devices, within thirty (30) days of receiving the CEW Upgrade, Agency must, if requested by Axon, return all hardware and related accessories received in connection with the Certification Program to Axon. In such event, Agency must ship batteries via ground shipping or in accordance with federal regulations in place at the time of the return. Axon will pay shipping costs for the return if Agency uses Axon's RMA process.

4. **Extended Warranty**. If the Quote includes an extended warranty, the extended warranty coverage period warranty will be for a five- (5-) year term, which includes the hardware manufacturer's warranty plus the four- (4-) year extended term.

5. **Trade-in**. If the Quote contains a discount on CEW-related line items, including items related to OSP, then that discount may only be applied as a trade-in credit, and Agency must return used hardware and accessories associated with the discount ("**Trade-In Units**") to Axon. Agency must ship batteries via ground shipping. Axon will pay shipping costs of the return. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Agency the value of the trade-in credit. Agency may not destroy Trade-In Units and receive a trade-in credit.

Agency Size	Days to Return from Start Date of TASER 7 Subscription
Less than 100 officers	30 days
100 to 499 officers	90 days
500+ officers	180 days

6. **TASER 7 Subscription Term**. The TASER 7 Subscription Term for a standalone TASER 7 purchase begins on shipment of the TASER 7 hardware. The TASER 7 Subscription Term for OSP 7 begins on the OSP 7 start date.

7. **Access Rights**. Upon Axon granting Agency a TASER 7 Axon Evidence subscription, Agency may access and use Axon Evidence for the storage and management of data from TASER 7 CEW devices during the TASER 7 Subscription Term. Agency may not exceed the number of end users the Quote specifies.

8. **Privacy.** Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content, so Agency may file an objection with the court or administrative body.

9. **Termination**. If payment for TASER 7 is more than thirty (30) days past due, Axon may terminate Agency's TASER 7 plan by notifying Agency. Upon termination for any reason, then as of the date of termination:

   9.1. TASER 7 extended warranties and access to Training Content will terminate. No refunds will be given.

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9.2. Axon will invoice Agency the remaining MSRP for TASER 7 products received before termination. If terminating for non-appropriations, Axon will not invoice Agency if Agency returns the CEW, rechargeable battery, holster, dock, core, training suits, and unused cartridges to Axon within thirty (30) days of the date of termination.

9.3. Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future TASER 7 plan.

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TASER 10 Appendix

This TASER 10 Appendix applies to Agency's TASER 10, OSP 10, OSP Plus, or OSP 10 Plus Premium purchase from Axon, if applicable.

1. **Duty Cartridge Replenishment Plan**. If the Quote includes "**Duty Cartridge Replenishment Plan**", Agency must purchase the plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty and those that only use a CEW for training. Agency may not resell cartridges received. Axon will only replace cartridges used in the line of duty.
2. **Training**. If the Quote includes a training voucher, Agency must use the voucher within one (1) year of issuance, or the voucher will be void. Axon will issue Agency a voucher annually beginning on the start of the TASER Subscription Term. The voucher has no cash value. Agency cannot exchange it for another device or service. Unless stated in the Quote, the voucher does not include travel expenses and will be Agency's responsibility. If the Quote includes Axon Online Training or Virtual Reality Content Empathy Development for Autism/Schizophrenia (collectively, "**Training Content**"), Agency may access Training Content. Axon will deliver all Training Content electronically.
3. **Extended Warranty**. If the Quote includes an extended warranty, the extended warranty coverage period warranty will be for a five- (5-) year term, which includes the hardware manufacturer's warranty plus the four- (4-) year extended term.
4. **Trade-in**. If the Quote contains a discount on CEW-related line items, including items related to OSP, then that discount may only be applied as a trade-in credit, and Agency must return used hardware and accessories associated with the discount ("**Trade-In Units**") to Axon. Agency must ship batteries via ground shipping. Axon will pay shipping costs of the return. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Agency the value of the trade-in credit. Agency may not destroy Trade-In Units and receive a trade-in credit.

Agency Size	Days to Return from Start Date of TASER 10 Subscription
Less than 100 officers	60 days
100 to 499 officers	90 days
500+ officers	180 days

5. **TASER 10 Subscription Term**. The TASER 10 Subscription Term for a standalone TASER 10 purchase begins on shipment of the TASER 10 hardware. The TASER 10 Subscription Term for OSP 10 begins on the OSP 10 start date.
6. **Access Rights**. Upon Axon granting Agency a TASER 10 Axon Evidence subscription, Agency may access and use Axon Evidence for the storage and management of data from TASER 10 CEW devices during the TASER 10 Subscription Term. Agency may not exceed the number of end users the Quote specifies.
7. **Agency Warranty.** If Agency is located in the US, Agency warrants and acknowledges that TASER 10 is classified as a firearm and is being acquired for official Agency use pursuant to a law enforcement agency transfer under the Gun Control Act of 1968.
8. **Purchase Order.** To comply with applicable laws and regulations, Agency must provide a purchase order to Axon prior to shipment of TASER 10.
9. **Apollo Grant (US only).** If Agency has received an Apollo Grant from Axon, Agency must pay all fees in the Quote prior to upgrading to any new TASER CEW offered by Axon.

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Axon Auto-Tagging Appendix

If Auto-Tagging is included on the Quote, this Appendix applies.

1. **Scope.** Axon Auto-Tagging consists of the development of a module to allow Axon Evidence to interact with Agency's Computer-Aided Dispatch ("**CAD**") or Records Management Systems ("**RMS**"). This allows end users to auto-populate Axon video meta-data with a case ID, category, and location-based on data maintained in Agency's CAD or RMS.

2. **Support**. For thirty (30) days after completing Auto-Tagging Services, Axon will provide up to five (5) hours of remote support at no additional charge. Axon will provide free support due to a change in Axon Evidence, if Agency maintains an Axon Evidence and Auto-Tagging subscription. Axon will not provide support if a change is required because Agency changes its CAD or RMS.

3. **Changes**. Axon is only responsible to perform the Services in this Appendix. Any additional Services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

4. **Agency Responsibilities**. Axon's performance of Auto-Tagging Services requires Agency to:

   4.1. Make available relevant systems, including Agency's current CAD or RMS, for assessment by Axon (including remote access if possible);

   4.2. Make required modifications, upgrades or alterations to Agency's hardware, facilities, systems and networks related to Axon's performance of Auto-Tagging Services;

   4.3. Provide access to the premises where Axon is performing Auto-Tagging Services, subject to Agency safety and security restrictions, and allow Axon to enter and exit the premises with laptops and materials needed to perform Auto-Tagging Services;

   4.4. Provide all infrastructure and software information (TCP/IP addresses, node names, network configuration) necessary for Axon to provide Auto-Tagging Services;

   4.5. Promptly install and implement any software updates provided by Axon;

   4.6. Ensure that all appropriate data backups are performed;

   4.7. Provide assistance, participation, and approvals in testing Auto-Tagging Services;

   4.8. Provide Axon with remote access to Agency's Axon Evidence account when required;

   4.9. Notify Axon of any network or machine maintenance that may impact the performance of the module at Agency; and

   4.10. Ensure reasonable availability of knowledgeable staff and personnel to provide timely, accurate, complete, and up-to-date documentation and information to Axon.

5. **Access to Systems**. Agency authorizes Axon to access Agency's relevant computers, network systems, and CAD or RMS solely for performing Auto-Tagging Services. Axon will work diligently to identify the resources and information Axon expects to use and will provide an initial list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

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Axon Fleet Appendix

If Axon Fleet is included on the Quote, this Appendix applies.

1. Agency Responsibilities.

   19. Agency must ensure its infrastructure and vehicles adhere to the minimum requirements to operate Axon Fleet 2 or Axon Fleet 3 (collectively, "**Axon Fleet**") as established by Axon during the qualifier call and on-site assessment at Agency and in any technical qualifying questions. If Agency's representations are inaccurate, the Quote is subject to change.

   20. Agency is responsible for providing a suitable work area for Axon or Axon third-party providers to install Axon Fleet systems into Agency vehicles. Agency is responsible for making available all vehicles for which installation services were purchased, during the agreed upon onsite installation dates, Failure to make vehicles available may require an equitable adjustment in fees or schedule.

2. **Cradlepoint**. If Agency purchases Cradlepoint Enterprise Cloud Manager, Agency will comply with Cradlepoint's end user license agreement. The term of the Cradlepoint license may differ from the Axon Evidence Subscription. If Agency requires Cradlepoint support, Agency will contact Cradlepoint directly.

3. **Third-party Installer**. Axon will not be liable for the failure of Axon Fleet hardware to operate per specifications if such failure results from installation not performed by, or as directed by Axon.

4. Wireless Offload Server.

   4.1. **License Grant**. Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use Wireless Offload Server ("**WOS**"). "Use" means storing, loading, installing, or executing WOS solely for data communication with Axon Devices for the number of licenses purchased. The WOS term begins upon the start of the Axon Evidence Subscription.

   4.2. **Restrictions**. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of WOS; (b) reverse engineer, disassemble, or decompile WOS, apply any process to derive the source code of WOS, or allow others to do so; (c) access or use WOS to avoid incurring fees or exceeding usage limits; (d) copy WOS in whole or part; (e) use trade secret information contained in WOS; (f) resell, rent, loan or sublicense WOS; (g) access WOS to build a competitive device or service or copy any features, functions or graphics of WOS; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within WOS.

   4.3. **Updates**. If Agency purchases WOS maintenance, Axon will make updates and error corrections to WOS ("**WOS Updates**") available electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate Internet access to receive WOS Updates and maintaining computer equipment necessary for use of WOS. The Quote will detail the maintenance term.

   4.4. **WOS Support**. Upon request by Axon, Agency will provide Axon with access to Agency's store and forward servers solely for troubleshooting and maintenance.

5. Axon Vehicle Software.

   5.1. **License Grant**. Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use ViewXL or Dashboard (collectively, "**Axon Vehicle Software**".) "Use" means storing, loading, installing, or executing Axon Vehicle Software solely for data communication with Axon Devices. The Axon Vehicle Software term begins upon the start of the Axon Evidence Subscription.

   5.2. **Restrictions**. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of Axon Vehicle Software; (b) reverse engineer, disassemble, or decompile Axon Vehicle Software, apply any process to derive the source code of Axon Vehicle Software, or allow others to do so; (c) access or use Axon Vehicle Software to avoid incurring fees or exceeding usage limits; (d) copy Axon Vehicle Software in whole or part; (e) use trade secret information contained in Axon Vehicle Software; (f) resell, rent, loan or sublicense Axon Vehicle Software; (g) access Axon Vehicle Software to build a competitive device or service or copy any features, functions or graphics of Axon Vehicle Software; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Axon Vehicle Software.

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6. **Acceptance Checklist**. If Axon provides services to Agency pursuant to any statement of work in connection with Axon Fleet, within seven (7) days of the date on which Agency retrieves Agency's vehicle(s) from the Axon installer, said vehicle having been installed and configured with tested and fully and properly operational in-car hardware and software identified above, Agency will receive a Professional Services Acceptance Checklist to submit to Axon indicating acceptance or denial of said deliverables.

7. **Axon Fleet Upgrade**. If Agency has no outstanding payment obligations and has purchased the "Fleet Technology Assurance Plan" (Fleet TAP), Axon will provide Agency with the same or like model of Fleet hardware ("**Axon Fleet Upgrade**") as scheduled on the Quote.

   7.1. If Agency would like to change models for the Axon Fleet Upgrade, Agency must pay the difference between the MSRP for the offered Axon Fleet Upgrade and the MSRP for the model desired. The MSRP is the MSRP in effect at the time of the upgrade. Agency is responsible for the removal of previously installed hardware and installation of the Axon Fleet Upgrade.

   7.2. Within thirty (30) days of receiving the Axon Fleet Upgrade, Agency must return the original Axon Devices to Axon or destroy the Axon Devices and provide a certificate of destruction to Axon, including serial numbers of the destroyed Axon Devices. If Agency does not destroy or return the Axon Devices to Axon, Axon will deactivate the serial numbers for the Axon Devices received by Agency.

8. **Axon Fleet Termination.** Axon may terminate Agency's Fleet subscription for non-payment. Upon any termination:

   8.1. Axon Fleet subscription coverage terminates, and no refunds will be given.

   8.2. Axon will not and has no obligation to provide the Axon Fleet Upgrade.

   8.3. Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future Fleet TAP.

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Axon Respond Appendix

This Axon Respond Appendix applies to both Axon Respond and Axon Respond Plus, if either is included on the Quote.

1. **Axon Respond Subscription Term**. If Agency purchases Axon Respond as part of a bundled offering, the Axon Respond subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Respond to Agency. If Agency purchases Axon Respond as a standalone, the Axon Respond subscription begins the later of the (1) date Axon provisions Axon Respond to Agency, or (2) first day of the month following the Effective Date. The Axon Respond subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Respond.

2. **Scope of Axon Respond**. The scope of Axon Respond is to assist Agency with real-time situational awareness during critical incidents to improve officer safety, effectiveness, and awareness. In the event Agency uses Axon Respond outside this scope, Axon may initiate good-faith discussions with Agency on upgrading Agency's Axon Respond to better meet Agency's needs.

3. **Axon Body 3 LTE Requirements**. Axon Respond is only available and usable with an LTE enabled body-worn camera. Axon is not liable if Agency utilizes the LTE device outside of the coverage area or if the LTE carrier is unavailable. LTE coverage is only available in the United States, including any U.S. territories. Axon may utilize a carrier of Axon's choice to provide LTE service. Axon may change LTE carriers during the Term without Agency's consent.

4. **Axon Fleet 3 LTE Requirements.** Axon Respond is only available and usable with a Fleet 3 system configured with LTE modem and service. Agency is responsible for providing LTE service for the modem. Coverage and availability of LTE service is subject to Agency's LTE carrier.

5. **Axon Respond Service Limitations**. Agency acknowledges that LTE service is made available only within the operating range of the networks. Service may be temporarily refused, interrupted, or limited because of: (a) facilities limitations; (b) transmission limitations caused by atmospheric, terrain, other natural or artificial conditions adversely affecting transmission, weak batteries, system overcapacity, movement outside a service area or gaps in coverage in a service area, and other causes reasonably outside of the carrier's control such as intentional or negligent acts of third parties that damage or impair the network or disrupt service; or (c) equipment modifications, upgrades, relocations, repairs, and other similar activities necessary for the proper or improved operation of service.

    5.1. With regard to Axon Body 3, Partner networks are made available as-is and the carrier makes no warranties or representations as to the availability or quality of roaming service provided by carrier partners, and the carrier will not be liable in any capacity for any errors, outages, or failures of carrier partner networks. Agency expressly understands and agrees that it has no contractual relationship whatsoever with the underlying wireless service provider or its affiliates or contractors and Agency is not a third-party beneficiary of any agreement between Axon and the underlying carrier.

6. **Termination**. Upon termination of this Agreement, or if Agency stops paying for Axon Respond or bundles that include Axon Respond, Axon will end Axon Respond services, including any Axon-provided LTE service.

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Add-on Services Appendix

This Appendix applies if Axon Community Request, Axon Redaction Assistant, and/or Axon Performance are included on the Quote.

1. **Subscription Term**. If Agency purchases Axon Community Request, Axon Redaction Assistant, or Axon Performance as part of OSP 7 or OSP 10, the subscription begins on the later of the (1) start date of the OSP 7 or OSP 10 Term, or (2) date Axon provisions Axon Community Request Axon Redaction Assistant, or Axon Performance to Agency.

   1.1. If Agency purchases Axon Community Request, Axon Redaction Assistant, or Axon Performance as a standalone, the subscription begins the later of the (1) date Axon provisions Axon Community Request, Axon Redaction Assistant, or Axon Performance to Agency, or (2) first day of the month following the Effective Date.

   1.2. The subscription term will end upon the completion of the Axon Evidence Subscription associated with the add-on.

2. **Axon Community Request Storage**. For Axon Community Request, Agency may store an unlimited amount of data submitted through the public portal ("**Portal Content**"), within Agency's Axon Evidence instance. The post-termination provisions outlined in the Axon Cloud Services Terms of Use Appendix also apply to Portal Content.

3. **Performance Auto-Tagging Data**. In order to provide some features of Axon Performance to Agency, Axon will need to store call for service data from Agency's CAD or RMS.

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Axon Auto-Transcribe Appendix

This Appendix applies if Axon Auto-Transcribe is included on the Quote.

1. **Subscription Term.** If Agency purchases Axon Auto-Transcribe as part of a bundle or Axon Cloud Services subscription, the subscription begins on the later of the (1) start date of the bundle or Axon Cloud Services license term, or (2) date Axon provisions Axon Auto-Transcribe to Agency. If Agency purchases Axon Auto-Transcribe minutes as a standalone, the subscription begins on the date Axon provisions Axon Auto-Transcribe to Agency.

   1.1. If Agency cancels Auto-Transcribe services, any amounts owed by the Parties will be based on the amount of time passed under the annual subscription, rather than on the number of minutes used, regardless of usage.

2. **Auto-Transcribe A-La-Carte Minutes.** Upon Axon granting Agency a set number of minutes, Agency may utilize Axon Auto-Transcribe, subject to the number of minutes allowed on the Quote. Agency will not have the ability to roll over unused minutes to future Auto-Transcribe terms. Axon may charge Agency additional fees for exceeding the number of purchased minutes. Axon Auto-Transcribe minutes expire one year after being provisioned to Agency by Axon.

3. **Axon Unlimited Transcribe.** Upon Axon granting Agency an Unlimited Transcribe subscription to Axon Auto-Transcribe, Agency may utilize Axon Auto-Transcribe with no limit on the number of minutes. Unlimited Transcribe includes automatic transcription of all Axon BWC and Axon Capture footage. With regard to Axon Interview Room, Axon Fleet, Axon Citizen, or third-party transcription, transcription must be requested on demand. Notwithstanding the foregoing, Axon may limit usage after 5,000 minutes per user per month for multiple months in a row. Axon will not bill for overages.

4. **Warranty.** Axon disclaims all warranties, express or implied, for Axon Auto-Transcribe.

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Axon Virtual Reality Content Terms of Use Appendix

If Virtual Reality is included on the Quote, this Appendix applies.

1. **Term**. The Quote will detail the products and license duration, as applicable, of the goods, services, and software, and contents thereof, provided by Axon to Agency related to virtual reality (collectively, "**Virtual Reality Media**").

2. **Headsets**. Agency may purchase additional virtual reality headsets from Axon. In the event Agency decides to purchase additional virtual reality headsets for use with Virtual Reality Media, Agency must purchase those headsets from Axon.

3. **License Restrictions**. All licenses will immediately terminate if Agency does not comply with any term of this Agreement. If Agency utilizes more users than stated in this Agreement, Agency must purchase additional Virtual Reality Media licenses from Axon. Agency may not use Virtual Reality Media for any purpose other than as expressly permitted by this Agreement. Agency may not:

   3.1. modify, tamper with, repair, or otherwise create derivative works of Virtual Reality Media;

   3.2. reverse engineer, disassemble, or decompile Virtual Reality Media or apply any process to derive the source code of Virtual Reality Media, or allow others to do the same;

   3.3. copy Virtual Reality Media in whole or part, except as expressly permitted in this Agreement;

   3.4. use trade secret information contained in Virtual Reality Media;

   3.5. resell, rent, loan or sublicense Virtual Reality Media;

   3.6. access Virtual Reality Media to build a competitive device or service or copy any features, functions, or graphics of Virtual Reality Media; or

   3.7. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Virtual Reality Media or any copies of Virtual Reality Media.

4. **Privacy**. Agency's use of the Virtual Reality Media is subject to the Axon Virtual Reality Privacy Policy, a current version of which is available at https://www.axon.com/axonvrprivacypolicy.

5. **Termination**. Axon may terminate Agency's license immediately for Agency's failure to comply with any of the terms in this Agreement.

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Axon Evidence Local Software Appendix

This Appendix applies if Axon Evidence Local is included on the Quote.

1. **License**. Axon owns all executable instructions, images, icons, sound, and text in Axon Evidence Local. All rights are reserved to Axon. Axon grants a non-exclusive, royalty-free, worldwide right and license to use Axon Evidence Local. "Use" means storing, loading, installing, or executing Axon Evidence Local exclusively for data communication with an Axon Device. Agency may use Axon Evidence Local in a networked environment on computers other than the computer it installs Axon Evidence Local on, so long as each execution of Axon Evidence Local is for data communication with an Axon Device. Agency may make copies of Axon Evidence Local for archival purposes only. Axon shall retain all copyright, trademark, and proprietary notices in Axon Evidence Local on all copies or adaptations.
2. **Term**. The Quote will detail the duration of the Axon Evidence Local license, as well as any maintenance. The term will begin upon installation of Axon Evidence Local.
3. **License Restrictions**. All licenses will immediately terminate if Agency does not comply with any term of this Agreement. Agency may not use Axon Evidence Local for any purpose other than as expressly permitted by this Agreement. Agency may not:
   - 3.1. modify, tamper with, repair, or otherwise create derivative works of Axon Evidence Local;
   - 3.2. reverse engineer, disassemble, or decompile Axon Evidence Local or apply any process to derive the source code of Axon Evidence Local, or allow others to do the same;
   - 3.3. access or use Axon Evidence Local to avoid incurring fees or exceeding usage limits or quotas;
   - 3.4. copy Axon Evidence Local in whole or part, except as expressly permitted in this Agreement;
   - 3.5. use trade secret information contained in Axon Evidence Local;
   - 3.6. resell, rent, loan or sublicense Axon Evidence Local;
   - 3.7. access Axon Evidence Local to build a competitive device or service or copy any features, functions, or graphics of Axon Evidence Local; or
   - 3.8. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Axon Evidence Local or any copies of Axon Evidence Local.
4. **Support**. Axon may make available updates and error corrections ("**Updates**") to Axon Evidence Local. Axon will provide Updates electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate access to the Internet to receive Updates. Agency is responsible for maintaining the computer equipment necessary to use Axon Evidence Local. Axon may provide technical support of a prior release/version of Axon Evidence Local for six (6) months from when Axon made the subsequent release/version available.
5. **Termination**. Axon may terminate Agency's license immediately for Agency's failure to comply with any of the terms in this Agreement. Upon termination, Axon may disable Agency's right to login to Axon Evidence Local.

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Axon Application Programming Interface Appendix

This Appendix applies if Axon's API Services are included on the Quote.

1. **Definitions**.

   1.1. "**API Client**" means the software that acts as the interface between Agency's computer and the server, which is already developed or to be developed by Agency.

   1.2. "**API Interface**" means software implemented by Agency to configure Agency's independent API Client Software to operate in conjunction with the API Service for Agency's authorized Use.

   1.3. "**Axon Evidence Partner API, API or Axon API**" (collectively "**API Service**") means Axon's API which provides a programmatic means to access data in Agency's Axon Evidence account or integrate Agency's Axon Evidence account with other systems.

   1.4. "**Use**" means any operation on Agency's data enabled by the supported API functionality.

2. **Purpose and License**.

   2.1. Agency may use API Service and data made available through API Service, in connection with an API Client developed by Agency. Axon may monitor Agency's use of API Service to ensure quality, improve Axon devices and services, and verify compliance with this Agreement. Agency agrees to not interfere with such monitoring or obscure from Axon Agency's use of API Service. Agency will not use API Service for commercial use.

   2.2. Axon grants Agency a non-exclusive, non-transferable, non-sublicensable, worldwide, revocable right and license during the Term to use API Service, solely for Agency's Use in connection with Agency's API Client.

   2.3. Axon reserves the right to set limitations on Agency's use of the API Service, such as a quota on operations, to ensure stability and availability of Axon's API. Axon will use reasonable efforts to accommodate use beyond the designated limits.

3. **Configuration**. Agency will work independently to configure Agency's API Client with API Service for Agency's applicable Use. Agency will be required to provide certain information (such as identification or contact details) as part of the registration. Registration information provided to Axon must be accurate. Agency will inform Axon promptly of any updates. Upon Agency's registration, Axon will provide documentation outlining API Service information.

4. **Agency Responsibilities**. When using API Service, Agency and its end users may not:

   4.1. use API Service in any way other than as expressly permitted under this Agreement;

   4.2. use in any way that results in, or could result in, any security breach to Axon;

   4.3. perform an action with the intent of introducing any viruses, worms, defect, Trojan horses, malware, or any items of a destructive nature to Axon Devices and Services;

   4.4. interfere with, modify, disrupt or disable features or functionality of API Service or the servers or networks providing API Service;

   4.5. reverse engineer, decompile, disassemble, or translate or attempt to extract the source code from API Service or any related software;

   4.6. create an API Interface that functions substantially the same as API Service and offer it for use by third parties;

   4.7. provide use of API Service on a service bureau, rental or managed services basis or permit other individuals or entities to create links to API Service;

   4.8. frame or mirror API Service on any other server, or wireless or Internet-based device;

   4.9. make available to a third-party, any token, key, password or other login credentials to API Service;

   4.10. take any action or inaction resulting in illegal, unauthorized or improper purposes; or

   4.11. disclose Axon's API manual.

5. **API Content**. All content related to API Service, other than Agency Content or Agency's API Client content, is considered Axon's API Content, including:

   5.1. the design, structure and naming of API Service fields in all responses and requests;

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5.2. the resources available within API Service for which Agency takes actions on, such as evidence, cases, users, or reports;

5.3. the structure of and relationship of API Service resources; and

5.4. the design of API Service, in any part or as a whole.

6. **Prohibitions on API Content**. Neither Agency nor its end users will use API content returned from the API Interface to:

6.1. scrape, build databases, or otherwise create permanent copies of such content, or keep cached copies longer than permitted by the cache header;

6.2. copy, translate, modify, create a derivative work of, sell, lease, lend, convey, distribute, publicly display, or sublicense to any third-party;

6.3. misrepresent the source or ownership; or

6.4. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices).

7. **API Updates**. Axon may update or modify the API Service from time to time ("**API Update**"). Agency is required to implement and use the most current version of API Service and to make any applicable changes to Agency's API Client required as a result of such API Update. API Updates may adversely affect how Agency's API Client access or communicate with API Service or the API Interface. Each API Client must contain means for Agency to update API Client to the most current version of API Service. Axon will provide support for one (1) year following the release of an API Update for all depreciated API Service versions.

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Advanced User Management Appendix

This Appendix applies if Axon Advanced User Management is included on the Quote.

1. **Scope**. Advanced User Management allows Agency to (a) utilize bulk user creation and management, (b) automate user creation and management through System for Cross-domain Identity Management ("**SCIM**"), and (c) automate group creation and management through SCIM.

2. **Advanced User Management Configuration**. Agency will work independently to configure Agency's Advanced User Management for Agency's applicable Use. Upon request, Axon will provide general guidance to Agency, including documentation that details the setup and configuration process.

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Axon Channel Services Appendix

This Appendix applies if Agency purchases Axon Channel Service, as set forth on the Quote.

1. Definitions.

   1.1. "**Axon Digital Evidence Management System**" means Axon Evidence or Axon Evidence Local, as specified in the attached Channel Services Statement of Work.

   1.2. "**Active Channel**" means a third-party system that is continuously communicating with an Axon Digital Evidence Management System.

   1.3. "**Inactive Channel**" means a third-party system that will have a one-time communication to an Axon Digital Evidence Management System.

2. **Scope**. Agency currently has a third-party system or data repository from which Agency desires to share data with Axon Digital Evidence Management. Axon will facilitate the transfer of Agency's third-party data into an Axon Digital Evidence Management System or the transfer of Agency data out of an Axon Digital Evidence Management System as defined in the Channel Services Statement of Work ("**Channel Services SOW**"). Channel Services will not delete any Agency Content. Agency is responsible for verifying all necessary data is migrated correctly and retained per Agency policy.

3. **Changes**. Axon is only responsible to perform the Services described in this Appendix and Channel Services SOW. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

4. **Purpose and Use**. Agency is responsible for verifying Agency has the right to share data from and provide access to third-party system as it relates to the Services described in this Appendix and the Channel Services SOW. For Active Channels, Agency is responsible for any changes to a third-party system that may affect the functionality of the channel service. Any additional work required for the continuation of the Service may require additional fees. An Axon Field Engineer may require access to Agency's network and systems to perform the Services described in the Channel Services SOW. Agency is responsible for facilitating this access per all laws and policies applicable to Agency.

5. **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

6. **Warranty.** Axon warrants that it will perform the Channel Services in a good and workmanlike manner.

7. **Monitoring**. Axon may monitor Agency's use of Channel Services to ensure quality, improve Axon devices and services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure from Axon Agency's use of channel services.

8. **Agency's Responsibilities.** Axon's successful performance of the Channel Services requires Agency:

   8.1. Make available its relevant systems for assessment by Axon (including making these systems available to Axon via remote access);

   8.2. Provide access to the building facilities and where Axon is to perform the Channel Services, subject to safety and security restrictions imposed by the Agency (including providing security passes or other necessary documentation to Axon representatives performing the Channel Services permitting them to enter and exit Agency premises with laptop personal computers and any other materials needed to perform the Channel Services);

   8.3. Provide all necessary infrastructure and software information (TCP/IP addresses, node names, and network configuration) for Axon to provide the Channel Services;

   8.4. Ensure all appropriate data backups are performed;

   8.5. Provide Axon with remote access to the Agency's network and third-party systems when required for Axon to perform the Channel Services;

   8.6. Notify Axon of any network or machine maintenance that may impact the performance of the Channel Services; and

   8.7. Ensure the reasonable availability by phone or email of knowledgeable staff, personnel, system administrators,

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and operators to provide timely, accurate, complete, and up-to-date documentation and information to Axon (these contacts are to provide background information and clarification of information required to perform the Channel Services).

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VIEVU Data Migration Appendix

This Appendix applies if Agency purchases Migration services, as set forth on the Quote.

1. **Scope**. Agency currently has legacy data in the VIEVU solution from which Agency desires to move to Axon Evidence. Axon will work with Agency to copy legacy data from the VIEVU solution into Axon Evidence ("**Migration**"). Before Migration, Agency and Axon will work together to develop a Statement of Work ("**Migration SOW**") to detail all deliverables and responsibilities. The Migration will require the availability of Agency resources. Such resources will be identified in the SOW. On-site support during Migration is not required. Upon Agency's request, Axon will provide on-site support for an additional fee. Any request for on-site support will need to be pre-scheduled and is subject to Axon's resource availability.

   1.1. A small amount of unexposed data related to system information will not be migrated from the VIEVU solution to Axon Evidence. Upon request, some of this data can be manually exported before Migration and provided to Agency. The Migration SOW will provide further detail.

2. **Changes**. Axon is only responsible to perform the Services described in this Appendix and Migration SOW. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

3. **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

4. **Downtime**. There may be downtime during the Migration. The duration of the downtime will depend on the amount of data that Agency is migrating. Axon will work with Agency to minimize any downtime. Any VIEVU mobile application will need to be disabled upon Migration.

5. **Functionality Changes**. Due to device differences between the VIEVU solution and the Axon's Axon Evidence solution, there may be functionality gaps that will not allow for all migrated data to be displayed the same way in the user interface after Migration.

6. **Acceptance**. Once the Migration is complete, Axon will notify Agency and provide an acceptance form. Agency is responsible for verifying that the scope of the project has been completed and all necessary data is migrated correctly and retained per Agency policy. Agency will have ninety (90) days to provide Axon acceptance that the Migration was successful, or Axon will deem the Migration accepted.

   6.1. In the event Agency does not accept the Migration, Agency agrees to notify Axon within a reasonable time. Agency also agrees to allow Axon a reasonable time to resolve any issue. In the event Agency does not provide Axon with a written rejection of the Migration during these ninety (90) days, Agency may be charged for additional monthly storage costs. After Agency provides acceptance of the Migration, Axon will delete all data from the VIEVU solution ninety (90) days after the Migration.

7. **Post-Migration**. After Migration, the VIEVU solution may not be supported and updates may not be provided. Axon may end of life the VIEVU solution in the future. If Agency elects to maintain data within the VIEVU solution, Axon will provide Agency ninety (90) days' notice before ending support for the VIEVU solution.

8. **Warranty.** Axon warrants that it will perform the Migration in a good and workmanlike manner.

9. **Monitoring**. Axon may monitor Agency's use of Migration to ensure quality, improve Axon Devices and Services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure Agency's use of Migration from Axon.

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Axon Technical Account Manager Appendix

This Appendix applies if Axon Support Engineer services are included on the Quote.

1. **Axon Technical Account Manager Payment.** Axon will invoice for Axon Technical Account Manager ("**TAM**") services, as outlined in the Quote, when the TAM commences work on-site at Agency.

2. **Full-Time TAM Scope of Services.**

   2.1. A Full-Time TAM will work on-site four (4) days per week, unless an alternate schedule or reporting location is mutually agreed upon by Axon and Customer.

   2.2. Agency's Axon sales representative and Axon's Agency Success team will work with Agency to define its support needs and ensure the Full-Time TAM has skills to align with those needs. There may be up to a six- (6-) month waiting period before the Full-Time TAM can work on-site, depending upon Agency's needs and availability of a Full-Time TAM.

   2.3. The purchase of Full-Time TAM Services includes two (2) complimentary Axon Accelerate tickets per year of the Agreement, so long as the TAM has started work at Agency, and Agency is current on all payments for the Full-Time TAM Service.

   2.4. The Full-Time TAM **Service options are listed below:**

Ongoing System Set-up and Configuration Assisting with assigning cameras and registering docks Maintaining **Agency's Axon Evidence account** Connecting Agency to "Early Access" programs for new devices
Account Maintenance Conducting on-site training on new features and **devices for Agency leadership team(s)** Thoroughly documenting issues and workflows and suggesting new workflows to improve **the effectiveness of the Axon program** Conducting weekly meetings to cover current issues and program status
Data Analysis Providing on-demand Axon usage data to identify trends and insights for improving daily workflows Comparing **Agency's Axon usage and trends to peers to establish best practices** Proactively monitoring the health of Axon equipment and coordinating returns when needed
Direct Support Providing on-site, Tier 1 and Tier 2 (as defined in Axon's Service Level Agreement) technical support for Axon Devices Proactively monitoring the health of **Axon equipment** Creating and monitoring RMAs **on-site** Providing Axon app support Monitoring and testing new firmware and workflows before they are released to Agency's production environment
Agency Advocacy Coordinating bi-**annual voice of customer meetings with Axon's Device Management team** Recording and tracking Agency feature requests and major bugs

3. **Regional TAM Scope of Services**

   3.1. A Regional TAM will work on-site for three (3) consecutive days per quarter. Agency must schedule the on-site days at least two (2) weeks in advance. The Regional TAM will also be available by phone and email during regular business hours up to eight (8) hours per week.

   3.2. There may be up to a six- (6-) month waiting period before Axon assigns a Regional TAM to Agency, depending upon the availability of a Regional TAM.

   3.3. The purchase of Regional TAM Services includes two (2) complimentary Axon Accelerate tickets per year of the Agreement, so long as the TAM has started work at Agency and Agency is current on all payments for the Regional TAM Service.

   3.4. The Regional TAM service options are listed below:

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Account Maintenance Conducting remote training on new features and **devices for Agency's leadership** Thoroughly documenting issues and workflows and suggesting new **workflows to improve the effectiveness of the Axon program** Conducting weekly conference calls to cover **current issues and program status** Visiting Agency quarterly (up to 3 consecutive days) to perform a quarterly business review, discuss Agency's goals for your Axon program, and continue to ensure a successful deployment of Axon Devices
Direct Support **Providing remote, Tier 1 and Tier 2 (As defined Axon's Service Level Agreement) technical support for Axon Devices** Creating and monitoring RMAs remotely
Data Analysis Providing quarterly Axon **usage data to identify trends and program efficiency opportunities** Comparing an **Agency's Axon usage and trends to peers to establish best practices** Proactively monitoring the health of Axon equipment and coordinating returns when needed
Agency Advocacy Coordinating bi-yearly Voice of **Agency meetings with Device Management team** Recording and tracking Agency feature requests and major bugs

4. **Out of Scope Services.** The TAM is responsible to perform only the Services described in this Appendix. Any additional Services discussed or implied that are not defined explicitly in this Appendix will be considered out of the scope.

5. **TAM Leave Time**. The TAM will be allowed up seven (7) days of sick leave and up to fifteen (15) days of vacation time per each calendar year. The TAM will work with Agency to coordinate any time off and will provide Agency with at least two (2) weeks' notice before utilizing any vacation days.

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Axon Investigate Appendix

If the Quote includes Axon's On Prem Video Suite known as Axon Investigate or Third Party Video Support License, the following appendix shall apply.

1. **License Grant**. Subject to the terms and conditions specified below and upon payment of the applicable fees set forth in the Quote, Axon grants to Agency a nonexclusive, nontransferable license to install, use, and display the Axon Investigate software ("**Software**") solely for its own internal use only and for no other purpose, for the duration of subscription term set forth in the Quote. This Agreement does not grant Agency any right to enhancements or updates, but if such are made available to Agency and obtained by Agency they shall become part of the Software and governed by the terms of this Agreement.

2. **Third-Party Licenses**. Axon licenses several third-party codecs and applications that are integrated into the Software. Users with an active support contract with Axon are granted access to these additional features. By accepting this agreement, Agency agrees to and understands that an active support contract is required for all of the following features: DNxHD output formats, decoding files via the "fast indexing" method, proprietary file metadata, telephone and email support, and all future updates to the software. If Agency terminates the annual support contract with Axon, the features listed above will be disabled within the Software. It is recommended that users remain on an active support contract to maintain the full functionality of the Software.

3. **Restrictions on Use**. Agency may not permit any other person to use the Software unless such use is in accordance with the terms of this Agreement. Agency may not modify, translate, reverse engineer, reverse compile, decompile, disassemble or create derivative works with respect to the Software, except to the extent applicable laws specifically prohibit such restrictions. Agency may not rent, lease, sublicense, grant a security interest in or otherwise transfer Agency's rights to or to use the Software. Any rights not granted are reserved to Axon.

4. **Term**. For purchased perpetual Licenses only—excluding Licenses leased for a pre-determined period, evaluation licenses, companion licenses, as well as temporary licenses--the license shall be perpetual unless Agency fails to observe any of its terms, in which case it shall terminate immediately, and without additional prior notice. The terms of Paragraphs 1, 2, 3, 5, 6, 8 and 9 shall survive termination of this Agreement. For licenses leased for a pre-determined period, for evaluation licenses, companion licenses, as well as temporary licenses, the license is granted for a period beginning at the installation date and for the duration of the evaluation period or temporary period as agreed between Axon and Agency.

5. **Title**. Axon and its licensors shall have sole and exclusive ownership of all right, title, and interest in and to the Software and all changes, modifications, and enhancements thereof (including ownership of all trade secrets and copyrights pertaining thereto), regardless of the form or media in which the original or copies may exist, subject only to the rights and privileges expressly granted by Axon. This Agreement does not provide Agency with title or ownership of the Software, but only a right of limited use.

6. **Copies**. The Software is copyrighted under the laws of the United States and international treaty provisions. Agency may not copy the Software except for backup or archival purposes, and all such copies shall contain all Axon's notices regarding proprietary rights as contained in the Software as originally provided to Agency. If Agency receives one copy electronically and another copy on media, the copy on media may be used only for archival purposes and this license does not authorize Agency to use the copy of media on an additional server.

7. **Actions Required Upon Termination**. Upon termination of the license associated with this Agreement, Agency agrees to destroy all copies of the Software and other text and/or graphical documentation, whether in electronic or printed format, that describe the features, functions and operation of the Software that are provided by Axon to Agency ("**Software Documentation**") or return such copies to Axon. Regarding any copies of media containing regular backups of Agency's computer or computer system, Agency agrees not to access such media for the purpose of recovering the Software or online Software Documentation.

8. **Export Controls**. None of the Software, Software Documentation or underlying information may be downloaded or otherwise exported, directly or indirectly, without the prior written consent, if required, of the office of Export Administration of the United States, Department of Commerce, nor to any country to which the U.S. has embargoed goods, to any person on the U.S. Treasury Department's list of Specially Designated Nations, or the U.S. Department of Commerce's Table of Denials.

9. **U.S. Government Restricted Rights**. The Software and Software Documentation are Commercial Computer Software provided with Restricted Rights under Federal Acquisition Regulations and agency supplements to them. Use, duplication or disclosure by the U.S. Government is subject to restrictions as set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFAR 255.227-7013 et. Seq. or 252.211-7015, or

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subparagraphs (a) through (d) of the Commercial Computer Software Restricted Rights at FAR 52.227-19, as applicable, or similar clauses in the NASA FAR Supplement. Contractor/manufacturer is Axon Enterprise, Inc., 17800 North 85th Street, Scottsdale, Arizona 85255.

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My90 Terms of Use Appendix

Definitions.

1.1. "**My90**" means Axon's proprietary platform and methodology to obtain and analyze feedback, and other related offerings, including, without limitation, interactions between My90 and Axon products.

1.2. "**Recipient Contact Information**" means contact information, as applicable, including phone number or email address (if available) of the individual whom Agency would like to obtain feedback.

1.3. "**Agency Data**" means

1.3.1. "My90 Agency Content" which means data, including Recipient Contact Information, provided to My90 directly by Agency or at their direction, or by permitting My90 to access or connect to an information system or similar technology. My90 Agency Content does not include My90 Non-Content Data.

1.3.2. "My90 Non-Content Data" which means data, configuration, and usage information about Agency's My90 tenant, and client software, users, and survey recipients that is Processed (as defined in Section 1.6 of this Appendix) when using My90 or responding to a My90 Survey. My90 Non-Content Data includes data about users and survey recipients captured during account management and customer support activities. My90 Non-Content Data does not include My90 Agency Content.

1.3.3. "Survey Response" which means survey recipients' response to My90 Survey.

1.4. "**My90 Data**" means

1.4.1. "My90 Survey" which means surveys, material(s) or content(s) made available by Axon to Agency and survey recipients within My90.

1.4.2. "Aggregated Survey Response" which means Survey Response that has been de-identified and aggregated or transformed so that it is no longer reasonably capable of being associated with, or could reasonably be linked directly or indirectly to, a particular individual.

1.5. "**Personal Data**" means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of that natural person.

1.6. "**Processing**" means any operation or set of operations which is performed on data or on sets of data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure, or destruction.

1.7. "**Sensitive Personal Data**" means Personal Data that reveals an individual's health, racial or ethnic origin, sexual orientation, disability, religious or philosophical beliefs, or trade union membership.

2. **Access**. Upon Axon granting Agency a subscription to My90, Agency may access and use My90 to store and manage My90 Agency Content, and applicable My90 Surveys and Aggregated Survey Responses. This Appendix is subject to the Terms and Conditions of Axon's Master Service and Purchasing Agreement or in the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern.

3. **IP address**. Axon will not store survey respondents' IP address.

4. **Agency Owns My90 Agency Content**. Agency controls or owns all right, title, and interest in My90 Agency Content. Except as outlined herein, Axon obtains no interest in My90 Agency Content, and My90 Agency Content is not Axon's business records. Except as set forth in this Agreement, Agency is responsible for uploading, sharing, managing, and deleting My90 Agency Content. Axon will only have access to My90 Agency Content for the limited purposes set forth herein. Agency agrees to allow Axon access to My90 Agency Content to (a) perform troubleshooting, maintenance, or diagnostic screenings; and (b) enforce this Agreement or policies governing use of My90 and other Axon products.

5. **Details of the Processing**. The nature and purpose of the Processing under this Appendix are further specified

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in Schedule 1 Details of the Processing, to this Appendix.

6. **Security**. Axon will implement commercially reasonable and appropriate measures to secure Agency Data against accidental or unlawful loss, access, or disclosure. Axon will maintain a comprehensive information security program to protect Agency Data including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; security education; and data protection. Axon will not treat Agency Data in accordance with FBI CJIS Security Policy requirements and does not agree to the CJIS Security Addendum for this engagement or any other security or privacy related commitments that have been established between Axon and Agency, such as ISO 27001 certification or SOC 2 Reporting.

7. **Privacy**. Agency use of My90 is subject to the My90 Privacy Policy, a current version of which is available at https://www.axon.com/legal/my90privacypolicy. Agency agrees to allow Axon access to My90 Non-Content Data from Agency to (a) perform troubleshooting, maintenance, or diagnostic screenings; (b) provide, develop, improve, and support current and future Axon products including My90 and related services; and (c) enforce this Agreement or policies governing the use of My90 or other Axon products.

8. **Location of Storage**. Axon may transfer Agency Data to third-party subcontractors for Processing. Axon will determine the locations for Processing of Agency Data. For all Agency, Axon will Process and store Agency Data within the United States. Ownership of My90 Agency Content remains with Agency.

9. **Required Disclosures**. Axon will not disclose Agency Data that Agency shares with Axon except as compelled by a court or administrative body or required by any law or regulation. Axon will notify Agency if any disclosure request is received for Agency Data so Agency may file an objection with the court or administrative body, unless prohibited by law.

10. **Data Sharing**. Axon may share data only with entities that control or are controlled by or under common control of Axon, and as described below:

    10.1. Axon may share Agency Data with third parties it employs to perform tasks on Axon's behalf to provide products or services to Customer.

    10.2. Axon may share Aggregated Survey Response with third parties, such as other Axon customers, local city agencies, private companies, or members of the public that are seeking a way to collect analysis on general policing and community trends. Aggregated Survey Response will not be reasonably capable of being associated with or reasonably be linked directly or indirectly to a particular individual.

11. **License and Intellectual Property**. Agency grants Axon, its affiliates, and assignees the irrevocable, perpetual, fully paid, royalty-free, and worldwide right and license to use Agency Data for internal use including but not limited to analysis and creation of derivatives. Axon may not release Agency Data to any third party under this right that is not aggregated and de-identified. Agency acknowledges that Agency will have no intellectual property right in any media, good or service developed or improved by Axon. Agency acknowledges that Axon may make any lawful use of My90 Data and any derivative of Agency Data including, without limitation, the right to monetize, redistribute, make modification of, and make derivatives of the surveys, survey responses and associated data, and Agency will have no intellectual property right in any good, service, media, or other product that uses My90 Data.

12. **Agency Use of Aggregated Survey Response**. Axon will make available to Agency Aggregated Survey Response and rights to use for any Agency purpose.

13. **Data Subject Rights**. Taking into account the nature of the Processing, Axon shall assist Agency by appropriate technical and organizational measures, insofar as this is reasonable, for the fulfilment of Agency's obligation to respond to a Data Subject Request regarding any Personal Data contained within My90 Agency Content. If in regard to My90 Agency Content, Axon receives a Data Subject Request from Agency's data subject to exercise one or more of its rights under applicable Data Protection Law, Axon will redirect the data subject within seventy-two (72) hours, to make its request directly to Agency. Agency will be responsible for responding to any such request.

14. **Assistance with Requests Related to My90 Agency Content**. With regard to the processing of My90 Agency Content, Axon shall, if not prohibited by applicable law, notify Agency without delay after receipt, if Axon: (a) receives a request for information from the Supervisory Authority or any other competent authority regarding My90 Agency Content; (b) receives a complaint or request from a third party regarding the obligations of Agency or Axon under applicable Data Protection Law; or (c) receives any other communication which directly or indirectly pertains to My90 Agency Content or the Processing or protection of My90 Agency Content. Axon shall not respond to such requests, complaints, or communications, unless Agency has given Axon written instructions to

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that effect or if such is required under a statutory provision. In the latter case, prior to responding to the request, Axon shall notify Agency of the relevant statutory provision and Axon shall limit its response to what is necessary to comply with the request.

15. **Axon Evidence Partner Sharing**. If Axon Evidence partner sharing is used to share My90 Agency Content, Agency will manage the data sharing partnership with Axon and access to allow only for authorized data sharing with Axon. Agency acknowledges that any applicable audit trail on the original source data will not include activities and processing performed against the instances, copies or clips that has been shared with Axon. Agency also acknowledges that the retention policy from the original source data is not applied to any data shared with Axon. Except as provided herein, data shared with Axon may be retained indefinitely by Axon.

16. **Data Retention**. Phone numbers provided to Axon directly by Agency or at their direction, or by permitting My90 to access or connect to an information system or similar technology will be retained for twenty-four (24) hours. Axon will not delete Aggregated Survey Response for four (4) years following termination of this Agreement. There will be no functionality of My90 during these four (4) years other than the ability to submit a request to retrieve Aggregated Survey Response. Axon has no obligation to maintain or provide Aggregated Survey Response after these four years and may thereafter, unless legally prohibited, delete all Aggregated Survey Response.

17. **Termination**. Termination of an My90 Agreement will not result in the removal or modification of previously shared My90 Agency Content or the potential monetization of Survey Response and Aggregated Survey Response.

18. **Managing Data Shared**. Agency is responsible for:

    18.1. Ensuring My90 Agency Content is appropriate for use in My90. This includes, prior to sharing: (a) applying any and all required redactions, clipping, removal of metadata, logs, etc. and (b) coordination with applicable public disclosure officers and related legal teams;

    18.2. Ensuring that only My90 Agency Content that is authorized to be shared for the purposes outlined is shared with Axon. Agency will periodically monitor or audit this shared data;

    18.3. Using an appropriately secure data transfer mechanism to provide My90 Agency Content to Axon;

    18.4. Immediately notifying Axon if My90 Agency Content that is not authorized for sharing has been shared. Axon may not be able to immediately retrieve or locate all instances, copies or clips of My90 Agency Content in the event Agency requests to un-share previously shared My90 Agency Content;

19. **Prior to enrollment in My90**. Prior to enrolling in My90, Agency will:

    19.1. determine how to use My90 in accordance with applicable laws and regulations including but not limited to consents, use of info or other legal considerations;

    19.2. develop a set of default qualification criteria of what My90 Agency Content may be shared with Axon; and

    19.3. assign responsibilities for managing what My90 Agency Content is shared with Axon and educate users on what data may or not be shared with Axon.

20. **Agency Responsibilities**. Agency is responsible for:

    20.1. ensuring no My90 Agency Content or Agency end user's use of My90 Agency Content or My90 violates this Agreement or applicable laws;

    20.2. providing, and will continue to provide, all notices and has obtained, and will continue to obtain, all consents and rights necessary under applicable laws for Axon to process Agency Data in accordance with this Agreement; and

    20.3. maintaining necessary computer equipment and Internet connections for use of My90. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to My90. Agency will also maintain the security of end usernames and passwords and security and access by end users to My90 Agency Content. Agency is responsible for ensuring the configuration and utilization of My90 meets applicable Agency regulations and standards. Agency may not sell, transfer, or sublicense access to any other entity or person. Agency shall contact Axon immediately if an unauthorized party may be using Agency's account or My90 Agency Content or if account information is lost or stolen.

21. **Suspension**. Axon may temporarily suspend Agency's or any end user's right to access or use any portion or all of My90 immediately upon notice, if Agency or end user's use of or registration for My90 may (a) pose a security

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risk to Axon products including My90, or any third-party; (b) adversely impact My90, the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third-party to liability; or (d) be fraudulent. Agency remains responsible for all fees, if applicable, incurred through suspension. Axon will not delete My90 Agency Content or Aggregated Survey Response because of suspension, except as specified in this Agreement.

22. My90 Restrictions. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:

22.1. copy, modify, tamper with, repair, or create derivative works of any part of My90;

22.2. reverse engineer, disassemble, or decompile My90 or apply any process to derive any source code included in My90, or allow others to do the same;

22.3. access or use My90 with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;

22.4. use trade secret information contained in My90, except as expressly permitted in this Agreement;

22.5. access My90 to build a competitive product or service or copy any features, functions, or graphics of My90;

22.6. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within My90; or

22.7. use My90 to store or transmit infringing, libelous, or other unlawful or tortious material; to store or transmit material in violation of third-party privacy rights; or to store or transmit malicious code.

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Schedule 1- Details of the Processing

1. **Nature and Purpose of the Processing.** To help Agency obtain feedback from individuals, such as members of their community, staff, or officers. Features of My90 may include:

   1.1. Survey Tool where Agency may create, distribute, and analyze feedback from individuals it designates. Agency may designate members of the community, staff or officers from whom they would like to obtain feedback;

   1.2. Creation of custom forms for surveys. Agency may select questions from a list of pre-drafted questions or create their own;

   1.3. Distribution of survey via multiple distribution channels such as text message;

   1.4. Ability to access and analyze Survey Response. Axon may also provide Agency Aggregated Survey Responses which contain analysis and insights from the Survey Response;

   1.5. Direct integrations into information systems including Computer Aided Dispatch ("**CAD**"). This will enable Agency to share contact information easily and quickly with Axon of any individuals from whom it wishes to obtain feedback, enabling Axon to communicate directly with these individuals;

   1.6. Data Dashboard Beta Test ("**Data Dashboard**") where Survey Response and Aggregated Survey Response will be displayed for Agency use. Agency will be able to analyze, interpret, and share results of the Survey Response. My90 may provide beta versions of the Data Dashboard that are specifically designed for Agency to test before they are publicly available;

   1.7. Survey Responses will be aggregated and de-identified and may be subsequently distributed and disclosed through various mediums to: (1) Agency; (2) other Axon Agency; (3) private companies; and (4) members of the public. The purpose of disclosure is to provide ongoing insights and comparisons on general policing and community trends. Prior to disclosing this information, Axon will ensure that the Survey Response has been de-identified and aggregated or transformed so that it is no longer reasonably capable of being associated with, or could reasonably be linked directly or indirectly to a particular individual; and

   1.8. Provide services and materials to engage Agency stakeholders, market the partnership to the public, and facilitate training.

RFP 101223 - Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories

Vendor Details

Company Name:	Axon Enterprise, Inc.
Does your company conduct business under any other name? If yes, please state:	AZ
Address:	17800 N. 85th Street Scottsdale, Arizona 85255
Contact:	Sales Ops
Email:	contracts@axon.com
Phone:	480-905-2000
Fax:	480-991-0791
HST#:	86-0741227

Submission Details

Created On:	Wednesday August 30, 2023 10:37:47
Submitted On:	Wednesday October 11, 2023 15:09:59
Submitted By:	Sales Ops
Email:	contracts@axon.com
Transaction #:	af6bb863-0ce1-46b3-8191-7a3da35d0e85
Submitter's IP Address:	69.207.124.95

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Axon Enterprise, Inc.	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	Axon Enterprise, Inc. is not a subsidiary of another firm or company; Axon is the direct or indirect parent company of the following entities: • Axon Enterprise Holding Company, LLC, organized in the United States • Vievu, LLC, organized in the United States • Dextro, Inc., organized in the United States • Familiar Inc., organized in the United States • Mediasolv Solutions Corporation, organized in the United States • Axon Public Safety B.V., organized in the Netherlands • TASER Holland B.V., organized in the Netherlands • Axon Public Safety Canada, organized in Canada • Axon Public Safety U.K. Limited, organized in the United Kingdom • Axon Public Safety Australia Pty Ltd., organized in Australia • Axon Public Safety Germany SE, organized in Germany • Axon Public Safety Southeast Asia LLC, organized in Vietnam • Axon Public Safety Finland Oy, organized in Finland • Axon Public Safety India Private Limited, organized in India • Axon Public Safety Hong Kong Limited, organized in Hong Kong • Axon Enterprise Italia S.r.l., organized in Italy	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	Axon Enterprise, Inc. is also referred to as Axon.	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	TBW7MGPYURM7	*
5	Proposer Physical Address:	17800 N. 85th St. Scottsdale, AZ 85255-6311	*
6	Proposer website address (or addresses):	http://www.axon.com	*
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Robert Driscoll 17800 N. 85th St. Scottsdale, AZ 85255-6311 bobby@axon.com 1-408-502-6257	*
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Kenneth Maum 17800 N. 85th St. Scottsdale, AZ 85255-6311 kmaum@axon.com 1-315-251-5882	*
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Ashley Forbrich 17800 N. 85th St. Scottsdale, AZ 85255-6311 aforbrich@axon.com 1-301-356-5253	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	

10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Since 1993, Axon Enterprise, Inc. has been committed to delivering safe, secure solutions for law enforcement, militaries, and citizens. From our humble beginning as TASER International, Inc. to now, we have worked diligently to develop a network of TASER smart weapons, body cameras, and industry-leading cloud-based evidence management software to help accomplish a singular goal—to protect life. Over this time, we have partnered with more than 7,500 law enforcement agencies to deploy tailored solutions designed to preserve transparency and truth. With 10 offices based in Arizona, Washington, Australia, Canada, Finland, Germany, India, the Netherlands, the United Kingdom, and Vietnam, Axon's team of more than 1,000 employees continue to define smarter policing through the development of industry-leading technology solutions. We are Axon. Axon is a market-driven organization dedicated to solving real problems for law enforcement agencies. We create meaningful value through high-quality products, enhanced technology solutions and extraordinary service. We are proud of the values with which we conduct our business. We instill a culture of morality and good ethical conduct in all our business practices. We have and will continue to uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions, both internally and in dealings with our customers, vendor, suppliers and other business relationships. To this end, our Code of Business Conduct and Ethics Code serves to (a) emphasize the Company's commitment to ethics and compliance with the law; (b) set forth basic standards of ethical and legal behavior; (c) provide reporting mechanisms for known or suspected ethical or legal violations; and (d) help prevent and detect wrongdoing. All employees are required to read and sign our Code of Business Conduct and Ethics policy, which is available on our website https://www.axon.com/legal. Additionally, our employees and business practices are guided by our core values, which are: BE OBSESSED: Walk with the customer as you transform their world. We never want to develop or sell something that you don't want or need. We're obsessed with creating products that solve real problems and add value. If it doesn't benefit you, then we rethink what we're doing. AIM FAR: Think big with a long-term view. We want to reinvent the world to be a safer, better place. We've failed spectacularly a few times, but that's what you get when you aim for the stars. That's our final destination. WIN RIGHT: Win with integrity. We are fiercely competitive and have an unquenchable thirst to win, but we don't think winning and doing the right thing are mutually exclusive. Our challenge is to make them synonymous, and never compromise our integrity. OWN IT: Commit, take action, and deliver. We empower individuals to step up and take initiative. Be an owner and see things through to completion. That's the only way we've been able to succeed as a company, and it's the only way we will continue to grow. JOIN FORCES: Act as one global team. Creating the future is a team sport. When a company scales globally in 40 different markets with multiple technology stacks ranging from wearables and cloud to electronic weapons, you need teamwork. We're one global team committed to an audacious vision. EXPECT CANDOR: Deliver with respect and assume positive intent. Candor gets critical issues elevated, puts truth on the table, and gets us to the right answer faster. How can we be the best version of ourselves ands the best company we can be, if we can't offer and be given critical feedback.
11	What are your company's expectations in the event of an award?	If awarded a contract again, Axon will continue to actively include Sourcewell in our marketing efforts as an option to our customers.
12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Axon is a public company and our latest annual report (2022) is attached. Expected annual revenue for 2023 is approximately $1.5B USD. Axon signs long-term contracts and a large portion of our revenue is from subscriptions, providing a very stable financial base. Further information can be obtained at: https://investor.axon.com/.
13	What is your US market share for the solutions that you are proposing?	Axon works with over 17,000 public safety agencies globally and is a major supplier of public safety equipment. For body-worn cameras, Axon has a market share of approximately 14% in the US. The vehicle cameras represent a 7% market share, and DEMS 4%.

14	What is your Canadian market share for the solutions that you are proposing?	Axon works with over 17,000 public safety agencies globally and is a major supplier of public safety equipment. Canada is not separately tracked, but generally mirrors the US. For body-worn cameras, Axon has a market share of approximately 14% in the US. The vehicle cameras represent a 7% market share, and DEMS 4%.	*
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	Axon has never petitioned for bankruptcy protection.	*
16	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	a) N/A b) Axon Sales Representatives play a pivotal role in knowing business needs and applying technological solutions to solve potential challenges. These representatives must have a “business mindset,” that enables them to understand complex challenges and present solutions that might solve these. They are employees of Axon Enterprise, Inc. Some sales representatives work from our main office in Scottsdale, AZ and others work throughout the United States and globally. Regarding services, Axon Professional Service employees support and install the majority of our products. Axon utilizes ProLogic for some aspects of installation of our Axon Fleet and Axon Interview solutions. Axon handles technical support and repairs for all of its manufactured products	*

17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	AXON EVIDENCE Axon's compliance demonstrates our commitment to providing a trustworthy platform and offers customers a way to understand the controls that have been put in place to secure Axon Evidence and their data. Axon holds the following certifications, in partnership with Microsoft Azure, for Axon Evidence. • CJIS Compliant • ISO/IEC 27001:2013 Certified - Information Security Management Standards • ISO/IEC 27018:2014 Certified - Code of Practice for Protecting Personal Data in the Cloud • CALEA Standard 17.5.4 Compliant • SOC 2+ Report • Cloud Security Alliance - CSA STAR Attestation (Level Two) • Cloud Security Alliance - CSA STAR Self-Assessment (Level One) • FedRAMP Joint Authorization Board (JAB) Provisional Authority to Operate (PATO) at the Moderate Impact Level (applicable only to the US Federal Region of Axon Evidence). Axon has achieved a FedRAMP Joint Authorization Board (JAB) Provisional Authority to Operate (P-ATO) at the Moderate Impact Level. Axon's Compliance website (https://www.axon.com/trust/compliance) includes additional information on our security certifications as well as copies of certificates and compliance documentation. AXON BODY CAMERAS Batteries used in Axon body-worn cameras meet the following safety standards. • UL1642 • UL2054 • IEC 62133 AXON FLEET • The Axon Fleet solution is wholly FCC certified, the Axon Fleet camera FCC ID is X4GS00947. • Per the component-based standards as set by Electronic Industries Association (EIA), Axon Fleet utilizes industry standard components, which meet all necessary standards for sale and use in the United States. • Axon Fleet's communication interfaces are designed to IEEE 802.15.1 and IEEE 802.11 guidelines and is IEC 60529 and IEC55022 compliant. • Axon Fleet has been tested to and meets ISO 16750-2:2012, ISO 17215-1:2014, and ISO 13766:2006. • The system hardware components of the system are low-voltage devices. Axon Fleet batteries comply with UL 1642 and UL 2054. • Axon Fleet batteries are UL 1642 compliant. QUALITY ACCREDIDATIONS MANUFACTURING • ISO 9001 – Axon is accredited to design, develop, manufacture, distribute, and provide services for public safety solutions including, but not limited to digital video recorders and accessories used in the law enforcement industry. These products and services are manufactured and supported according to ISO standards. • ISO 14001 - Environmental INFORMATION SECURITY • ISO 27001 – Axon is aligned with the scope of the ISO 27001 certification; the Information Security Management System that governs all customer data that resides in the Axon Evidence application.	*
18	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Axon has not been suspended or disbarred in the past ten years.	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
19	Describe any relevant industry awards or recognition that your company has received in the past five years	• Axon was recently awarded Comparably's 2022 awards for Best Sales Teams of 2022, Best Places to Work in Phoenix 2022 and Best Company Outlook 2022. The overall culture score, 98/100 or A+, incorporates employee ratings based on their feedback on the Professional Development, CEO Rating, Manager and more. https://www.comparably.com/companies/axon • In 2021, Axon won for Best Company for Women 2021 and Best Company Culture 2021. Based on 6,069 ratings and 210 participants, employees at Axon are very satisfied with their work experience. • Axon won 3 awards in 2019 and 4 awards in 2018. In 2019, Axon won for Best Company Compensation 2019, Best Engineering Team 2019 and Best Company Outlook 2019. • In 2018, Axon won for Best Company Culture 2018, Best Company Happiness, Best Company Perks & Benefits and Best Company Compensation. Based on 6,069 ratings and 210 participants, employees at Axon are very satisfied with their work experience. The overall culture score, 87/100 or A+, incorporates employee ratings based on their feedback on the Office Culture, eNPS, Diversity and more.	*
20	What percentage of your sales are to the governmental sector in the past three years	50%	*
21	What percentage of your sales are to the education sector in the past three years	4%	*
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	• Sourcewell Contract #010720 AXN: $775M+ • Texas BuyBoard 603-20 (CEW only): $15M+ • City of Charlotte CCPA Contract 2022000665: $25M+ • League of Oregon Cities (fka NPP) Contract No. PS20270: $110M+ • New York State Police Contract No. PA01857: $595K+ • State of Arizona No. BPM002192/CTR049284-1: $10M+ • State of Delaware PA for LOC Contract No. GSS20808-TASERS: $90K+ • State of Kansas Contract No. 42523: $4M+ • State of Michigan Contract No. 071B4300067: $4M+ • State of Minnesota Contract 199111: $1M+ • State of New Jersey T0106/17-FLEET-00738: $95M+ • State of Oregon CEW Contract No. 8913: $400K+ • State of Pennsylvania Contract No. 4400019257: $18M+ • Washington State DES Contract No. 04220 for CEW: $960K+ Please note that since most Axon sales are for a five-year term, the above dollar amounts represent the approximate overall contract values over a five-year period and are not fully indicative of sales over the last 3 years.	*
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Axon does not hold any GSA contracts.	*

Table 4: References/Testimonials

Line Item 24. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Burbank Police Department, California	Jason Miller	1-818-238-5096	*
Gilbert Police Department, Arizona	Noah Baker	1-480-635-7326	*
Avondale Police Department, Arizona	Lt. Mathew Hintz	1-623-333-7302	*

Table 5: Top Five Government or Education Customers

Line Item 25. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Fort Worth Police Department	Government	Texas - TX	Officer Safety Plan (OSP7+) for 1600+ users, 600 Axon Fleet 3 Advanced, 43 Axon Interview rooms	Approximately $200K - $66M	Approximately $68M+	*
Fort Bend County Sheriff's Office	Government	Texas - TX	483 OSP7+, 152 Unlimited 7+, 424 Axon Fleet 3 Basic + TAP	Approximately $50K – $17M	Approximately $22M+	*
Manatee County Sheriff's Office	Government	Florida - FL	550 OSP7+, 250 TASER 7 Cert, 800 VR Unlimited	Approximately $1M – $3M	Approximately $17M+	*
Travis County Sheriff's Office	Government	Texas - TX	287 Axon Body 3 cameras, 90 Axon Fleet 3 in-car cameras, Axon Evidence, Axon Interview Room	Approximately $100K – $13M	Approximately $15M+	*
Grand Prairie Police Department	Government	Texas - TX	OSP7+ Premium with TASER 7 products, Axon Body 3 cameras, Axon Fleet 3 in-car cameras, Axon Dispatch, Axon Records, and Axon Evidence software for 200+ users	Approximately $19K – $12M	Approximately $14M+	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	

26	Sales force.	Axon directly employs approximately 250 employees in sales-related positions who are committed to selling and delivering service to Sourcewell entities across the US and Canada. Our sales resources are spread throughout the US and Canada. This ensures that we have qualified Axon employees close to our customers in order to conduct site visits, demonstrations, or to check on customer satisfaction. Axon organizes representatives into sales divisions to provide services to agencies based on multiple factors including agency type, agency size (i.e. sworn officer counts), agency geographic location, whether the agency is an existing Axon customer or building a new relationship with Axon, and Axon product types. Our multiple sales divisions help ensure we have qualified Axon employees close to Sourcewell entities to provide you with conducted energy weapon equipment, products, and services; conduct site visits; provide demonstrations; and check on customer satisfaction as needed. All sales representatives have access to the Sourcewell contract via our Salesforce system. Our hiring process is designed to find the highest caliber employees to help us achieve our mission. We take the hiring process seriously, as Axon Sales Representatives play a pivotal role in knowing business needs and applying technological solutions to solve potential challenges. These representatives must have a “business mindset,” that enables them to understand complex challenges and present solutions that might solve these. Axon’s hiring process intends to identify candidates who can do this effectively. It’s our intention to hire people who also derive great satisfaction in helping others solve challenges through technological adoption, implementation, and advancement. Candidates are first phone screened by highly qualified firms who seek top talent from related industries. They are then screened again by a senior member of the Axon team to vet their personal and professional qualifications. During this time, candidates demonstrate how they have successfully learned about past businesses and helped solve their challenges through complex technological solutions. It is expected that candidates can demonstrate success in doing so throughout multiple years of their professional career. The most successful candidates are then invited to Axon headquarters or, as our workforce expands geographically, are invited to participate in multiple on-line interviews. During this process, they meet approximately five senior members of the Axon team to more deeply validate who they are personally and professionally – personal characteristics, business skill, cultural fit within public safety, organizational fit within Axon. The internal team then debriefs about the candidate’s potential fit as a representative of the company, on law enforcement’s behalf. If the internal team finds the candidate appropriate in this position, the candidate moves on to preparing and providing a plan for how they are going to work with a number of accounts. This includes an understanding of how they’re going to research, engage, understand, and work with each potential agency. They present this to the hiring manager (a Director or Vice President at Axon). If appropriate, candidates move on to the final stage of the review and hiring process. During this final stage, candidates speak directly with the Vice President of the Axon Sales Team or with the Executive Vice President of Global Sales for the organization. During this time, the candidate, once again, reviews their personal and professional qualifications as well as their approach to working within the organization and with public safety agencies. At this time, a decision to extend an offer of employment is made. The multiple steps and many stakeholders in the hiring process are to ensure proper rigor in vetting those who work with the many agencies we have or would like to partner with through a business engagement. The Axon organization is a proud technological partner of many in public safety and looks forward to hiring many more qualified individuals to appropriately work with, understand, and solve challenges within, for, and alongside countless agencies for years to come.
27	Dealer network or other distribution methods.	Axon does not sell the video solutions that are the subject of this RFP in the US or Canada through distributors.

28	Service force.	Axon employes approximately 145 in customer support positions who are committed to providing Sourcewell entities with post-sales and post-deployment support. Axon has a full customer and technical support division available 24 hours a day, seven days a week. The Technical Support team is based in Scottsdale, Arizona with additional employees in our Melbourne, Australia and Daventry, UK offices. REPAIR (RMA) DEPARTMENT The Return Material Authorization (RMA) department is located at Axon Headquarters in Scottsdale, Arizona. The RMA department prioritizes returned products for analysis and/or repair on a first-in-first-out (FIFO) basis, based on the severity of the complaint (or unless otherwise requested by the agency). The general turn-around-time for a full resolution is less than 30 calendar days from receipt of the returned product. Axon provides agencies with the ability to manage RMA requests within Axon Evidence. Authorized users will be able to create, update, save, submit, and track device returns for their agency in one place. Axon Evidence Device Return Service is integrated with FedEx and return shipping labels are provided at no extra charge. RMAs may also be generated at https://returns.axon.com, although return shipping labels are not available via this method. Upon receipt of the item(s), the RMA department will conduct a failure analysis investigation to determine the root cause of the issue and repair the item if possible. It is at Axon's sole discretion to repair or replace a device as identified in the original manufacturer warranty and/or the extended warranty policy. CUSTOMER SUCCESS MANAGERS (CSM) Throughout the length of their contract, some customers will have a dedicated, in country Customer Success Manger (CSM). This is determined on the size and location of the customer; Currently the CSM team is operating within the United States only. The team is being expanded, but we do not have an estimated time of implementation in Canada. The CSM will have comprehensive knowledge of a customers' solution and its components, including any applicable custom integrations. The CSM will be available to offer support and escalate any issues or concerns as needed.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Axon will process orders from Sourcewell members directly, as our distributor network in the United States and Canada does not sell our video products. The ordering is simple and primarily follows a process where the customer will contact an Axon sales resource. The sales resource will use pre-defined Sourcewell skus in Salesforce to request a quote from our internal quoting department. The department will create a quote using the pre-approved pricing and release the quote to the sales resource. The sales resource will either provide the quote directly, or will work with the Axon Proposal Team to deliver the offer. The entire process is tracked within Salesforce. Quarterly, our internal Sourcewell resource runs reports from Salesforce and uses this data to prepare and submit quarterly reports to Sourcewell.	*

30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	Customers can initiate live phone support 24 hours a day, seven days a week by calling the support center at +1-800-978-2737 (extension 2), or via email at Support@axon.com. Online, email-based support and remote-location troubleshooting are included on an ongoing basis as part of your investment in the Axon ecosystem. Calls are first routed to the Tier 1 technical support team. Through troubleshooting, they can resolve most calls. If at any point an issue needs to be escalated to a higher technical tier, the call may be immediately transferred to a Tier 2 support specialist, or a phone number may be taken for a callback, depending on call volume and issue complexity. The following describes our levels of support available by tiers (based on the nature and criticality of the issue): TIER 1 TECHNICAL SUPPORT - GENERAL HOW-TO QUESTIONS • Frequently asked questions (FAQs) • Product navigation • Feature clarification • Standard queries • Assistance with known solutions TIER 2 TECHNICAL SUPPORT • Advanced Product trouble shooting • Advanced Axon Evidence Configuration • Any Escalated issues from Tier 1 support TIER 3 ENGINEERING SUPPORT • Critical problem or recurring problems rendering the product inoperable or requiring workarounds, bug fixes, testing and/or simulation The targeted response time for critical problems is one business day. The targeted resolution time (depending on severity and potential workarounds) is between less than 24 hours to less than two weeks. Monthly, the Customer Service and Support team manager evaluates three calls for each team member. This audit checks adherence to policies, troubleshooting ability and customer satisfaction. Team members are evaluated on the scores they receive each month. Additionally, each team member is evaluated on their customer feedback score and the number of cases that remained unresolved after 24 hours. This assesses customer satisfaction and ensures that cases are handled in a timely manner.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Axon is willing to provide all included products and services to Sourcewell participating entities in the United States.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Axon is willing to provide all included products and services to Sourcewell participating entities in Canada.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	There are no restricted areas in the United States or Canada for the proposed contract.	*
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	Axon will serve any participating sectors for the proposed contract.	*
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	Axon does not have any specific contract requirements related to Hawaii or Alaska for this contract.	*

Table 7: Marketing Plan

Line Item	Question	Response *	
36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	As a current Sourcewell contract holder, Axon already has programs in place to educate staff and perspective customers on the appropriate use of the contract mechanism. Our sales team is our primary link to customers and our best path for marketing cooperative contract benefits to our customers. Our sales teams favor cooperative contracts because they simplify the sales process. We focus education internally on our sales and contract teams. All sales staff are trained on the availability and use of cooperative contracts. This is done through sales training and webinars, and the contracting process is built into our tools, such as Salesforce . We are also expanding our internal resource guides specifically with information on cooperative contracts. This tool provides sales teams with information on all our cooperative contracts, including availability dates, authorized users, price lists and relevant terms and conditions. The tool also includes the public links and information that can be provided to customers to improve their awareness and tie them directly to cooperative resources, such as Sourcewell. Our Salesforce tracking system for order processing includes internal links to the available cooperative contracts which customers may use for purchasing Axon products. By ensuring our sales force has access to this information, our representatives are able to quickly provide details for agencies to engage in pricing discussions and justify purchasing via a cooperative. We have also run public webinars to educate potential customers on different buying options. Cooperative Contracts Webinar (axon.com). We actively recruit staff, including legal staff, with knowledge of cooperative contracts. This is another way of expanding the visibility both internally and externally https://www.axon.com/job/5738892003.	*
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Axon uses a variety of technologies to enhance our marketing effectiveness. This includes visibility on various platforms such as LinkedIn, where we leverage both text and custom videos to inform customers of new products and to demonstrate thought leadership. In addition, we maintain a detailed website where both current and prospective customers can access detailed information, including product sheets, training materials, event schedules, and detailed user documentation. Our Salesforce database provides detailed information on customer buying habits, prospective opportunities, and actions taken. It is integrated with our purchasing processes to ensure a smooth connection between sales and ordering processes. Axon provides on-line and in-person demonstrations of our products, attends trade shows, and has a travelling road show where people can get detailed information and hands-on access to our products. Some of these more traditional technologies are still the most effective ways to reach customers.	*
38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell can help promote membership to law enforcement agencies who may not realize they are members. Axon has seen in past interactions that many agencies do not know they are already members of a cooperative. Because we already have a Sourcewell contract, the foundation for integration is already in place. Upon award of a new contract, we will announce it to our sales teams, and update SFDC to ensure that any new pricing or terms are available to the sales teams. We will also update any training as needed to reflect the new contract.	*
39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Yes, Axon provides an ecommerce site that requires an authorized login and purchase eligibility to access. The ecommerce site acts as another 'ingestion point' for orders. The platform is intended to make ordering faster, easier, and more efficient. The site customizes product visibility and includes contracted pricing for each agency. We allow authorized customers to pay by credit card. With prior authorization by both an agency and Axon, we will also allow Purchase Orders/Invoices. After the order is placed, it is processed as any other order would. The e-procurement site is generally used for small add on products. Most government and education customers work directly with sales representatives for more complex projects.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	
40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Training is a standard part of all Axon programs and is included in the base cost of the program. Training Overview Axon's training approach is aligned with the overall coordination of the integrated body-worn camera, in-car camera, and digital evidence management solution implementation. Our approach ensures that those responsible for administering the digital evidence ecosystem, as well as those responsible for using our systems and devices, have multiple options for initial and recurring training. We will provide initial training, as well as access to the on-line Axon Academy for refresher training, and future training of new users. Axon is highly flexible with our training options, and can adjust courses and approaches as needed based on discussions in the project planning phase. Training is largely centered around the types of users and devices, focusing on those with administrative responsibility, in house trainers, detectives, redaction technicians, body-worn camera users and Fleet users. Our proposed training is outlined below. Training Materials Our Professional Services team will provide soft copies of User Guides, Axon Quick Start Guides, and Manuals, Axon Evidence Administrator Reference Guide, Axon Evidence Security Guide, End-to-End Deployment Guide, Implementation Best Practices Guideline, and a Go-Live Checklist. Additional curriculum and support materials include, but are not limited to: Job Aids E-Learning Certification Programs Video Training Demonstrations Software Simulations Enrollment for Virtual Classes Recordings of Previous Classes and Demonstrations Sample Lesson Plans Key User Training (Train the Trainer) End users can be trained one by one or in a train-the-trainer style. For a department of the size of Champaign, we advise training an initial subset of key end users. This group will serve several roles, including confirmation of system functionality, performance, and feedback on any localized issues that had not been previously identified. This initial subset of trainees can act in a "train the trainer" capacity for their co-workers and typically become a resource when newer users are activated and require training or assistance. System Administration Training System Administrator training typically consists of a session covering custom roles and permissions, retention categories, and other critical Axon Evidence settings. Additionally, Axon Evidence features will be discussed, including working with evidence, redaction capabilities, case functionality, reporting options, audit trails, and device inventory. Administrators will also learn how to configure items specifically related to Axon Body 3, Axon Fleet 3, Axon Signal, and ALPR. Each System Administrator training session is generally three to four hours in length and can accommodate up to 10 users. Axon Evidence User Training If training for evidence technicians, supervisors, detectives, or redaction technicians is necessary for your program, our team can accommodate those needs. These sessions are customized and will cover portions of Axon Evidence that are central to the job functions of those in attendance. Recommended Class Structure / Training Plan Under this project, Axon will provide the following training classes: One (1) three-hour Super User (Administrative) Training session (two (2) sessions can be conducted, if needed). There is no limit to the number of attendees for these sessions. One (1) three (3) hour Train the Trainer session. There is no limit to the number of attendees for these sessions. One (1) one and a half (1.5) hour Evidence Tech Training. There is no limit to the number of attendees for these sessions. Fleet 3 Training - Generally, end users will be trained on the system when they return to pick up their vehicle after hardware installation is complete. They will be trained on system operation and best practices. This process can be modified if needed; in some larger agencies a group of end users may be trained, who will then train other groups of end users. The customer trainers would then complete the rollout of the cameras and training to all the officers. The number of classes will vary depending on the size of each department. For customer train the trainer rollout, we recommend a limit of 15 officers per class. Training is normally conducted at the beginning of a shift so that the officer can begin using the equipment immediately. Having training coincide with deployment reinforces the material taught during training and allows any issues that arise to be addressed by training staff immediately. While this is our recommended and proposed class structure and curriculum, our approach is flexible and can be modified to meet the needs of different customers. Additional Training Resources and Continued Learning	*

		Our continued learning site, Axon Academy, is your go-to online resource for learning more about your TASER smart weapon, Axon camera, Axon Evidence account, and how each of these components interface with other elements of the Axon ecosystem. Supported by the Police One web infrastructure, Axon Academy is a convenient and secure way of accessing information to help agencies make the most of the Axon Ecosystem of products and digital evidence management software. Within Axon Academy, there are three different ways to learn: ON-DEMAND E-LEARNING MODULES – Each of these modules address a different element of the Axon Ecosystem and provide a self-paced, individual learning experience whenever is convenient for your users VIRTUAL TRAINING COURSES – these courses are offered live via the web, and give your users the ability to participate in a class and interact with the instructor CERTIFICATION PROGRAMS – Our comprehensive certification programs allow learners to pull together a specified list of resources to quantify their knowledge in a particular area (e.g., CEWs, Axon Evidence, Axon cameras). Training content is developed and maintained by Axon subject matter experts and supporting documentation is designed to provide a simple and straightforward way of learning about specific topics. The database continues to grow as our product and service offering expands.	
41	Describe any technological advances that your proposed products or services offer.	Axon Body 4's integration with the Axon Ecosystem enables dispatch and command staff to gain real-time situational awareness of events in the field through Axon Respond. Axon Respond enables remote personnel to quickly gain insight into a call-for-service or an officer's whereabouts. By simply signing into Axon Evidence or the Axon Respond mobile application, users can use the Axon Respond Map to view the real time location of officers wearing the Axon Body 4 or vehicles equipped with the Fleet in-car cameras, as well as receive live alerts and notifications. This solution is provided anytime LTE connectivity is available. If an agency elects to upgrade to Axon Respond+, video can also be live streamed from the LTE enabled cameras. When livestreaming begins, the officer will be notified via audible and haptic (vibration) feedback and visually by an icon on the display. If stealth is enabled, the officer will not be notified. A new "Watch Me" button on Axon Body 4 devices empowers officers to signal for an additional set of eyes to watch their back when responding to calls. When an officer presses this button, Axon Respond users receive a notification within moments so they can immediately support the officer. This enables supervisors and dispatchers to prioritize which officers can most benefit from additional support. A new Voice Communication functionality is also available on Axon Body 4 devices. After starting a livestream on Axon Respond, Respond users then have the ability to start a conversation with the device wearer by pressing the "Start Call" button. The Respond viewer can then communicate with the officer by our "push-to-talk" feature. The device wearer can hands-free talk back to the Respond viewer. This feature supplies officers and supervisors with a communication method through Axon Respond. These capabilities make it possible for those not on scene to gather better intel and help officers in the field as situations change. Whether checking in on a responding officer or sharing tactical advice during a critical event, Axon Respond gives your agency access to information in the moment. Video and audio are livestreamed via WebRTC (Web Real-Time Communication) protocol, with media secured using SRTP (Secure Real-Time Transport Protocol), and encryption keys agreed upon using DTLS (Datagram Transport Layer Security). All are industry standards. Today, livestreaming uses AVC (h.264) for video encoding and G.711 μ-law for audio. Axon Body 4 bi-directional voice communications are encoded with Opus. Livestreams consume 800kbps-1Mbps. ALPR INTEGRATED ALPR OVERVIEW Axon Fleet 3 revolutionizes daily patrol by fully integrating ALPR and evidence cameras into a single unit. This addition enables communities to make the most of ALPR coverage and helps identify more offenders, missing persons, and stolen vehicles when patrolling your communities. Though most U.S. law enforcement agencies already use ALPR technology today, the cost to deploy and outfit an entire fleet of patrol vehicles can be very expensive. Fortunately, Axon Fleet 3's level of integration changes the economics of ALPR. There is no additional installation required to enable ALPR meaning no additional equipment, drilling of holes, external mounting of hardware/cables, or complicated camera aiming/calibration processes. HOTLISTS The ALPR process starts by setting up hotlists within Axon Evidence. These hotlists are made up of known license plates and vehicles of interest that are either stolen, wanted for, or potentially associated with unlawful activity or missing persons. They often fall into the following categories: A list of license plates or vehicles known to be stolen A list of license plates or vehicles known to be associated with known or potential criminal activity such as gang involvement, watch lists, known associates of criminal activity, etc. A list of license plates or vehicles with administrative issues such as unpaid vehicle	*

		registration, unpaid traffic fines, etc. Hotlists are then sent to the Axon Fleet 3 vehicles via incremental updates when changes are made. Typically, if a plate is added to a hotlist, the hotlist is updated in all Axon Fleet 3 vehicles within minutes if they are on and connected. ALPR DETECTION Axon Fleet 3's ALPR technology will activate once the in-car system is booted up. As long as the Axon Fleet 3 in-car system is powered on, the ALPR technology will continue to operate even if the Axon Fleet Dashboard application is not running or the MDC is powered off. The Dual-View Camera leverages built-in 4K sensors to help legibly capture license plates up to 3 lanes away and ~50 feet (15.2 meters) in distance, at a closing speed of ~140 MPH (~225 km/h). Plate reads and hits are encrypted and stored on the Axon Hub and securely uploaded to our CJIS-certified cloud storage. ALPR ALERTS Axon's ALPR is accessible from the Axon Fleet Dashboard application that runs on the MDC. Users can easily navigate between ALPR and in-car video workflows. Once the camera makes a plate read, plates are compared to agency hotlists and, if there is a match, an alert is generated and presented on the MDC via the Axon Fleet user interface for officer disposition. Our ALPR technology will alert the in-car system less than one second after a plate is read. If multiple plate reads or hits happen at the same time, all plate reads and hits will be saved, but the highest severity read or hit will be prioritized for an alert. Once an alert is detected and confirmed as correct, the Axon ALPR system will copy the plate number to the Windows clipboard so that it can be easily pasted into and validated by a CAD application. This seamless integration between systems helps improve workflows and efficiencies through an intelligent ALPR system. RESPONDING TO ALPR ALERTS Using the Dashboard application on the MDC, users can quickly review and act on notifications populated when a plate number appears on an agency's hotlist. If a plate number activates a notification, users can review the hotlist source, offense category, additional vehicle details, and verify the accuracy of the plate read. Officers can record an action taken on a particular hit, whether that be a warning given to the driver, a citation being issued, or an arrest being made. FLOCK ALPR INTEGRATION Axon has a proven integration with the FLOCK ALPR system. Users of the FLOCK Safety system will have an integration that allows the Look Up interface to search information in Axon Evidence.		

42	Describe any “green” initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	We take every action to minimize negative impacts to the environment. Axon recognizes and is fully compliant with all local, state, federal and foreign government requirements including U.S. EPA and O.S.H.A. standards. Axon is certified to ISO 14001. Axon is committed to excellence and leadership in protection of the environment. We strive to minimize adverse impact on the air, water, and land through excellence in pollution prevention and waste abatement. By preventing pollution at the source, we save resources, increase operational efficiencies, and maintain a safe and healthy work environment for our employees, visitors, contractors, and neighbors. Axon manages an on-premise waste minimization program. The objective is to reduce the quantity of non-hazardous solid waste produced, recycle materials, and reuse materials when possible. Other green initiatives in the building include in-house recycling and the use of variable frequency drives on our main exhaust systems and cooling towers, which allow for more efficient methods of using energy. Our Scottsdale office has on-premise xeriscape, which conserves water by eliminating the need for supplemental water from irrigation. Our Scottsdale headquarters and surrounding buildings use 60% and 95% LED lighting, respectively, which produces less heat and uses less energy. We supplement this with having large windows around the offices, which brings in ample natural light and saves electricity. 5 to 10 percent of the plastics we use in manufacturing our products are made of recycled materials. In addition, we substitute non-hazardous or less toxic material in our manufacturing processes when feasible. Examples are: • Substituting an alcohol-based glue accelerator for an aliphatic petroleum-based product • Replacing the gluing system with a less hazardous two-component epoxy In conjunction with the following practices, Axon has invested in re-usable material handling systems, much of which is also recyclable. • Use of corrugated materials exceeding 35% post-consumer recycled content • Use of other packaging materials that contain recycled content and are recyclable in most local programs • Both the printed and corrugated boxes used to ship our products to customers (and the protective foam used in shipping) are recyclable • We promote waste prevention and source reduction by reducing the extent of the packaging and/or offering • To minimize packaging waste on larger orders, ‘bulk packaging’ was developed • We also employ packaging take-back services and shipping carton return • We reduce and/or eliminate the use of materials which have been bleached with chlorine or chlorine derivatives Axon engages in the following practices that serve to reduce or minimize effects on the environment, including, but not necessarily limited to the following. • Corrugated boxes are broken down and processed for recycling • Offices and dining areas contain recycling bins in addition to trash bins to minimize waste and encourage employee participation in green initiatives • Axon Employee Transportation programs are in place using company supplied vans that reduce congestion on the roadways and carbon monoxide emissions into the environment. • We are compliant with laws pertaining to	*
43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Axon is certified to ISO 14001. Axon also utilizes a green IaaS provider, Microsoft Azure; this partnership extends our focus and investment on a sustainable future and that will have positive global impact. The datacenters are 100 percent carbon neutral and rely on a larger percentage of wind, solar and hydropower electricity over time. Today roughly 44% of the electricity used by datacenters comes from these sources. The goal is to pass the 50 percent milestone, move to the top 60 percent early in the next decade, and then to keep improving from there.	*
44	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	Axon does not hold any WMBE, SBE, or veteran-owned business certifications.	*

45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Axon has long made the priorities of law enforcement our own, and their challenges ours to solve. When Members partner with Axon, they're partnering with a team of product experts, security professionals, engineers, technology specialists, and former law enforcement personnel. We are dedicated to pushing the boundaries of technology and are committed to delivering on those efforts, to offer law enforcement the solutions needed to help make the world a safer place. By becoming a part of our Axon Ecosystem made up of connected devices and apps, Members can better position themselves to keep their officers and community safe. Axon provides hardware and software solutions to law enforcement agencies throughout the globe and is proud to work with the following clients to implement the technology used to help increase workflow efficiencies, reduce incidents, and protect the truth. Some of our largest customers include: • London Metropolitan Police Service, London UK • Los Angeles, CA Police Department • Calgary Police Service, AB • Charlotte-Mecklenburg, NC Police Department • Fort Worth, TX Police Department • Dallas, TX Police Department • San Diego, CA Police Department • Baltimore City, MD Police Department • Baltimore County, MD Police Department • Memphis, TN Police Department • Washington, DC Metropolitan Police Department • Denver, CO Police Department • Cincinnati, OH Police Department • Atlanta, GA Police Department Because our solutions are deployed by thousands of law enforcement agencies across the globe, we are experienced in the development of technology at scale and put a great deal of emphasis on improving our end-user's ease of use. By demonstrating a large investment in research and development—with expenses reaching $76.9 million, $55.4 million, and $30.6 million in 2018, 2017, and 2016, respectively—we are committed to identifying improvements and developing new and innovative solutions. As a member of some of the most prestigious associations across the country, Axon is dedicated to staying involved—and through our participation—we hope to continue building on our understanding of the issues Members face while staying apprised of the conversations affecting the communities they serve. Axon is proud to be a part of the following associations. • The International Association of Chief of Police (IACP) • The Major City Sheriff's Association (MCSA) • The National Organization of Black Law Enforcement Executives (NOBLE) • The FBI National Academy Associates (FBINAA) Once a solution is delivered, most agencies are left asking, what's next? Axon has you covered. Our dedicated customer success and support managers are committed to providing Members with post-sales and post-deployment support. Whether that be troubleshooting assistance, technical support, or help with understanding a new feature, our Customer Success team is here to be your main point of contact and advocate. Through regular communication, our knowledgeable staff can offer Members the support you should expect from a service provider. This support includes: • Notifying customers of Important firmware and hardware updates, identifying bugs, and addressing general issues • Fulfilling hardware refreshes and deployment of new equipment • Conducting Quarterly Business Reviews with customers • Identifying important customer feature requests Our goal is to provide Members with the necessary assistance to help make the most of the solutions you count on every day.	*

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
46	Do your warranties cover all products, parts, and labor?	Axon warrants that its law enforcement hardware products which are manufactured by Axon are free from defects in workmanship and materials for a period of one (1) year from the date of receipt. Axon-manufactured accessories are covered under a limited ninety-day warranty from the date of receipt. Non-Axon manufactured accessories are covered under the manufacturer's warranty. There are extended warranties available as defined in the Axon Master Services and Purchasing Agreement (MSPA). NON-AXON MANUFACTURED PRODUCTS For some solutions we are authorized resellers of hardware (Cradlepoint routers for Axon Fleet, Axis cameras for Axon Interview, etc.). Products that we are authorized to resell abide by the manufacturer's warranty. Further details can be provided upon request.	*
47	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Restrictions are outlined in our warranty, which has been included in the uploaded attachments .	*
48	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	No, our warranties do not cover the expense of technicians' travel time or mileage to perform warranty repairs.	*
49	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	Axon will be available 24 hours/7 days per week by phone for emergency technical support for any system outage, and if mutually agreed upon by both parties, we can provide onsite support for local issues. If a site visit is deemed necessary due to an issue (i.e. access point failures or accidental cut wires) and not an Axon or Axon Evidence issue there may be a charge assessed to the agency.	*
50	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Axon will troubleshoot third party devices to the best of our ability. If we are unable to resolve the issue and the devices require warranty service, this will be performed by the manufacturer. Axon solutions require minimal third-party hardware, limited primarily to commercial-off-the-shelf (COTS) computing devices such as routers, servers, and hard drives. Additionally, some solutions such as Axon Interview rely on third party cameras and tablets which are also COTS.	*
51	What are your proposed exchange and return programs and policies?	Axon does not allow exchanges or returns except on failed items. Please see our MSPA for full details.	*
52	Describe any service contract options for the items included in your proposal.	Please refer to the included MSPA.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
53	Describe your payment terms and accepted payment methods.	Payment terms are Net 30.	*
54	Describe any leasing or financing options available for use by educational or governmental entities.	Axon does not providing leasing or financing options. We do have a provision in our MSPA that allows for cancellation by an agency if sufficient funds are not approved.	*
55	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Axon's Master Services and Purchasing Agreement (MSPA) is a standard transaction document that includes the terms and conditions we propose to use in connection with an awarded contract. A sample MSPA has been uploaded with our response."	*
56	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Axon can process via P-card if necessary but prefers ACH payments whenever possible.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
57	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Axon is proposing a Schedule Discount for Sourcewell Members, including quantity discounts. See question #58 for additional detail.	*
58	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Axon is proposing the following discount schedule based on order quantity. This discount schedule applies to Axon manufactured items. This does not apply to items which Axon resells as part of its offerings. Please see the uploaded price sheet, included in the document section. Quantity: 1 • Customer Discount % off MSRP: 0.00% Quantity: 2-99 • Customer Discount % off MSRP: 1.00% Quantity: 100-249 • Customer Discount % off MSRP: 3.00% Quantity: 250-499 • Customer Discount % off MSRP: 5.00% Quantity: 500-999 • Customer Discount % off MSRP: 7.00% Quantity 1000+ • Customer Discount % off MSRP: 10.00%	*
59	Describe any quantity or volume discounts or rebate programs that you offer.	See question 58.	*
60	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	Axon generally sells at the sourced party’s MSRP. Discounts may be applied on a case-by-case basis.	*
61	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	All standard costs, such as those for professional services like installation and training, are included in standard pricing.	*
62	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Freight, shipping and delivery are included in our costs.	*
63	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Freight, shipping and delivery are included in our costs.	*
64	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Axon offers expedited shipping upon request.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
65	b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	A detailed price list is attached.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
66	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Axon utilizes Salesforce as our CRM tool and Microsoft Dynamics AX as our enterprise resource-planning tool. Salesforce has the Sourcewell contract skus built in. A salesperson requesting a quote for a Sourcewell contract must use these skus, and our formal quoting team creates the quote, adding a further layer of review to ensure that the quote is produced correctly. Quarterly, our Sales Operations team runs standard reports to review all prospects that closed during the prior quarter using a cooperative contract. This information is confirmed within our resource planning tool to ensure that any prospects that have closed, but not yet shipped are accounted for. The collected information is used to calculate the administrative fees owed to Sourcewell.	*
67	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Axon will track the following internal metrics to measure success with the contract: • The number of agencies who utilize the cooperative • The dollar amount of sales associated with the cooperative • The Length of time it takes to update the contract after new products/services are announced by Axon.	*
68	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Axon proposes 1.05% on all equipment, products and services to all participating entities.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
69	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	A summary description of the offered products is included as a response to this question. Detailed solution descriptions for each product have been included as attachments. Capturing Evidence Axon Body 4 The Axon Body 4 camera is designed to capture clear, admissible video and audio evidence when an officer is in the field. The camera has four configurable resolutions from 480p to 1440p and leverages low-light and clear frame technology to capture high-quality video evidence in a variety of environments. Four-built in microphones, strategically placed inside the camera, leverage audio algorithms and onboard audio processing to capture high-quality audio recordings. When combined, these elements help officers capture truth in the moment and maintain transparency. The Axon Body 4 camera is compatible with an easily integrated point-of-view camera called the Axon Flex POV module. Without having to register, assign, or charge the accessory before use, an officer can simply plug the Axon Flex POV module into the Axon Body 4 and begin capturing the same quality evidence from a different vantage point. With this accessory, agencies no longer have to decide between deploying a body-worn camera or a point-of-view camera; they can have both. Camera Features and benefits A DURABLE DESIGN that has been tested to meet/pass the Ingress Protection Rating, MIL-STD Defense, and Impact Certified standards, and can withstand impacts and operate in the harshest environments. A LONG-LASTING BATTERY that is capable of providing approximately 14 hours of battery life under normal usage. A LARGE INTERNAL STORAGE CAPACITY of 128 GB to house captured video files A MAGNETIC FAST CHARGE DISCONNECT CABLE that allows officers to rapidly charge their cameras from the patrol vehicle and falls off when they need to	

leave the vehicle at a moment's notice.
AN INTEGRATED AND EASY-TO-USE MOUNTING SYSTEM that allows officers to quickly mount their cameras to various locations on the body and across different uniform types and equipment, such as helmets and belts.
EMBEDDED REAL-TIME AWARENESS TECHNOLOGY via Axon Respond, which allows the camera to send notifications and alerts, GPS and Wi-Fi location information, and a secure livestream feed over an LTE connection to Axon Evidence or a mobile application. This includes future support for bi-directional communication in the field.
INTEGRATED AXON SIGNAL TECHNOLOGY that activates cameras if an action is taken, such as a firearm being removed from a holster equipped with Axon Signal Sidearm.
A CONFIGURABLE PRE-EVENT BUFFER that can capture up to two minutes of video before the camera is actively recording.
AN IN-FIELD EVIDENCE OFFLOAD OPTION that allows officers to send individual pieces of evidence directly from the camera to Axon Evidence.

Axon Body 3
The Axon Body 3 camera is designed to capture clear, admissible video and audio evidence when an officer is in the field. The camera has four configurable resolutions from 480p to 1080p and leverages low-light and clear frame technology to capture high-quality video evidence in a variety of environments. Four built-in microphones, strategically placed inside the camera, leverage audio algorithms and onboard audio processing to capture high-quality audio recordings. When combined, these elements help officers capture truth in the moment and maintain transparency in the field.
AB3 Features and benefits
A DURABLE DESIGN that has been tested to meet/pass the Ingress Protection Rating, MIL-STD Defense, and Impact Certified standards, and can withstand impacts and operate in the harshest environments.
AN INTEGRATED AND EASY-TO-USE MOUNTING SYSTEM that allows officers to quickly mount their cameras to various locations on the body and across different uniform types and equipment, such as helmets and belts.
EMBEDDED REAL-TIME AWARENESS TECHNOLOGY via Axon Respond, which allows the camera to send notifications and alerts, GPS and Wi-Fi location information, and a secure livestream feed over an LTE connection to Axon Evidence or a mobile application.
INTEGRATED AXON SIGNAL TECHNOLOGY that activates cameras if an action is taken, such TASER being armed.
A LONG-LASTING BATTERY that is capable of providing 12 hours of battery life under normal usage.
A MOBILE CHARGING OPTION that allows officers to charge the camera from their patrol vehicle via a USB-C cable.
A CONFIGURABLE PRE-EVENT BUFFER that can capture up to two minutes of video before the camera is actively recording.
AN IN-FIELD EVIDENCE OFFLOAD OPTION that allows officers to send individual pieces of evidence directly from the camera to Axon Evidence.

Fleet 3 with ALPR
Axon Fleet 3 is an in-car video system purpose-built to capture audio and video within and outside of the vehicle. Axon Fleet 3 offers comprehensive evidence capture so that incidents are accurately documented. Evidence captured by the system is stored on the Axon Hub and offloaded to Axon Evidence via LTE or Wi-Fi connections.

The system features Automatic License Plate Recognition (ALPR) technology that is integrated into the same camera housing to quickly gather information tied to plate reads. The hardware for ALPR is included, and THE CITY can request activation of the ALPR service in the future if desired.
Features and Benefits
A DURABLE DESIGN that has been tested to meet/pass the Ingress Protection Rating, MIL-STD Defense, and Impact Certified standards, and can withstand impacts and operate in a range of temperatures.
CONTINUOUS SYSTEM POWER FROM THE PATROL VEHICLE'S ENGINE that keeps the system running while the ignition is switched on.
BACK UP BATTERY POWER for up to 30 minutes once the ignition is switched off.
A BUILT-IN ALPR CAMERA with 4K sensors to help legibly capture license plates up to 3 lanes away and ~50 feet in distance, at a closing speed of ~140 MPH.
A CONFIGURABLE PRE-EVENT BUFFER that can capture up to two minutes of video before the camera is actively recording.
EMBEDDED REAL-TIME AWARENESS TECHNOLOGY that allows the camera to send notifications and alerts, GPS and Wi-Fi location information, and a livestream feed over an LTE connection to Axon Evidence or a mobile application.
EMBEDDED AXON SIGNAL TECHNOLOGY tied to configurable triggers that

activate cameras if a particular action is taken—like a door being opened or a weapon rack being unlocked, as well as connectivity with the Axon BWCs.
VIDEO RECALL FEATURE that allows for recovery of 24 hours of video footage if a device was not recording at the time of an incident.

Axon Signal Sidearm
Axon Signal Sidearm is a smart sensor that attaches to a firearm holster to remotely activate Axon body-worn and in-car cameras. When a firearm is removed from the holster, the Axon Signal Sidearm device transmits a signal for up to 30 seconds to activate Axon cameras up to 100 feet away. The device can be configured to activate recordings of Axon body-worn cameras or Axon Fleet in-car cameras, leading to better coverage of critical events.

Axon Respond+
Axon Respond enables remote personnel to quickly gain insight into a call-for-service or an officer's whereabouts. By simply signing into Axon Evidence or the Axon Respond mobile application, users can use the Axon Respond Map to view the real time location of officers wearing the Axon Body 4 or vehicles equipped with the Fleet in-car cameras, as well as receive live alerts and notifications.
This solution is provided anytime LTE connectivity is available. If an agency elects to upgrade to Axon Respond+, video can also be live streamed from the LTE enabled cameras. When livestreaming begins, the officer will be notified via audible and haptic (vibration) feedback and visually by an icon on the display. If stealth is enabled, the officer will not be notified.
Video and audio are livestreamed via WebRTC (Web Real-Time Communication) protocol, with media secured using SRTP (Secure Real-Time Transport Protocol), and encryption keys agreed upon using DTLS (Datagram Transport Layer Security). All are industry standards. Today, livestreaming uses AVC (h.264) for video encoding and G.711 μ-law for audio. Axon Body 4 bi-directional voice communications are encoded with Opus. Livestreams consume 800kbps-1Mbps.
A new "Watch Me" button on Axon Body 4 devices empowers officers to signal for an additional set of eyes to watch their back when responding to calls. When an officer presses this button, Axon Respond users receive a notification within moments so they can immediately support the officer. This enables supervisors and dispatchers to prioritize which officers can most benefit from additional support.
A new Voice Communication functionality is also available on Axon Body 4 devices. After starting a livestream on Axon Respond, Respond users then have the ability to start a conversation with the device wearer by pressing the "Start Call" button. The Respond viewer can then communicate with the officer by our "push-to-talk" feature. The device wearer can hands-free talk back to the Respond viewer. This feature supplies officers and supervisors with a communication method through Axon Respond.
These capabilities make it possible for those not on scene to gather better intel and help officers in the field as situations change. Whether checking in on a responding officer or sharing tactical advice during a critical event, Axon Respond gives your agency access to information in the moment.

Axon Community Request+
Axon Community Request is a tool built to securely request evidence from community members for ingestion into Axon Evidence. Axon Community Request can be used by officers in the field to collect video and audio evidence from witness or victim cell phones, or from surveillance video. Community members can then access the portal link and upload any evidence they have related to the incident in question, greatly simplifying the evidence collection process.

Axon Interview Room
Axon Interview is an interview system designed to reliably record and protect evidentiary footage throughout the interview process. Axon Interview includes both hardware and software components that are integrated together to simplify interview workflows. A standard Axon Interview setup can include one or two cameras per room, a microphone, and camera enclosures. Two servers, touch panels, and power over ethernet (POE) switches are also a part of a standard solution setup. *

Axon Device Manager
The Axon Device Manager mobile application assists agencies deploying large numbers of devices by enabling administrators to complete device management tasks for one or multiple Axon devices in seconds. Axon Device Manager transforms device management processes by starting with the devices themselves, instead of an inventory search and armory or storage room visit.

Managing Evidence
Axon Evidence
Axon Evidence is a scalable, cloud-based Digital Evidence/Asset Management System (DEMS), which stores all digital evidence in a centralized, secure system.

Axon Evidence integrates with the entire Axon Ecosystem of devices and applications, so your personnel can use its suite of features to easily store, organize, and view evidence.
Axon Evidence includes easy-to-use case-building tools and sharing workflows that allow users to build cases out of the evidence stored in the system. Once built, these cases can then be shared across your agency and with prosecuting partners in other agencies and jurisdictions.
Axon focuses on creating solutions to solve the complex challenges of digital evidence management. Rather than focusing solely on the camera or “capture” aspect, Axon looks at the bigger picture, considering the costs of ingesting, managing, retrieving, and sharing the data or the “capture to courtroom” workflow. We pay close attention to how officers interact with the application, as we believe it should conform to the needs of law enforcement and never the other way around. After years of collecting feedback and listening to input from law enforcement, Axon created the Digital Evidence Workflow (DEW) framework. The DEW Framework was designed to help agencies make sense of complicated and complex systems and highlight areas where they could improve their efficiency and effectiveness. The Axon Evidence digital evidence management solution was designed to align with and simplify this workflow.
Axon Evidence automatically integrates with all Axon solutions including TASER CEWs, Axon Fleet, and Axon body-worn cameras. Axon Evidence also has manual bulk upload capabilities to ingest and manage many other forms of digital evidence. Axon Evidence is a true end-to-end solution providing the application and the infrastructure required to run it. With Axon Evidence, all you need to access your evidentiary information is an internet connection and a standard web browser.
Axon Evidence can ingest assets from multiple sources, manage them simply with configurable metadata fields, retrieve them with an advanced search engine, automate access control and retention with intelligent workflow features, redact videos using powerful tools for FOIA requests, and collaborate effortlessly with other stakeholders using secure sharing features. Unlimited storage
Our Axon OSP package includes unlimited storage for all evidence—including Axon-generated footage, third-party footage, and anything else that can be stored in Axon Evidence. With unlimited storage, your agency will be equipped to make Axon Evidence your single destination for storage of your most critical evidence, without having to worry about storage overages or additional fees.
Third-party video support
The Axon Evidence third-party video playback feature automatically converts and plays videos not supported by the default video player. Officers and investigators will save time when ingesting video of a non-standard file type, as the feature automatically converts and plays more than 1,000 file types and their variations, with new file types added regularly and directly from customer requests.
Auto-transcribe
Axon Auto-Transcribe is a tool in Axon Evidence made up of two modules: Review Assistant and Transcription Assistant. Investigators can use Review Assistant to accelerate their review of evidence by generating a searchable, time-synced transcript of the evidence’s audio. This allows a user to click on a word spoken in the evidence file and be immediately taken to that point of the video. Transcription Assistant generates a transcript of an entire video via AI. An investigator can use Transcription Assistant to speed up the process of creating a transcript by correcting any errors in the AI-generated transcript, rather than typing a transcript from scratch.
Auto-tagging
The Auto-Tagging service takes information directly from your CAD or RMS solution and correlates it with the associated videos stored in Axon Evidence. Your officers will no longer need to manually tag their body-worn and in-car camera recordings or double-check manual entries for errors. Administrators can rest easy knowing that the metadata from your CAD and RMS systems are correlated via auto-tagging with custom retention categories in Axon Evidence, making proper evidence retention simple.

Axon Records
Axon Records is a cloud-based database application, that is intended to help improve incident reporting based on customized forms and automation tools. Axon Records is fully integrated with Axon Evidence, as well as other devices in the Axon Ecosystem, such as body-worn cameras and TASER energy weapons.
Axon Records is designed to make report writing more efficient, and submission and review processes faster, by generating information from the Axon Ecosystem of connected devices and software. Direct access to Axon Evidence allows users to seamlessly attach digital evidence from TASER devices, cameras, and citizen smartphones to an incident. Axon Records reports are collaborative in nature and can be shared with involved officers, partner agencies, and prosecutors. Cases developed in Axon Records are automatically created in Axon Evidence.
With this connectivity, agencies can access agency-wide data that can be reviewed and imported into Axon Records’ reporting modules, thus offering improved efficiency, and helping to ease your administrative burden.

Axon Investigate
Axon Investigate is a forensic platform for everything video related, with a trackable set of tools which allow users to quickly overcome challenges seen with modern video and multimedia evidence streams. Users can easily convert files to playable formats in bulk and manage multiple video sources in a single project.
Additionally, the tools in Axon Investigate Pro assist with video analysis, including multi-clip time syncing and stitching, video enhancement, narrative report creation, and court demonstratives. To accomplish these goals, Axon Investigate uses workflows—a combined set of processing steps—to forensically interrogate the media files.

Improving Performance
Axon Performance
Axon Performance is a module within Axon Evidence that provides two capabilities: reviewing individual evidence entries and managing overall performance.
Axon Performance is designed to reduce the amount of time field supervisors spend reviewing compliance with agency policies and programs. With Axon Performance, agencies streamline the supervisor review and enable supervisors to deliver tailored personnel training and feedback to ensure that teams are operating within agency guidelines and policies.
While using Axon Performance, supervisors or managerial-level staff can review electronic evidence, leave feedback on findings to be added to the Audit Report, and add inspection notes all within the Review pane.
As shown below, Axon Performance provides an easy-to-use interface to review video and mark pre-defined items, as well as enter more descriptive notes.
Axon Performance allows supervisors or managerial-level staff to review their agency's body-worn camera, Fleet and TASER metrics.
Not only can Axon Performance help an agency adhere to policies and programs currently in place, but they can leverage the technology to identify gaps in performance and evidence management. By gathering this information, your agency can work to train and improve an officer's skill set.

Axon Standards
Axon Standards is an internal affairs tool in Axon Evidence that assists with report writing and tracking of officer-involved events such as use-of-force, injury, or pursuit incidents. Supervisors, Professional Standards, or Internal Affairs (IA) units can streamline their report writing duties by having direct access to any associated digital evidence and take advantage of predictive typing, task delegation, and data management features. System administrators can create custom forms specific to an agency's policies, design routing and approval processes to match your workflows, and create automated alerts so that reports are not bottlenecked for review.
With Axon Standards, users can also access interactive reports to help provide data-driven insights and quicker investigative outcomes. These reports can help supervisors and leaders in the chain of command to thoroughly investigate staff-involved incidents, ultimately leading to better transparency amongst the community

Axon My90
My90 is a comprehensive engagement tool that helps law enforcement leaders conduct surveys, capture data, and display the results. My90 collects, de-identifies, and aggregates the survey responses to identify trends, surface positive feedback, and find specific opportunities for improvement. My90's offers three types of surveys:
- POST-CONTACT SURVEYS – Text or web-based surveys automatically sent to 911 callers to evaluate their interaction with officers
- COMMUNITY SURVEYS – Sent to the general population either in-person or online using QR codes and URLs to gauge community-wide sentiments
- EMPLOYEE SURVEYS – Short "pulse surveys" sent to agency staff via text message, email, and the web to evaluate morale or staff burnout
-

Training
Axon Virtual Reality
Axon Virtual Reality (VR) Training is an immersive training program that uses virtual reality hardware and software to enhance officer performance, critical thinking, and de-escalation skills. The solution is fully wireless and is made up of VR headsets, controllers, tablets, and integrated software.
Axon VR Training allows training at the station or a remote location, with its quick set-up experience and minimal amount of hardware. The solution has a small form factor, meaning there is no longer a need for a training room dedicated to housing cameras, truss systems, backpacks, or computers. Axon VR Training is very portable, and no complex room calibration is required.
The innovative Axon VR Training software is comprised of three core elements: Community Engagement Training, Simulator Training, and Axon Academy.

70	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	For video surveillance, our products generally fall into the categories of: - Body-worn cameras - In-vehicle camera solutions - Interview Room solutions - Digital Evidence Management Systems	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
71	Portable and mobile video camera and recording solutions, such as body-worn, in-car, and equipment-mounted devices.	(•) Yes ( ) No	Axon's offer includes the Axon Body 3 and Axon Body 4 body-worn cameras, as well as the Axon Fleet 3 in-vehicle camera solution. These products, and the mounts below, are described in answer 69 and detailed product sheets are attached. The Axon Body 3 and 4 cameras are self-contained audio-visual unit with no external wires. The cameras utilize a proprietary mounting system, allowing it to fully attach or detach from a mount in less than one second. Whether officers decide to mount their devices on a shirt, patrol vest, jacket, or belt, our easy-to-use mounting system—which includes an attachment piece built into the back of the device and an attachment receiver built into each mount—allows them to simply attach and lock the camera in a desired place and position. Officers can easily remove and securely remount the camera as needed and no alteration to uniforms is necessary for most mounts. Having multiple mounting options that attach to a variety of uniforms and clothing types can be both beneficial and convenient. Axon provides both low-retention mounts that are easy to maneuver and breakaway, as well as high-retention models that become an integral part of the uniform. With either option, officers can leverage our secure mounting system with RapidLock technology to help capture truth. The camera's magnetic mounts are strong enough to hold the devices in place while running or fighting. To mitigate the jostling and bouncing that might happen during a foot pursuit or a physical altercation, Axon camera mounts are designed to fit on the centerline or above the beltline of the user to benefit from the human body's own mechanics for absorption of impact and energy.	*
72	Permanently mounted or installed video camera and recording solutions designed for all law enforcement, school resource officers, corrections, first responders, and emergency medical services.	(•) Yes ( ) No	Axon Interview is an interview system designed to reliably record and protect evidentiary footage throughout the interview process. Axon Interview includes both hardware and software components that are integrated together to simplify interview workflows. A standard Axon Interview setup can include one or two	

			cameras per room, a microphone, and camera enclosures. Two servers, touch panels, and power over ethernet (POE) switches are also a part of a standard solution setup. Axon can build custom interview rooms to meet your specific needs. Available options include: Overt and Covert Cameras Covert Camera Enclosures Microphones Physical or Virtual Recording Servers Touch Panels Software application for workstations POE Switches Point-to-zoom cameras In-room remote viewing indicator lights Motion-detector camera activation Button-Push / Toggle switch camera activation Detectives responsible for conducting interviews will have access to an easy-to-use solution that will reliably capture crucial statements and important body language. This evidence can then be reviewed later and used when building a case. The system is controlled with touch panels that are pre-installed with Axon Interview software. With a simple tap of the screen, detectives can start an interview from either inside or outside of the interview room. The touch panel also unlocks time-saving workflows that can be leveraged during an interview—such as metadata entry to make evidence management easier, audio/video masking to protect individual privacy, note-taking tools, and bookmarking features to flag points of interest in an interview for later review. Additionally, command staff or other personnel can keep track of interviews as they happen through Axon Interview's Live Streaming application. The personnel can view multiple rooms at once and add notes and markers to an interview in progress. For security, access to interview rooms via livestream can be password protected. Features and benefits REDUNDANT ON-PREMISE STORAGE SERVERS to prevent the loss of critical evidence if a connectivity issue were to occur prior to uploading to the cloud A CONTINUOUS RECORDING BUFFER that temporarily stores audio and video to local servers, which allows agencies to retrieve evidence if a user forgot to start a recording A SECURE EVIDENCE UPLOAD PROCESS TO AXON EVIDENCE that protects the chain of custody and offers cloud-based storage	*

73	Video capable threat and weapons detection.	(•) Yes ( ) No	The Fleet 3 in-vehicle camera solution offers integrated Automatic License Plate Recognition technology. This technology can be used in combination with pre-defined criteria to alert based on a number of factors, such as a vehicle being stolen, or as part of an active search.	*
74	Related equipment complementary to the offering of the solutions in 71-73 above, including automated activation devices, lasers, monitors, recorders, microphones, and transmitters.	(•) Yes ( ) No	Axon Signal technology utilizes Bluetooth to activate nearby cameras in certain situations. This can be based on activating a TASER, withdrawing a weapon armed with Axon Signal Sidearm, and a variety of 12-volt signals in the vehicle, including, for example, activating sirens, a crash, or opening doors. Certain Axon Interview cameras can be configured to activate based on motion.	*

75	Technology, data storage, advanced analytics, redaction, and management software solutions and applications for self-hosted, cloud-based, and hybrid systems that are complementary to the offering of the solutions in 71-73 above.	(●) Yes ( ) No	Axon Evidence is a scalable, cloud-based Digital Evidence/Asset Management System (DEMS), which stores all digital evidence in a centralized, secure system. Axon Evidence integrates with the entire Axon Ecosystem of devices and applications, so your personnel can use its suite of features to easily store, organize, and view evidence. Please see the attached solution description for detailed information on Axon Evidence. Axon Evidence includes easy-to-use case-building tools and sharing workflows that allow users to build cases out of the evidence stored in the system. Once built, these cases can then be shared across your agency and with prosecuting partners in other agencies and jurisdictions. Axon focuses on creating solutions to solve the complex challenges of digital evidence management. Rather than focusing solely on the camera or “capture” aspect, Axon looks at the bigger picture, considering the costs of ingesting, managing, retrieving, and sharing the data or the “capture to courtroom” workflow. We pay close attention to how officers interact with the application, as we believe it should conform to the needs of law enforcement and never the other way around. After years of collecting feedback and listening to input from law enforcement, Axon created the Digital Evidence Workflow (DEW) framework. The DEW Framework was designed to help agencies make sense of complicated and complex systems and highlight areas where they could improve their efficiency and effectiveness. The Axon Evidence digital evidence management solution was designed to align with and simplify this workflow. Axon Evidence automatically integrates with all Axon solutions including TASER CEWs, Axon Fleet, and Axon body-worn cameras. Axon Evidence also has manual bulk upload capabilities to ingest and manage many other forms of digital evidence. Axon Evidence is a true end-to-end solution providing the application and the infrastructure required to run it. With Axon Evidence, all you need to access your evidentiary information is an internet connection and a standard web browser. Axon Evidence can ingest assets from multiple sources, manage them simply with configurable metadata fields, retrieve them with an advanced search engine, automate access control and retention with intelligent workflow features, redact videos using powerful tools for FOIA requests, and collaborate effortlessly with other stakeholders using secure sharing features. *

76	Accessories complementary to the offering above, including docking stations, chargers, memory cards, cables, adapters, clips, mounts, batteries, holsters, and harnesses.	(•) Yes ( ) No	Docking stations The Axon Body 3 cameras are compatible with two types of docks—an 8-bay Dock and a 1-bay Dock. Each dock is designed to charge the camera or cameras, and provide a connection to our DEMS, Axon Evidence, to securely upload evidence and receive the newest operating system updates or configuration changes. Please see the attached Axon Body 3 and Axon Body 4 solution descriptions for a images and specifications. Each dock function as an Ethernet adapter, an unmanaged network switch, and charger. All Axon Body 3 cameras are compatible with any Axon Body 3 Dock. All that is required to install an Axon Body 3 Dock, is the supplied Ethernet cable, an active internet port that connects to your network, and the included power cord. Upload rates average 30 MBPS withing a dock. Each time the Axon Body 3 camera is docked, the time is automatically checked and reset. The dates and timestamps sync with the atomic clocks at the National Institute of Standards and Technology (NIST) and cannot be altered, which protects the chain of custody. The timestamp can be displayed in local or UTC. Axon also provides an option for Wall Mount Brackets, which were designed to minimize the device-storage footprint, as well as provide easy access to your device(s). The docks are typically mounted at an angle to help keep devices connected and operating lights visible. Mounts The Axon Body 3 camera is a self-contained audio-visual unit with no external wires. The camera utilizes a proprietary mounting system, allowing it to fully attach or detach from a mount in less than one second. Please see the attached Axon Body 3 and Axon Body 4 solution descriptions for a detailed list with images of all mounting options. Whether your officers decide to mount their devices on a shirt, patrol vest, jacket, or belt, our easy-to-use mounting system—which includes an attachment piece built into the back of the device and an attachment receiver built into each mount—allows them to simply attach and lock the camera in a desired place and position. Officers can easily remove and securely remount the camera as needed and no alteration to uniforms is necessary for most mounts. Having multiple mounting options that attach to a variety of uniforms and clothing types can be both beneficial and convenient. Axon provides both low-retention mounts that are easy to maneuver and breakaway, as well as high-retention models that become an integral part of the uniform. With	

			either option, officers can leverage our secure mounting system with RapidLock technology to help capture truth. The camera's magnetic mounts are strong enough to hold the devices in place while running or fighting. To mitigate the jostling and bouncing that might happen during a foot pursuit or a physical altercation, Axon camera mounts are designed to fit on the centerline or above the beltline of the user to benefit from the human body's own mechanics for absorption of impact and energy. Axon Body 4 Point of View Module The Axon Body 4 camera offers an easily integrated point-of-view camera called the Axon Flex POV Accessory. The Flex POV module does not require charging or offload. When a Flex POV module is connected, Axon Body 4 will buffer and record from the POV module perspective. When the POV module is disconnected, Axon Body 4 will automatically switch back to the Body Worn Camera perspective. When a Flex POV module is connected to a user's camera for the first time, Axon Body 4 will prompt the user to set the POV orientation. The orientation of the POV module can be determined using the letter on the top of the POV module when mounted. Once set, orientation can be updated using the camera menu. Axon Body 4 Quick Disconnect Charger While the Axon Dock is the primary means of charging, the Axon cameras can be charged by any electrical charger with a USB connector. The Axon Body 4 uses a USB 3.0, Type-C receptacle. This flexibility allows an officer to charge a camera from any location with a USB-compatible power source. The Axon Body 4 also includes a magnetic disconnect charger for additional ease of charging.	
77	Services complementary to the offering above, including training, installation, and administration of warranty programs.	(•) Yes ( ) No	A successful program depends on the ease of implementation and the experience of the deployment team. Axon's Professional Services (PSO) team includes experienced professionals who have completed hundreds of deployments covering hundreds of thousands of cameras, as well as the supporting evidence management systems. Axon's PSO, data migration, training and Fleet installation teams have extensive experience helping agencies of all sizes implement their body-worn and in-car camera programs. By offering dynamic deployment plans, experienced deployment teams, and a solution developed in-house specifically for public safety, Axon is uniquely positioned to provide customers with an effective deployment, training, and	

			support experience. With Axon, customers receive a full solution, mitigating the project and support risks associated with having multiple, different suppliers. Axon has the manufacturing capability, financial capacity and skilled and available workforce to ensure that a program is successful. Our reputation for going above and beyond to ensure that our customers are not only satisfied, but successful with our products is well known throughout the industry, and we invite all customers to validate this with objective resources. By having our staff complete installations, customers can expect project alignment, with end users gaining a more complete picture of the features and functionality of the solutions. Our PSO team is trained specifically to install our proprietary solutions, meaning customers will benefit from having installers with the most up-to-date product information, product training, and installation techniques. Many of our PSO implementation specialists joined Axon directly from law enforcement and were responsible for planning and managing similar projects in their former law enforcement roles. This real-world experience is an invaluable resource and allows them to predict and overcome potential challenges as well as effectively collaborate with command and IT staff. Our staff can also offer guidance on custom workflows and processes to help use your body-worn and in-car cameras and DEMS effectively and in compliance with local laws and statutes. When selecting a solution, it is worth considering whether the hardware and software were built from company acquisitions or developed by the same engineers who support it today. The proposed body-worn and in-car camera hardware and DEMS software were designed and maintained by Axon's in-house engineers, allowing our teams to easily pass on feedback for feature requests as programs progress. Our U.S.-based Technical Support team can engage directly with our in-house engineers for advanced troubleshooting if the need arises. At the beginning of each program, we meet with customers to define requirements and outline a project schedule. Our programs typically include items required to: Migrate your existing data; Establish integrations with your current platforms as defined in the requirements; Build and deliver your solutions; Configure all body-worn camera LTE sim cards, establishing them on the appropriate carrier networks, and		

			managing all body-worn LTE data plans. Create your initial configuration in Axon Evidence; Train your administrators; Install your in-car cameras and, Provide long term support. Deployments are led by Axon's PSO team, who will begin by reviewing the proposed project plan with designated point of contact. Axon's PSO team will coordinate direction with this point of contact throughout the project to accomplish the tasks necessary for a smooth, successful implementation. During the implementation kick-off calls, our resources will work collectively to refine the plan, and define a final schedule. These initial discussions will set expectations for deployment timing and staffing. Administrator guides, networking information, and other critical solution information will be provided to your program point of contact to assist with planning. Axon's PSO team will also evaluate the project for proper scoping and follow-up to obtain additional information if necessary prior to on-site services. This may include information on network specifications/bandwidth, CAD/RMS integration, desired offload method, and other system information that may require involvement from your network administrators or IT team. It is important to agree on a solid plan at the beginning of the program, as well as to set the policies that will guide how data is migrated and establish the rules that will be used to configure the systems. The resulting plan will be documented and shared with each member of the team, providing the structure to successfully complete your project implementations. Having your policies in place before deployment begins helps to streamline the go-live process and ensures officers are prepared to use the system as soon as possible. Additionally, necessary categories in Axon Evidence should be considered, as they determine evidence retention. Categories are completely customizable to meet your local policies and laws. To ensure proper input and legal compliance, customers should gather the following agency and community stakeholders before building your body-worn and in-car camera policies. POLICY MAKERS – Stakeholders such as command staff and community leaders should be included when developing body-worn and in-car camera policies. FIELD TRAINING OFFICERS – Officers who represent the end users of the devices. EVIDENCE CUSTODIANS –	

			Including those who will be responsible for digital evidence sharing is key. LEGAL REPRESENTATIVES – Including members of the larger legal community can assist with community alignment and buy-in. Once the proper stakeholders are gathered, Axon's team will collaborate with customer personnel to help draft the policy definitions necessary for the successful use of Axon Evidence. First, user roles should be considered. User roles and their permissions in Axon Evidence are highly customizable, and our PSO team can assist with the development of custom roles during deployment. Identifying the level of permissions needed (such as the ability to view evidence, share evidence, download evidence, restrict evidence, etc.) for each role is customized. The guides provided by the PSO coordinator during initial planning conversations will help with this task. When determining necessary custom retention categories, customers should consider consulting State Retention Schedules or other legal guidance. During on-site services, our PSO team can then offer guidance to set up these pre-determined retention categories in Axon Evidence. Having these critical system policies in place prior to deployment will support a quicker, more thorough roll-out. While the primary Evidence solution will be maintained in the cloud, there can be a number of areas where Axon and customers will need to agree on information technology approaches and requirements. This primarily includes decisions related to LTE and Wi-Fi uploads, networking permissions for body-worn camera docks, and offload methods for the Fleet 3 system. These discussions will happen early in the program, allowing Axon to finalize details of the implementation plan, including configuration and installation requirements. For customers with existing DEMS, Axon will help define a migration strategy. Axon Evidence is designed to be highly configurable, and supports the creation of both free-text metadata (tags) and customer-defined metadata fields. The flexibility of Axon Evidence ensures customers get the information they need that is most effective for searching, while at the same time standardizing their terminology over time. This supports greater efficiency, less re-training, and ultimately greater organizational value. Every system your agency uses may be organized a little differently. For example, in your in-car video management system, you may		

			classify evidence as “Evidence Type” whereas in your CCTV system you may classify evidence as “Offense”. Axon’s migration process allows customers to visualize and map out how they want this information to appear in Axon Evidence. Axon will work with customers to design a metadata mapping schema for Axon Evidence based on the metadata tags and fields from the legacy system. Based on this mapping schema, an Axon Field engineer will use our automated tools to map the desired metadata to fields, pre-append any audit information into Axon Evidence audit logs and upload the assets with this information populated in Axon Evidence. Axon will demonstrate this migration in a test environment for customers to review and sign off that the data is uploaded and organized as desired. Ingesting and pre-appending the audit trail for each piece of evidence maintains full evidentiary integrity as you migrate systems automatically. This allows Axon Evidence to be a single source of truth detailing the lifespan of your evidence. Upon sign-off, Axon will install the migration tools and initiate upload into the live environment. The upload of historical data will commence after all legacy cameras are decommissioned to ensure that no evidence is lost in the transition. Training Training Overview Axon’s training approach is aligned with the overall coordination of the integrated body-worn camera, in-car camera, and digital evidence management solution implementation. Our approach ensures that those responsible for administering the digital evidence ecosystem, as well as those responsible for using our systems and devices, have multiple options for initial and recurring training. We will provide initial training, as well as access to the on-line Axon Academy for refresher training, and future training of new users. Axon is highly flexible with our training options, and can adjust courses and approaches as needed based on discussions in the project planning phase. Training is largely centered around the types of users and devices, focusing on those with administrative responsibility, in house trainers, detectives, redaction technicians, body-worn camera users and Fleet users. Our proposed training is outlined below. Training Materials Our Professional Services team will provide soft copies of User Guides, Axon Quick Start Guides, and Manuals, Axon Evidence		

			Administrator Reference Guide, Axon Evidence Security Guide, End-to-End Deployment Guide, Implementation Best Practices Guideline, and a Go-Live Checklist. Additional curriculum and support materials include, but are not limited to: Job Aids E-Learning Certification Programs Video Training Demonstrations Software Simulations Enrollment for Virtual Classes Recordings of Previous Classes and Demonstrations Sample Lesson Plans Key User Training (Train the Trainer) End users can be trained one by one or in a train-the-trainer style. For a department of the size of Champaign, we advise training an initial subset of key end users. This group will serve several roles, including confirmation of system functionality, performance, and feedback on any localized issues that had not been previously identified. This initial subset of trainees can act in a “train the trainer” capacity for their co-workers and typically become a resource when newer users are activated and require training or assistance. System Administration Training System Administrator training typically consists of a session covering custom roles and permissions, retention categories, and other critical Axon Evidence settings. Additionally, Axon Evidence features will be discussed, including working with evidence, redaction capabilities, case functionality, reporting options, audit trails, and device inventory. Administrators will also learn how to configure items specifically related to Axon Body 3, Axon Fleet 3, Axon Signal, and ALPR. Each System Administrator training session is generally three to four hours in length and can accommodate up to 10 users. Axon Evidence User Training If training for evidence technicians, supervisors, detectives, or redaction technicians is necessary for your program, our team can accommodate those needs. These sessions are customized and will cover portions of Axon Evidence that are central to the job functions of those in attendance. Recommended Class Structure / Training Plan Under this project, Axon will provide the following training classes: One (1) three-hour Super User (Administrative) Training session (two (2) sessions can be conducted, if needed). There is no limit to the number of attendees for these sessions. One (1) three (3) hour Train the Trainer session. There is no limit to the number of attendees for these		

			sessions. One (1) one and a half (1.5) hour Evidence Tech Training. There is no limit to the number of attendees for these sessions. Fleet 3 Training - Generally, end users will be trained on the system when they return to pick up their vehicle after hardware installation is complete. They will be trained on system operation and best practices. This process can be modified if needed; in some larger agencies a group of end users may be trained, who will then train other groups of end users. The customer trainers would then complete the rollout of the cameras and training to all the officers. The number of classes will vary depending on the size of each department. For customer train the trainer rollout, we recommend a limit of 15 officers per class. Training is normally conducted at the beginning of a shift so that the officer can begin using the equipment immediately. Having training coincide with deployment reinforces the material taught during training and allows any issues that arise to be addressed by training staff immediately. While this is our recommended and proposed class structure and curriculum, our approach is flexible and can be modified to meet the needs of the City. Additional Training Resources and Continued Learning Our continued learning site, Axon Academy, is your go-to online resource for learning more about your TASER smart weapon, Axon camera, Axon Evidence account, and how each of these components interface with other elements of the Axon ecosystem. Supported by the Police One web infrastructure, Axon Academy is a convenient and secure way of accessing information to help agencies make the most of the Axon Ecosystem of products and digital evidence management software. Within Axon Academy, there are three different ways to learn: ON-DEMAND E-LEARNING MODULES – Each of these modules address a different element of the Axon Ecosystem and provide a self-paced, individual learning experience whenever is convenient for your users VIRTUAL TRAINING COURSES – these courses are offered live via the web, and give your users the ability to participate in a class and interact with the instructor CERTIFICATION PROGRAMS – Our comprehensive certification programs allow learners to pull together a specified list of resources to quantify their knowledge in a particular area (e.g., CEWs, Axon Evidence, Axon cameras). Training content is developed and maintained by Axon subject matter		

			experts and supporting documentation is designed to provide a simple and straightforward way of learning about specific topics. The database continues to grow as our product and service offering expands. Fleet 3 Installation Axon Fleet 3 significantly reduces the need for bulky and expensive components often seen in traditional in-car solutions. With Axon Fleet 3, customers will benefit from minimally-designed system components such as our integrated cameras built to capture both audio and video, as well as provide integrated ALPR capability. Our sleek hardware and non-obtrusive wiring installation help optimize space within the patrol vehicle and promote an open and safe cabin in which an officer can move about freely and unobstructed. The Axon Fleet 3 in-car system has a small form factor designed to offer a discreet and inconspicuous setup within a variety of vehicles, including civilian, unmarked, and patrol vehicles. Our team will work with customers to identify mounting locations within the vehicle that limit unwanted attention. Our proposed solution will include all necessary wiring. Axon Fleet 3 has been developed to utilize Power over Ethernet (PoE) connections, which offer both greater connection speed and stability. All wiring will be installed and run underneath the lining of the vehicle or with the shape of the vehicle where possible. Any exposed wire will be secured, mounted, and bundled together to avoid any loose cabling. During installation, our team will work with customers to determine the best mounting option for Axon Fleet 3 cameras in each vehicle, while keeping practical use and officer safety in mind. Cameras are typically mounted to the windshield or rear glass with an adhesive and can be removed without permanent damage. The offered Fleet 3 system includes two cameras: the dual view, forward facing camera that includes the ALPR camera, and the interior camera to capture the rear cabin. The Axon Fleet 3 Dual-View Camera is mounted on a swivel-ball joint that allows the camera to be panned and tilted to ensure objects of interest are within the camera's field of view. It supports 360-degree articulation. An Internal spring provides consistent sensory feedback as a user makes adjustments. The swivel-ball joint has detents that click in place every 22.5 degrees of horizontal rotation (pan) to hold the camera in the desired position. The Axon Fleet 3 Interior Camera is mounted on an adjusted angle mount that allows the camera to be		

tilted up or down to ensure objects of interest are within the camera's field of view. The Interior Mount can be adjusted to capture a comprehensive view of the cabin.

Long Term Support
In our view, a project is not over when a deployment is concluded. The final portion of any Axon delivery is our professional customer support, which starts after deployment concludes and continues for the life of the solution. Axon has included an initial five-year warranty as part of this project.
We have a multi-level approach to service, including our account specific Customer Success Managers, our 24/7 technical support and our Return Merchandise Authorization (RMA) team to help our law enforcement partners have the most successful body-worn, in-car camera and digital evidence management programs possible.
We begin the post-deployment process with a survey that allows all customers to provide feedback directly to Axon leaders, and we provide multiple options for getting help, offering suggestions, or expanding your Axon ecosystem.
Customer Success Manager
We assign a customer success manager (CSM) to your account for the remainder of your contract. Their goal is to support your day-to-day needs, educate you on new features, and help you receive value from your investment. Your CSM will wear multiple hats, from project management to product expert to consultant, and will continually be focused on making the City more efficient and confident in your daily workflows.
As your program develops and progresses, your CSM can take hardware and software feedback and pass it along to our engineers—another benefit of deploying a solution that is serviced by the same engineers who developed it. In fact, many new features have been built directly from such suggestions from our law enforcement partners. They will also work with your sales executive if any further purchases are desired. Your CSM can be reached by phone or email and can be adaptable to your communication preferences.
24/7/365 Technical Support
Our Technical Support team is US-based and offers live phone support 24 hours a day, seven days a week. This is included as part of your investment in the Axon ecosystem and any member of your agency can call; our staff will help anyone with their questions, not just supervisors. A caller is usually talking with one of our support staff within 30 seconds of placing their call. Online, email-based support and remote-location

			troubleshooting are also included. If a technical issue requires advanced troubleshooting or interfacing with our in-house engineers, our Senior Technical Support team (Tier 2) can take over from the Technical Support team (Tier 1). All senior technical support representatives hold certifications from their respective governments for access to CJI. The team currently holds a variety of education and information technology certifications, and many have a background in law enforcement. RMA Process If equipment needs to be returned for repair or warranty work, we make the process as simple and hassle-free as possible. Axon's return material authorization (RMA) request process is housed directly within Axon Evidence, allowing users with appropriate permissions to create repair requests easily. Our US-based RMA team works out of our Scottsdale, AZ headquarters. All returns are initiated, tracked, and managed using the hardware's unique device serial number, which also correlates with warranty status and helps protect evidence integrity if evidence recovery is needed. Axon's RMA process is also integrated with FedEx and return labels are provided at no extra cost.	

Table 15: Industry Specific Questions

Line Item	Question	Response *	
78	Describe the security features of your proposed solutions in relation to data security.	Axon Evidence, the same application used for managing TASER evidence, is a cloud-based solution that complies with the Federal Bureau of Investigation's Criminal Justice Information Services (CJIS) Security Policy, which sets the minimum-security requirements to provide an acceptable level of assurance to protect the full lifecycle of Criminal Justice Information (CJI). Axon Cloud Services was designed and is operated to ensure that it is compliant with the FBI CJIS Security Policy at both the application and data storage layers. Customers can be assured that their digital data is protected by a robust information security program that is designed to exceed the CJIS security requirements as well as provide protection against current and emerging threats. The Axon CJIS Compliance White paper outlines the specific security policies and practices for Axon Evidence and how they are compliant with the CJIS Security Policy. Read more about Axon's CJIS Compliance program and commitments here. http://www.axon.com/compliance. Axon Evidence offers numerous data security management functions to meet and exceed industry standards for the architecture and security of Axon Evidence. Axon has developed and operates secure software development lifecycle procedures (SDLC). Execution within the SDLC ensures security is evaluated at every phase of development and that quality measures are met. All evidence data is encrypted at rest and in transit. Robust SSL/TLS is implemented for data in transit using TLS 1.2 with a 256-bit connection and Perfect Forward Secrecy. Evidence data stored at rest is encrypted with at least 256-bit AES. The graphic below offers a high-level view of the various layers of security implemented in the CJIS compliant solution. Axon's compliance with a number of security standards in addition to CJIS demonstrate our commitment to providing a trustworthy platform to our customers, and offers a way to understand the controls put in place to secure Axon Evidence and the data you store in it. These additional certifications, compliance measures, and security assurances include: ISO/IEC 27001:2013 Certified - Information Security Management Standards ISO/IEC 27017:2015 Certified - Code of Practice for Information Security Controls	

ISO/IEC 27018:2019 Certified - Code of Practice for Protecting Personal Data in the Cloud
CALEA Standard 17.5.4 Compliant
HIPAA and HITECH
AICPA SOC 2 Type 2 Reporting (Applicable only to Axon Evidence)
Cloud Security Alliance - CSA STAR Attestation (Level Two)
Cloud Security Alliance - CSA STAR Self-Assessment (Level One)
Accessibility Conformance Report - WCAG 2.0 & VPAT/Section 508

BWC Security Overview
Law enforcement data is among the most sensitive in the world and, with Axon's robust information security program, we can help keep that data protected at all times. Our latest body-worn camera, Axon Body 3, includes a number of security features that help keep your valuable evidence and other information safe.
Both physical and software approaches ensure the security of data even if the camera is lost or stolen, and help you maintain a proper chain of custody.
Physical Security
SECURED COMPARTMENT – Axon assembles Axon Body 3 cameras with Torx screws, thus preventing access to the storage without proper tools. *
EMMC STORAGE (EMBEDDED MULTIMEDIA CARD) – eMMC storage is populated on the circuit board rather than using an SD card. Accessing and reading eMMC is difficult and would require destruction and/or modification of the circuit board. Videos cannot be deleted from the camera. Cameras will not natively mount into a Microsoft Windows operating system like a mass storage device such as a flash drive or external hard drive would.
Software/Firmware Security
NO PARTITION TABLE – The storage media does not have a partition table and will show as an unreadable drive/ card (under any operating system).
ENHANCED VIDEO AUTHENTICITY & INTEGRITY VALIDATION – Authentication and validation checks between the camera and Axon Evidence;
SIGNED COMMANDS – Cryptographic validation of commands sent to the camera from Axon Evidence;
SECURE BOOT – Only trusted, cryptographically signed firmware will run on the camera;
HASH TREE IMPLEMENTATION – Facilitates multiple layers of forensic integrity;
DISK ENCRYPTION – While on the device, evidentiary video is protected from manipulation with AES-XTS 128-bit encryption. Currently AES-128 is acceptable for protection of classified data, up to SECRET, by the US federal government.

Secure Transfer
The Secure Upload Process
Axon cameras are designed to protect and preserve the evidence they capture. The cameras store all video files securely in onboard storage until the files are completely and successfully transferred into the digital evidence management system. All communication between the Axon Body 3 camera and Axon Evidence is conducted over 256-bit AES encryption to safeguard data during transfer.
During offload from the camera to Axon Evidence:
1. The precomputed SHA-2 cryptographic hash tree is located for each video that needs to be uploaded and each SHA-2 hash tree is computed immediately after the corresponding MP4 video finishes recording.
2. The SHA-2 cryptographic hash tree and video metadata are transmitted to Axon Evidence. The MP4 video files are saved securely on Axon Evidence in their original state, as verified by the SHA-2 hash tree function.
3. Upon completion of the upload process, the SHA-2 cryptographic hash tree values are evaluated to detect data corruption of any kind. A contiguous SHA-2 hash is computed after this verification step.
4. Once the hash values and data integrity are verified, the file is confirmed to be uploaded, and the corresponding video files are deleted from the camera.
If a transfer is terminated before its video files are fully uploaded, any files not completely uploaded to Axon Evidence will remain on the camera, so that upload can resume the next time the camera is docked or connected.
Loss of power to an Axon camera will not cause data loss or corruption. The devices maintain a suitable amount of backup power to ensure proper shutdown. If a device were to lose power, it would properly close out all incident files (videos) to ensure that no data was lost or corrupted. In the event of sudden and complete power loss, the device will perform a video recovery operation during the next boot process and close out the incident file. The interrupted recording file, as well as any previously recorded files, will be available once power is restored.

79	Describe the data storage, Artificial Intelligence (AI) analytics, and management features and functionality as they relate to your proposed products.	As a cloud-based system, Axon Evidence's architecture is modular, scalable, and extensible. All data is stored in the Evidence instance at a Microsoft Azure data center. Managing the vast amount of digital evidence available to agencies today can be overwhelming. Especially when the burden is on end users to keep evidence organized—no matter the source. This becomes even more difficult when digital evidence is stored in various locations, on different devices, and across many platforms. Axon's unlimited third-party storage plan—which includes storage for both Axon-captured evidence and third-party evidence—offers agencies a modernized approach to digital evidence management that is affordable, convenient, modular, secure and can scale to meet any storage requirements. With unlimited storage, Axon Evidence can be the main source of storage for all digital evidence. You can then easily manage, store, share, receive, and investigate your data all from a single system. To help with the usability of large data volumes, content that has not been viewed or accessed for six months may be moved into archival storage. Archived files are still searchable and can be retrieved with a single click. Interview Room Axon Interview uses a local storage server to temporarily store video before upload to Axon Evidence. This is in place to ensure that no evidence is lost due to communications issues. Axon Body Worn Cameras Axon cameras will never overwrite previously recorded footage. It is not possible to delete or modify any video content on the device; videos are only deleted from the camera once they completely and verifiably upload to the application. This safeguard ensures no video content is accidentally lost or altered. The Axon Body 3 has 64 GB of non-removable storage to house captured video files and the camera's operating system. This is sufficient to hold 11 to 46 hours of recorded video (depending on resolution). The Axon Body 4 has 128 GB of non-removable storage on a solid state eMMC to house captured video files and the camera's operating system. This is sufficient to hold 11 to 103 hours of recorded video (depending on resolution). Axon Performance Axon Performance allows supervisors or managerial-level staff to review their agency's body-worn camera, Fleet and TASER metrics. Not only can Axon Performance help an agency adhere to policies and programs currently in place, but they can leverage the technology to identify gaps in performance and evidence management. By gathering this information, your agency can work to train and improve an officer's skill set. Please see the attached solution overview for more information. Auto-transcription As cases make their way through the justice system, an accurate transcript will be required at some point. Manual transcription typically takes 4-10 times longer to produce than the length of the actual audio, meaning there are often lengthy backlogs and budget constraints, which slow the delivery of admissible evidence. Furthermore, during the transcription process, transcribers are forced to repeatedly listen to potentially disturbing audio to ensure accuracy. To address these issues, Axon's Transcription Assistant offers access to powerful artificial intelligence (AI) and an intuitive user interface (UI) to help make transcribing audio faster and more efficient.

80	Describe how your proposed product(s) or systems integrates with Computer Aided Dispatch, Records Management, Digital Evidence Management, and/or Situational Awareness Systems.	Axon Evidence is a Digital Evidence Management System (DEMS), and a large benefit with Axon is that our full ecosystem of products natively integrates with Axon Evidence. There is never a need to worry about the core integration of evidence collection, storage and management as Axon provides all these capabilities. Axon has a proven integration with situational awareness systems such as RapidSOS and Flock through our Axon Respond API. This API is fully developed and requires no additional work for customers. Generally, the situational awareness systems will begin polling Axon Respond continuously, providing real-time access to officer locations. The location data of both body-worn and Fleet cameras will flow into these systems for visualization on their display. Integration with CAD/RMS Auto-tagging is a feature that categorizes videos based on the correlated event metadata captured by the respective systems. Common data already collected by the CAD or RMS, such Event ID, Event Type, Officer Badge ID, and Dispatched and Cleared Times can be automatically associated with evidence, without the need for manual intervention. Integrating a CAD or RMS system with Axon Evidence will save officers valuable time, because the majority of tags will be automatically added by the system. With auto-tagging, officers simply record videos with Axon body-worn or in-car cameras and upload them. Axon Evidence will use the data from the CAD and RMS solutions to apply the appropriate tags. Officers will still be able to add custom metadata tags in the field. On a regular schedule, customers export a database-printout file to a specific folder from the CAD or RMS software. The printout file format, generally an .xml or .csv, is designed to comply with Axon Evidence requirements for integration. Axon supplies a .NET 4.0 service “Integrator Application” on your server that monitors the selected folder. When the service detects the presence of a printout file, it encrypts the file using AES 256-bit encryption and sends it securely to Axon Evidence. After Axon Evidence confirms receipt of the file, the application deletes the local copy of the file. Axon Evidence decrypts the printout file and parses the data found in the file. Using an algorithm, Axon Evidence determines which evidence file each piece of data applies to and tags those files appropriately. Evidence can be auto-tagged for 72 hours after upload, and then will require manual tagging. When Axon Evidence finishes processing a batch of data received from the CAD/RMS solution, it sends the specified recipients a reporting email that includes summary results of the processing and detailed reports about evidence matched.

81	Describe how your system allows for secured sharing of videos - file sharing systems.	Sharing Evidence Axon Evidence enables users to share content with internal and external stakeholders without the need for additional licenses. This includes other agencies already using Axon Evidence or Axon Justice Premier, as well as external users who do not have Axon Evidence accounts. Sharing with Outside Agency Axon Evidence Users Axon Evidence makes it easy to share evidence and cases with other Axon Evidence agencies, as well as those utilizing our Justice Premier solution for prosecutors and public defenders. Since these external users already have Axon Evidence credentials, shared evidence can be used in the same way as their own digital evidence. After evidence is added to Axon Evidence, a user can simply share the case with any of their trusted partner agencies with Axon Evidence credentials. As users share evidence with partner agencies, the partner agencies will only have access to the data a user has chosen to share via an access list. All unshared data remains completely unavailable. When files are shared with a partner agency, Axon Evidence sends a copy of the files and their associated metadata, which the partner agency can manage independently without affecting the original evidence. Any evidence that is shared is preserved in its original form in the sharer's instance of Axon Evidence. Sharing With Non-Axon Evidence Users A user can share evidence with those who are not Axon Evidence users by emailing a download link to an external email address. Audit Trails, Table of Contents, and Transcripts, an Optional Message and the Duration in days that the share is active, can all be shared with the core evidence. All included documents will be made available via a ZIP folder, which a recipient can access without having to sign into an Axon Evidence account. There are no additional authorizations or licenses required by Axon to share files using this method. However, please note that access can no longer be centrally controlled once it is downloaded locally. Data Export Users cannot modify original videos captured for chain of custody and chain of evidence reasons. If the original content or video evidence is uploaded as an MP4 it will be downloaded as an MP4 for review. Axon does not apply any proprietary formats when files are exported. This applies with any files such as PDF, DOC, AVI, WAV, MP3, AAC, etc. At the time of upload an SHA cryptographic hash function is generated and used to verify the integrity of the content uploaded. This SHA hash is also available at time of download for verification of authenticity.
82	Detail how your system complies with Criminal Justice Information Systems (CJIS) security requirements.	Axon Evidence, the same application used for managing TASER evidence, is a cloud-based solution that complies with the Federal Bureau of Investigation's Criminal Justice Information Services (CJIS) Security Policy, which sets the minimum-security requirements to provide an acceptable level of assurance to protect the full lifecycle of Criminal Justice Information (CJI). Axon Cloud Services was designed and is operated to ensure that it is compliant with the FBI CJIS Security Policy at both the application and data storage layers. Customers can be assured that their digital data is protected by a robust information security program that is designed to exceed the CJIS security requirements as well as provide protection against current and emerging threats. The Axon CJIS Compliance White paper outlines the specific security policies and practices for Axon Evidence and how they are compliant with the CJIS Security Policy. Read more about Axon's CJIS Compliance program and commitments here. http://www.axon.com/compliance.

Exceptions to Terms, Conditions, or Specifications Form

Only those Proposer Exceptions to Terms, Conditions, or Specifications that have been accepted by Sourcewell have been incorporated into the contract text.

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as “Marketing Plan.”

- Pricing - 2023 Axon Pricebook - Sourcewell 2.0.xlsx - Tuesday October 10, 2023 15:41:59
- Financial Strength and Stability - AXON_2022_AnnualReport.pdf - Tuesday October 10, 2023 15:42:15
- Marketing Plan/Samples - Cooperative Contract Marketing Example.docx - Wednesday October 11, 2023 15:08:36
- WMBE/MBE/SBE or Related Certificates (optional)
- Warranty Information - Axon-Master Services and Purchasing Agreement- Sourcewell 101223.docx - Tuesday October 10, 2023 15:43:02
- Standard Transaction Document Samples - Axon-Master Services and Purchasing Agreement- Sourcewell 101223.docx - Tuesday October 10, 2023 15:42:43
- Upload Additional Document - Product Descriptions.zip - Tuesday October 10, 2023 15:46:25
- Requested Exceptions - Sourcewell RFP 101223 - Axon's Exceptions.docx - Tuesday October 10, 2023 15:42:34

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.

3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.

5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.

6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.

7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.

8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

11. Proposer its employees, agents, and subcontractors are not:
    1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;

    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or

    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Kenneth Maum, Senior Proposal Manager, Axon

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_11_RFP_101223_Public_Safety_Surveillance Thu October 5 2023 08:32 AM	☑	3
Addendum_10_RFP_101223_Public_Safety_Surveillance Mon October 2 2023 03:56 PM	☑	1
Addendum_9_RFP_101223_Public_Safety_Surveillance Tue September 26 2023 03:16 PM	☑	1
Addendum_8_RFP_101223_Public_Safety_Surveillance Thu September 21 2023 04:09 PM	☑	1
Addendum_7_RFP_101223_Public_Safety_Surveillance Thu September 21 2023 07:35 AM	☑	1
Addendum_6_RFP_101223_Public_Safety_Surveillance Wed September 20 2023 12:49 PM	☑	1
Addendum_5_RFP_101223_Public_Safety_Surveillance Mon September 18 2023 03:49 PM	☑	1
Addendum_4_RFP_101223_Public_Safety_Surveillance Fri September 15 2023 10:52 AM	☑	1
Addendum_3_RFP_101223_Public_Safety_Surveillance Tue September 5 2023 03:47 PM	☑	1
Addendum_2_RFP_101223_Public_Safety_Surveillance Fri August 25 2023 01:53 PM	☑	2
Addendum_1_RFP_101223_Public_Safety_Surveillance Fri August 25 2023 11:11 AM	☑	2

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AMENDMENT #1
TO
CONTRACT # 101223-AXN

THIS AMENDMENT is effective upon the date of the last signature below (Effective Date) by and between **Sourcewell** and **Axon Enterprise, Inc.** (Supplier), collectively referred to as "parties."

Sourcewell awarded a contract to the Supplier to provide Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories to Sourcewell and its Participating Entities, effective February 6, 2024, through December 15, 2027 (Contract).

Supplier requested that its Canadian affiliate, Axon Public Safety Canada, Inc., be named as an additional Contract holder.

Therefore, the parties agree that as of the effective date of this Amendment, the named Contract holder "Axon Enterprise, Inc." in Contract # 101223-AXN will be replaced with "Axon Enterprise, Inc. and it's Canadian affiliate Axon Public Safety Canada, Inc."

Except as amended by this Amendment, the Contract remains in full force and effect.

Sourcewell

By: Signed by: Jeremy Schwartz C0FD2A139D06489...

Jeremy Schwartz, Chief Procurement Officer

Date: 2/4/2025 | 10:39 AM CST

Axon Enterprise, Inc. and it's Canadian affiliate Axon Public Safety Canada, Inc.

By: Signed by: 55DAEBB131A4424...

Robert Driscoll, VP, Assoc. General Counsel

Date: 2/4/2025 | 9:07 AM MST

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AMENDMENT #2
TO
CONTRACT # 101223-AXN

THIS AMENDMENT is effective upon the date of the last signature below by and between **Sourcewell** and **Axon Enterprise, Inc.** (Supplier), collectively referred to as "parties."

Sourcewell awarded a contract to the Supplier to provide Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories to Sourcewell and its Participating Entities, effective February 6, 2024, through December 15, 2027 (Contract).

On April 28, 2025, the parties signed a Price and Product Change Request (PNP) amendment to expand Supplier's product range to offer additional configuration choices for existing products.

NOW, THEREFORE, the parties wish to amend the Contract to add certain appendices related to that PNP, which are attached and incorporated into this Amendment, specifically:

a. Appendix for AI Technology
b. Dedrone Product Appendix

Except as amended by this Amendment, the Contract remains in full force and effect.

Sourcewell

By: Signed by: Jeremy Schwartz C0FD2A139D06489...

Jeremy Schwartz, Chief Procurement Officer

Date: 5/11/2025 | 10:31 PM CDT

Axon Enterprise, Inc. and its Canadian affiliate Axon Public Safety Canada, Inc.

By: Signed by: Robert E. Driscoll Jr. 55DAEBB131A4424...

Robert Driscoll, VP, Assoc. General Counsel

Date: 5/7/2025 | 2:44 PM MST

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Appendix for AI Technology

This AI Appendix shall only apply to Customers who license Axon Cloud Services in a Quote that specifically utilize AI Technology. Unless explicitly defined otherwise, capitalized terms used in this Appendix have the same meaning as those in the Agreement.

1. **Definitions**

1.1 AI Technology. Refers to artificial intelligence functionalities embedded in Axon's Cloud Services, which may include: (a) Enhanced Evidence Management; (b) AI-powered redaction tools; (c) Large Language Model-based tools (e.g., "Draft One" "Policy Chat"); (d) Predictive Analytics for operational insights; or (e) Natural Language Processing (NLP) for text and speech analysis.

1.2 Model Drift. The degradation of AI model performance due to changes in input data or external conditions, requiring retraining or updates.

1.3 **Bias Mitigation.** Strategies and techniques used to identify, measure, and minimize bias in AI Technology.

2. **Scope and Usage**

2.1 **Integration.** Axon AI Technology is intended to improve public safety, streamline operations, and ensure data accuracy. The AI functionalities will only be used as described in the Agreement or applicable documentation.

Data Use. Axon acts as a Data Processor for AI Technology. All inquiries submitted are processed solely to provide accurate responses based on Customer Content submitted. Customer remains the Data Controller of all Customer Content. Axon and Axon's subprocessors do not train their models on Customer Content. Customers who elect to participate in Axon's ACEIP program can enter into custom agreements to assist in product development efforts like AI model training. Even in those cases, Axon operates carefully on redacted data and not on Customer Content.

Automatic Data Collection.AI Technology may automatically collect Non-Content Data about user interactions with the service and their devices to enhance the functionality and security of the system. The details collected include, but are not limited to, the following:

User Engagement and Activity Metrics. AI Technology may track key engagement statistics, including Daily Active Users (DAUs), Weekly Active Users (WAUs), and Monthly Active Users (MAUs). Additional metrics include new user activations, repeat usage rates, total queries submitted, follow-up query volume, session lengths, retention rates, and user satisfaction ratings (e.g., thumbs up/down feedback).

Sales and Adoption Tracking. Axon monitors the number of licenses and agencies purchasing the service, including those in trial phases, fully deploying the service, and conversion rates from trials to paid subscriptions.

End User inputs. Axon may process de-identified end-user inputs to the AI Technology, excluding Customer Content or any data that directly or indirectly identifies individuals.

3. **Axon Responsibilities**

3.1 **Ethical AI Development.** Axon shall: (a) Follow its responsible innovation framework; (b) Engage with the Ethics and Equity Advisory Council (EEAC) for feedback; (c) Conduct testing to minimize bias and ensure reliability; and (d) Implement Bias Mitigation techniques in model development and deployment.

3.2 **Security Program.** Axon will maintain a comprehensive information security program, including logical and physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of digital evidence; and security education.

3.3 **Transparency.** Axon will provide documentation describing AI functionalities and their intended use and disclose any material limitations, risks, or Model Drift incidents.

3.4 **Incident Response.** Axon will promptly address and rectify anomalies in AI functionalities, as outlined in its incident management procedures.

3.5 **Compliance.** Axon will ensure compliance with applicable laws, regulations, and standards, including but not limited to the EU AI Act, NIST AI standards, and ISO/IEC 27001.

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4. **Customer Responsibilities**

4.1 **Ownership of Customer Content.** Customer controls and owns all rights, title, and interest in Customer Content. Axon obtains no interest in Customer Content and will only access Customer Content for limited purposes as outlined in the Agreement.

4.2 **Use of AI Technologies.** Customer must: (a) review AI-generated outputs to ensure accuracy and appropriateness; (b) maintain control over Customer Content shared with AI Technologies (c) comply with applicable laws when using Axon AI Technology and Axon Services; (d) monitor for potential issues with AI outputs, including false positives or negatives; (e) actively opt-in for programs involving data sharing through Axon's ACEIP program; and (f) provide timely feedback on Axon AI Technology performance.

4.3 **Restrictions**. AI Technology is not designed for emergencies, and in such cases, users should contact appropriate emergency services directly. Axon disclaims liability for queries containing prohibited content, such as hate, sexual material, or violence, and reserves the right to restrict such usage.

5. **Policy Chat.** This section outlines the specific terms and conditions related to the use of Policy Chat by the Customer. By utilizing Policy Chat, the Customer agrees to comply with the following provisions:

5.1 **License and Content Restrictions**. Any uploads beyond 5,000 pages may be limited by Axon. It is the Customer's responsibility to manage uploads to ensure system efficiency and compliance with these terms.

5.2 **Data Processing.** Inquiries submitted to Policy Chat are processed solely to provide accurate responses based on existing policy documents provided by the Customer. The Customer remains the Data Controller of all policy content, and Axon's role is strictly limited to facilitating access to this information through Policy Chat.

5.3 **Policy Chat Restrictions.** The information provided by Policy Chat is for informational purposes only and is based on the policy documents uploaded by the Customer. Axon does not guarantee the accuracy, completeness, or timeliness of the information, and disclaims all liability for any reliance placed on such information. Policy Chat is not a substitute for official policy documents, legal advice, or comprehensive training. Users should consult their supervisors, legal advisors, or official sources for the most accurate and up-to-date policy guidance. Changes to policies may not be reflected immediately, and it is the Customer's responsibility to ensure data integrity by uploading the most current documents and removing outdated versions.

6. **Draft One.** Specifically for Customers who utilize Draft One, Axon may impose usage restrictions if a single user generates more than three hundred (300) reports per month for two or more consecutive months.

7. **Brief One.** Brief One includes automatic summarization of all products that can be transcribed. If Customer subscribes to Brief One within a Quote, Customer may utilize Brief One with no limit on the number of pieces of evidence or cases. Notwithstanding the foregoing, Axon may limit evidence and case summaries for cases with over one thousand (1000) pieces of evidence or after three hundred (300) cases per End User per month for two (2) consecutive months in a row.

8. Amendments. Axon reserves the right to amend this Appendix to reflect changes in applicable laws or improvements in AI Technologies. Axon will provide at least 30 days' notice for any substantive changes. Continued use of Axon Devices and Services after the effective date constitutes acceptance of the updated terms.

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Dedrone Product Appendix

If the Quote includes Dedrone Hardware, Dedrone Software, and/or Airspace Security as a Service (collectively "Dedrone Products"), this appendix and the following additional terms shall apply.

1. **Definitions**

1.1 **"Dedrone Data"** means data that Axon maintains regarding a wide variety of drone models and manufacturers in the marketplace ("DedroneDNA", formerly "DroneDNA"), as well as usability information that Axon collects regarding the performance of the Dedrone Software and Dedrone Hardware, aggregate or de-identified Collected Data compiled or used by Axon in accordance with Section 4.2, and any other information that Axon makes available to Customer by means of the Dedrone Software

1.2 **"Dedrone Hardware**" means the Axon drone detection hardware sensor or mitigation products set forth on a Quote and does not include any Third-Party Hardware.

1.3 **"Sensor"** means a radio frequency, video, radar or other hardware sensor for drone detection purchased by Customer from Axon or obtained from any third-party vendor.

1.4 **"Dedrone Software**" means (i) Axon's proprietary drone-tracking software, known as DedroneTracker (formerly DroneTracker), whether deployed on-premise or hosted by Axon as a cloud-based solution, (ii) Axon's video analytics software (currently known as Analytics Server), and/or (iii) software and/or firmware deployed or installed on the Dedrone Hardware or available for download and installation onto Customer's Third-Party Hardware.

1.5 **"Third-Party Hardware"** means hardware products owned by Customer or purchased by Customer from third parties that are used by Customer in conjunction with the Software.

2. **Customer License**

2.1 **Software License.** Subject to the terms of this Agreement, Axon grants Customer a royalty-free, nonexclusive, nontransferable, worldwide right during each Quote Term to use the Dedrone Software, including the Dedrone Data and Collected Data, subject to the terms of the Agreement and this Appendix (the "License"). Customer must purchase a License to the Software for each unit of Dedrone Hardware and/or Third-Party Hardware using Dedrone Software. Accordingly, Customer may only use the Software quantity and type of Hardware and/or Third-Party Hardware units specified on the applicable Quote. If Customer purchases additional Licenses during a current Term, the Term of the new License(s) will be pro-rated to terminate at the end of the then-current License Term. Use of the Dedrone Software is subject to the terms of the Agreement between the parties

2.2 **Restrictions.** Customer will not: (i) use (or allow a third party to use) the Dedrone Products in order to monitor the availability, security, performance, or functionality of the Dedrone Products, or for any other benchmarking or competitive purposes; (ii) market, sublicense, resell, lease, loan, transfer, or otherwise commercially exploit the Dedrone Products; (iii) modify, create derivative works, decompile, reverse engineer, attempt to gain access to the source code, or copy the Dedrone Products or any of their components; (iv) use the Dedrone Products to conduct any fraudulent, malicious, or illegal activities; or (v) use the Dedrone Products in contravention of any applicable laws or regulations (each of (i) through (v), a ("Prohibited Use").

3. **Customer Obligations**

3.1 **Compliance.** Customer will use the Dedrone Products only in accordance with applicable specifications (the "Specifications") and in compliance with all applicable laws, including all applicable export laws and regulations of the United States or any other country. Customer acknowledges that due to the nascent nature of drone detection and mitigation technologies applicable laws and regulations may be changing or emerging over time, and agrees that it is Customer's responsibility to keep itself aware and remain compliant with the current laws and regulations that may apply, including but not limited to those that may apply to advanced features available at Customer's option in the Dedrone Software. Customer will ensure that none of the Dedrone Products are directly or indirectly exported, re-exported, or used to provide services in violation of such export laws and regulations. Axon reserves the right to suspend use of any Dedrone Products operating in violation of such

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laws, following written notice to Customer. If Customer uses a radio jammer, or any other controlled device, in connection with the Dedrone Software, Customer represents to Axon that it is authorized to do so by the relevant authorities, that it will do so only in accordance with such authorization, and it will provide supporting documentation regarding such authorization upon request. Customer may be required to obtain legal authorization before any purchase or use of hardware sold by third parties. Axon shall not be liable if any government export authorization is delayed, denied, revoked, restricted or not renewed, nor shall any such delay, denial, revocation, restriction or non-renewal shall not constitute a breach of the Agreement by Axon.

3.2 **Computing Environment.** Customer is responsible for the maintenance and security of its own network and computing environment that it uses to host and/or access the Dedrone Products and for ensuring that any Third-Party Hardware meets the necessary specifications for use with the Dedrone Software.

4. **Data Protection**

4.1 **Data.** If Customer licenses Dedrone Software, as part of its operation, the Dedrone Software may collect and send to servers owned, operated or controlled by Axon data or other information regarding Customer's use of the Dedrone Software, which may include (i) information generated by each Sensor deployed by Customer, including information related to the date, time, and duration of the detection of the drone, as well as the locations of the detected drones and remote controls and of the Sensor itself (collectively, "Sensor Data"), and (ii) video recording of the detected drones, including flight path ("Video Data") (Sensor Data and Video Data are collectively referred to as "Collected Data").

4.2 **Use of Collected Data**. Axon has the right to use Collected Data for any purpose, including: (i) improving any Dedrone Product; (ii) analyzing any Dedrone Product or the performance of any Dedrone Product; or (iii) compiling or using aggregate or de-identified Collected Data with other customers, or government and law enforcement entities, with or without compensation. Customer acknowledges that Axon may learn from the performance or use of any Dedrone Product, and Axon shall have the sole right to exploit any modification, enhancement or improvement of any Dedrone Product resulting from such learning.

4.3 **User Data**. To the extent Axon uses User login information, including name, email, username, and password (collectively, "User Data") for any purpose other than to provide services to the Customer, such User Data will be deidentified and anonymized, and will not be identified as having come from Customer, except that Axon may disclose User Data where Axon, in good faith, believes that the law or legal process (such as a court order, search warrant or subpoena) requires Axon to do so.

4.4 **Security**. Axon maintains industry standard physical, technical, and administrative safeguards (the "Security Measures") to protect Collected Data.

4.5 **No Access.** Except for User Data, Axon does not (and will not) collect, process, store, or otherwise have access to any personal information, about End Users or users of Customer's products or services.

5. **Ownership.**

5.1 **Axon Property**. Axon owns and retains all right, title, and interest in and to the Dedrone Data, Collected Data, the Dedrone Software, and all intellectual property embodied in the Dedrone Hardware, if the Dedrone Hardware is provided by Axon. Except for the limited license granted to Customer in Section 2.1, Axon does not by means of this Agreement or otherwise transfer or license any rights in the Dedrone Products to Customer, whether by implication, estoppel or otherwise. To the maximum extent permitted by applicable law Customer will take no action inconsistent with Axon intellectual property rights in the Dedrone Products or any Dedrone Data.

5.2 **Customer Property**. Customer owns and retains all right, title, and interest in and to the User Data and does not by means of this Agreement or otherwise transfer any rights in the User Data to Axon, except for the limited rights set forth in Section 4.3.

6. **Government Restricted Rights**. To the extent that Customer is an agency or instrumentality of the U.S. government, the parties agree that the Dedrone Software and documentation are commercial computer software

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and commercial computer software documentation, respectively, and Customer's rights therein are as specified in this License, per FAR 12.212 and DFARS 227.7202-3, as applicable, or in the case of NASA, subject to NFS 1852.22.

7. **Updates.** The Dedrone Software may include functionality that allows it to automatically download updates that may be made available by Axon. Customer consents to the installation of such functionality.

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Sourcewell

Solicitation Number: 101223

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Axon Enterprise, Inc., 17800 N. 85th St., Scottsdale, AZ 85255-6311 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

EXPIRATION DATE AND EXTENSION. This Contract expires December 15, 2027, unless it is cancelled sooner pursuant to Article 22. This Contract allows up to three additional one-year extensions upon the request of Sourcewell and written agreement by Supplier. Sourcewell retains the right to consider additional extensions beyond seven years as required under exceptional circumstances.

B. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

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2. EQUIPMENT, PRODUCTS, OR SERVICES

A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services will perform in accordance with the manufacturer's specifications. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

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A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities, in accordance with Supplier's warranty process. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity in accordance with Supplier's warranty process.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

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- Identify the applicable Sourcewell contract number;
- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and

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Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract. For avoidance of doubt, if a Participating Entity order extends beyond the Contract's expiration or cancellation, in addition to the survival terms set forth in Section 1.B of this Contract, Supplier's Master Services and Purchasing Agreement (MSPA) shall also apply, governing the order until all obligations of both the Participating Entity and Supplier are fulfilled.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. The Supplier's Master Services and Purchasing Agreement (MSPA) attached hereto as Exhibit A is hereby added and incorporated into this Contract. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum, the terms of which will be negotiated directly between the Participating Entity and the Supplier or its authorized dealers, distributors, or resellers, as applicable. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

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7. CUSTOMER SERVICE

A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, performance issues, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and

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Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

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C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including reasonable attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any negligent act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. In no event will Supplier be liable for any special, indirect, incidental, exemplary, or consequential damages for any cause of action, whether in contract or tort. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:

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a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.

b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.

2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. *Termination*. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

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14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

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The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for products liability-completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

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no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Professional Liability*. During the term of this Contract, Supplier will maintain coverage for all claims the Supplier may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Supplier's professional services required under this Contract.

Minimum Limits:
$2,000,000 per claim or event
$2,000,000 – annual aggregate

6. *Network Security and Privacy Liability Insurance*. During the term of this Contract, Supplier will maintain coverage for network security and privacy liability. The coverage may be endorsed on another form of liability coverage or written on a standalone policy. The insurance must cover claims which may arise from failure of Supplier's security resulting in, but not limited to, computer attacks, unauthorized access, disclosure of not public data – including but not limited to, confidential or private information, transmission of a computer virus, or denial of service.

Minimum limits:
$2,000,000 per occurrence
$2,000,000 annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

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Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

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Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with

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the Copeland “Anti-Kickback” Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of “funding agreement” under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

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Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and

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records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

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R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell	Axon Enterprise, Inc.
DocuSigned by: Jeremy Schwartz C0FD2A139D06489...	DocuSigned by: 55DAEBB131A4424...
By: _____	By: _____
Jeremy Schwartz	Robert Driscoll
Title: Chief Procurement Officer	Title: Vice President Legal, Associate General Counsel
Date: 2/6/2024 | 12:43 PM CST	Date: 2/6/2024 | 11:02 AM MST

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Exhibit A
Axon Master Services and Purchasing Agreement (MSPA)

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Master Services and Purchasing Agreement for Agency

This Master Services and Purchasing Agreement ("**Agreement**") is between Axon Enterprise, Inc. ("**Axon**"), and the agency listed below or, if no agency is listed below, the agency on the Quote attached hereto ("**Agency**"). This Agreement is effective as of the later of the (a) last signature date on this Agreement or (b) signature date on the Quote ("**Effective Date**"). Axon and Agency are each a "**Party**" and collectively "**Parties**". This Agreement governs Agency's purchase and use of the Axon Devices and Services detailed in the Quote Appendix ("**Quote**"). It is the intent of the Parties that this Agreement will govern all subsequent purchases by Agency for the same Axon Devices and Services in the Quote, and all such subsequent quotes accepted by Agency shall be also incorporated into this Agreement by reference as a Quote. The Parties agree as follows:

1. **Definitions**.

   1.1. "**Axon Cloud Services**" means Axon's web services for Axon Evidence, Axon Records, Axon Dispatch, and interactions between Axon Evidence and Axon Devices or Axon client software. Axon Cloud Service excludes third-party applications, hardware warranties, and my.evidence.com.

   1.2. "**Axon Device**" means all hardware provided by Axon under this Agreement. Axon-manufactured Devices are a subset of Axon Devices.

   1.3. "**Quote**" means an offer to sell and is only valid for devices and services on the offer at the specified prices. Any inconsistent or supplemental terms within Agency's purchase order in response to a Quote will be void. Orders are subject to prior credit approval. Changes in the deployment estimated ship date may change charges in the Quote. Shipping dates are estimates only. Axon is not responsible for typographical errors in any Quote by Axon, and Axon reserves the right to cancel any orders resulting from such errors.

   1.4. "**Services**" means all services provided by Axon under this Agreement, including software, Axon Cloud Services, and professional services.

2. **Term**. This Agreement begins on the Effective Date and continues until all subscriptions hereunder have expired or have been terminated ("**Term**").

   2.1. All subscriptions including Axon Evidence, Axon Fleet, Officer Safety Plans, Technology Assurance Plans, and TASER 7 or TASER 10 plans begin on the date stated in the Quote. Each subscription term ends upon completion of the subscription stated in the Quote ("**Subscription Term**").

   2.2. Upon completion of the Subscription Term, the Subscription Term will automatically renew for an additional 5 years ("**Renewal Term**"). For purchase of TASER 7 or TASER 10 as a standalone, Axon may increase pricing to its then-current list pricing for any Renewal Term. For all other purchases, Axon may increase pricing on all line items in the Quote by up to 3% at the beginning of each year of the Renewal Term. New devices and services may require additional terms. Axon will not authorize services until Axon receives a signed Quote or accepts a purchase order, whichever is first.

3. **Payment**. Axon invoices upon shipment, or on the date specified within the invoicing plan in the Quote. Payment is due net 30 days from the invoice date. Payment obligations are non-cancelable. Unless otherwise prohibited by law, Agency will pay interest on all past-due sums at the lower of one-and-a-half percent (1.5%) per month or the highest rate allowed by law. Agency will pay invoices without setoff, deduction, or withholding. If Axon sends a past due account to collections, Agency is responsible for collection and attorneys' fees.

4. **Taxes**. Agency is responsible for sales and other taxes associated with the order unless Agency provides Axon a valid tax exemption certificate.

5. **Shipping**. Axon may make partial shipments and ship Axon Devices from multiple locations. All shipments are EXW (Incoterms 2020) via common carrier. Title and risk of loss pass to Agency upon Axon's delivery to the common carrier. Agency is responsible for any shipping charges in the Quote.

6. **Returns**. All sales are final. Axon does not allow refunds or exchanges, except warranty returns or as provided by state or federal law.

7. **Warranty**.

   7.1. **Limited Warranty**. Axon warrants that Axon-manufactured Devices are free from defects in workmanship and materials for one (1) year from the date of Agency's receipt, except Signal Sidearm and Axon-manufactured accessories, which Axon warrants for thirty (30) months and ninety (90) days, respectively, from the date of Agency's receipt. Used conducted energy weapon ("**CEW**") cartridges are deemed to have operated properly. Extended warranties run from the expiration of the one- (1-) year hardware warranty through the extended warranty term.

   7.2. **Disclaimer. All software and Axon Cloud Services are provided "AS IS," without any warranty of any kind, either express or implied, including without limitation the implied warranties of merchantability,**

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fitness for a particular purpose and non-infringement. Axon Devices and Services that are not manufactured, published or performed by Axon ("Third-Party Products") are not covered by Axon's warranty and are only subject to the warranties of the third-party provider or manufacturer.

7.3. **Claims**. If Axon receives a valid warranty claim for an Axon-manufactured Device during the warranty term, Axon's sole responsibility is to repair or replace the Axon-manufactured Device with the same or like Axon-manufactured Device, at Axon's option. A replacement Axon-manufactured Device will be new or like new. Axon will warrant the replacement Axon-manufactured Device for the longer of (a) the remaining warranty of the original Axon-manufactured Device or (b) ninety (90) days from the date of repair or replacement.

7.3.1. If Agency exchanges an Axon Device or part, the replacement item becomes Agency's property, and the replaced item becomes Axon's property. Before delivering an Axon-manufactured Device for service, Agency must upload Axon-manufactured Device data to Axon Evidence or download it and retain a copy. Axon is not responsible for any loss of software, data, or other information contained in storage media or any part of the Axon-manufactured Device sent to Axon for service.

7.4. **Spare Axon Devices**. At Axon's reasonable discretion, Axon may provide Agency a predetermined number of spare Axon Devices as detailed in the Quote ("**Spare Axon Devices**"). Spare Axon Devices are intended to replace broken or non-functioning units while Agency submits the broken or non-functioning units, through Axon's warranty return process. Axon will repair or replace the unit with a replacement Axon Device. Title and risk of loss for all Spare Axon Devices shall pass to Agency in accordance with shipping terms under Section 5. Axon assumes no liability or obligation in the event Agency does not utilize Spare Axon Devices for the intended purpose.

7.5. **Limitations**. Axon's warranty excludes damage related to: (a) failure to follow Axon Device use instructions; (b) Axon Devices used with equipment not manufactured or recommended by Axon; (c) abuse, misuse, or intentional damage to Axon Device; (d) force majeure; (e) Axon Devices repaired or modified by persons other than Axon without Axon's written permission; or (f) Axon Devices with a defaced or removed serial number. Axon's warranty will be void if Agency resells Axon Devices.

7.5.1. To the extent permitted by law, the above warranties and remedies are exclusive. Axon disclaims all other warranties, remedies, and conditions, whether oral, written, statutory, or implied. If statutory or implied warranties cannot be lawfully disclaimed, then such warranties are limited to the duration of the warranty described above and by the provisions in this Agreement. Agency confirms and agrees that, in deciding whether to sign this Agreement, it has not relied on any statement or representation by Axon or anyone acting on behalf of Axon related to the subject matter of this Agreement that is not in this Agreement.

7.5.2. Axon's cumulative liability to any party for any loss or damage resulting from any claim, demand, or action arising out of or relating to any Axon Device or Service will not exceed the purchase price paid to Axon for the Axon Device, or if for Services, the amount paid for such Services over the twelve (12) months preceding the claim. Neither Party will be liable for direct, special, indirect, incidental, punitive or consequential damages, however caused, whether for breach of warranty or contract, negligence, strict liability, tort or any other legal theory.

7.6. **Online Support Platforms**. Use of Axon's online support platforms (e.g., Axon Academy and MyAxon) is governed by the Axon Online Support Platforms Terms of Use Appendix available at www.axon.com/sales-terms-and-conditions.

7.7. **Third-Party Software and Services**. Use of software or services other than those provided by Axon is governed by the terms, if any, entered into between Agency and the respective third-party provider, including, without limitation, the terms applicable to such software or services located at www.axon.com/sales-terms-and-conditions, if any.

7.8. **Axon Aid**. Upon mutual agreement between Axon and Agency, Axon may provide certain products and services to Agency, as a charitable donation under the Axon Aid program. In such event, Agency expressly waives and releases any and all claims, now known or hereafter known, against Axon and its officers, directors, employees, agents, contractors, affiliates, successors, and assigns (collectively, "**Releasees**"), including but not limited to, on account of injury, death, property damage, or loss of data, arising out of or attributable to the Axon Aid program whether arising out of the negligence of any Releasees or otherwise. Agency agrees not to make or bring any such claim against any Releasee, and forever release and discharge all Releasees from liability under such claims. Agency expressly allows Axon to publicly announce its participation in Axon Aid and use its name in marketing materials. Axon may terminate the Axon Aid program without cause immediately upon notice to the Agency.

8. **Statement of Work**. Certain Axon Devices and Services, including Axon Interview Room, Axon Channel Services,

and Axon Fleet, may require a Statement of Work that details Axon's Service deliverables ("**SOW**"). In the event Axon provides an SOW to Agency, Axon is only responsible for the performance of Services described in the SOW. Additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule. The SOW is incorporated into this Agreement by reference.

9. **Axon Device Warnings**. See www.axon.com/legal for the most current Axon Device warnings.

10. **Design Changes**. Axon may make design changes to any Axon Device or Service without notifying Agency or making the same change to Axon Devices and Services previously purchased by Agency.

11. **Bundled Offerings**. Some offerings in bundled offerings may not be generally available at the time of Agency's purchase. Axon will not provide a refund, credit, or additional discount beyond what is in the Quote due to a delay of availability or Agency's election not to utilize any portion of an Axon bundle.

12. **Insurance**. Axon will maintain General Liability, Workers' Compensation, and Automobile Liability insurance. Upon request, Axon will supply certificates of insurance.

13. **IP Rights**. Axon owns and reserves all right, title, and interest in Axon-manufactured Devices and Services and suggestions to Axon, including all related intellectual property rights. Agency will not cause any Axon proprietary rights to be violated.

14. **IP Indemnification**. Axon will indemnify Agency against all claims, losses, and reasonable expenses from any third-party claim alleging that the use of Axon-manufactured Devices or Services infringes or misappropriates the third-party's intellectual property rights. Agency must promptly provide Axon with written notice of such claim, tender to Axon the defense or settlement of such claim at Axon's expense and cooperate fully with Axon in the defense or settlement of such claim. Axon's IP indemnification obligations do not apply to claims based on (a) modification of Axon-manufactured Devices or Services by Agency or a third-party not approved by Axon; (b) use of Axon-manufactured Devices and Services in combination with hardware or services not approved by Axon; (c) use of Axon Devices and Services other than as permitted in this Agreement; or (d) use of Axon software that is not the most current release provided by Axon.

15. **Agency Responsibilities**. Agency is responsible for (a) Agency's use of Axon Devices; (b) breach of this Agreement or violation of applicable law by Agency or an Agency end user; (c) disputes between Agency and a third-party over Agency's use of Axon Devices; (d) ensuring Axon Devices are destroyed and disposed of securely and sustainably at Agency's cost; and (e) any regulatory violations or fines, as a result of improper destruction or disposal of Axon Devices.

16. **Termination**.

    16.1. **For Breach**. A Party may terminate this Agreement for cause if it provides thirty (30) days written notice of the breach to the other Party, and the breach remains uncured at the end of thirty (30) days. If Agency terminates this Agreement due to Axon's uncured breach, Axon will refund prepaid amounts on a prorated basis based on the effective date of termination.

    16.2. **By Agency**. If sufficient funds are not appropriated or otherwise legally available to pay the fees, Agency may terminate this Agreement. Agency will deliver notice of termination under this section as soon as reasonably practicable.

    16.3. **Effect of Termination**. Upon termination of this Agreement, Agency rights immediately terminate. Agency remains responsible for all fees incurred before the effective date of termination. If Agency purchases Axon Devices for less than the manufacturer's suggested retail price ("**MSRP**") and this Agreement terminates before the end of the Term, Axon will invoice Agency the difference between the MSRP for Axon Devices received, including any Spare Axon Devices, and amounts paid towards those Axon Devices. Only if terminating for non-appropriation, Agency may return Axon Devices to Axon within thirty (30) days of termination. MSRP is the standalone price of the individual Axon Device at the time of sale. For bundled Axon Devices, MSRP is the standalone price of all individual components.

17. **Confidentiality**. "**Confidential Information**" means nonpublic information designated as confidential or, given the nature of the information or circumstances surrounding disclosure, should reasonably be understood to be confidential. Each Party will take reasonable measures to avoid disclosure, dissemination, or unauthorized use of the other Party's Confidential Information. Unless required by law, neither Party will disclose the other Party's Confidential Information during the Term and for five (5) years thereafter. To the extent permissible by law, Axon pricing is Confidential Information and competition sensitive. If Agency receives a public records request to disclose Axon Confidential Information, to the extent allowed by law, Agency will provide notice to Axon before disclosure. Axon may publicly announce information related to this Agreement.

18. **General**.

18.1. **Force Majeure**. Neither Party will be liable for any delay or failure to perform due to a cause beyond a Party's reasonable control.

18.2. **Independent Contractors**. The Parties are independent contractors. Neither Party has the authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.

18.3. **Third-Party Beneficiaries**. There are no third-party beneficiaries under this Agreement.

18.4. **Non-Discrimination**. Neither Party nor its employees will discriminate against any person based on race; religion; creed; color; sex; gender identity and expression; pregnancy; childbirth; breastfeeding; medical conditions related to pregnancy, childbirth, or breastfeeding; sexual orientation; marital status; age; national origin; ancestry; genetic information; disability; veteran status; or any class protected by local, state, or federal law.

18.5. **Export Compliance**. Each Party will comply with all import and export control laws and regulations.

18.6. **Assignment**. Neither Party may assign this Agreement without the other Party's prior written consent. Axon may assign this Agreement, its rights, or obligations without consent: (a) to an affiliate or subsidiary; or (b) for purposes of financing, merger, acquisition, corporate reorganization, or sale of all or substantially all its assets. This Agreement is binding upon the Parties respective successors and assigns.

18.7. **Waiver**. No waiver or delay by either Party in exercising any right under this Agreement constitutes a waiver of that right.

18.8. **Severability**. If a court of competent jurisdiction holds any portion of this Agreement invalid or unenforceable, the remaining portions of this Agreement will remain in effect.

18.9. **Survival**. The following sections will survive termination: Payment, Warranty, Axon Device Warnings, Indemnification, IP Rights, and Agency Responsibilities.

18.10. **Governing Law**. The laws of the country, state, province, or municipality where Agency is physically located, without reference to conflict of law rules, govern this Agreement and any dispute arising from it. The United Nations Convention for the International Sale of Goods does not apply to this Agreement.

18.11. **Notices**. All notices must be in English. Notices posted on Agency's Axon Evidence site are effective upon posting. Notices by email are effective on the sent date of the email. Notices by personal delivery are effective immediately. Notices to Agency shall be provided to the address on file with Axon. Notices to Axon shall be provided to Axon Enterprise, Inc., Attn: Legal, 17800 North 85th Street, Scottsdale, Arizona 85255 with a copy to legal@axon.com.

18.12 **Entire Agreement**. This Agreement, including the Appendices and any SOW(s), represents the entire agreement between the Parties. This Agreement supersedes all prior agreements or understandings, whether written or verbal, regarding the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by the Parties.

Each Party, by and through its respective representative authorized to execute this Agreement, has duly executed and delivered this Agreement as of the date of signature.

AXON:	**AGENCY**:
Choose an item.	_____
Signature: _____	Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

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Axon Cloud Services Terms of Use Appendix

1. Definitions.

    a. **"Agency Content"** is data uploaded into, ingested by, or created in Axon Cloud Services within Agency's tenant, including media or multimedia uploaded into Axon Cloud Services by Agency. Agency Content includes Evidence but excludes Non-Content Data.

    b. "**Evidence**" is media or multimedia uploaded into Axon Evidence as 'evidence' by an Agency. Evidence is a subset of Agency Content.

    c. "**Non-Content Data**" is data, configuration, and usage information about Agency's Axon Cloud Services tenant, Axon Devices and client software, and users that is transmitted or generated when using Axon Devices. Non-Content Data includes data about users captured during account management and customer support activities. Non-Content Data does not include Agency Content.

    d. "**Personal Data**" means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural or social identity of that natural person.

2. **Access**. Upon Axon granting Agency a subscription to Axon Cloud Services, Agency may access and use Axon Cloud Services to store and manage Agency Content. Agency may not exceed more end users than the Quote specifies. Axon Air requires an Axon Evidence subscription for each drone operator. For Axon Evidence Lite, Agency may access and use Axon Evidence only to store and manage TASER CEW and TASER CAM data ("**TASER Data**"). Agency may not upload non-TASER Data to Axon Evidence Lite.

3. **Agency Owns Agency Content**. Agency controls and owns all right, title, and interest in Agency Content. Except as outlined herein, Axon obtains no interest in Agency Content, and Agency Content is not Axon's business records. Agency is solely responsible for uploading, sharing, managing, and deleting Agency Content. Axon will only have access to Agency Content for the limited purposes set forth herein. Agency agrees to allow Axon access to Agency Content to (a) perform troubleshooting, maintenance, or diagnostic screenings; and (b) enforce this Agreement or policies governing use of the Axon products.

4. **Security**. Axon will implement commercially reasonable and appropriate measures to secure Agency Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program to protect Axon Cloud Services and Agency Content including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital evidence; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum.

5. **Agency Responsibilities**. Agency is responsible for (a) ensuring Agency owns Agency Content; (b) ensuring no Agency Content or Agency end user's use of Agency Content or Axon Cloud Services violates this Agreement or applicable laws; and (c) maintaining necessary computer equipment and Internet connections for use of Axon Cloud Services. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to Axon Cloud Services.

    a. Agency will also maintain the security of end usernames and passwords and security and access by end users to Agency Content. Agency is responsible for ensuring the configuration and utilization of Axon Cloud Services meet applicable Agency regulation and standards. Agency may not sell, transfer, or sublicense access to any other entity or person. Agency shall contact Axon immediately if an unauthorized party may be using Agency's account or Agency Content, or if account information is lost or stolen.

    b. To the extent Agency uses the Axon Cloud Services to interact with YouTube®, such use may be governed by the YouTube Terms of Service, available at https://www.youtube.com/static?template=terms.

6. **Privacy**. Agency's use of Axon Cloud Services is subject to the Axon Cloud Services Privacy Policy, a current version of which is available at https://www.axon.com/legal/cloud-services-privacy-policy. Agency agrees to allow Axon access to Non-Content Data from Agency to (a) perform troubleshooting, maintenance, or diagnostic

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screenings; (b) provide, develop, improve, and support current and future Axon products and related services; and (c) enforce this Agreement or policies governing the use of Axon products.

7. **Axon Body 3 Wi-Fi Positioning**. Axon Body 3 cameras offer a feature to enhance location services where GPS/GNSS signals may not be available, for instance, within buildings or underground. Agency administrators can manage their choice to use this service within the administrative features of Axon Cloud Services. If Agency chooses to use this service, Axon must also enable the usage of the feature for Agency's Axon Cloud Services tenant. Agency will not see this option with Axon Cloud Services unless Axon has enabled Wi-Fi Positioning for Agency's Axon Cloud Services tenant. When Wi-Fi Positioning is enabled by both Axon and Agency, Non-Content and Personal Data will be sent to Skyhook Holdings, Inc. ("**Skyhook**") to facilitate the Wi-Fi Positioning functionality. Data controlled by Skyhook is outside the scope of the Axon Cloud Services Privacy Policy and is subject to the Skyhook Services Privacy Policy.

8. **Storage**. For Axon Unlimited Device Storage subscriptions, Agency may store unlimited data in Agency's Axon Evidence account only if data originates from Axon Capture or the applicable Axon Device. Axon may charge Agency additional fees for exceeding purchased storage amounts. Axon may place Agency Content that Agency has not viewed or accessed for six (6) months into archival storage. Agency Content in archival storage will not have immediate availability and may take up to twenty-four (24) hours to access.

   For Third-Party Unlimited Storage the following restrictions apply: (i) it may only be used in conjunction with a valid Axon's Evidence.com user license; (ii) is limited to data of the law enforcement agency that purchased the Third-Party Unlimited Storage and the Axon's Evidence.com end user or Agency is prohibited from storing data for other law enforcement agencies; and (iii) Agency may only upload and store data that is directly related to: (1) the investigation of, or the prosecution of a crime; (2) common law enforcement activities; or (3) any Agency Content created by Axon Devices or Evidence.com.

9. **Location of Storage**. Axon may transfer Agency Content to third-party subcontractors for storage. Axon will determine the locations of data centers for storage of Agency Content. For United States agencies, Axon will ensure all Agency Content stored in Axon Cloud Services remains within the United States. Ownership of Agency Content remains with Agency.

10. **Suspension**. Axon may temporarily suspend Agency's or any end user's right to access or use any portion or all of Axon Cloud Services immediately upon notice, if Agency or end user's use of or registration for Axon Cloud Services may (a) pose a security risk to Axon Cloud Services or any third-party; (b) adversely impact Axon Cloud Services, the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third-party to liability; or (d) be fraudulent. Agency remains responsible for all fees incurred through suspension. Axon will not delete Agency Content because of suspension, except as specified in this Agreement.

11. **Axon Cloud Services Warranty**. Axon disclaims any warranties or responsibility for data corruption or errors before Agency uploads data to Axon Cloud Services.

12. **Axon Records**. Axon Records is the software-as-a-service product that is generally available at the time Agency purchases an OSP 7 or OSP 10 bundle. During Agency's Axon Records Subscription Term, if any, Agency will be entitled to receive Axon's Update and Upgrade releases on an if-and-when available basis.

    a. The Axon Records Subscription Term will end upon the completion of the Axon Records Subscription as documented in the Quote, or if purchased as part of an OSP 7 or OSP 10 bundle, upon completion of the OSP 7 or OSP 10 Term ("**Axon Records Subscription**")

    b. An "**Update**" is a generally available release of Axon Records that Axon makes available from time to time. An "**Upgrade**" includes (i) new versions of Axon Records that enhance features and functionality, as solely determined by Axon; and/or (ii) new versions of Axon Records that provide additional features or perform additional functions. Upgrades exclude new products that Axon introduces and markets as distinct products or applications.

    c. New or additional Axon products and applications, as well as any Axon professional services needed to configure Axon Records, are not included. If Agency purchases Axon Records as part of a bundled offering, the Axon Record subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Records to Agency.

    d. Users of Axon Records at the Agency may upload files to entities (incidents, reports, cases, etc) in Axon Records with no limit to the number of files and amount of storage. Notwithstanding the foregoing, Axon

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may limit usage should the Agency exceed an average rate of one-hundred (100) GB per user per year of uploaded files. Axon will not bill for overages.

13. **Axon Cloud Services Restrictions**. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:

    a. copy, modify, tamper with, repair, or create derivative works of any part of Axon Cloud Services;

    b. reverse engineer, disassemble, or decompile Axon Cloud Services or apply any process to derive any source code included in Axon Cloud Services, or allow others to do the same;

    c. access or use Axon Cloud Services with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;

    d. use trade secret information contained in Axon Cloud Services, except as expressly permitted in this Agreement;

    e. access Axon Cloud Services to build a competitive device or service or copy any features, functions, or graphics of Axon Cloud Services;

    f. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Cloud Services; or

    g. use Axon Cloud Services to store or transmit infringing, libelous, or other unlawful or tortious material; material in violation of third-party privacy rights; or malicious code.

14. **After Termination**. Axon will not delete Agency Content for ninety (90) days following termination. There will be no functionality of Axon Cloud Services during these ninety (90) days other than the ability to retrieve Agency Content. Agency will not incur additional fees if Agency downloads Agency Content from Axon Cloud Services during this time. Axon has no obligation to maintain or provide Agency Content after these ninety (90) days and will thereafter, unless legally prohibited, delete all Agency Content. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Agency Content from Axon Cloud Services.

15. **Post-Termination Assistance**. Axon will provide Agency with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Agency Content, including requests for Axon's data egress service, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.

16. **U.S. Government Rights**. If Agency is a U.S. Federal department or using Axon Cloud Services on behalf of a U.S. Federal department, Axon Cloud Services is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data", as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Agency is using Axon Cloud Services on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Agency will immediately discontinue use of Axon Cloud Services.

17. **Survival**. Upon any termination of this Agreement, the following sections in this Appendix will survive: Agency Owns Agency Content, Privacy, Storage, Axon Cloud Services Warranty, and Axon Cloud Services Restrictions.

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Axon Customer Experience Improvement Program Appendix

1. **Axon Customer Experience Improvement Program (ACEIP)**. The ACEIP is designed to accelerate Axon's development of technology, such as building and supporting automated features, to ultimately increase safety within communities and drive efficiency in public safety. To this end, subject to the limitations on Axon as described below, Axon, where allowed by law, may make limited use of Agency Content from all of its customers to provide, develop, improve, and support current and future Axon products (collectively, "ACEIP Purposes"). However, at all times, Axon will comply with its obligations pursuant to the Axon Cloud Services Terms of Use Appendix to maintain a comprehensive data security program (including compliance with the CJIS Security Policy for Criminal Justice Information), privacy program, and data governance policy, including high industry standards of de-identifying Personal Data, to enforce its security and privacy obligations for the ACEIP. ACEIP has 2 tiers of participation, Tier 1 and Tier 2. By default, Agency will be a participant in ACEIP Tier 1. If Agency does not want to participate in ACEIP Tier 1, Agency can revoke its consent at any time. If Agency wants to participate in Tier 2, as detailed below, Agency can check the ACEIP Tier 2 box below. If Agency does not want to participate in ACEIP Tier 2, Agency should leave box unchecked. At any time, Agency may revoke its consent to ACEIP Tier 1, Tier 2, or both Tiers.

2. **ACEIP Tier 1.**

   2.1. When Axon uses Agency Content for the ACEIP Purposes, Axon will extract from Agency Content and may store separately copies of certain segments or elements of the Agency Content (collectively, "**ACEIP Content**"). When extracting ACEIP Content, Axon will use commercially reasonable efforts to aggregate, transform or de-identify Agency Content so that the extracted ACEIP Content is no longer reasonably capable of being associated with, or could reasonably be linked directly or indirectly to a particular individual ("**Privacy Preserving Technique(s)**"). For illustrative purposes, some examples are described in footnote 1[1]. For clarity, ACEIP Content will still be linked indirectly, with an attribution, to the Agency from which it was extracted. This attribution will be stored separately from the data itself, but is necessary for and will be solely used to enable Axon to identify and delete all ACEIP Content upon Agency request. Once de-identified, ACEIP Content may then be further modified, analyzed, and used to create derivative works. At any time, Agency may revoke the consent granted herein to Axon to access and use Agency Content for ACEIP Purposes. Within 30 days of receiving the Agency's request, Axon will no longer access or use Agency Content for ACEIP Purposes and will delete any and all ACEIP Content. Axon will also delete any derivative works which may reasonably be capable of being associated with, or could reasonably be linked directly or indirectly to Agency. In addition, if Axon uses Agency Content for the ACEIP Purposes, upon request, Axon will make available to Agency a list of the specific type of Agency Content being used to generate ACEIP Content, the purpose of such use, and the retention, privacy preserving extraction technique, and relevant data protection practices applicable to the Agency Content or ACEIP Content ("**Use Case**"). From time to time, Axon may develop and deploy new Use Cases. At least 30 days prior to authorizing the deployment of any new Use Case, Axon will provide Agency notice (by updating the list of Use Case at https://www.axon.com/aceip and providing Agency with a mechanism to obtain notice of that update or another commercially reasonable method to Agency designated contact) ("**New Use Case**").

   2.2. **Expiration of ACEIP Tier 1**. Agency consent granted herein will expire upon termination of the Agreement. In accordance with section 1.1.1, within 30 days of receiving the Agency's request, Axon will no longer access or use Agency Content for ACEIP Purposes and will delete ACEIP Content. Axon will also delete any derivative works which may reasonably be capable of being associated with, or could reasonably be linked directly or indirectly to, Agency.

3. **ACEIP Tier 2**. In addition to ACEIP Tier 1, if Agency wants to help further improve Axon's services, Agency may choose to participate in Tier 2 of the ACEIP. ACEIP Tier 2 grants Axon certain additional rights to use Agency Content, in addition to those set forth in Tier 1 above, without the guaranteed deployment of a Privacy Preserving Technique

[1] For example; (a) when extracting specific text to improve automated transcription capabilities, text that could be used to directly identify a particular individual would not be extracted, and extracted text would be disassociated from identifying metadata of any speakers, and the extracted text would be split into individual words and aggregated with other data sources (including publicly available data) to remove any reasonable ability to link any specific text directly or indirectly back to a particular individual; (b) when extracting license plate data to improve Automated License Plate Recognition (ALPR) capabilities, individual license plate characters would be extracted and disassociated from each other so a complete plate could not be reconstituted, and all association to other elements of the source video, such as the vehicle, location, time, and the surrounding environment would also be removed; (c) when extracting audio of potential acoustic events (such as glass breaking or gun shots), very short segments (<1 second) of audio that only contains the likely acoustic events would be extracted and all human utterances would be removed.

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to enable product development, improvement, and support that cannot be accomplished with aggregated, transformed, or de-identified data.

☐ Check this box if Agency wants to help further improve Axon's services by participating in ACEIP Tier 2 in addition to Tier 1. Axon will not enroll Agency into ACEIP Tier 2 until Axon and Agency agree to terms in writing providing for such participation in ACEIP Tier 2.

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Professional Services Appendix

If any of the Professional Services specified below are included on the Quote, this Appendix applies.

1. **Utilization of Services**. Agency must use professional services as outlined in the Quote and this Appendix within six (6) months of the Effective Date.

2. **Axon Full Service (Axon Full Service)**. Axon Full Service includes advance remote project planning and configuration support and up to four (4) consecutive days of on-site service and a professional services manager to work with Agency to assess Agency's deployment and determine which on-site services are appropriate. If Agency requires more than four (4) consecutive on-site days, Agency must purchase additional days. Axon Full Service options include:

System set up and configuration • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories and custom roles based on Agency need • Register cameras to Agency domain • Troubleshoot IT issues with Axon Evidence and Axon Dock ("**Dock**") access • One on-site session included
Dock configuration • Work with Agency to decide the ideal location of Docks and set configurations on Dock • Authenticate Dock with Axon Evidence using admin credentials from Agency • On-site assistance, not to include physical mounting of docks
Best practice implementation planning session • Provide considerations for the establishment of video policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata in the field for organization purposes and other best practices for digital data management • Provide referrals of other agencies using the Axon camera devices and Axon Evidence • Recommend rollout plan based on review of shift schedules
System Admin and troubleshooting training sessions Step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon has fulfilled its contractual on-site obligations
Evidence sharing training Tailored workflow instruction for Investigative Units on sharing Cases and Evidence with local prosecuting agencies
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide
Post go-live review

3. **Body-Worn Camera Starter Service (Axon Starter)**. Axon Starter includes advance remote project planning and configuration support and one (1) day of on-site Services and a professional services manager to work closely with Agency to assess Agency's deployment and determine which Services are appropriate. If Agency requires more than one (1) day of on-site Services, Agency must purchase additional on-site Services. The Axon Starter options include:

System set up and configuration (Remote Support) • Instructor-led setup of Axon View on smartphones (if applicable) • Configure categories & custom roles based on Agency need • Troubleshoot IT issues with Axon Evidence and Dock access

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Dock configuration • Work with Agency to decide the ideal location of Dock setup and set configurations on Dock • Authenticate Dock with Axon Evidence using "Administrator" credentials from Agency • Does not include physical mounting of docks
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon camera and Axon Evidence training needs after Axon's has fulfilled its contracted on-site obligations
End user go-live training and support sessions • Assistance with device set up and configuration • Training on device use, Axon Evidence, and Evidence Sync
Implementation document packet Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide

4. **Body-Worn Camera Virtual 1-Day Service (Axon Virtual)**. Axon Virtual includes all items in the BWC Starter Service Package, except one (1) day of on-site services.

5. **CEW Services Packages**. CEW Services Packages are detailed below:

System set up and configuration • Configure Axon Evidence categories & custom roles based on Agency need. • Troubleshoot IT issues with Axon Evidence. • Register users and assign roles in Axon Evidence. • **For the CEW Full Service Package**: On-site assistance included • **For the CEW Starter Package**: Virtual assistance included
Dedicated Project Manager Assignment of specific Axon representative for all aspects of planning the rollout (Project Manager). Ideally, Project Manager will be assigned to Agency 4–6 weeks before rollout
Best practice implementation planning session to include: • Provide considerations for the establishment of CEW policy and system operations best practices based on Axon's observations with other agencies • Discuss the importance of entering metadata and best practices for digital data management • Provide referrals to other agencies using TASER CEWs and Axon Evidence • **For the CEW Full Service Package:** On-site assistance included • **For the CEW Starter Package:** Virtual assistance included
System Admin and troubleshooting training sessions On-site sessions providing a step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence
Axon Evidence Instructor training • Provide training on the Axon Evidence to educate instructors who can support Agency's subsequent Axon Evidence training needs. • **For the CEW Full Service Package:** Training for up to 3 individuals at Agency • **For the CEW Starter Package:** Training for up to 1 individual at Agency
TASER CEW inspection and device assignment Axon's on-site professional services team will perform functions check on all new TASER CEW Smart weapons and assign them to a user on Axon Evidence.
Post go-live review **For the CEW Full Service Package**: On-site assistance included. **For the CEW Starter Package**: Virtual assistance included.

6. **Smart Weapon Transition Service**. The Smart Weapon Transition Service includes:

Archival of CEW Firing Logs Axon's on-site professional services team will upload CEW firing logs to Axon Evidence from all TASER CEW Smart Weapons that Agency is replacing with newer Smart Weapon models.

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Return of Old Weapons
Axon's on-site professional service team will ship all old weapons back to Axon's headquarters. Axon will provide Agency with a Certificate of Destruction

*Note: CEW Full Service packages for TASER 7 or TASER 10 include Smart Weapon Transition Service instead of 1-Day Device Specific Instructor Course.

7. **VR Services Package.** VR Service includes advance remote project planning and configuration support and one (1) day of on-site service and a professional services manager to work with Agency to assess Agency's deployment and determine which Services are appropriate. The VR Service training options include:

System set up and configuration (Remote Support) • Instructor-led setup of Axon VR headset content • Configure agency settings based on Agency need • Troubleshoot IT issues with Axon VR headset
Axon instructor training (Train the Trainer) Training for up to five (5) Agency's in-house instructors who can support Agency's Axon VR CET and SIM training needs after Axon's has fulfilled its contracted on-site obligations
Classroom and practical training sessions Step-by-step explanation and assistance for Agency's configuration of Axon VR CET and SIM functionality, basic operation, and best practices

8. **Axon Air, On-Site Training.** Axon Air, On-Site training includes advance remote project planning and configuration support and one (1) day of on-site Services and a professional services manager to work closely with Agency to assess Agency's deployment and determine which Services are appropriate. If Agency's requires more than one (1) day of on-site Services, Agency must purchase additional on-site Services. The Axon Air, On-Site training options include:

System set up and configuration (Remote Support) • Instructor-led setup of Axon Air App (ASDS) • Configure agency settings based on Agency need • Configure drone controller • Troubleshoot IT issues with Axon Evidence
Axon instructor training (Train the Trainer) Training for Agency's in-house instructors who can support Agency's Axon Air and Axon Evidence training needs after Axon's has fulfilled its contracted on-site obligations
Classroom and practical training sessions Step-by-step explanation and assistance for Agency's configuration of Axon Respond+ livestreaming functionality, basic operation, and best practices

9. **Axon Air, Virtual Training.** Axon Air, Virtual training includes all items in the Axon Air, On-Site Training Package, except the practical training session, with the Axon Instructor training for up to four hours virtually.

10. **Signal Sidearm Installation Service**.

    a. **Purchases of 50 SSA units or more**: Axon will provide one (1) day of on-site service and one professional services manager and will provide train the trainer instruction, with direct assistance on the first of each unique holster/mounting type. Agency is responsible for providing a suitable work/training area.

    b. **Purchases of less than 50 SSA units:** Axon will provide a 1-hour virtual instruction session on the basics of installation and device calibration.

11. **Out of Scope Services**. Axon is only responsible to perform the professional services described in the Quote and this Appendix. Any additional professional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

12. **Delivery of Services**. Axon personnel will work Monday through Friday, 8:30 a.m. to 5:30 p.m., except holidays. Axon will perform all on-site tasks over a consecutive timeframe. Axon will not charge Agency travel time by Axon personnel to Agency premises as work hours.

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13. **Access Computer Systems to Perform Services**. Agency authorizes Axon to access relevant Agency computers and networks, solely for performing the Services. Axon will work to identify as soon as reasonably practicable resources and information Axon expects to use and will provide an initial itemized list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

14. **Site Preparation**. Axon will provide a hardcopy or digital copy of current user documentation for the Axon Devices ("**User Documentation**"). User Documentation will include all required environmental specifications for the professional services and Axon Devices to operate per the Axon Device User Documentation. Before installation of Axon Devices (whether performed by Agency or Axon), Agency must prepare the location(s) where Axon Devices are to be installed ("**Installation Site**") per the environmental specifications in the Axon Device User Documentation. Following installation, Agency must maintain the Installation Site per the environmental specifications. If Axon modifies Axon Device User Documentation for any Axon Devices under this Agreement, Axon will provide the update to Agency when Axon generally releases it

15. **Acceptance**. When Axon completes professional services, Axon will present an acceptance form ("**Acceptance Form**") to Agency. Agency will sign the Acceptance Form acknowledging completion. If Agency reasonably believes Axon did not complete the professional services in substantial conformance with this Agreement, Agency must notify Axon in writing of the specific reasons for rejection within seven (7) calendar days from delivery of the Acceptance Form. Axon will address the issues and re-present the Acceptance Form for signature. If Axon does not receive the signed Acceptance Form or written notification of reasons for rejection within seven (7) calendar days of delivery of the Acceptance Form, Axon will deem Agency to have accepted the professional services.

16. **Agency Network**. For work performed by Axon transiting or making use of Agency's network, Agency is solely responsible for maintenance and functionality of the network. In no event will Axon be liable for loss, damage, or corruption of Agency's network from any cause.

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Technology Assurance Plan Appendix

If Technology Assurance Plan ("**TAP**") or a bundle including TAP is on the Quote, this appendix applies.

1. **TAP Warranty**. The TAP warranty is an extended warranty that starts at the end of the one- (1-) year hardware limited warranty.
2. **Officer Safety Plan**. If Agency purchases an Officer Safety Plan ("**OSP**"), Agency will receive the deliverables detailed in the Quote. Agency must accept delivery of the TASER CEW and accessories as soon as available from Axon.
3. **OSP 7 or OSP 10 Term**. OSP 7 or OSP 10 begins on the date specified in the Quote ("**OSP Term**").
4. **TAP BWC Upgrade**. If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon body-worn camera ("**BWC Upgrade**") as scheduled in the Quote. If Agency purchased TAP, Axon will provide a BWC Upgrade that is the same or like Axon Device, at Axon's option. Axon makes no guarantee the BWC Upgrade will utilize the same accessories or Axon Dock.
5. **TAP Dock Upgrade**. If Agency has no outstanding payment obligations and purchased TAP, Axon will provide Agency a new Axon Dock as scheduled in the Quote ("**Dock Upgrade**"). Accessories associated with any Dock Upgrades are subject to change at Axon discretion. Dock Upgrades will only include a new Axon Dock bay configuration unless a new Axon Dock core is required for BWC compatibility. If Agency originally purchased a single-bay Axon Dock, the Dock Upgrade will be a single-bay Axon Dock model that is the same or like Axon Device, at Axon's option. If Agency originally purchased a multi-bay Axon Dock, the Dock Upgrade will be a multi-bay Axon Dock that is the same or like Axon Device, at Axon's option.
6. **Upgrade Delay**. Axon may ship the BWC and Dock Upgrades as scheduled in the Quote without prior confirmation from Agency unless the Parties agree in writing otherwise at least ninety (90) days in advance. Axon may ship the final BWC and Dock Upgrade as scheduled in the Quote sixty (60) days before the end of the Subscription Term without prior confirmation from Agency.
7. **Upgrade Change**. If Agency wants to upgrade Axon Device models from the current Axon Device to an upgraded Axon Device, Agency must pay the price difference between the MSRP for the current Axon Device and the MSRP for the upgraded Axon Device. If the model Agency desires has an MSRP less than the MSRP of the offered BWC Upgrade or Dock Upgrade, Axon will not provide a refund. The MSRP is the MSRP in effect at the time of the upgrade.
8. **Return of Original Axon Device**. Within thirty (30) days of receiving a BWC or Dock Upgrade, Agency must return the original Axon Devices to Axon or destroy the Axon Devices and provide a certificate of destruction to Axon including serial numbers for the destroyed Axon Devices. If Agency does not return or destroy the Axon Devices, Axon will deactivate the serial numbers for the Axon Devices received by Agency.
9. **Termination**. If Agency's payment for TAP, OSP, or Axon Evidence is more than thirty (30) days past due, Axon may terminate TAP or OSP. Once TAP or OSP terminates for any reason:
   - 9.1. TAP and OSP coverage terminate as of the date of termination and no refunds will be given.
   - 9.2. Axon will not and has no obligation to provide the Upgrade Models.
   - 9.3. Agency must make any missed payments due to the termination before Agency may purchase any future TAP or OSP.

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TASER 7 Appendix

This TASER 7 Appendix applies to Agency's TASER 7, OSP 7, or OSP 7 Plus purchase from Axon, if applicable.

1. **Duty Cartridge Replenishment Plan**. If the Quote includes "**Duty Cartridge Replenishment Plan**", Agency must purchase the plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty and those that only use a CEW for training. Agency may not resell cartridges received. Axon will only replace cartridges used in the line of duty.

2. **Training**. If the Quote includes a training voucher, Agency must use the voucher within one (1) year of issuance, or the voucher will be void. Axon will issue Agency a voucher annually beginning on the start of the TASER Subscription Term. The voucher has no cash value. Agency cannot exchange it for another device or service. Unless stated in the Quote, the voucher does not include travel expenses and will be Agency's responsibility. If the Quote includes Axon Online Training or Virtual Reality Content Empathy Development for Autism/Schizophrenia (collectively, "**Training Content**"), Agency may access Training Content. Axon will deliver all Training Content electronically.

3. **TASER Upgrade**. If Agency purchases Axon's 10-year certification program for Axon's latest version of its TASER energy weapon ("Certification Program") and has no outstanding payment obligations as of the beginning of the sixth (6^{th}) year of the Certification Program, Agency will qualify for an upgrade to any subsequent version of the Certification Program ("CEW Upgrade"). Agency will receive the CEW Upgrade at no additional cost, only to the extent such subsequent version of the Certification Program includes the same products or features as the Certification Program purchased by Agency. If Agency wants to upgrade to a Certification Program that includes additional products or features, Agency will pay the additional cost associated with such products and features. For the avoidance of doubt, Agency is not required to upgrade to any subsequent version of the Certification Program. Axon may ship the CEW Upgrade as scheduled in the Quote without prior confirmation from agency unless the Parties agree in writing otherwise at least ninety (90) days in advance. If necessary to maintain compatibility among Axon Devices, within thirty (30) days of receiving the CEW Upgrade, Agency must, if requested by Axon, return all hardware and related accessories received in connection with the Certification Program to Axon. In such event, Agency must ship batteries via ground shipping or in accordance with federal regulations in place at the time of the return. Axon will pay shipping costs for the return if Agency uses Axon's RMA process.

4. **Extended Warranty**. If the Quote includes an extended warranty, the extended warranty coverage period warranty will be for a five- (5-) year term, which includes the hardware manufacturer's warranty plus the four- (4-) year extended term.

5. **Trade-in**. If the Quote contains a discount on CEW-related line items, including items related to OSP, then that discount may only be applied as a trade-in credit, and Agency must return used hardware and accessories associated with the discount ("**Trade-In Units**") to Axon. Agency must ship batteries via ground shipping. Axon will pay shipping costs of the return. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Agency the value of the trade-in credit. Agency may not destroy Trade-In Units and receive a trade-in credit.

Agency Size	**Days to Return from Start Date of TASER 7 Subscription**
Less than 100 officers	30 days
100 to 499 officers	90 days
500+ officers	180 days

6. **TASER 7 Subscription Term**. The TASER 7 Subscription Term for a standalone TASER 7 purchase begins on shipment of the TASER 7 hardware. The TASER 7 Subscription Term for OSP 7 begins on the OSP 7 start date.

7. **Access Rights**. Upon Axon granting Agency a TASER 7 Axon Evidence subscription, Agency may access and use Axon Evidence for the storage and management of data from TASER 7 CEW devices during the TASER 7 Subscription Term. Agency may not exceed the number of end users the Quote specifies.

8. **Privacy.** Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content, so Agency may file an objection with the court or administrative body.

9. **Termination**. If payment for TASER 7 is more than thirty (30) days past due, Axon may terminate Agency's TASER 7 plan by notifying Agency. Upon termination for any reason, then as of the date of termination:

   9.1. TASER 7 extended warranties and access to Training Content will terminate. No refunds will be given.

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9.2. Axon will invoice Agency the remaining MSRP for TASER 7 products received before termination. If terminating for non-appropriations, Axon will not invoice Agency if Agency returns the CEW, rechargeable battery, holster, dock, core, training suits, and unused cartridges to Axon within thirty (30) days of the date of termination.

9.3. Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future TASER 7 plan.

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TASER 10 Appendix

This TASER 10 Appendix applies to Agency's TASER 10, OSP 10, OSP Plus, or OSP 10 Plus Premium purchase from Axon, if applicable.

1. **Duty Cartridge Replenishment Plan**. If the Quote includes "**Duty Cartridge Replenishment Plan**", Agency must purchase the plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty and those that only use a CEW for training. Agency may not resell cartridges received. Axon will only replace cartridges used in the line of duty.
2. **Training**. If the Quote includes a training voucher, Agency must use the voucher within one (1) year of issuance, or the voucher will be void. Axon will issue Agency a voucher annually beginning on the start of the TASER Subscription Term. The voucher has no cash value. Agency cannot exchange it for another device or service. Unless stated in the Quote, the voucher does not include travel expenses and will be Agency's responsibility. If the Quote includes Axon Online Training or Virtual Reality Content Empathy Development for Autism/Schizophrenia (collectively, "**Training Content**"), Agency may access Training Content. Axon will deliver all Training Content electronically.
3. **Extended Warranty**. If the Quote includes an extended warranty, the extended warranty coverage period warranty will be for a five- (5-) year term, which includes the hardware manufacturer's warranty plus the four- (4-) year extended term.
4. **Trade-in**. If the Quote contains a discount on CEW-related line items, including items related to OSP, then that discount may only be applied as a trade-in credit, and Agency must return used hardware and accessories associated with the discount ("**Trade-In Units**") to Axon. Agency must ship batteries via ground shipping. Axon will pay shipping costs of the return. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Agency the value of the trade-in credit. Agency may not destroy Trade-In Units and receive a trade-in credit.

Agency Size	Days to Return from Start Date of TASER 10 Subscription
Less than 100 officers	60 days
100 to 499 officers	90 days
500+ officers	180 days

5. **TASER 10 Subscription Term**. The TASER 10 Subscription Term for a standalone TASER 10 purchase begins on shipment of the TASER 10 hardware. The TASER 10 Subscription Term for OSP 10 begins on the OSP 10 start date.
6. **Access Rights**. Upon Axon granting Agency a TASER 10 Axon Evidence subscription, Agency may access and use Axon Evidence for the storage and management of data from TASER 10 CEW devices during the TASER 10 Subscription Term. Agency may not exceed the number of end users the Quote specifies.
7. **Agency Warranty.** If Agency is located in the US, Agency warrants and acknowledges that TASER 10 is classified as a firearm and is being acquired for official Agency use pursuant to a law enforcement agency transfer under the Gun Control Act of 1968.
8. **Purchase Order.** To comply with applicable laws and regulations, Agency must provide a purchase order to Axon prior to shipment of TASER 10.
9. **Apollo Grant (US only).** If Agency has received an Apollo Grant from Axon, Agency must pay all fees in the Quote prior to upgrading to any new TASER CEW offered by Axon.

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Axon Auto-Tagging Appendix

If Auto-Tagging is included on the Quote, this Appendix applies.

1. **Scope.** Axon Auto-Tagging consists of the development of a module to allow Axon Evidence to interact with Agency's Computer-Aided Dispatch ("**CAD**") or Records Management Systems ("**RMS**"). This allows end users to auto-populate Axon video meta-data with a case ID, category, and location-based on data maintained in Agency's CAD or RMS.

2. **Support**. For thirty (30) days after completing Auto-Tagging Services, Axon will provide up to five (5) hours of remote support at no additional charge. Axon will provide free support due to a change in Axon Evidence, if Agency maintains an Axon Evidence and Auto-Tagging subscription. Axon will not provide support if a change is required because Agency changes its CAD or RMS.

3. **Changes**. Axon is only responsible to perform the Services in this Appendix. Any additional Services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

4. **Agency Responsibilities**. Axon's performance of Auto-Tagging Services requires Agency to:

   4.1. Make available relevant systems, including Agency's current CAD or RMS, for assessment by Axon (including remote access if possible);

   4.2. Make required modifications, upgrades or alterations to Agency's hardware, facilities, systems and networks related to Axon's performance of Auto-Tagging Services;

   4.3. Provide access to the premises where Axon is performing Auto-Tagging Services, subject to Agency safety and security restrictions, and allow Axon to enter and exit the premises with laptops and materials needed to perform Auto-Tagging Services;

   4.4. Provide all infrastructure and software information (TCP/IP addresses, node names, network configuration) necessary for Axon to provide Auto-Tagging Services;

   4.5. Promptly install and implement any software updates provided by Axon;

   4.6. Ensure that all appropriate data backups are performed;

   4.7. Provide assistance, participation, and approvals in testing Auto-Tagging Services;

   4.8. Provide Axon with remote access to Agency's Axon Evidence account when required;

   4.9. Notify Axon of any network or machine maintenance that may impact the performance of the module at Agency; and

   4.10. Ensure reasonable availability of knowledgeable staff and personnel to provide timely, accurate, complete, and up-to-date documentation and information to Axon.

5. **Access to Systems**. Agency authorizes Axon to access Agency's relevant computers, network systems, and CAD or RMS solely for performing Auto-Tagging Services. Axon will work diligently to identify the resources and information Axon expects to use and will provide an initial list to Agency. Agency is responsible for and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

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Axon Fleet Appendix

If Axon Fleet is included on the Quote, this Appendix applies.

1. Agency Responsibilities.

   19. Agency must ensure its infrastructure and vehicles adhere to the minimum requirements to operate Axon Fleet 2 or Axon Fleet 3 (collectively, "**Axon Fleet**") as established by Axon during the qualifier call and on-site assessment at Agency and in any technical qualifying questions. If Agency's representations are inaccurate, the Quote is subject to change.

   20. Agency is responsible for providing a suitable work area for Axon or Axon third-party providers to install Axon Fleet systems into Agency vehicles. Agency is responsible for making available all vehicles for which installation services were purchased, during the agreed upon onsite installation dates, Failure to make vehicles available may require an equitable adjustment in fees or schedule.

2. **Cradlepoint**. If Agency purchases Cradlepoint Enterprise Cloud Manager, Agency will comply with Cradlepoint's end user license agreement. The term of the Cradlepoint license may differ from the Axon Evidence Subscription. If Agency requires Cradlepoint support, Agency will contact Cradlepoint directly.

3. **Third-party Installer**. Axon will not be liable for the failure of Axon Fleet hardware to operate per specifications if such failure results from installation not performed by, or as directed by Axon.

4. Wireless Offload Server.

   4.1. **License Grant**. Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use Wireless Offload Server ("**WOS**"). "Use" means storing, loading, installing, or executing WOS solely for data communication with Axon Devices for the number of licenses purchased. The WOS term begins upon the start of the Axon Evidence Subscription.

   4.2. **Restrictions**. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of WOS; (b) reverse engineer, disassemble, or decompile WOS, apply any process to derive the source code of WOS, or allow others to do so; (c) access or use WOS to avoid incurring fees or exceeding usage limits; (d) copy WOS in whole or part; (e) use trade secret information contained in WOS; (f) resell, rent, loan or sublicense WOS; (g) access WOS to build a competitive device or service or copy any features, functions or graphics of WOS; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within WOS.

   4.3. **Updates**. If Agency purchases WOS maintenance, Axon will make updates and error corrections to WOS ("**WOS Updates**") available electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate Internet access to receive WOS Updates and maintaining computer equipment necessary for use of WOS. The Quote will detail the maintenance term.

   4.4. **WOS Support**. Upon request by Axon, Agency will provide Axon with access to Agency's store and forward servers solely for troubleshooting and maintenance.

5. Axon Vehicle Software.

   5.1. **License Grant**. Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use ViewXL or Dashboard (collectively, "**Axon Vehicle Software**".) "Use" means storing, loading, installing, or executing Axon Vehicle Software solely for data communication with Axon Devices. The Axon Vehicle Software term begins upon the start of the Axon Evidence Subscription.

   5.2. **Restrictions**. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of Axon Vehicle Software; (b) reverse engineer, disassemble, or decompile Axon Vehicle Software, apply any process to derive the source code of Axon Vehicle Software, or allow others to do so; (c) access or use Axon Vehicle Software to avoid incurring fees or exceeding usage limits; (d) copy Axon Vehicle Software in whole or part; (e) use trade secret information contained in Axon Vehicle Software; (f) resell, rent, loan or sublicense Axon Vehicle Software; (g) access Axon Vehicle Software to build a competitive device or service or copy any features, functions or graphics of Axon Vehicle Software; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Axon Vehicle Software.

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6. **Acceptance Checklist**. If Axon provides services to Agency pursuant to any statement of work in connection with Axon Fleet, within seven (7) days of the date on which Agency retrieves Agency's vehicle(s) from the Axon installer, said vehicle having been installed and configured with tested and fully and properly operational in-car hardware and software identified above, Agency will receive a Professional Services Acceptance Checklist to submit to Axon indicating acceptance or denial of said deliverables.

7. **Axon Fleet Upgrade**. If Agency has no outstanding payment obligations and has purchased the "Fleet Technology Assurance Plan" (Fleet TAP), Axon will provide Agency with the same or like model of Fleet hardware ("**Axon Fleet Upgrade**") as scheduled on the Quote.

   7.1. If Agency would like to change models for the Axon Fleet Upgrade, Agency must pay the difference between the MSRP for the offered Axon Fleet Upgrade and the MSRP for the model desired. The MSRP is the MSRP in effect at the time of the upgrade. Agency is responsible for the removal of previously installed hardware and installation of the Axon Fleet Upgrade.

   7.2. Within thirty (30) days of receiving the Axon Fleet Upgrade, Agency must return the original Axon Devices to Axon or destroy the Axon Devices and provide a certificate of destruction to Axon, including serial numbers of the destroyed Axon Devices. If Agency does not destroy or return the Axon Devices to Axon, Axon will deactivate the serial numbers for the Axon Devices received by Agency.

8. **Axon Fleet Termination.** Axon may terminate Agency's Fleet subscription for non-payment. Upon any termination:

   8.1. Axon Fleet subscription coverage terminates, and no refunds will be given.

   8.2. Axon will not and has no obligation to provide the Axon Fleet Upgrade.

   8.3. Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future Fleet TAP.

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Axon Respond Appendix

This Axon Respond Appendix applies to both Axon Respond and Axon Respond Plus, if either is included on the Quote.

1. **Axon Respond Subscription Term**. If Agency purchases Axon Respond as part of a bundled offering, the Axon Respond subscription begins on the later of the (1) start date of that bundled offering, or (2) date Axon provisions Axon Respond to Agency. If Agency purchases Axon Respond as a standalone, the Axon Respond subscription begins the later of the (1) date Axon provisions Axon Respond to Agency, or (2) first day of the month following the Effective Date. The Axon Respond subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Respond.

2. **Scope of Axon Respond**. The scope of Axon Respond is to assist Agency with real-time situational awareness during critical incidents to improve officer safety, effectiveness, and awareness. In the event Agency uses Axon Respond outside this scope, Axon may initiate good-faith discussions with Agency on upgrading Agency's Axon Respond to better meet Agency's needs.

3. **Axon Body 3 LTE Requirements**. Axon Respond is only available and usable with an LTE enabled body-worn camera. Axon is not liable if Agency utilizes the LTE device outside of the coverage area or if the LTE carrier is unavailable. LTE coverage is only available in the United States, including any U.S. territories. Axon may utilize a carrier of Axon's choice to provide LTE service. Axon may change LTE carriers during the Term without Agency's consent.

4. **Axon Fleet 3 LTE Requirements.** Axon Respond is only available and usable with a Fleet 3 system configured with LTE modem and service. Agency is responsible for providing LTE service for the modem. Coverage and availability of LTE service is subject to Agency's LTE carrier.

5. **Axon Respond Service Limitations**. Agency acknowledges that LTE service is made available only within the operating range of the networks. Service may be temporarily refused, interrupted, or limited because of: (a) facilities limitations; (b) transmission limitations caused by atmospheric, terrain, other natural or artificial conditions adversely affecting transmission, weak batteries, system overcapacity, movement outside a service area or gaps in coverage in a service area, and other causes reasonably outside of the carrier's control such as intentional or negligent acts of third parties that damage or impair the network or disrupt service; or (c) equipment modifications, upgrades, relocations, repairs, and other similar activities necessary for the proper or improved operation of service.

    5.1. With regard to Axon Body 3, Partner networks are made available as-is and the carrier makes no warranties or representations as to the availability or quality of roaming service provided by carrier partners, and the carrier will not be liable in any capacity for any errors, outages, or failures of carrier partner networks. Agency expressly understands and agrees that it has no contractual relationship whatsoever with the underlying wireless service provider or its affiliates or contractors and Agency is not a third-party beneficiary of any agreement between Axon and the underlying carrier.

6. **Termination**. Upon termination of this Agreement, or if Agency stops paying for Axon Respond or bundles that include Axon Respond, Axon will end Axon Respond services, including any Axon-provided LTE service.

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Add-on Services Appendix

This Appendix applies if Axon Community Request, Axon Redaction Assistant, and/or Axon Performance are included on the Quote.

1. **Subscription Term**. If Agency purchases Axon Community Request, Axon Redaction Assistant, or Axon Performance as part of OSP 7 or OSP 10, the subscription begins on the later of the (1) start date of the OSP 7 or OSP 10 Term, or (2) date Axon provisions Axon Community Request Axon Redaction Assistant, or Axon Performance to Agency.

    1.1. If Agency purchases Axon Community Request, Axon Redaction Assistant, or Axon Performance as a standalone, the subscription begins the later of the (1) date Axon provisions Axon Community Request, Axon Redaction Assistant, or Axon Performance to Agency, or (2) first day of the month following the Effective Date.

    1.2. The subscription term will end upon the completion of the Axon Evidence Subscription associated with the add-on.

2. **Axon Community Request Storage**. For Axon Community Request, Agency may store an unlimited amount of data submitted through the public portal ("**Portal Content**"), within Agency's Axon Evidence instance. The post-termination provisions outlined in the Axon Cloud Services Terms of Use Appendix also apply to Portal Content.

3. **Performance Auto-Tagging Data**. In order to provide some features of Axon Performance to Agency, Axon will need to store call for service data from Agency's CAD or RMS.

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Axon Auto-Transcribe Appendix

This Appendix applies if Axon Auto-Transcribe is included on the Quote.

1. **Subscription Term.** If Agency purchases Axon Auto-Transcribe as part of a bundle or Axon Cloud Services subscription, the subscription begins on the later of the (1) start date of the bundle or Axon Cloud Services license term, or (2) date Axon provisions Axon Auto-Transcribe to Agency. If Agency purchases Axon Auto-Transcribe minutes as a standalone, the subscription begins on the date Axon provisions Axon Auto-Transcribe to Agency.

   1.1. If Agency cancels Auto-Transcribe services, any amounts owed by the Parties will be based on the amount of time passed under the annual subscription, rather than on the number of minutes used, regardless of usage.

2. **Auto-Transcribe A-La-Carte Minutes.** Upon Axon granting Agency a set number of minutes, Agency may utilize Axon Auto-Transcribe, subject to the number of minutes allowed on the Quote. Agency will not have the ability to roll over unused minutes to future Auto-Transcribe terms. Axon may charge Agency additional fees for exceeding the number of purchased minutes. Axon Auto-Transcribe minutes expire one year after being provisioned to Agency by Axon.

3. **Axon Unlimited Transcribe.** Upon Axon granting Agency an Unlimited Transcribe subscription to Axon Auto-Transcribe, Agency may utilize Axon Auto-Transcribe with no limit on the number of minutes. Unlimited Transcribe includes automatic transcription of all Axon BWC and Axon Capture footage. With regard to Axon Interview Room, Axon Fleet, Axon Citizen, or third-party transcription, transcription must be requested on demand. Notwithstanding the foregoing, Axon may limit usage after 5,000 minutes per user per month for multiple months in a row. Axon will not bill for overages.

4. **Warranty.** Axon disclaims all warranties, express or implied, for Axon Auto-Transcribe.

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Axon Virtual Reality Content Terms of Use Appendix

If Virtual Reality is included on the Quote, this Appendix applies.

1. **Term**. The Quote will detail the products and license duration, as applicable, of the goods, services, and software, and contents thereof, provided by Axon to Agency related to virtual reality (collectively, "**Virtual Reality Media**").

2. **Headsets**. Agency may purchase additional virtual reality headsets from Axon. In the event Agency decides to purchase additional virtual reality headsets for use with Virtual Reality Media, Agency must purchase those headsets from Axon.

3. **License Restrictions**. All licenses will immediately terminate if Agency does not comply with any term of this Agreement. If Agency utilizes more users than stated in this Agreement, Agency must purchase additional Virtual Reality Media licenses from Axon. Agency may not use Virtual Reality Media for any purpose other than as expressly permitted by this Agreement. Agency may not:

   3.1. modify, tamper with, repair, or otherwise create derivative works of Virtual Reality Media;

   3.2. reverse engineer, disassemble, or decompile Virtual Reality Media or apply any process to derive the source code of Virtual Reality Media, or allow others to do the same;

   3.3. copy Virtual Reality Media in whole or part, except as expressly permitted in this Agreement;

   3.4. use trade secret information contained in Virtual Reality Media;

   3.5. resell, rent, loan or sublicense Virtual Reality Media;

   3.6. access Virtual Reality Media to build a competitive device or service or copy any features, functions, or graphics of Virtual Reality Media; or

   3.7. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Virtual Reality Media or any copies of Virtual Reality Media.

4. **Privacy**. Agency's use of the Virtual Reality Media is subject to the Axon Virtual Reality Privacy Policy, a current version of which is available at https://www.axon.com/axonvrprivacypolicy.

5. **Termination**. Axon may terminate Agency's license immediately for Agency's failure to comply with any of the terms in this Agreement.

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Axon Evidence Local Software Appendix

This Appendix applies if Axon Evidence Local is included on the Quote.

1. **License**. Axon owns all executable instructions, images, icons, sound, and text in Axon Evidence Local. All rights are reserved to Axon. Axon grants a non-exclusive, royalty-free, worldwide right and license to use Axon Evidence Local. "Use" means storing, loading, installing, or executing Axon Evidence Local exclusively for data communication with an Axon Device. Agency may use Axon Evidence Local in a networked environment on computers other than the computer it installs Axon Evidence Local on, so long as each execution of Axon Evidence Local is for data communication with an Axon Device. Agency may make copies of Axon Evidence Local for archival purposes only. Axon shall retain all copyright, trademark, and proprietary notices in Axon Evidence Local on all copies or adaptations.
2. **Term**. The Quote will detail the duration of the Axon Evidence Local license, as well as any maintenance. The term will begin upon installation of Axon Evidence Local.
3. **License Restrictions**. All licenses will immediately terminate if Agency does not comply with any term of this Agreement. Agency may not use Axon Evidence Local for any purpose other than as expressly permitted by this Agreement. Agency may not:
   - 3.1. modify, tamper with, repair, or otherwise create derivative works of Axon Evidence Local;
   - 3.2. reverse engineer, disassemble, or decompile Axon Evidence Local or apply any process to derive the source code of Axon Evidence Local, or allow others to do the same;
   - 3.3. access or use Axon Evidence Local to avoid incurring fees or exceeding usage limits or quotas;
   - 3.4. copy Axon Evidence Local in whole or part, except as expressly permitted in this Agreement;
   - 3.5. use trade secret information contained in Axon Evidence Local;
   - 3.6. resell, rent, loan or sublicense Axon Evidence Local;
   - 3.7. access Axon Evidence Local to build a competitive device or service or copy any features, functions, or graphics of Axon Evidence Local; or
   - 3.8. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within Axon Evidence Local or any copies of Axon Evidence Local.
4. **Support**. Axon may make available updates and error corrections ("**Updates**") to Axon Evidence Local. Axon will provide Updates electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate access to the Internet to receive Updates. Agency is responsible for maintaining the computer equipment necessary to use Axon Evidence Local. Axon may provide technical support of a prior release/version of Axon Evidence Local for six (6) months from when Axon made the subsequent release/version available.
5. **Termination**. Axon may terminate Agency's license immediately for Agency's failure to comply with any of the terms in this Agreement. Upon termination, Axon may disable Agency's right to login to Axon Evidence Local.

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Axon Application Programming Interface Appendix

This Appendix applies if Axon's API Services are included on the Quote.

1. **Definitions**.

   1.1. "**API Client**" means the software that acts as the interface between Agency's computer and the server, which is already developed or to be developed by Agency.

   1.2. "**API Interface**" means software implemented by Agency to configure Agency's independent API Client Software to operate in conjunction with the API Service for Agency's authorized Use.

   1.3. "**Axon Evidence Partner API, API or Axon API**" (collectively "**API Service**") means Axon's API which provides a programmatic means to access data in Agency's Axon Evidence account or integrate Agency's Axon Evidence account with other systems.

   1.4. "**Use**" means any operation on Agency's data enabled by the supported API functionality.

2. **Purpose and License**.

   2.1. Agency may use API Service and data made available through API Service, in connection with an API Client developed by Agency. Axon may monitor Agency's use of API Service to ensure quality, improve Axon devices and services, and verify compliance with this Agreement. Agency agrees to not interfere with such monitoring or obscure from Axon Agency's use of API Service. Agency will not use API Service for commercial use.

   2.2. Axon grants Agency a non-exclusive, non-transferable, non-sublicensable, worldwide, revocable right and license during the Term to use API Service, solely for Agency's Use in connection with Agency's API Client.

   2.3. Axon reserves the right to set limitations on Agency's use of the API Service, such as a quota on operations, to ensure stability and availability of Axon's API. Axon will use reasonable efforts to accommodate use beyond the designated limits.

3. **Configuration**. Agency will work independently to configure Agency's API Client with API Service for Agency's applicable Use. Agency will be required to provide certain information (such as identification or contact details) as part of the registration. Registration information provided to Axon must be accurate. Agency will inform Axon promptly of any updates. Upon Agency's registration, Axon will provide documentation outlining API Service information.

4. **Agency Responsibilities**. When using API Service, Agency and its end users may not:

   4.1. use API Service in any way other than as expressly permitted under this Agreement;

   4.2. use in any way that results in, or could result in, any security breach to Axon;

   4.3. perform an action with the intent of introducing any viruses, worms, defect, Trojan horses, malware, or any items of a destructive nature to Axon Devices and Services;

   4.4. interfere with, modify, disrupt or disable features or functionality of API Service or the servers or networks providing API Service;

   4.5. reverse engineer, decompile, disassemble, or translate or attempt to extract the source code from API Service or any related software;

   4.6. create an API Interface that functions substantially the same as API Service and offer it for use by third parties;

   4.7. provide use of API Service on a service bureau, rental or managed services basis or permit other individuals or entities to create links to API Service;

   4.8. frame or mirror API Service on any other server, or wireless or Internet-based device;

   4.9. make available to a third-party, any token, key, password or other login credentials to API Service;

   4.10. take any action or inaction resulting in illegal, unauthorized or improper purposes; or

   4.11. disclose Axon's API manual.

5. **API Content**. All content related to API Service, other than Agency Content or Agency's API Client content, is considered Axon's API Content, including:

   5.1. the design, structure and naming of API Service fields in all responses and requests;

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5.2. the resources available within API Service for which Agency takes actions on, such as evidence, cases, users, or reports;

5.3. the structure of and relationship of API Service resources; and

5.4. the design of API Service, in any part or as a whole.

6. **Prohibitions on API Content**. Neither Agency nor its end users will use API content returned from the API Interface to:

6.1. scrape, build databases, or otherwise create permanent copies of such content, or keep cached copies longer than permitted by the cache header;

6.2. copy, translate, modify, create a derivative work of, sell, lease, lend, convey, distribute, publicly display, or sublicense to any third-party;

6.3. misrepresent the source or ownership; or

6.4. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices).

7. **API Updates**. Axon may update or modify the API Service from time to time ("**API Update**"). Agency is required to implement and use the most current version of API Service and to make any applicable changes to Agency's API Client required as a result of such API Update. API Updates may adversely affect how Agency's API Client access or communicate with API Service or the API Interface. Each API Client must contain means for Agency to update API Client to the most current version of API Service. Axon will provide support for one (1) year following the release of an API Update for all depreciated API Service versions.

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Advanced User Management Appendix

This Appendix applies if Axon Advanced User Management is included on the Quote.

1. **Scope**. Advanced User Management allows Agency to (a) utilize bulk user creation and management, (b) automate user creation and management through System for Cross-domain Identity Management ("**SCIM**"), and (c) automate group creation and management through SCIM.

2. **Advanced User Management Configuration**. Agency will work independently to configure Agency's Advanced User Management for Agency's applicable Use. Upon request, Axon will provide general guidance to Agency, including documentation that details the setup and configuration process.

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Axon Channel Services Appendix

This Appendix applies if Agency purchases Axon Channel Service, as set forth on the Quote.

1. Definitions.

   1.1. "**Axon Digital Evidence Management System**" means Axon Evidence or Axon Evidence Local, as specified in the attached Channel Services Statement of Work.

   1.2. "**Active Channel**" means a third-party system that is continuously communicating with an Axon Digital Evidence Management System.

   1.3. "**Inactive Channel**" means a third-party system that will have a one-time communication to an Axon Digital Evidence Management System.

2. **Scope**. Agency currently has a third-party system or data repository from which Agency desires to share data with Axon Digital Evidence Management. Axon will facilitate the transfer of Agency's third-party data into an Axon Digital Evidence Management System or the transfer of Agency data out of an Axon Digital Evidence Management System as defined in the Channel Services Statement of Work ("**Channel Services SOW**"). Channel Services will not delete any Agency Content. Agency is responsible for verifying all necessary data is migrated correctly and retained per Agency policy.

3. **Changes**. Axon is only responsible to perform the Services described in this Appendix and Channel Services SOW. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

4. **Purpose and Use**. Agency is responsible for verifying Agency has the right to share data from and provide access to third-party system as it relates to the Services described in this Appendix and the Channel Services SOW. For Active Channels, Agency is responsible for any changes to a third-party system that may affect the functionality of the channel service. Any additional work required for the continuation of the Service may require additional fees. An Axon Field Engineer may require access to Agency's network and systems to perform the Services described in the Channel Services SOW. Agency is responsible for facilitating this access per all laws and policies applicable to Agency.

5. **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

6. **Warranty.** Axon warrants that it will perform the Channel Services in a good and workmanlike manner.

7. **Monitoring**. Axon may monitor Agency's use of Channel Services to ensure quality, improve Axon devices and services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure from Axon Agency's use of channel services.

8. **Agency's Responsibilities.** Axon's successful performance of the Channel Services requires Agency:

   8.1. Make available its relevant systems for assessment by Axon (including making these systems available to Axon via remote access);

   8.2. Provide access to the building facilities and where Axon is to perform the Channel Services, subject to safety and security restrictions imposed by the Agency (including providing security passes or other necessary documentation to Axon representatives performing the Channel Services permitting them to enter and exit Agency premises with laptop personal computers and any other materials needed to perform the Channel Services);

   8.3. Provide all necessary infrastructure and software information (TCP/IP addresses, node names, and network configuration) for Axon to provide the Channel Services;

   8.4. Ensure all appropriate data backups are performed;

   8.5. Provide Axon with remote access to the Agency's network and third-party systems when required for Axon to perform the Channel Services;

   8.6. Notify Axon of any network or machine maintenance that may impact the performance of the Channel Services; and

   8.7. Ensure the reasonable availability by phone or email of knowledgeable staff, personnel, system administrators,

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and operators to provide timely, accurate, complete, and up-to-date documentation and information to Axon (these contacts are to provide background information and clarification of information required to perform the Channel Services).

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VIEVU Data Migration Appendix

This Appendix applies if Agency purchases Migration services, as set forth on the Quote.

1. **Scope**. Agency currently has legacy data in the VIEVU solution from which Agency desires to move to Axon Evidence. Axon will work with Agency to copy legacy data from the VIEVU solution into Axon Evidence ("**Migration**"). Before Migration, Agency and Axon will work together to develop a Statement of Work ("**Migration SOW**") to detail all deliverables and responsibilities. The Migration will require the availability of Agency resources. Such resources will be identified in the SOW. On-site support during Migration is not required. Upon Agency's request, Axon will provide on-site support for an additional fee. Any request for on-site support will need to be pre-scheduled and is subject to Axon's resource availability.

   1.1. A small amount of unexposed data related to system information will not be migrated from the VIEVU solution to Axon Evidence. Upon request, some of this data can be manually exported before Migration and provided to Agency. The Migration SOW will provide further detail.

2. **Changes**. Axon is only responsible to perform the Services described in this Appendix and Migration SOW. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

3. **Project Management**. Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and budget.

4. **Downtime**. There may be downtime during the Migration. The duration of the downtime will depend on the amount of data that Agency is migrating. Axon will work with Agency to minimize any downtime. Any VIEVU mobile application will need to be disabled upon Migration.

5. **Functionality Changes**. Due to device differences between the VIEVU solution and the Axon's Axon Evidence solution, there may be functionality gaps that will not allow for all migrated data to be displayed the same way in the user interface after Migration.

6. **Acceptance**. Once the Migration is complete, Axon will notify Agency and provide an acceptance form. Agency is responsible for verifying that the scope of the project has been completed and all necessary data is migrated correctly and retained per Agency policy. Agency will have ninety (90) days to provide Axon acceptance that the Migration was successful, or Axon will deem the Migration accepted.

   6.1. In the event Agency does not accept the Migration, Agency agrees to notify Axon within a reasonable time. Agency also agrees to allow Axon a reasonable time to resolve any issue. In the event Agency does not provide Axon with a written rejection of the Migration during these ninety (90) days, Agency may be charged for additional monthly storage costs. After Agency provides acceptance of the Migration, Axon will delete all data from the VIEVU solution ninety (90) days after the Migration.

7. **Post-Migration**. After Migration, the VIEVU solution may not be supported and updates may not be provided. Axon may end of life the VIEVU solution in the future. If Agency elects to maintain data within the VIEVU solution, Axon will provide Agency ninety (90) days' notice before ending support for the VIEVU solution.

8. **Warranty.** Axon warrants that it will perform the Migration in a good and workmanlike manner.

9. **Monitoring**. Axon may monitor Agency's use of Migration to ensure quality, improve Axon Devices and Services, prepare invoices based on the total amount of data migrated, and verify compliance with this Agreement. Agency agrees not to interfere with such monitoring or obscure Agency's use of Migration from Axon.

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Axon Technical Account Manager Appendix

This Appendix applies if Axon Support Engineer services are included on the Quote.

1. **Axon Technical Account Manager Payment.** Axon will invoice for Axon Technical Account Manager ("**TAM**") services, as outlined in the Quote, when the TAM commences work on-site at Agency.

2. **Full-Time TAM Scope of Services.**

   2.1. A Full-Time TAM will work on-site four (4) days per week, unless an alternate schedule or reporting location is mutually agreed upon by Axon and Customer.

   2.2. Agency's Axon sales representative and Axon's Agency Success team will work with Agency to define its support needs and ensure the Full-Time TAM has skills to align with those needs. There may be up to a six- (6-) month waiting period before the Full-Time TAM can work on-site, depending upon Agency's needs and availability of a Full-Time TAM.

   2.3. The purchase of Full-Time TAM Services includes two (2) complimentary Axon Accelerate tickets per year of the Agreement, so long as the TAM has started work at Agency, and Agency is current on all payments for the Full-Time TAM Service.

   2.4. The Full-Time TAM **Service options are listed below:**

Ongoing System Set-up and Configuration Assisting with assigning cameras and registering docks Maintaining **Agency's Axon Evidence account** Connecting Agency to "Early Access" programs for new devices
Account Maintenance Conducting on-site training on new features and **devices for Agency leadership team(s)** Thoroughly documenting issues and workflows and suggesting new workflows to improve **the effectiveness of the Axon program** Conducting weekly meetings to cover current issues and program status
Data Analysis Providing on-demand Axon usage data to identify trends and insights for improving daily workflows Comparing **Agency's Axon usage and trends to peers to establish best practices** Proactively monitoring the health of Axon equipment and coordinating returns when needed
Direct Support Providing on-site, Tier 1 and Tier 2 (as defined in Axon's Service Level Agreement) technical support for Axon Devices Proactively monitoring the health of **Axon equipment** Creating and monitoring RMAs **on-site** Providing Axon app support Monitoring and testing new firmware and workflows before they are released to Agency's production environment
Agency Advocacy Coordinating bi-**annual voice of customer meetings with Axon's Device Management team** Recording and tracking Agency feature requests and major bugs

3. **Regional TAM Scope of Services**

   3.1. A Regional TAM will work on-site for three (3) consecutive days per quarter. Agency must schedule the on-site days at least two (2) weeks in advance. The Regional TAM will also be available by phone and email during regular business hours up to eight (8) hours per week.

   3.2. There may be up to a six- (6-) month waiting period before Axon assigns a Regional TAM to Agency, depending upon the availability of a Regional TAM.

   3.3. The purchase of Regional TAM Services includes two (2) complimentary Axon Accelerate tickets per year of the Agreement, so long as the TAM has started work at Agency and Agency is current on all payments for the Regional TAM Service.

   3.4. The Regional TAM service options are listed below:

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Account Maintenance Conducting remote training on new features and **devices for Agency's leadership** Thoroughly documenting issues and workflows and suggesting new **workflows to improve the effectiveness of the Axon program** Conducting weekly conference calls to cover **current issues and program status** Visiting Agency quarterly (up to 3 consecutive days) to perform a quarterly business review, discuss Agency's goals for your Axon program, and continue to ensure a successful deployment of Axon Devices
Direct Support **Providing remote, Tier 1 and Tier 2 (As defined Axon's Service Level Agreement) technical support for Axon Devices** Creating and monitoring RMAs remotely
Data Analysis Providing quarterly Axon **usage data to identify trends and program efficiency opportunities** Comparing an **Agency's Axon usage and trends to peers to establish best practices** Proactively monitoring the health of Axon equipment and coordinating returns when needed
Agency Advocacy Coordinating bi-yearly Voice of **Agency meetings with Device Management team** Recording and tracking Agency feature requests and major bugs

4. **Out of Scope Services.** The TAM is responsible to perform only the Services described in this Appendix. Any additional Services discussed or implied that are not defined explicitly in this Appendix will be considered out of the scope.

5. **TAM Leave Time**. The TAM will be allowed up seven (7) days of sick leave and up to fifteen (15) days of vacation time per each calendar year. The TAM will work with Agency to coordinate any time off and will provide Agency with at least two (2) weeks' notice before utilizing any vacation days.

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Axon Investigate Appendix

If the Quote includes Axon's On Prem Video Suite known as Axon Investigate or Third Party Video Support License, the following appendix shall apply.

1. **License Grant**. Subject to the terms and conditions specified below and upon payment of the applicable fees set forth in the Quote, Axon grants to Agency a nonexclusive, nontransferable license to install, use, and display the Axon Investigate software ("**Software**") solely for its own internal use only and for no other purpose, for the duration of subscription term set forth in the Quote. This Agreement does not grant Agency any right to enhancements or updates, but if such are made available to Agency and obtained by Agency they shall become part of the Software and governed by the terms of this Agreement.

2. **Third-Party Licenses**. Axon licenses several third-party codecs and applications that are integrated into the Software. Users with an active support contract with Axon are granted access to these additional features. By accepting this agreement, Agency agrees to and understands that an active support contract is required for all of the following features: DNxHD output formats, decoding files via the "fast indexing" method, proprietary file metadata, telephone and email support, and all future updates to the software. If Agency terminates the annual support contract with Axon, the features listed above will be disabled within the Software. It is recommended that users remain on an active support contract to maintain the full functionality of the Software.

3. **Restrictions on Use**. Agency may not permit any other person to use the Software unless such use is in accordance with the terms of this Agreement. Agency may not modify, translate, reverse engineer, reverse compile, decompile, disassemble or create derivative works with respect to the Software, except to the extent applicable laws specifically prohibit such restrictions. Agency may not rent, lease, sublicense, grant a security interest in or otherwise transfer Agency's rights to or to use the Software. Any rights not granted are reserved to Axon.

4. **Term**. For purchased perpetual Licenses only—excluding Licenses leased for a pre-determined period, evaluation licenses, companion licenses, as well as temporary licenses--the license shall be perpetual unless Agency fails to observe any of its terms, in which case it shall terminate immediately, and without additional prior notice. The terms of Paragraphs 1, 2, 3, 5, 6, 8 and 9 shall survive termination of this Agreement. For licenses leased for a pre-determined period, for evaluation licenses, companion licenses, as well as temporary licenses, the license is granted for a period beginning at the installation date and for the duration of the evaluation period or temporary period as agreed between Axon and Agency.

5. **Title**. Axon and its licensors shall have sole and exclusive ownership of all right, title, and interest in and to the Software and all changes, modifications, and enhancements thereof (including ownership of all trade secrets and copyrights pertaining thereto), regardless of the form or media in which the original or copies may exist, subject only to the rights and privileges expressly granted by Axon. This Agreement does not provide Agency with title or ownership of the Software, but only a right of limited use.

6. **Copies**. The Software is copyrighted under the laws of the United States and international treaty provisions. Agency may not copy the Software except for backup or archival purposes, and all such copies shall contain all Axon's notices regarding proprietary rights as contained in the Software as originally provided to Agency. If Agency receives one copy electronically and another copy on media, the copy on media may be used only for archival purposes and this license does not authorize Agency to use the copy of media on an additional server.

7. **Actions Required Upon Termination**. Upon termination of the license associated with this Agreement, Agency agrees to destroy all copies of the Software and other text and/or graphical documentation, whether in electronic or printed format, that describe the features, functions and operation of the Software that are provided by Axon to Agency ("**Software Documentation**") or return such copies to Axon. Regarding any copies of media containing regular backups of Agency's computer or computer system, Agency agrees not to access such media for the purpose of recovering the Software or online Software Documentation.

8. **Export Controls**. None of the Software, Software Documentation or underlying information may be downloaded or otherwise exported, directly or indirectly, without the prior written consent, if required, of the office of Export Administration of the United States, Department of Commerce, nor to any country to which the U.S. has embargoed goods, to any person on the U.S. Treasury Department's list of Specially Designated Nations, or the U.S. Department of Commerce's Table of Denials.

9. **U.S. Government Restricted Rights**. The Software and Software Documentation are Commercial Computer Software provided with Restricted Rights under Federal Acquisition Regulations and agency supplements to them. Use, duplication or disclosure by the U.S. Government is subject to restrictions as set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFAR 255.227-7013 et. Seq. or 252.211-7015, or

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subparagraphs (a) through (d) of the Commercial Computer Software Restricted Rights at FAR 52.227-19, as applicable, or similar clauses in the NASA FAR Supplement. Contractor/manufacturer is Axon Enterprise, Inc., 17800 North 85th Street, Scottsdale, Arizona 85255.

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My90 Terms of Use Appendix

Definitions.

1.1. "**My90**" means Axon's proprietary platform and methodology to obtain and analyze feedback, and other related offerings, including, without limitation, interactions between My90 and Axon products.

1.2. "**Recipient Contact Information**" means contact information, as applicable, including phone number or email address (if available) of the individual whom Agency would like to obtain feedback.

1.3. "**Agency Data**" means

1.3.1. "My90 Agency Content" which means data, including Recipient Contact Information, provided to My90 directly by Agency or at their direction, or by permitting My90 to access or connect to an information system or similar technology. My90 Agency Content does not include My90 Non-Content Data.

1.3.2. "My90 Non-Content Data" which means data, configuration, and usage information about Agency's My90 tenant, and client software, users, and survey recipients that is Processed (as defined in Section 1.6 of this Appendix) when using My90 or responding to a My90 Survey. My90 Non-Content Data includes data about users and survey recipients captured during account management and customer support activities. My90 Non-Content Data does not include My90 Agency Content.

1.3.3. "Survey Response" which means survey recipients' response to My90 Survey.

1.4. "**My90 Data**" means

1.4.1. "My90 Survey" which means surveys, material(s) or content(s) made available by Axon to Agency and survey recipients within My90.

1.4.2. "Aggregated Survey Response" which means Survey Response that has been de-identified and aggregated or transformed so that it is no longer reasonably capable of being associated with, or could reasonably be linked directly or indirectly to, a particular individual.

1.5. "**Personal Data**" means any information relating to an identified or identifiable natural person. An identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of that natural person.

1.6. "**Processing**" means any operation or set of operations which is performed on data or on sets of data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure, or destruction.

1.7. "**Sensitive Personal Data**" means Personal Data that reveals an individual's health, racial or ethnic origin, sexual orientation, disability, religious or philosophical beliefs, or trade union membership.

2. **Access**. Upon Axon granting Agency a subscription to My90, Agency may access and use My90 to store and manage My90 Agency Content, and applicable My90 Surveys and Aggregated Survey Responses. This Appendix is subject to the Terms and Conditions of Axon's Master Service and Purchasing Agreement or in the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern.

3. **IP address**. Axon will not store survey respondents' IP address.

4. **Agency Owns My90 Agency Content**. Agency controls or owns all right, title, and interest in My90 Agency Content. Except as outlined herein, Axon obtains no interest in My90 Agency Content, and My90 Agency Content is not Axon's business records. Except as set forth in this Agreement, Agency is responsible for uploading, sharing, managing, and deleting My90 Agency Content. Axon will only have access to My90 Agency Content for the limited purposes set forth herein. Agency agrees to allow Axon access to My90 Agency Content to (a) perform troubleshooting, maintenance, or diagnostic screenings; and (b) enforce this Agreement or policies governing use of My90 and other Axon products.

5. **Details of the Processing**. The nature and purpose of the Processing under this Appendix are further specified

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in Schedule 1 Details of the Processing, to this Appendix.

6. **Security**. Axon will implement commercially reasonable and appropriate measures to secure Agency Data against accidental or unlawful loss, access, or disclosure. Axon will maintain a comprehensive information security program to protect Agency Data including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; security education; and data protection. Axon will not treat Agency Data in accordance with FBI CJIS Security Policy requirements and does not agree to the CJIS Security Addendum for this engagement or any other security or privacy related commitments that have been established between Axon and Agency, such as ISO 27001 certification or SOC 2 Reporting.

7. **Privacy**. Agency use of My90 is subject to the My90 Privacy Policy, a current version of which is available at https://www.axon.com/legal/my90privacypolicy. Agency agrees to allow Axon access to My90 Non-Content Data from Agency to (a) perform troubleshooting, maintenance, or diagnostic screenings; (b) provide, develop, improve, and support current and future Axon products including My90 and related services; and (c) enforce this Agreement or policies governing the use of My90 or other Axon products.

8. **Location of Storage**. Axon may transfer Agency Data to third-party subcontractors for Processing. Axon will determine the locations for Processing of Agency Data. For all Agency, Axon will Process and store Agency Data within the United States. Ownership of My90 Agency Content remains with Agency.

9. **Required Disclosures**. Axon will not disclose Agency Data that Agency shares with Axon except as compelled by a court or administrative body or required by any law or regulation. Axon will notify Agency if any disclosure request is received for Agency Data so Agency may file an objection with the court or administrative body, unless prohibited by law.

10. **Data Sharing**. Axon may share data only with entities that control or are controlled by or under common control of Axon, and as described below:

    10.1. Axon may share Agency Data with third parties it employs to perform tasks on Axon's behalf to provide products or services to Customer.

    10.2. Axon may share Aggregated Survey Response with third parties, such as other Axon customers, local city agencies, private companies, or members of the public that are seeking a way to collect analysis on general policing and community trends. Aggregated Survey Response will not be reasonably capable of being associated with or reasonably be linked directly or indirectly to a particular individual.

11. **License and Intellectual Property**. Agency grants Axon, its affiliates, and assignees the irrevocable, perpetual, fully paid, royalty-free, and worldwide right and license to use Agency Data for internal use including but not limited to analysis and creation of derivatives. Axon may not release Agency Data to any third party under this right that is not aggregated and de-identified. Agency acknowledges that Agency will have no intellectual property right in any media, good or service developed or improved by Axon. Agency acknowledges that Axon may make any lawful use of My90 Data and any derivative of Agency Data including, without limitation, the right to monetize, redistribute, make modification of, and make derivatives of the surveys, survey responses and associated data, and Agency will have no intellectual property right in any good, service, media, or other product that uses My90 Data.

12. **Agency Use of Aggregated Survey Response**. Axon will make available to Agency Aggregated Survey Response and rights to use for any Agency purpose.

13. **Data Subject Rights**. Taking into account the nature of the Processing, Axon shall assist Agency by appropriate technical and organizational measures, insofar as this is reasonable, for the fulfilment of Agency's obligation to respond to a Data Subject Request regarding any Personal Data contained within My90 Agency Content. If in regard to My90 Agency Content, Axon receives a Data Subject Request from Agency's data subject to exercise one or more of its rights under applicable Data Protection Law, Axon will redirect the data subject within seventy-two (72) hours, to make its request directly to Agency. Agency will be responsible for responding to any such request.

14. **Assistance with Requests Related to My90 Agency Content**. With regard to the processing of My90 Agency Content, Axon shall, if not prohibited by applicable law, notify Agency without delay after receipt, if Axon: (a) receives a request for information from the Supervisory Authority or any other competent authority regarding My90 Agency Content; (b) receives a complaint or request from a third party regarding the obligations of Agency or Axon under applicable Data Protection Law; or (c) receives any other communication which directly or indirectly pertains to My90 Agency Content or the Processing or protection of My90 Agency Content. Axon shall not respond to such requests, complaints, or communications, unless Agency has given Axon written instructions to

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that effect or if such is required under a statutory provision. In the latter case, prior to responding to the request, Axon shall notify Agency of the relevant statutory provision and Axon shall limit its response to what is necessary to comply with the request.

15. **Axon Evidence Partner Sharing**. If Axon Evidence partner sharing is used to share My90 Agency Content, Agency will manage the data sharing partnership with Axon and access to allow only for authorized data sharing with Axon. Agency acknowledges that any applicable audit trail on the original source data will not include activities and processing performed against the instances, copies or clips that has been shared with Axon. Agency also acknowledges that the retention policy from the original source data is not applied to any data shared with Axon. Except as provided herein, data shared with Axon may be retained indefinitely by Axon.

16. **Data Retention**. Phone numbers provided to Axon directly by Agency or at their direction, or by permitting My90 to access or connect to an information system or similar technology will be retained for twenty-four (24) hours. Axon will not delete Aggregated Survey Response for four (4) years following termination of this Agreement. There will be no functionality of My90 during these four (4) years other than the ability to submit a request to retrieve Aggregated Survey Response. Axon has no obligation to maintain or provide Aggregated Survey Response after these four years and may thereafter, unless legally prohibited, delete all Aggregated Survey Response.

17. **Termination**. Termination of an My90 Agreement will not result in the removal or modification of previously shared My90 Agency Content or the potential monetization of Survey Response and Aggregated Survey Response.

18. **Managing Data Shared**. Agency is responsible for:

    18.1. Ensuring My90 Agency Content is appropriate for use in My90. This includes, prior to sharing: (a) applying any and all required redactions, clipping, removal of metadata, logs, etc. and (b) coordination with applicable public disclosure officers and related legal teams;

    18.2. Ensuring that only My90 Agency Content that is authorized to be shared for the purposes outlined is shared with Axon. Agency will periodically monitor or audit this shared data;

    18.3. Using an appropriately secure data transfer mechanism to provide My90 Agency Content to Axon;

    18.4. Immediately notifying Axon if My90 Agency Content that is not authorized for sharing has been shared. Axon may not be able to immediately retrieve or locate all instances, copies or clips of My90 Agency Content in the event Agency requests to un-share previously shared My90 Agency Content;

19. **Prior to enrollment in My90**. Prior to enrolling in My90, Agency will:

    19.1. determine how to use My90 in accordance with applicable laws and regulations including but not limited to consents, use of info or other legal considerations;

    19.2. develop a set of default qualification criteria of what My90 Agency Content may be shared with Axon; and

    19.3. assign responsibilities for managing what My90 Agency Content is shared with Axon and educate users on what data may or not be shared with Axon.

20. **Agency Responsibilities**. Agency is responsible for:

    20.1. ensuring no My90 Agency Content or Agency end user's use of My90 Agency Content or My90 violates this Agreement or applicable laws;

    20.2. providing, and will continue to provide, all notices and has obtained, and will continue to obtain, all consents and rights necessary under applicable laws for Axon to process Agency Data in accordance with this Agreement; and

    20.3. maintaining necessary computer equipment and Internet connections for use of My90. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to My90. Agency will also maintain the security of end usernames and passwords and security and access by end users to My90 Agency Content. Agency is responsible for ensuring the configuration and utilization of My90 meets applicable Agency regulations and standards. Agency may not sell, transfer, or sublicense access to any other entity or person. Agency shall contact Axon immediately if an unauthorized party may be using Agency's account or My90 Agency Content or if account information is lost or stolen.

21. **Suspension**. Axon may temporarily suspend Agency's or any end user's right to access or use any portion or all of My90 immediately upon notice, if Agency or end user's use of or registration for My90 may (a) pose a security

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risk to Axon products including My90, or any third-party; (b) adversely impact My90, the systems, or content of any other customer; (c) subject Axon, Axon's affiliates, or any third-party to liability; or (d) be fraudulent. Agency remains responsible for all fees, if applicable, incurred through suspension. Axon will not delete My90 Agency Content or Aggregated Survey Response because of suspension, except as specified in this Agreement.

22. My90 Restrictions. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:

22.1. copy, modify, tamper with, repair, or create derivative works of any part of My90;

22.2. reverse engineer, disassemble, or decompile My90 or apply any process to derive any source code included in My90, or allow others to do the same;

22.3. access or use My90 with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;

22.4. use trade secret information contained in My90, except as expressly permitted in this Agreement;

22.5. access My90 to build a competitive product or service or copy any features, functions, or graphics of My90;

22.6. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within My90; or

22.7. use My90 to store or transmit infringing, libelous, or other unlawful or tortious material; to store or transmit material in violation of third-party privacy rights; or to store or transmit malicious code.

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Schedule 1- Details of the Processing

1. **Nature and Purpose of the Processing.** To help Agency obtain feedback from individuals, such as members of their community, staff, or officers. Features of My90 may include:

   1.1. Survey Tool where Agency may create, distribute, and analyze feedback from individuals it designates. Agency may designate members of the community, staff or officers from whom they would like to obtain feedback;

   1.2. Creation of custom forms for surveys. Agency may select questions from a list of pre-drafted questions or create their own;

   1.3. Distribution of survey via multiple distribution channels such as text message;

   1.4. Ability to access and analyze Survey Response. Axon may also provide Agency Aggregated Survey Responses which contain analysis and insights from the Survey Response;

   1.5. Direct integrations into information systems including Computer Aided Dispatch ("**CAD**"). This will enable Agency to share contact information easily and quickly with Axon of any individuals from whom it wishes to obtain feedback, enabling Axon to communicate directly with these individuals;

   1.6. Data Dashboard Beta Test ("**Data Dashboard**") where Survey Response and Aggregated Survey Response will be displayed for Agency use. Agency will be able to analyze, interpret, and share results of the Survey Response. My90 may provide beta versions of the Data Dashboard that are specifically designed for Agency to test before they are publicly available;

   1.7. Survey Responses will be aggregated and de-identified and may be subsequently distributed and disclosed through various mediums to: (1) Agency; (2) other Axon Agency; (3) private companies; and (4) members of the public. The purpose of disclosure is to provide ongoing insights and comparisons on general policing and community trends. Prior to disclosing this information, Axon will ensure that the Survey Response has been de-identified and aggregated or transformed so that it is no longer reasonably capable of being associated with, or could reasonably be linked directly or indirectly to a particular individual; and

   1.8. Provide services and materials to engage Agency stakeholders, market the partnership to the public, and facilitate training.

RFP 101223 - Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories

Vendor Details

Company Name:	Axon Enterprise, Inc.
Does your company conduct business under any other name? If yes, please state:	AZ
Address:	17800 N. 85th Street Scottsdale, Arizona 85255
Contact:	Sales Ops
Email:	contracts@axon.com
Phone:	480-905-2000
Fax:	480-991-0791
HST#:	86-0741227

Submission Details

Created On:	Wednesday August 30, 2023 10:37:47
Submitted On:	Wednesday October 11, 2023 15:09:59
Submitted By:	Sales Ops
Email:	contracts@axon.com
Transaction #:	af6bb863-0ce1-46b3-8191-7a3da35d0e85
Submitter's IP Address:	69.207.124.95

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond “N/A” if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Axon Enterprise, Inc.	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	Axon Enterprise, Inc. is not a subsidiary of another firm or company; Axon is the direct or indirect parent company of the following entities: • Axon Enterprise Holding Company, LLC, organized in the United States • Vievu, LLC, organized in the United States • Dextro, Inc., organized in the United States • Familiar Inc., organized in the United States • Mediasolv Solutions Corporation, organized in the United States • Axon Public Safety B.V., organized in the Netherlands • TASER Holland B.V., organized in the Netherlands • Axon Public Safety Canada, organized in Canada • Axon Public Safety U.K. Limited, organized in the United Kingdom • Axon Public Safety Australia Pty Ltd., organized in Australia • Axon Public Safety Germany SE, organized in Germany • Axon Public Safety Southeast Asia LLC, organized in Vietnam • Axon Public Safety Finland Oy, organized in Finland • Axon Public Safety India Private Limited, organized in India • Axon Public Safety Hong Kong Limited, organized in Hong Kong • Axon Enterprise Italia S.r.l., organized in Italy	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	Axon Enterprise, Inc. is also referred to as Axon.	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	TBW7MGPYURM7	*
5	Proposer Physical Address:	17800 N. 85th St. Scottsdale, AZ 85255-6311	*
6	Proposer website address (or addresses):	http://www.axon.com	*
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the “Proposer’s Assurance of Compliance” on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Robert Driscoll 17800 N. 85th St. Scottsdale, AZ 85255-6311 bobby@axon.com 1-408-502-6257	*
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Kenneth Maum 17800 N. 85th St. Scottsdale, AZ 85255-6311 kmaum@axon.com 1-315-251-5882	*
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Ashley Forbrich 17800 N. 85th St. Scottsdale, AZ 85255-6311 aforbrich@axon.com 1-301-356-5253	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	

10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Since 1993, Axon Enterprise, Inc. has been committed to delivering safe, secure solutions for law enforcement, militaries, and citizens. From our humble beginning as TASER International, Inc. to now, we have worked diligently to develop a network of TASER smart weapons, body cameras, and industry-leading cloud-based evidence management software to help accomplish a singular goal—to protect life. Over this time, we have partnered with more than 7,500 law enforcement agencies to deploy tailored solutions designed to preserve transparency and truth. With 10 offices based in Arizona, Washington, Australia, Canada, Finland, Germany, India, the Netherlands, the United Kingdom, and Vietnam, Axon's team of more than 1,000 employees continue to define smarter policing through the development of industry-leading technology solutions. We are Axon. Axon is a market-driven organization dedicated to solving real problems for law enforcement agencies. We create meaningful value through high-quality products, enhanced technology solutions and extraordinary service. We are proud of the values with which we conduct our business. We instill a culture of morality and good ethical conduct in all our business practices. We have and will continue to uphold the highest levels of business ethics and personal integrity in all types of transactions and interactions, both internally and in dealings with our customers, vendor, suppliers and other business relationships. To this end, our Code of Business Conduct and Ethics Code serves to (a) emphasize the Company's commitment to ethics and compliance with the law; (b) set forth basic standards of ethical and legal behavior; (c) provide reporting mechanisms for known or suspected ethical or legal violations; and (d) help prevent and detect wrongdoing. All employees are required to read and sign our Code of Business Conduct and Ethics policy, which is available on our website https://www.axon.com/legal. Additionally, our employees and business practices are guided by our core values, which are: BE OBSESSED: Walk with the customer as you transform their world. We never want to develop or sell something that you don't want or need. We're obsessed with creating products that solve real problems and add value. If it doesn't benefit you, then we rethink what we're doing. AIM FAR: Think big with a long-term view. We want to reinvent the world to be a safer, better place. We've failed spectacularly a few times, but that's what you get when you aim for the stars. That's our final destination. WIN RIGHT: Win with integrity. We are fiercely competitive and have an unquenchable thirst to win, but we don't think winning and doing the right thing are mutually exclusive. Our challenge is to make them synonymous, and never compromise our integrity. OWN IT: Commit, take action, and deliver. We empower individuals to step up and take initiative. Be an owner and see things through to completion. That's the only way we've been able to succeed as a company, and it's the only way we will continue to grow. JOIN FORCES: Act as one global team. Creating the future is a team sport. When a company scales globally in 40 different markets with multiple technology stacks ranging from wearables and cloud to electronic weapons, you need teamwork. We're one global team committed to an audacious vision. EXPECT CANDOR: Deliver with respect and assume positive intent. Candor gets critical issues elevated, puts truth on the table, and gets us to the right answer faster. How can we be the best version of ourselves ands the best company we can be, if we can't offer and be given critical feedback.
11	What are your company's expectations in the event of an award?	If awarded a contract again, Axon will continue to actively include Sourcewell in our marketing efforts as an option to our customers.
12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Axon is a public company and our latest annual report (2022) is attached. Expected annual revenue for 2023 is approximately $1.5B USD. Axon signs long-term contracts and a large portion of our revenue is from subscriptions, providing a very stable financial base. Further information can be obtained at: https://investor.axon.com/.
13	What is your US market share for the solutions that you are proposing?	Axon works with over 17,000 public safety agencies globally and is a major supplier of public safety equipment. For body-worn cameras, Axon has a market share of approximately 14% in the US. The vehicle cameras represent a 7% market share, and DEMS 4%.

14	What is your Canadian market share for the solutions that you are proposing?	Axon works with over 17,000 public safety agencies globally and is a major supplier of public safety equipment. Canada is not separately tracked, but generally mirrors the US. For body-worn cameras, Axon has a market share of approximately 14% in the US. The vehicle cameras represent a 7% market share, and DEMS 4%.	*
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	Axon has never petitioned for bankruptcy protection.	*
16	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	a) N/A b) Axon Sales Representatives play a pivotal role in knowing business needs and applying technological solutions to solve potential challenges. These representatives must have a “business mindset,” that enables them to understand complex challenges and present solutions that might solve these. They are employees of Axon Enterprise, Inc. Some sales representatives work from our main office in Scottsdale, AZ and others work throughout the United States and globally. Regarding services, Axon Professional Service employees support and install the majority of our products. Axon utilizes ProLogic for some aspects of installation of our Axon Fleet and Axon Interview solutions. Axon handles technical support and repairs for all of its manufactured products	*

17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	AXON EVIDENCE Axon's compliance demonstrates our commitment to providing a trustworthy platform and offers customers a way to understand the controls that have been put in place to secure Axon Evidence and their data. Axon holds the following certifications, in partnership with Microsoft Azure, for Axon Evidence. • CJIS Compliant • ISO/IEC 27001:2013 Certified - Information Security Management Standards • ISO/IEC 27018:2014 Certified - Code of Practice for Protecting Personal Data in the Cloud • CALEA Standard 17.5.4 Compliant • SOC 2+ Report • Cloud Security Alliance - CSA STAR Attestation (Level Two) • Cloud Security Alliance - CSA STAR Self-Assessment (Level One) • FedRAMP Joint Authorization Board (JAB) Provisional Authority to Operate (PATO) at the Moderate Impact Level (applicable only to the US Federal Region of Axon Evidence). Axon has achieved a FedRAMP Joint Authorization Board (JAB) Provisional Authority to Operate (P-ATO) at the Moderate Impact Level. Axon's Compliance website (https://www.axon.com/trust/compliance) includes additional information on our security certifications as well as copies of certificates and compliance documentation. AXON BODY CAMERAS Batteries used in Axon body-worn cameras meet the following safety standards. • UL1642 • UL2054 • IEC 62133 AXON FLEET • The Axon Fleet solution is wholly FCC certified, the Axon Fleet camera FCC ID is X4GS00947. • Per the component-based standards as set by Electronic Industries Association (EIA), Axon Fleet utilizes industry standard components, which meet all necessary standards for sale and use in the United States. • Axon Fleet's communication interfaces are designed to IEEE 802.15.1 and IEEE 802.11 guidelines and is IEC 60529 and IEC55022 compliant. • Axon Fleet has been tested to and meets ISO 16750-2:2012, ISO 17215-1:2014, and ISO 13766:2006. • The system hardware components of the system are low-voltage devices. Axon Fleet batteries comply with UL 1642 and UL 2054. • Axon Fleet batteries are UL 1642 compliant. QUALITY ACCREDIDATIONS MANUFACTURING • ISO 9001 – Axon is accredited to design, develop, manufacture, distribute, and provide services for public safety solutions including, but not limited to digital video recorders and accessories used in the law enforcement industry. These products and services are manufactured and supported according to ISO standards. • ISO 14001 - Environmental INFORMATION SECURITY • ISO 27001 – Axon is aligned with the scope of the ISO 27001 certification; the Information Security Management System that governs all customer data that resides in the Axon Evidence application.	*
18	Provide all "Suspension or Debarment" information that has applied to your organization during the past ten years.	Axon has not been suspended or disbarred in the past ten years.	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
19	Describe any relevant industry awards or recognition that your company has received in the past five years	• Axon was recently awarded Comparably's 2022 awards for Best Sales Teams of 2022, Best Places to Work in Phoenix 2022 and Best Company Outlook 2022. The overall culture score, 98/100 or A+, incorporates employee ratings based on their feedback on the Professional Development, CEO Rating, Manager and more. https://www.comparably.com/companies/axon • In 2021, Axon won for Best Company for Women 2021 and Best Company Culture 2021. Based on 6,069 ratings and 210 participants, employees at Axon are very satisfied with their work experience. • Axon won 3 awards in 2019 and 4 awards in 2018. In 2019, Axon won for Best Company Compensation 2019, Best Engineering Team 2019 and Best Company Outlook 2019. • In 2018, Axon won for Best Company Culture 2018, Best Company Happiness, Best Company Perks & Benefits and Best Company Compensation. Based on 6,069 ratings and 210 participants, employees at Axon are very satisfied with their work experience. The overall culture score, 87/100 or A+, incorporates employee ratings based on their feedback on the Office Culture, eNPS, Diversity and more.	*
20	What percentage of your sales are to the governmental sector in the past three years	50%	*
21	What percentage of your sales are to the education sector in the past three years	4%	*
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	• Sourcewell Contract #010720 AXN: $775M+ • Texas BuyBoard 603-20 (CEW only): $15M+ • City of Charlotte CCPA Contract 2022000665: $25M+ • League of Oregon Cities (fka NPP) Contract No. PS20270: $110M+ • New York State Police Contract No. PA01857: $595K+ • State of Arizona No. BPM002192/CTR049284-1: $10M+ • State of Delaware PA for LOC Contract No. GSS20808-TASERS: $90K+ • State of Kansas Contract No. 42523: $4M+ • State of Michigan Contract No. 071B4300067: $4M+ • State of Minnesota Contract 199111: $1M+ • State of New Jersey T0106/17-FLEET-00738: $95M+ • State of Oregon CEW Contract No. 8913: $400K+ • State of Pennsylvania Contract No. 4400019257: $18M+ • Washington State DES Contract No. 04220 for CEW: $960K+ Please note that since most Axon sales are for a five-year term, the above dollar amounts represent the approximate overall contract values over a five-year period and are not fully indicative of sales over the last 3 years.	*
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Axon does not hold any GSA contracts.	*

Table 4: References/Testimonials

Line Item 24. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
Burbank Police Department, California	Jason Miller	1-818-238-5096	*
Gilbert Police Department, Arizona	Noah Baker	1-480-635-7326	*
Avondale Police Department, Arizona	Lt. Mathew Hintz	1-623-333-7302	*

Table 5: Top Five Government or Education Customers

Line Item 25. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
Fort Worth Police Department	Government	Texas - TX	Officer Safety Plan (OSP7+) for 1600+ users, 600 Axon Fleet 3 Advanced, 43 Axon Interview rooms	Approximately $200K - $66M	Approximately $68M+	*
Fort Bend County Sheriff's Office	Government	Texas - TX	483 OSP7+, 152 Unlimited 7+, 424 Axon Fleet 3 Basic + TAP	Approximately $50K – $17M	Approximately $22M+	*
Manatee County Sheriff's Office	Government	Florida - FL	550 OSP7+, 250 TASER 7 Cert, 800 VR Unlimited	Approximately $1M – $3M	Approximately $17M+	*
Travis County Sheriff's Office	Government	Texas - TX	287 Axon Body 3 cameras, 90 Axon Fleet 3 in-car cameras, Axon Evidence, Axon Interview Room	Approximately $100K – $13M	Approximately $15M+	*
Grand Prairie Police Department	Government	Texas - TX	OSP7+ Premium with TASER 7 products, Axon Body 3 cameras, Axon Fleet 3 in-car cameras, Axon Dispatch, Axon Records, and Axon Evidence software for 200+ users	Approximately $19K – $12M	Approximately $14M+	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	

26	Sales force.	Axon directly employs approximately 250 employees in sales-related positions who are committed to selling and delivering service to Sourcewell entities across the US and Canada. Our sales resources are spread throughout the US and Canada. This ensures that we have qualified Axon employees close to our customers in order to conduct site visits, demonstrations, or to check on customer satisfaction. Axon organizes representatives into sales divisions to provide services to agencies based on multiple factors including agency type, agency size (i.e. sworn officer counts), agency geographic location, whether the agency is an existing Axon customer or building a new relationship with Axon, and Axon product types. Our multiple sales divisions help ensure we have qualified Axon employees close to Sourcewell entities to provide you with conducted energy weapon equipment, products, and services; conduct site visits; provide demonstrations; and check on customer satisfaction as needed. All sales representatives have access to the Sourcewell contract via our Salesforce system. Our hiring process is designed to find the highest caliber employees to help us achieve our mission. We take the hiring process seriously, as Axon Sales Representatives play a pivotal role in knowing business needs and applying technological solutions to solve potential challenges. These representatives must have a “business mindset,” that enables them to understand complex challenges and present solutions that might solve these. Axon’s hiring process intends to identify candidates who can do this effectively. It’s our intention to hire people who also derive great satisfaction in helping others solve challenges through technological adoption, implementation, and advancement. Candidates are first phone screened by highly qualified firms who seek top talent from related industries. They are then screened again by a senior member of the Axon team to vet their personal and professional qualifications. During this time, candidates demonstrate how they have successfully learned about past businesses and helped solve their challenges through complex technological solutions. It is expected that candidates can demonstrate success in doing so throughout multiple years of their professional career. The most successful candidates are then invited to Axon headquarters or, as our workforce expands geographically, are invited to participate in multiple on-line interviews. During this process, they meet approximately five senior members of the Axon team to more deeply validate who they are personally and professionally – personal characteristics, business skill, cultural fit within public safety, organizational fit within Axon. The internal team then debriefs about the candidate’s potential fit as a representative of the company, on law enforcement’s behalf. If the internal team finds the candidate appropriate in this position, the candidate moves on to preparing and providing a plan for how they are going to work with a number of accounts. This includes an understanding of how they’re going to research, engage, understand, and work with each potential agency. They present this to the hiring manager (a Director or Vice President at Axon). If appropriate, candidates move on to the final stage of the review and hiring process. During this final stage, candidates speak directly with the Vice President of the Axon Sales Team or with the Executive Vice President of Global Sales for the organization. During this time, the candidate, once again, reviews their personal and professional qualifications as well as their approach to working within the organization and with public safety agencies. At this time, a decision to extend an offer of employment is made. The multiple steps and many stakeholders in the hiring process are to ensure proper rigor in vetting those who work with the many agencies we have or would like to partner with through a business engagement. The Axon organization is a proud technological partner of many in public safety and looks forward to hiring many more qualified individuals to appropriately work with, understand, and solve challenges within, for, and alongside countless agencies for years to come.
27	Dealer network or other distribution methods.	Axon does not sell the video solutions that are the subject of this RFP in the US or Canada through distributors.

28	Service force.	Axon employes approximately 145 in customer support positions who are committed to providing Sourcewell entities with post-sales and post-deployment support. Axon has a full customer and technical support division available 24 hours a day, seven days a week. The Technical Support team is based in Scottsdale, Arizona with additional employees in our Melbourne, Australia and Daventry, UK offices. REPAIR (RMA) DEPARTMENT The Return Material Authorization (RMA) department is located at Axon Headquarters in Scottsdale, Arizona. The RMA department prioritizes returned products for analysis and/or repair on a first-in-first-out (FIFO) basis, based on the severity of the complaint (or unless otherwise requested by the agency). The general turn-around-time for a full resolution is less than 30 calendar days from receipt of the returned product. Axon provides agencies with the ability to manage RMA requests within Axon Evidence. Authorized users will be able to create, update, save, submit, and track device returns for their agency in one place. Axon Evidence Device Return Service is integrated with FedEx and return shipping labels are provided at no extra charge. RMAs may also be generated at https://returns.axon.com, although return shipping labels are not available via this method. Upon receipt of the item(s), the RMA department will conduct a failure analysis investigation to determine the root cause of the issue and repair the item if possible. It is at Axon's sole discretion to repair or replace a device as identified in the original manufacturer warranty and/or the extended warranty policy. CUSTOMER SUCCESS MANAGERS (CSM) Throughout the length of their contract, some customers will have a dedicated, in country Customer Success Manger (CSM). This is determined on the size and location of the customer; Currently the CSM team is operating within the United States only. The team is being expanded, but we do not have an estimated time of implementation in Canada. The CSM will have comprehensive knowledge of a customers' solution and its components, including any applicable custom integrations. The CSM will be available to offer support and escalate any issues or concerns as needed.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	Axon will process orders from Sourcewell members directly, as our distributor network in the United States and Canada does not sell our video products. The ordering is simple and primarily follows a process where the customer will contact an Axon sales resource. The sales resource will use pre-defined Sourcewell skus in Salesforce to request a quote from our internal quoting department. The department will create a quote using the pre-approved pricing and release the quote to the sales resource. The sales resource will either provide the quote directly, or will work with the Axon Proposal Team to deliver the offer. The entire process is tracked within Salesforce. Quarterly, our internal Sourcewell resource runs reports from Salesforce and uses this data to prepare and submit quarterly reports to Sourcewell.	*

30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	Customers can initiate live phone support 24 hours a day, seven days a week by calling the support center at +1-800-978-2737 (extension 2), or via email at Support@axon.com. Online, email-based support and remote-location troubleshooting are included on an ongoing basis as part of your investment in the Axon ecosystem. Calls are first routed to the Tier 1 technical support team. Through troubleshooting, they can resolve most calls. If at any point an issue needs to be escalated to a higher technical tier, the call may be immediately transferred to a Tier 2 support specialist, or a phone number may be taken for a callback, depending on call volume and issue complexity. The following describes our levels of support available by tiers (based on the nature and criticality of the issue): TIER 1 TECHNICAL SUPPORT - GENERAL HOW-TO QUESTIONS • Frequently asked questions (FAQs) • Product navigation • Feature clarification • Standard queries • Assistance with known solutions TIER 2 TECHNICAL SUPPORT • Advanced Product trouble shooting • Advanced Axon Evidence Configuration • Any Escalated issues from Tier 1 support TIER 3 ENGINEERING SUPPORT • Critical problem or recurring problems rendering the product inoperable or requiring workarounds, bug fixes, testing and/or simulation The targeted response time for critical problems is one business day. The targeted resolution time (depending on severity and potential workarounds) is between less than 24 hours to less than two weeks. Monthly, the Customer Service and Support team manager evaluates three calls for each team member. This audit checks adherence to policies, troubleshooting ability and customer satisfaction. Team members are evaluated on the scores they receive each month. Additionally, each team member is evaluated on their customer feedback score and the number of cases that remained unresolved after 24 hours. This assesses customer satisfaction and ensures that cases are handled in a timely manner.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Axon is willing to provide all included products and services to Sourcewell participating entities in the United States.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Axon is willing to provide all included products and services to Sourcewell participating entities in Canada.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	There are no restricted areas in the United States or Canada for the proposed contract.	*
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	Axon will serve any participating sectors for the proposed contract.	*
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	Axon does not have any specific contract requirements related to Hawaii or Alaska for this contract.	*

Table 7: Marketing Plan

Line Item	Question	Response *	
36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	As a current Sourcewell contract holder, Axon already has programs in place to educate staff and perspective customers on the appropriate use of the contract mechanism. Our sales team is our primary link to customers and our best path for marketing cooperative contract benefits to our customers. Our sales teams favor cooperative contracts because they simplify the sales process. We focus education internally on our sales and contract teams. All sales staff are trained on the availability and use of cooperative contracts. This is done through sales training and webinars, and the contracting process is built into our tools, such as Salesforce . We are also expanding our internal resource guides specifically with information on cooperative contracts. This tool provides sales teams with information on all our cooperative contracts, including availability dates, authorized users, price lists and relevant terms and conditions. The tool also includes the public links and information that can be provided to customers to improve their awareness and tie them directly to cooperative resources, such as Sourcewell. Our Salesforce tracking system for order processing includes internal links to the available cooperative contracts which customers may use for purchasing Axon products. By ensuring our sales force has access to this information, our representatives are able to quickly provide details for agencies to engage in pricing discussions and justify purchasing via a cooperative. We have also run public webinars to educate potential customers on different buying options. Cooperative Contracts Webinar (axon.com). We actively recruit staff, including legal staff, with knowledge of cooperative contracts. This is another way of expanding the visibility both internally and externally https://www.axon.com/job/5738892003.	*
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Axon uses a variety of technologies to enhance our marketing effectiveness. This includes visibility on various platforms such as LinkedIn, where we leverage both text and custom videos to inform customers of new products and to demonstrate thought leadership. In addition, we maintain a detailed website where both current and prospective customers can access detailed information, including product sheets, training materials, event schedules, and detailed user documentation. Our Salesforce database provides detailed information on customer buying habits, prospective opportunities, and actions taken. It is integrated with our purchasing processes to ensure a smooth connection between sales and ordering processes. Axon provides on-line and in-person demonstrations of our products, attends trade shows, and has a travelling road show where people can get detailed information and hands-on access to our products. Some of these more traditional technologies are still the most effective ways to reach customers.	*
38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell can help promote membership to law enforcement agencies who may not realize they are members. Axon has seen in past interactions that many agencies do not know they are already members of a cooperative. Because we already have a Sourcewell contract, the foundation for integration is already in place. Upon award of a new contract, we will announce it to our sales teams, and update SFDC to ensure that any new pricing or terms are available to the sales teams. We will also update any training as needed to reflect the new contract.	*
39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Yes, Axon provides an ecommerce site that requires an authorized login and purchase eligibility to access. The ecommerce site acts as another 'ingestion point' for orders. The platform is intended to make ordering faster, easier, and more efficient. The site customizes product visibility and includes contracted pricing for each agency. We allow authorized customers to pay by credit card. With prior authorization by both an agency and Axon, we will also allow Purchase Orders/Invoices. After the order is placed, it is processed as any other order would. The e-procurement site is generally used for small add on products. Most government and education customers work directly with sales representatives for more complex projects.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	
40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Training is a standard part of all Axon programs and is included in the base cost of the program. Training Overview Axon's training approach is aligned with the overall coordination of the integrated body-worn camera, in-car camera, and digital evidence management solution implementation. Our approach ensures that those responsible for administering the digital evidence ecosystem, as well as those responsible for using our systems and devices, have multiple options for initial and recurring training. We will provide initial training, as well as access to the on-line Axon Academy for refresher training, and future training of new users. Axon is highly flexible with our training options, and can adjust courses and approaches as needed based on discussions in the project planning phase. Training is largely centered around the types of users and devices, focusing on those with administrative responsibility, in house trainers, detectives, redaction technicians, body-worn camera users and Fleet users. Our proposed training is outlined below. Training Materials Our Professional Services team will provide soft copies of User Guides, Axon Quick Start Guides, and Manuals, Axon Evidence Administrator Reference Guide, Axon Evidence Security Guide, End-to-End Deployment Guide, Implementation Best Practices Guideline, and a Go-Live Checklist. Additional curriculum and support materials include, but are not limited to: Job Aids E-Learning Certification Programs Video Training Demonstrations Software Simulations Enrollment for Virtual Classes Recordings of Previous Classes and Demonstrations Sample Lesson Plans Key User Training (Train the Trainer) End users can be trained one by one or in a train-the-trainer style. For a department of the size of Champaign, we advise training an initial subset of key end users. This group will serve several roles, including confirmation of system functionality, performance, and feedback on any localized issues that had not been previously identified. This initial subset of trainees can act in a "train the trainer" capacity for their co-workers and typically become a resource when newer users are activated and require training or assistance. System Administration Training System Administrator training typically consists of a session covering custom roles and permissions, retention categories, and other critical Axon Evidence settings. Additionally, Axon Evidence features will be discussed, including working with evidence, redaction capabilities, case functionality, reporting options, audit trails, and device inventory. Administrators will also learn how to configure items specifically related to Axon Body 3, Axon Fleet 3, Axon Signal, and ALPR. Each System Administrator training session is generally three to four hours in length and can accommodate up to 10 users. Axon Evidence User Training If training for evidence technicians, supervisors, detectives, or redaction technicians is necessary for your program, our team can accommodate those needs. These sessions are customized and will cover portions of Axon Evidence that are central to the job functions of those in attendance. Recommended Class Structure / Training Plan Under this project, Axon will provide the following training classes: One (1) three-hour Super User (Administrative) Training session (two (2) sessions can be conducted, if needed). There is no limit to the number of attendees for these sessions. One (1) three (3) hour Train the Trainer session. There is no limit to the number of attendees for these sessions. One (1) one and a half (1.5) hour Evidence Tech Training. There is no limit to the number of attendees for these sessions. Fleet 3 Training - Generally, end users will be trained on the system when they return to pick up their vehicle after hardware installation is complete. They will be trained on system operation and best practices. This process can be modified if needed; in some larger agencies a group of end users may be trained, who will then train other groups of end users. The customer trainers would then complete the rollout of the cameras and training to all the officers. The number of classes will vary depending on the size of each department. For customer train the trainer rollout, we recommend a limit of 15 officers per class. Training is normally conducted at the beginning of a shift so that the officer can begin using the equipment immediately. Having training coincide with deployment reinforces the material taught during training and allows any issues that arise to be addressed by training staff immediately. While this is our recommended and proposed class structure and curriculum, our approach is flexible and can be modified to meet the needs of different customers. Additional Training Resources and Continued Learning	*

		Our continued learning site, Axon Academy, is your go-to online resource for learning more about your TASER smart weapon, Axon camera, Axon Evidence account, and how each of these components interface with other elements of the Axon ecosystem. Supported by the Police One web infrastructure, Axon Academy is a convenient and secure way of accessing information to help agencies make the most of the Axon Ecosystem of products and digital evidence management software. Within Axon Academy, there are three different ways to learn: ON-DEMAND E-LEARNING MODULES – Each of these modules address a different element of the Axon Ecosystem and provide a self-paced, individual learning experience whenever is convenient for your users VIRTUAL TRAINING COURSES – these courses are offered live via the web, and give your users the ability to participate in a class and interact with the instructor CERTIFICATION PROGRAMS – Our comprehensive certification programs allow learners to pull together a specified list of resources to quantify their knowledge in a particular area (e.g., CEWs, Axon Evidence, Axon cameras). Training content is developed and maintained by Axon subject matter experts and supporting documentation is designed to provide a simple and straightforward way of learning about specific topics. The database continues to grow as our product and service offering expands.	
41	Describe any technological advances that your proposed products or services offer.	Axon Body 4's integration with the Axon Ecosystem enables dispatch and command staff to gain real-time situational awareness of events in the field through Axon Respond. Axon Respond enables remote personnel to quickly gain insight into a call-for-service or an officer's whereabouts. By simply signing into Axon Evidence or the Axon Respond mobile application, users can use the Axon Respond Map to view the real time location of officers wearing the Axon Body 4 or vehicles equipped with the Fleet in-car cameras, as well as receive live alerts and notifications. This solution is provided anytime LTE connectivity is available. If an agency elects to upgrade to Axon Respond+, video can also be live streamed from the LTE enabled cameras. When livestreaming begins, the officer will be notified via audible and haptic (vibration) feedback and visually by an icon on the display. If stealth is enabled, the officer will not be notified. A new "Watch Me" button on Axon Body 4 devices empowers officers to signal for an additional set of eyes to watch their back when responding to calls. When an officer presses this button, Axon Respond users receive a notification within moments so they can immediately support the officer. This enables supervisors and dispatchers to prioritize which officers can most benefit from additional support. A new Voice Communication functionality is also available on Axon Body 4 devices. After starting a livestream on Axon Respond, Respond users then have the ability to start a conversation with the device wearer by pressing the "Start Call" button. The Respond viewer can then communicate with the officer by our "push-to-talk" feature. The device wearer can hands-free talk back to the Respond viewer. This feature supplies officers and supervisors with a communication method through Axon Respond. These capabilities make it possible for those not on scene to gather better intel and help officers in the field as situations change. Whether checking in on a responding officer or sharing tactical advice during a critical event, Axon Respond gives your agency access to information in the moment. Video and audio are livestreamed via WebRTC (Web Real-Time Communication) protocol, with media secured using SRTP (Secure Real-Time Transport Protocol), and encryption keys agreed upon using DTLS (Datagram Transport Layer Security). All are industry standards. Today, livestreaming uses AVC (h.264) for video encoding and G.711 μ-law for audio. Axon Body 4 bi-directional voice communications are encoded with Opus. Livestreams consume 800kbps-1Mbps. ALPR INTEGRATED ALPR OVERVIEW Axon Fleet 3 revolutionizes daily patrol by fully integrating ALPR and evidence cameras into a single unit. This addition enables communities to make the most of ALPR coverage and helps identify more offenders, missing persons, and stolen vehicles when patrolling your communities. Though most U.S. law enforcement agencies already use ALPR technology today, the cost to deploy and outfit an entire fleet of patrol vehicles can be very expensive. Fortunately, Axon Fleet 3's level of integration changes the economics of ALPR. There is no additional installation required to enable ALPR meaning no additional equipment, drilling of holes, external mounting of hardware/cables, or complicated camera aiming/calibration processes. HOTLISTS The ALPR process starts by setting up hotlists within Axon Evidence. These hotlists are made up of known license plates and vehicles of interest that are either stolen, wanted for, or potentially associated with unlawful activity or missing persons. They often fall into the following categories: A list of license plates or vehicles known to be stolen A list of license plates or vehicles known to be associated with known or potential criminal activity such as gang involvement, watch lists, known associates of criminal activity, etc. A list of license plates or vehicles with administrative issues such as unpaid vehicle	*

		registration, unpaid traffic fines, etc. Hotlists are then sent to the Axon Fleet 3 vehicles via incremental updates when changes are made. Typically, if a plate is added to a hotlist, the hotlist is updated in all Axon Fleet 3 vehicles within minutes if they are on and connected. ALPR DETECTION Axon Fleet 3's ALPR technology will activate once the in-car system is booted up. As long as the Axon Fleet 3 in-car system is powered on, the ALPR technology will continue to operate even if the Axon Fleet Dashboard application is not running or the MDC is powered off. The Dual-View Camera leverages built-in 4K sensors to help legibly capture license plates up to 3 lanes away and ~50 feet (15.2 meters) in distance, at a closing speed of ~140 MPH (~225 km/h). Plate reads and hits are encrypted and stored on the Axon Hub and securely uploaded to our CJIS-certified cloud storage. ALPR ALERTS Axon's ALPR is accessible from the Axon Fleet Dashboard application that runs on the MDC. Users can easily navigate between ALPR and in-car video workflows. Once the camera makes a plate read, plates are compared to agency hotlists and, if there is a match, an alert is generated and presented on the MDC via the Axon Fleet user interface for officer disposition. Our ALPR technology will alert the in-car system less than one second after a plate is read. If multiple plate reads or hits happen at the same time, all plate reads and hits will be saved, but the highest severity read or hit will be prioritized for an alert. Once an alert is detected and confirmed as correct, the Axon ALPR system will copy the plate number to the Windows clipboard so that it can be easily pasted into and validated by a CAD application. This seamless integration between systems helps improve workflows and efficiencies through an intelligent ALPR system. RESPONDING TO ALPR ALERTS Using the Dashboard application on the MDC, users can quickly review and act on notifications populated when a plate number appears on an agency's hotlist. If a plate number activates a notification, users can review the hotlist source, offense category, additional vehicle details, and verify the accuracy of the plate read. Officers can record an action taken on a particular hit, whether that be a warning given to the driver, a citation being issued, or an arrest being made. FLOCK ALPR INTEGRATION Axon has a proven integration with the FLOCK ALPR system. Users of the FLOCK Safety system will have an integration that allows the Look Up interface to search information in Axon Evidence.		

42	Describe any “green” initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	We take every action to minimize negative impacts to the environment. Axon recognizes and is fully compliant with all local, state, federal and foreign government requirements including U.S. EPA and O.S.H.A. standards. Axon is certified to ISO 14001. Axon is committed to excellence and leadership in protection of the environment. We strive to minimize adverse impact on the air, water, and land through excellence in pollution prevention and waste abatement. By preventing pollution at the source, we save resources, increase operational efficiencies, and maintain a safe and healthy work environment for our employees, visitors, contractors, and neighbors. Axon manages an on-premise waste minimization program. The objective is to reduce the quantity of non-hazardous solid waste produced, recycle materials, and reuse materials when possible. Other green initiatives in the building include in-house recycling and the use of variable frequency drives on our main exhaust systems and cooling towers, which allow for more efficient methods of using energy. Our Scottsdale office has on-premise xeriscape, which conserves water by eliminating the need for supplemental water from irrigation. Our Scottsdale headquarters and surrounding buildings use 60% and 95% LED lighting, respectively, which produces less heat and uses less energy. We supplement this with having large windows around the offices, which brings in ample natural light and saves electricity. 5 to 10 percent of the plastics we use in manufacturing our products are made of recycled materials. In addition, we substitute non-hazardous or less toxic material in our manufacturing processes when feasible. Examples are: • Substituting an alcohol-based glue accelerator for an aliphatic petroleum-based product • Replacing the gluing system with a less hazardous two-component epoxy In conjunction with the following practices, Axon has invested in re-usable material handling systems, much of which is also recyclable. • Use of corrugated materials exceeding 35% post-consumer recycled content • Use of other packaging materials that contain recycled content and are recyclable in most local programs • Both the printed and corrugated boxes used to ship our products to customers (and the protective foam used in shipping) are recyclable • We promote waste prevention and source reduction by reducing the extent of the packaging and/or offering • To minimize packaging waste on larger orders, ‘bulk packaging’ was developed • We also employ packaging take-back services and shipping carton return • We reduce and/or eliminate the use of materials which have been bleached with chlorine or chlorine derivatives Axon engages in the following practices that serve to reduce or minimize effects on the environment, including, but not necessarily limited to the following. • Corrugated boxes are broken down and processed for recycling • Offices and dining areas contain recycling bins in addition to trash bins to minimize waste and encourage employee participation in green initiatives • Axon Employee Transportation programs are in place using company supplied vans that reduce congestion on the roadways and carbon monoxide emissions into the environment. • We are compliant with laws pertaining to	*
43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Axon is certified to ISO 14001. Axon also utilizes a green IaaS provider, Microsoft Azure; this partnership extends our focus and investment on a sustainable future and that will have positive global impact. The datacenters are 100 percent carbon neutral and rely on a larger percentage of wind, solar and hydropower electricity over time. Today roughly 44% of the electricity used by datacenters comes from these sources. The goal is to pass the 50 percent milestone, move to the top 60 percent early in the next decade, and then to keep improving from there.	*
44	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	Axon does not hold any WMBE, SBE, or veteran-owned business certifications.	*

45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Axon has long made the priorities of law enforcement our own, and their challenges ours to solve. When Members partner with Axon, they're partnering with a team of product experts, security professionals, engineers, technology specialists, and former law enforcement personnel. We are dedicated to pushing the boundaries of technology and are committed to delivering on those efforts, to offer law enforcement the solutions needed to help make the world a safer place. By becoming a part of our Axon Ecosystem made up of connected devices and apps, Members can better position themselves to keep their officers and community safe. Axon provides hardware and software solutions to law enforcement agencies throughout the globe and is proud to work with the following clients to implement the technology used to help increase workflow efficiencies, reduce incidents, and protect the truth. Some of our largest customers include: • London Metropolitan Police Service, London UK • Los Angeles, CA Police Department • Calgary Police Service, AB • Charlotte-Mecklenburg, NC Police Department • Fort Worth, TX Police Department • Dallas, TX Police Department • San Diego, CA Police Department • Baltimore City, MD Police Department • Baltimore County, MD Police Department • Memphis, TN Police Department • Washington, DC Metropolitan Police Department • Denver, CO Police Department • Cincinnati, OH Police Department • Atlanta, GA Police Department Because our solutions are deployed by thousands of law enforcement agencies across the globe, we are experienced in the development of technology at scale and put a great deal of emphasis on improving our end-user's ease of use. By demonstrating a large investment in research and development—with expenses reaching $76.9 million, $55.4 million, and $30.6 million in 2018, 2017, and 2016, respectively—we are committed to identifying improvements and developing new and innovative solutions. As a member of some of the most prestigious associations across the country, Axon is dedicated to staying involved—and through our participation—we hope to continue building on our understanding of the issues Members face while staying apprised of the conversations affecting the communities they serve. Axon is proud to be a part of the following associations. • The International Association of Chief of Police (IACP) • The Major City Sheriff's Association (MCSA) • The National Organization of Black Law Enforcement Executives (NOBLE) • The FBI National Academy Associates (FBINAA) Once a solution is delivered, most agencies are left asking, what's next? Axon has you covered. Our dedicated customer success and support managers are committed to providing Members with post-sales and post-deployment support. Whether that be troubleshooting assistance, technical support, or help with understanding a new feature, our Customer Success team is here to be your main point of contact and advocate. Through regular communication, our knowledgeable staff can offer Members the support you should expect from a service provider. This support includes: • Notifying customers of Important firmware and hardware updates, identifying bugs, and addressing general issues • Fulfilling hardware refreshes and deployment of new equipment • Conducting Quarterly Business Reviews with customers • Identifying important customer feature requests Our goal is to provide Members with the necessary assistance to help make the most of the solutions you count on every day.	*

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
46	Do your warranties cover all products, parts, and labor?	Axon warrants that its law enforcement hardware products which are manufactured by Axon are free from defects in workmanship and materials for a period of one (1) year from the date of receipt. Axon-manufactured accessories are covered under a limited ninety-day warranty from the date of receipt. Non-Axon manufactured accessories are covered under the manufacturer's warranty. There are extended warranties available as defined in the Axon Master Services and Purchasing Agreement (MSPA). NON-AXON MANUFACTURED PRODUCTS For some solutions we are authorized resellers of hardware (Cradlepoint routers for Axon Fleet, Axis cameras for Axon Interview, etc.). Products that we are authorized to resell abide by the manufacturer's warranty. Further details can be provided upon request.	*
47	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	Restrictions are outlined in our warranty, which has been included in the uploaded attachments .	*
48	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	No, our warranties do not cover the expense of technicians' travel time or mileage to perform warranty repairs.	*
49	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	Axon will be available 24 hours/7 days per week by phone for emergency technical support for any system outage, and if mutually agreed upon by both parties, we can provide onsite support for local issues. If a site visit is deemed necessary due to an issue (i.e. access point failures or accidental cut wires) and not an Axon or Axon Evidence issue there may be a charge assessed to the agency.	*
50	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Axon will troubleshoot third party devices to the best of our ability. If we are unable to resolve the issue and the devices require warranty service, this will be performed by the manufacturer. Axon solutions require minimal third-party hardware, limited primarily to commercial-off-the-shelf (COTS) computing devices such as routers, servers, and hard drives. Additionally, some solutions such as Axon Interview rely on third party cameras and tablets which are also COTS.	*
51	What are your proposed exchange and return programs and policies?	Axon does not allow exchanges or returns except on failed items. Please see our MSPA for full details.	*
52	Describe any service contract options for the items included in your proposal.	Please refer to the included MSPA.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
53	Describe your payment terms and accepted payment methods.	Payment terms are Net 30.	*
54	Describe any leasing or financing options available for use by educational or governmental entities.	Axon does not providing leasing or financing options. We do have a provision in our MSPA that allows for cancellation by an agency if sufficient funds are not approved.	*
55	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	Axon's Master Services and Purchasing Agreement (MSPA) is a standard transaction document that includes the terms and conditions we propose to use in connection with an awarded contract. A sample MSPA has been uploaded with our response."	*
56	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Axon can process via P-card if necessary but prefers ACH payments whenever possible.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	
57	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	Axon is proposing a Schedule Discount for Sourcewell Members, including quantity discounts. See question #58 for additional detail.	*
58	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Axon is proposing the following discount schedule based on order quantity. This discount schedule applies to Axon manufactured items. This does not apply to items which Axon resells as part of its offerings. Please see the uploaded price sheet, included in the document section. Quantity: 1 • Customer Discount % off MSRP: 0.00% Quantity: 2-99 • Customer Discount % off MSRP: 1.00% Quantity: 100-249 • Customer Discount % off MSRP: 3.00% Quantity: 250-499 • Customer Discount % off MSRP: 5.00% Quantity: 500-999 • Customer Discount % off MSRP: 7.00% Quantity 1000+ • Customer Discount % off MSRP: 10.00%	*
59	Describe any quantity or volume discounts or rebate programs that you offer.	See question 58.	*
60	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	Axon generally sells at the sourced party’s MSRP. Discounts may be applied on a case-by-case basis.	*
61	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	All standard costs, such as those for professional services like installation and training, are included in standard pricing.	*
62	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Freight, shipping and delivery are included in our costs.	*
63	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Freight, shipping and delivery are included in our costs.	*
64	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Axon offers expedited shipping upon request.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
65	b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	A detailed price list is attached.

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
66	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Axon utilizes Salesforce as our CRM tool and Microsoft Dynamics AX as our enterprise resource-planning tool. Salesforce has the Sourcewell contract skus built in. A salesperson requesting a quote for a Sourcewell contract must use these skus, and our formal quoting team creates the quote, adding a further layer of review to ensure that the quote is produced correctly. Quarterly, our Sales Operations team runs standard reports to review all prospects that closed during the prior quarter using a cooperative contract. This information is confirmed within our resource planning tool to ensure that any prospects that have closed, but not yet shipped are accounted for. The collected information is used to calculate the administrative fees owed to Sourcewell.	*
67	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Axon will track the following internal metrics to measure success with the contract: • The number of agencies who utilize the cooperative • The dollar amount of sales associated with the cooperative • The Length of time it takes to update the contract after new products/services are announced by Axon.	*
68	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Axon proposes 1.05% on all equipment, products and services to all participating entities.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
69	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	A summary description of the offered products is included as a response to this question. Detailed solution descriptions for each product have been included as attachments. Capturing Evidence Axon Body 4 The Axon Body 4 camera is designed to capture clear, admissible video and audio evidence when an officer is in the field. The camera has four configurable resolutions from 480p to 1440p and leverages low-light and clear frame technology to capture high-quality video evidence in a variety of environments. Four-built in microphones, strategically placed inside the camera, leverage audio algorithms and onboard audio processing to capture high-quality audio recordings. When combined, these elements help officers capture truth in the moment and maintain transparency. The Axon Body 4 camera is compatible with an easily integrated point-of-view camera called the Axon Flex POV module. Without having to register, assign, or charge the accessory before use, an officer can simply plug the Axon Flex POV module into the Axon Body 4 and begin capturing the same quality evidence from a different vantage point. With this accessory, agencies no longer have to decide between deploying a body-worn camera or a point-of-view camera; they can have both. Camera Features and benefits A DURABLE DESIGN that has been tested to meet/pass the Ingress Protection Rating, MIL-STD Defense, and Impact Certified standards, and can withstand impacts and operate in the harshest environments. A LONG-LASTING BATTERY that is capable of providing approximately 14 hours of battery life under normal usage. A LARGE INTERNAL STORAGE CAPACITY of 128 GB to house captured video files A MAGNETIC FAST CHARGE DISCONNECT CABLE that allows officers to rapidly charge their cameras from the patrol vehicle and falls off when they need to	

leave the vehicle at a moment's notice.
AN INTEGRATED AND EASY-TO-USE MOUNTING SYSTEM that allows officers to quickly mount their cameras to various locations on the body and across different uniform types and equipment, such as helmets and belts.
EMBEDDED REAL-TIME AWARENESS TECHNOLOGY via Axon Respond, which allows the camera to send notifications and alerts, GPS and Wi-Fi location information, and a secure livestream feed over an LTE connection to Axon Evidence or a mobile application. This includes future support for bi-directional communication in the field.
INTEGRATED AXON SIGNAL TECHNOLOGY that activates cameras if an action is taken, such as a firearm being removed from a holster equipped with Axon Signal Sidearm.
A CONFIGURABLE PRE-EVENT BUFFER that can capture up to two minutes of video before the camera is actively recording.
AN IN-FIELD EVIDENCE OFFLOAD OPTION that allows officers to send individual pieces of evidence directly from the camera to Axon Evidence.

Axon Body 3
The Axon Body 3 camera is designed to capture clear, admissible video and audio evidence when an officer is in the field. The camera has four configurable resolutions from 480p to 1080p and leverages low-light and clear frame technology to capture high-quality video evidence in a variety of environments. Four built-in microphones, strategically placed inside the camera, leverage audio algorithms and onboard audio processing to capture high-quality audio recordings. When combined, these elements help officers capture truth in the moment and maintain transparency in the field.
AB3 Features and benefits
A DURABLE DESIGN that has been tested to meet/pass the Ingress Protection Rating, MIL-STD Defense, and Impact Certified standards, and can withstand impacts and operate in the harshest environments.
AN INTEGRATED AND EASY-TO-USE MOUNTING SYSTEM that allows officers to quickly mount their cameras to various locations on the body and across different uniform types and equipment, such as helmets and belts.
EMBEDDED REAL-TIME AWARENESS TECHNOLOGY via Axon Respond, which allows the camera to send notifications and alerts, GPS and Wi-Fi location information, and a secure livestream feed over an LTE connection to Axon Evidence or a mobile application.
INTEGRATED AXON SIGNAL TECHNOLOGY that activates cameras if an action is taken, such TASER being armed.
A LONG-LASTING BATTERY that is capable of providing 12 hours of battery life under normal usage.
A MOBILE CHARGING OPTION that allows officers to charge the camera from their patrol vehicle via a USB-C cable.
A CONFIGURABLE PRE-EVENT BUFFER that can capture up to two minutes of video before the camera is actively recording.
AN IN-FIELD EVIDENCE OFFLOAD OPTION that allows officers to send individual pieces of evidence directly from the camera to Axon Evidence.

Fleet 3 with ALPR
Axon Fleet 3 is an in-car video system purpose-built to capture audio and video within and outside of the vehicle. Axon Fleet 3 offers comprehensive evidence capture so that incidents are accurately documented. Evidence captured by the system is stored on the Axon Hub and offloaded to Axon Evidence via LTE or Wi-Fi connections.

The system features Automatic License Plate Recognition (ALPR) technology that is integrated into the same camera housing to quickly gather information tied to plate reads. The hardware for ALPR is included, and THE CITY can request activation of the ALPR service in the future if desired.
Features and Benefits
A DURABLE DESIGN that has been tested to meet/pass the Ingress Protection Rating, MIL-STD Defense, and Impact Certified standards, and can withstand impacts and operate in a range of temperatures.
CONTINUOUS SYSTEM POWER FROM THE PATROL VEHICLE'S ENGINE that keeps the system running while the ignition is switched on.
BACK UP BATTERY POWER for up to 30 minutes once the ignition is switched off.
A BUILT-IN ALPR CAMERA with 4K sensors to help legibly capture license plates up to 3 lanes away and ~50 feet in distance, at a closing speed of ~140 MPH.
A CONFIGURABLE PRE-EVENT BUFFER that can capture up to two minutes of video before the camera is actively recording.
EMBEDDED REAL-TIME AWARENESS TECHNOLOGY that allows the camera to send notifications and alerts, GPS and Wi-Fi location information, and a livestream feed over an LTE connection to Axon Evidence or a mobile application.
EMBEDDED AXON SIGNAL TECHNOLOGY tied to configurable triggers that

activate cameras if a particular action is taken—like a door being opened or a weapon rack being unlocked, as well as connectivity with the Axon BWCs.
VIDEO RECALL FEATURE that allows for recovery of 24 hours of video footage if a device was not recording at the time of an incident.

Axon Signal Sidearm
Axon Signal Sidearm is a smart sensor that attaches to a firearm holster to remotely activate Axon body-worn and in-car cameras. When a firearm is removed from the holster, the Axon Signal Sidearm device transmits a signal for up to 30 seconds to activate Axon cameras up to 100 feet away. The device can be configured to activate recordings of Axon body-worn cameras or Axon Fleet in-car cameras, leading to better coverage of critical events.

Axon Respond+
Axon Respond enables remote personnel to quickly gain insight into a call-for-service or an officer's whereabouts. By simply signing into Axon Evidence or the Axon Respond mobile application, users can use the Axon Respond Map to view the real time location of officers wearing the Axon Body 4 or vehicles equipped with the Fleet in-car cameras, as well as receive live alerts and notifications.
This solution is provided anytime LTE connectivity is available. If an agency elects to upgrade to Axon Respond+, video can also be live streamed from the LTE enabled cameras. When livestreaming begins, the officer will be notified via audible and haptic (vibration) feedback and visually by an icon on the display. If stealth is enabled, the officer will not be notified.
Video and audio are livestreamed via WebRTC (Web Real-Time Communication) protocol, with media secured using SRTP (Secure Real-Time Transport Protocol), and encryption keys agreed upon using DTLS (Datagram Transport Layer Security). All are industry standards. Today, livestreaming uses AVC (h.264) for video encoding and G.711 μ-law for audio. Axon Body 4 bi-directional voice communications are encoded with Opus. Livestreams consume 800kbps-1Mbps.
A new "Watch Me" button on Axon Body 4 devices empowers officers to signal for an additional set of eyes to watch their back when responding to calls. When an officer presses this button, Axon Respond users receive a notification within moments so they can immediately support the officer. This enables supervisors and dispatchers to prioritize which officers can most benefit from additional support.
A new Voice Communication functionality is also available on Axon Body 4 devices. After starting a livestream on Axon Respond, Respond users then have the ability to start a conversation with the device wearer by pressing the "Start Call" button. The Respond viewer can then communicate with the officer by our "push-to-talk" feature. The device wearer can hands-free talk back to the Respond viewer. This feature supplies officers and supervisors with a communication method through Axon Respond.
These capabilities make it possible for those not on scene to gather better intel and help officers in the field as situations change. Whether checking in on a responding officer or sharing tactical advice during a critical event, Axon Respond gives your agency access to information in the moment.

Axon Community Request+
Axon Community Request is a tool built to securely request evidence from community members for ingestion into Axon Evidence. Axon Community Request can be used by officers in the field to collect video and audio evidence from witness or victim cell phones, or from surveillance video. Community members can then access the portal link and upload any evidence they have related to the incident in question, greatly simplifying the evidence collection process.

Axon Interview Room
Axon Interview is an interview system designed to reliably record and protect evidentiary footage throughout the interview process. Axon Interview includes both hardware and software components that are integrated together to simplify interview workflows. A standard Axon Interview setup can include one or two cameras per room, a microphone, and camera enclosures. Two servers, touch panels, and power over ethernet (POE) switches are also a part of a standard solution setup. *

Axon Device Manager
The Axon Device Manager mobile application assists agencies deploying large numbers of devices by enabling administrators to complete device management tasks for one or multiple Axon devices in seconds. Axon Device Manager transforms device management processes by starting with the devices themselves, instead of an inventory search and armory or storage room visit.

Managing Evidence
Axon Evidence
Axon Evidence is a scalable, cloud-based Digital Evidence/Asset Management System (DEMS), which stores all digital evidence in a centralized, secure system.

Axon Evidence integrates with the entire Axon Ecosystem of devices and applications, so your personnel can use its suite of features to easily store, organize, and view evidence.
Axon Evidence includes easy-to-use case-building tools and sharing workflows that allow users to build cases out of the evidence stored in the system. Once built, these cases can then be shared across your agency and with prosecuting partners in other agencies and jurisdictions.
Axon focuses on creating solutions to solve the complex challenges of digital evidence management. Rather than focusing solely on the camera or “capture” aspect, Axon looks at the bigger picture, considering the costs of ingesting, managing, retrieving, and sharing the data or the “capture to courtroom” workflow. We pay close attention to how officers interact with the application, as we believe it should conform to the needs of law enforcement and never the other way around. After years of collecting feedback and listening to input from law enforcement, Axon created the Digital Evidence Workflow (DEW) framework. The DEW Framework was designed to help agencies make sense of complicated and complex systems and highlight areas where they could improve their efficiency and effectiveness. The Axon Evidence digital evidence management solution was designed to align with and simplify this workflow.
Axon Evidence automatically integrates with all Axon solutions including TASER CEWs, Axon Fleet, and Axon body-worn cameras. Axon Evidence also has manual bulk upload capabilities to ingest and manage many other forms of digital evidence. Axon Evidence is a true end-to-end solution providing the application and the infrastructure required to run it. With Axon Evidence, all you need to access your evidentiary information is an internet connection and a standard web browser.
Axon Evidence can ingest assets from multiple sources, manage them simply with configurable metadata fields, retrieve them with an advanced search engine, automate access control and retention with intelligent workflow features, redact videos using powerful tools for FOIA requests, and collaborate effortlessly with other stakeholders using secure sharing features. Unlimited storage
Our Axon OSP package includes unlimited storage for all evidence—including Axon-generated footage, third-party footage, and anything else that can be stored in Axon Evidence. With unlimited storage, your agency will be equipped to make Axon Evidence your single destination for storage of your most critical evidence, without having to worry about storage overages or additional fees.
Third-party video support
The Axon Evidence third-party video playback feature automatically converts and plays videos not supported by the default video player. Officers and investigators will save time when ingesting video of a non-standard file type, as the feature automatically converts and plays more than 1,000 file types and their variations, with new file types added regularly and directly from customer requests.
Auto-transcribe
Axon Auto-Transcribe is a tool in Axon Evidence made up of two modules: Review Assistant and Transcription Assistant. Investigators can use Review Assistant to accelerate their review of evidence by generating a searchable, time-synced transcript of the evidence’s audio. This allows a user to click on a word spoken in the evidence file and be immediately taken to that point of the video. Transcription Assistant generates a transcript of an entire video via AI. An investigator can use Transcription Assistant to speed up the process of creating a transcript by correcting any errors in the AI-generated transcript, rather than typing a transcript from scratch.
Auto-tagging
The Auto-Tagging service takes information directly from your CAD or RMS solution and correlates it with the associated videos stored in Axon Evidence. Your officers will no longer need to manually tag their body-worn and in-car camera recordings or double-check manual entries for errors. Administrators can rest easy knowing that the metadata from your CAD and RMS systems are correlated via auto-tagging with custom retention categories in Axon Evidence, making proper evidence retention simple.

Axon Records
Axon Records is a cloud-based database application, that is intended to help improve incident reporting based on customized forms and automation tools. Axon Records is fully integrated with Axon Evidence, as well as other devices in the Axon Ecosystem, such as body-worn cameras and TASER energy weapons.
Axon Records is designed to make report writing more efficient, and submission and review processes faster, by generating information from the Axon Ecosystem of connected devices and software. Direct access to Axon Evidence allows users to seamlessly attach digital evidence from TASER devices, cameras, and citizen smartphones to an incident. Axon Records reports are collaborative in nature and can be shared with involved officers, partner agencies, and prosecutors. Cases developed in Axon Records are automatically created in Axon Evidence.
With this connectivity, agencies can access agency-wide data that can be reviewed and imported into Axon Records’ reporting modules, thus offering improved efficiency, and helping to ease your administrative burden.

Axon Investigate
Axon Investigate is a forensic platform for everything video related, with a trackable set of tools which allow users to quickly overcome challenges seen with modern video and multimedia evidence streams. Users can easily convert files to playable formats in bulk and manage multiple video sources in a single project.
Additionally, the tools in Axon Investigate Pro assist with video analysis, including multi-clip time syncing and stitching, video enhancement, narrative report creation, and court demonstratives. To accomplish these goals, Axon Investigate uses workflows—a combined set of processing steps—to forensically interrogate the media files.

Improving Performance
Axon Performance
Axon Performance is a module within Axon Evidence that provides two capabilities: reviewing individual evidence entries and managing overall performance.
Axon Performance is designed to reduce the amount of time field supervisors spend reviewing compliance with agency policies and programs. With Axon Performance, agencies streamline the supervisor review and enable supervisors to deliver tailored personnel training and feedback to ensure that teams are operating within agency guidelines and policies.
While using Axon Performance, supervisors or managerial-level staff can review electronic evidence, leave feedback on findings to be added to the Audit Report, and add inspection notes all within the Review pane.
As shown below, Axon Performance provides an easy-to-use interface to review video and mark pre-defined items, as well as enter more descriptive notes.
Axon Performance allows supervisors or managerial-level staff to review their agency's body-worn camera, Fleet and TASER metrics.
Not only can Axon Performance help an agency adhere to policies and programs currently in place, but they can leverage the technology to identify gaps in performance and evidence management. By gathering this information, your agency can work to train and improve an officer's skill set.

Axon Standards
Axon Standards is an internal affairs tool in Axon Evidence that assists with report writing and tracking of officer-involved events such as use-of-force, injury, or pursuit incidents. Supervisors, Professional Standards, or Internal Affairs (IA) units can streamline their report writing duties by having direct access to any associated digital evidence and take advantage of predictive typing, task delegation, and data management features. System administrators can create custom forms specific to an agency's policies, design routing and approval processes to match your workflows, and create automated alerts so that reports are not bottlenecked for review.
With Axon Standards, users can also access interactive reports to help provide data-driven insights and quicker investigative outcomes. These reports can help supervisors and leaders in the chain of command to thoroughly investigate staff-involved incidents, ultimately leading to better transparency amongst the community

Axon My90
My90 is a comprehensive engagement tool that helps law enforcement leaders conduct surveys, capture data, and display the results. My90 collects, de-identifies, and aggregates the survey responses to identify trends, surface positive feedback, and find specific opportunities for improvement. My90's offers three types of surveys:
- POST-CONTACT SURVEYS – Text or web-based surveys automatically sent to 911 callers to evaluate their interaction with officers
- COMMUNITY SURVEYS – Sent to the general population either in-person or online using QR codes and URLs to gauge community-wide sentiments
- EMPLOYEE SURVEYS – Short "pulse surveys" sent to agency staff via text message, email, and the web to evaluate morale or staff burnout
-

Training
Axon Virtual Reality
Axon Virtual Reality (VR) Training is an immersive training program that uses virtual reality hardware and software to enhance officer performance, critical thinking, and de-escalation skills. The solution is fully wireless and is made up of VR headsets, controllers, tablets, and integrated software.
Axon VR Training allows training at the station or a remote location, with its quick set-up experience and minimal amount of hardware. The solution has a small form factor, meaning there is no longer a need for a training room dedicated to housing cameras, truss systems, backpacks, or computers. Axon VR Training is very portable, and no complex room calibration is required.
The innovative Axon VR Training software is comprised of three core elements: Community Engagement Training, Simulator Training, and Axon Academy.

70	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	For video surveillance, our products generally fall into the categories of: - Body-worn cameras - In-vehicle camera solutions - Interview Room solutions - Digital Evidence Management Systems	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
71	Portable and mobile video camera and recording solutions, such as body-worn, in-car, and equipment-mounted devices.	(•) Yes ( ) No	Axon's offer includes the Axon Body 3 and Axon Body 4 body-worn cameras, as well as the Axon Fleet 3 in-vehicle camera solution. These products, and the mounts below, are described in answer 69 and detailed product sheets are attached. The Axon Body 3 and 4 cameras are self-contained audio-visual unit with no external wires. The cameras utilize a proprietary mounting system, allowing it to fully attach or detach from a mount in less than one second. Whether officers decide to mount their devices on a shirt, patrol vest, jacket, or belt, our easy-to-use mounting system—which includes an attachment piece built into the back of the device and an attachment receiver built into each mount—allows them to simply attach and lock the camera in a desired place and position. Officers can easily remove and securely remount the camera as needed and no alteration to uniforms is necessary for most mounts. Having multiple mounting options that attach to a variety of uniforms and clothing types can be both beneficial and convenient. Axon provides both low-retention mounts that are easy to maneuver and breakaway, as well as high-retention models that become an integral part of the uniform. With either option, officers can leverage our secure mounting system with RapidLock technology to help capture truth. The camera's magnetic mounts are strong enough to hold the devices in place while running or fighting. To mitigate the jostling and bouncing that might happen during a foot pursuit or a physical altercation, Axon camera mounts are designed to fit on the centerline or above the beltline of the user to benefit from the human body's own mechanics for absorption of impact and energy.	*
72	Permanently mounted or installed video camera and recording solutions designed for all law enforcement, school resource officers, corrections, first responders, and emergency medical services.	(•) Yes ( ) No	Axon Interview is an interview system designed to reliably record and protect evidentiary footage throughout the interview process. Axon Interview includes both hardware and software components that are integrated together to simplify interview workflows. A standard Axon Interview setup can include one or two	

			cameras per room, a microphone, and camera enclosures. Two servers, touch panels, and power over ethernet (POE) switches are also a part of a standard solution setup. Axon can build custom interview rooms to meet your specific needs. Available options include: Overt and Covert Cameras Covert Camera Enclosures Microphones Physical or Virtual Recording Servers Touch Panels Software application for workstations POE Switches Point-to-zoom cameras In-room remote viewing indicator lights Motion-detector camera activation Button-Push / Toggle switch camera activation Detectives responsible for conducting interviews will have access to an easy-to-use solution that will reliably capture crucial statements and important body language. This evidence can then be reviewed later and used when building a case. The system is controlled with touch panels that are pre-installed with Axon Interview software. With a simple tap of the screen, detectives can start an interview from either inside or outside of the interview room. The touch panel also unlocks time-saving workflows that can be leveraged during an interview—such as metadata entry to make evidence management easier, audio/video masking to protect individual privacy, note-taking tools, and bookmarking features to flag points of interest in an interview for later review. Additionally, command staff or other personnel can keep track of interviews as they happen through Axon Interview's Live Streaming application. The personnel can view multiple rooms at once and add notes and markers to an interview in progress. For security, access to interview rooms via livestream can be password protected. Features and benefits REDUNDANT ON-PREMISE STORAGE SERVERS to prevent the loss of critical evidence if a connectivity issue were to occur prior to uploading to the cloud A CONTINUOUS RECORDING BUFFER that temporarily stores audio and video to local servers, which allows agencies to retrieve evidence if a user forgot to start a recording A SECURE EVIDENCE UPLOAD PROCESS TO AXON EVIDENCE that protects the chain of custody and offers cloud-based storage	*

73	Video capable threat and weapons detection.	(•) Yes ( ) No	The Fleet 3 in-vehicle camera solution offers integrated Automatic License Plate Recognition technology. This technology can be used in combination with pre-defined criteria to alert based on a number of factors, such as a vehicle being stolen, or as part of an active search.	*
74	Related equipment complementary to the offering of the solutions in 71-73 above, including automated activation devices, lasers, monitors, recorders, microphones, and transmitters.	(•) Yes ( ) No	Axon Signal technology utilizes Bluetooth to activate nearby cameras in certain situations. This can be based on activating a TASER, withdrawing a weapon armed with Axon Signal Sidearm, and a variety of 12-volt signals in the vehicle, including, for example, activating sirens, a crash, or opening doors. Certain Axon Interview cameras can be configured to activate based on motion.	*

75	Technology, data storage, advanced analytics, redaction, and management software solutions and applications for self-hosted, cloud-based, and hybrid systems that are complementary to the offering of the solutions in 71-73 above.	(●) Yes ( ) No	Axon Evidence is a scalable, cloud-based Digital Evidence/Asset Management System (DEMS), which stores all digital evidence in a centralized, secure system. Axon Evidence integrates with the entire Axon Ecosystem of devices and applications, so your personnel can use its suite of features to easily store, organize, and view evidence. Please see the attached solution description for detailed information on Axon Evidence. Axon Evidence includes easy-to-use case-building tools and sharing workflows that allow users to build cases out of the evidence stored in the system. Once built, these cases can then be shared across your agency and with prosecuting partners in other agencies and jurisdictions. Axon focuses on creating solutions to solve the complex challenges of digital evidence management. Rather than focusing solely on the camera or “capture” aspect, Axon looks at the bigger picture, considering the costs of ingesting, managing, retrieving, and sharing the data or the “capture to courtroom” workflow. We pay close attention to how officers interact with the application, as we believe it should conform to the needs of law enforcement and never the other way around. After years of collecting feedback and listening to input from law enforcement, Axon created the Digital Evidence Workflow (DEW) framework. The DEW Framework was designed to help agencies make sense of complicated and complex systems and highlight areas where they could improve their efficiency and effectiveness. The Axon Evidence digital evidence management solution was designed to align with and simplify this workflow. Axon Evidence automatically integrates with all Axon solutions including TASER CEWs, Axon Fleet, and Axon body-worn cameras. Axon Evidence also has manual bulk upload capabilities to ingest and manage many other forms of digital evidence. Axon Evidence is a true end-to-end solution providing the application and the infrastructure required to run it. With Axon Evidence, all you need to access your evidentiary information is an internet connection and a standard web browser. Axon Evidence can ingest assets from multiple sources, manage them simply with configurable metadata fields, retrieve them with an advanced search engine, automate access control and retention with intelligent workflow features, redact videos using powerful tools for FOIA requests, and collaborate effortlessly with other stakeholders using secure sharing features. *

76	Accessories complementary to the offering above, including docking stations, chargers, memory cards, cables, adapters, clips, mounts, batteries, holsters, and harnesses.	(•) Yes ( ) No	Docking stations The Axon Body 3 cameras are compatible with two types of docks—an 8-bay Dock and a 1-bay Dock. Each dock is designed to charge the camera or cameras, and provide a connection to our DEMS, Axon Evidence, to securely upload evidence and receive the newest operating system updates or configuration changes. Please see the attached Axon Body 3 and Axon Body 4 solution descriptions for a images and specifications. Each dock function as an Ethernet adapter, an unmanaged network switch, and charger. All Axon Body 3 cameras are compatible with any Axon Body 3 Dock. All that is required to install an Axon Body 3 Dock, is the supplied Ethernet cable, an active internet port that connects to your network, and the included power cord. Upload rates average 30 MBPS withing a dock. Each time the Axon Body 3 camera is docked, the time is automatically checked and reset. The dates and timestamps sync with the atomic clocks at the National Institute of Standards and Technology (NIST) and cannot be altered, which protects the chain of custody. The timestamp can be displayed in local or UTC. Axon also provides an option for Wall Mount Brackets, which were designed to minimize the device-storage footprint, as well as provide easy access to your device(s). The docks are typically mounted at an angle to help keep devices connected and operating lights visible. Mounts The Axon Body 3 camera is a self-contained audio-visual unit with no external wires. The camera utilizes a proprietary mounting system, allowing it to fully attach or detach from a mount in less than one second. Please see the attached Axon Body 3 and Axon Body 4 solution descriptions for a detailed list with images of all mounting options. Whether your officers decide to mount their devices on a shirt, patrol vest, jacket, or belt, our easy-to-use mounting system—which includes an attachment piece built into the back of the device and an attachment receiver built into each mount—allows them to simply attach and lock the camera in a desired place and position. Officers can easily remove and securely remount the camera as needed and no alteration to uniforms is necessary for most mounts. Having multiple mounting options that attach to a variety of uniforms and clothing types can be both beneficial and convenient. Axon provides both low-retention mounts that are easy to maneuver and breakaway, as well as high-retention models that become an integral part of the uniform. With	

			either option, officers can leverage our secure mounting system with RapidLock technology to help capture truth. The camera's magnetic mounts are strong enough to hold the devices in place while running or fighting. To mitigate the jostling and bouncing that might happen during a foot pursuit or a physical altercation, Axon camera mounts are designed to fit on the centerline or above the beltline of the user to benefit from the human body's own mechanics for absorption of impact and energy. Axon Body 4 Point of View Module The Axon Body 4 camera offers an easily integrated point-of-view camera called the Axon Flex POV Accessory. The Flex POV module does not require charging or offload. When a Flex POV module is connected, Axon Body 4 will buffer and record from the POV module perspective. When the POV module is disconnected, Axon Body 4 will automatically switch back to the Body Worn Camera perspective. When a Flex POV module is connected to a user's camera for the first time, Axon Body 4 will prompt the user to set the POV orientation. The orientation of the POV module can be determined using the letter on the top of the POV module when mounted. Once set, orientation can be updated using the camera menu. Axon Body 4 Quick Disconnect Charger While the Axon Dock is the primary means of charging, the Axon cameras can be charged by any electrical charger with a USB connector. The Axon Body 4 uses a USB 3.0, Type-C receptacle. This flexibility allows an officer to charge a camera from any location with a USB-compatible power source. The Axon Body 4 also includes a magnetic disconnect charger for additional ease of charging.	
77	Services complementary to the offering above, including training, installation, and administration of warranty programs.	(•) Yes ( ) No	A successful program depends on the ease of implementation and the experience of the deployment team. Axon's Professional Services (PSO) team includes experienced professionals who have completed hundreds of deployments covering hundreds of thousands of cameras, as well as the supporting evidence management systems. Axon's PSO, data migration, training and Fleet installation teams have extensive experience helping agencies of all sizes implement their body-worn and in-car camera programs. By offering dynamic deployment plans, experienced deployment teams, and a solution developed in-house specifically for public safety, Axon is uniquely positioned to provide customers with an effective deployment, training, and	

			support experience. With Axon, customers receive a full solution, mitigating the project and support risks associated with having multiple, different suppliers. Axon has the manufacturing capability, financial capacity and skilled and available workforce to ensure that a program is successful. Our reputation for going above and beyond to ensure that our customers are not only satisfied, but successful with our products is well known throughout the industry, and we invite all customers to validate this with objective resources. By having our staff complete installations, customers can expect project alignment, with end users gaining a more complete picture of the features and functionality of the solutions. Our PSO team is trained specifically to install our proprietary solutions, meaning customers will benefit from having installers with the most up-to-date product information, product training, and installation techniques. Many of our PSO implementation specialists joined Axon directly from law enforcement and were responsible for planning and managing similar projects in their former law enforcement roles. This real-world experience is an invaluable resource and allows them to predict and overcome potential challenges as well as effectively collaborate with command and IT staff. Our staff can also offer guidance on custom workflows and processes to help use your body-worn and in-car cameras and DEMS effectively and in compliance with local laws and statutes. When selecting a solution, it is worth considering whether the hardware and software were built from company acquisitions or developed by the same engineers who support it today. The proposed body-worn and in-car camera hardware and DEMS software were designed and maintained by Axon's in-house engineers, allowing our teams to easily pass on feedback for feature requests as programs progress. Our U.S.-based Technical Support team can engage directly with our in-house engineers for advanced troubleshooting if the need arises. At the beginning of each program, we meet with customers to define requirements and outline a project schedule. Our programs typically include items required to: Migrate your existing data; Establish integrations with your current platforms as defined in the requirements; Build and deliver your solutions; Configure all body-worn camera LTE sim cards, establishing them on the appropriate carrier networks, and		

			managing all body-worn LTE data plans. Create your initial configuration in Axon Evidence; Train your administrators; Install your in-car cameras and, Provide long term support. Deployments are led by Axon's PSO team, who will begin by reviewing the proposed project plan with designated point of contact. Axon's PSO team will coordinate direction with this point of contact throughout the project to accomplish the tasks necessary for a smooth, successful implementation. During the implementation kick-off calls, our resources will work collectively to refine the plan, and define a final schedule. These initial discussions will set expectations for deployment timing and staffing. Administrator guides, networking information, and other critical solution information will be provided to your program point of contact to assist with planning. Axon's PSO team will also evaluate the project for proper scoping and follow-up to obtain additional information if necessary prior to on-site services. This may include information on network specifications/bandwidth, CAD/RMS integration, desired offload method, and other system information that may require involvement from your network administrators or IT team. It is important to agree on a solid plan at the beginning of the program, as well as to set the policies that will guide how data is migrated and establish the rules that will be used to configure the systems. The resulting plan will be documented and shared with each member of the team, providing the structure to successfully complete your project implementations. Having your policies in place before deployment begins helps to streamline the go-live process and ensures officers are prepared to use the system as soon as possible. Additionally, necessary categories in Axon Evidence should be considered, as they determine evidence retention. Categories are completely customizable to meet your local policies and laws. To ensure proper input and legal compliance, customers should gather the following agency and community stakeholders before building your body-worn and in-car camera policies. POLICY MAKERS – Stakeholders such as command staff and community leaders should be included when developing body-worn and in-car camera policies. FIELD TRAINING OFFICERS – Officers who represent the end users of the devices. EVIDENCE CUSTODIANS –	

			Including those who will be responsible for digital evidence sharing is key. LEGAL REPRESENTATIVES – Including members of the larger legal community can assist with community alignment and buy-in. Once the proper stakeholders are gathered, Axon's team will collaborate with customer personnel to help draft the policy definitions necessary for the successful use of Axon Evidence. First, user roles should be considered. User roles and their permissions in Axon Evidence are highly customizable, and our PSO team can assist with the development of custom roles during deployment. Identifying the level of permissions needed (such as the ability to view evidence, share evidence, download evidence, restrict evidence, etc.) for each role is customized. The guides provided by the PSO coordinator during initial planning conversations will help with this task. When determining necessary custom retention categories, customers should consider consulting State Retention Schedules or other legal guidance. During on-site services, our PSO team can then offer guidance to set up these pre-determined retention categories in Axon Evidence. Having these critical system policies in place prior to deployment will support a quicker, more thorough roll-out. While the primary Evidence solution will be maintained in the cloud, there can be a number of areas where Axon and customers will need to agree on information technology approaches and requirements. This primarily includes decisions related to LTE and Wi-Fi uploads, networking permissions for body-worn camera docks, and offload methods for the Fleet 3 system. These discussions will happen early in the program, allowing Axon to finalize details of the implementation plan, including configuration and installation requirements. For customers with existing DEMS, Axon will help define a migration strategy. Axon Evidence is designed to be highly configurable, and supports the creation of both free-text metadata (tags) and customer-defined metadata fields. The flexibility of Axon Evidence ensures customers get the information they need that is most effective for searching, while at the same time standardizing their terminology over time. This supports greater efficiency, less re-training, and ultimately greater organizational value. Every system your agency uses may be organized a little differently. For example, in your in-car video management system, you may		

			classify evidence as “Evidence Type” whereas in your CCTV system you may classify evidence as “Offense”. Axon’s migration process allows customers to visualize and map out how they want this information to appear in Axon Evidence. Axon will work with customers to design a metadata mapping schema for Axon Evidence based on the metadata tags and fields from the legacy system. Based on this mapping schema, an Axon Field engineer will use our automated tools to map the desired metadata to fields, pre-append any audit information into Axon Evidence audit logs and upload the assets with this information populated in Axon Evidence. Axon will demonstrate this migration in a test environment for customers to review and sign off that the data is uploaded and organized as desired. Ingesting and pre-appending the audit trail for each piece of evidence maintains full evidentiary integrity as you migrate systems automatically. This allows Axon Evidence to be a single source of truth detailing the lifespan of your evidence. Upon sign-off, Axon will install the migration tools and initiate upload into the live environment. The upload of historical data will commence after all legacy cameras are decommissioned to ensure that no evidence is lost in the transition. Training Training Overview Axon’s training approach is aligned with the overall coordination of the integrated body-worn camera, in-car camera, and digital evidence management solution implementation. Our approach ensures that those responsible for administering the digital evidence ecosystem, as well as those responsible for using our systems and devices, have multiple options for initial and recurring training. We will provide initial training, as well as access to the on-line Axon Academy for refresher training, and future training of new users. Axon is highly flexible with our training options, and can adjust courses and approaches as needed based on discussions in the project planning phase. Training is largely centered around the types of users and devices, focusing on those with administrative responsibility, in house trainers, detectives, redaction technicians, body-worn camera users and Fleet users. Our proposed training is outlined below. Training Materials Our Professional Services team will provide soft copies of User Guides, Axon Quick Start Guides, and Manuals, Axon Evidence		

			Administrator Reference Guide, Axon Evidence Security Guide, End-to-End Deployment Guide, Implementation Best Practices Guideline, and a Go-Live Checklist. Additional curriculum and support materials include, but are not limited to: Job Aids E-Learning Certification Programs Video Training Demonstrations Software Simulations Enrollment for Virtual Classes Recordings of Previous Classes and Demonstrations Sample Lesson Plans Key User Training (Train the Trainer) End users can be trained one by one or in a train-the-trainer style. For a department of the size of Champaign, we advise training an initial subset of key end users. This group will serve several roles, including confirmation of system functionality, performance, and feedback on any localized issues that had not been previously identified. This initial subset of trainees can act in a “train the trainer” capacity for their co-workers and typically become a resource when newer users are activated and require training or assistance. System Administration Training System Administrator training typically consists of a session covering custom roles and permissions, retention categories, and other critical Axon Evidence settings. Additionally, Axon Evidence features will be discussed, including working with evidence, redaction capabilities, case functionality, reporting options, audit trails, and device inventory. Administrators will also learn how to configure items specifically related to Axon Body 3, Axon Fleet 3, Axon Signal, and ALPR. Each System Administrator training session is generally three to four hours in length and can accommodate up to 10 users. Axon Evidence User Training If training for evidence technicians, supervisors, detectives, or redaction technicians is necessary for your program, our team can accommodate those needs. These sessions are customized and will cover portions of Axon Evidence that are central to the job functions of those in attendance. Recommended Class Structure / Training Plan Under this project, Axon will provide the following training classes: One (1) three-hour Super User (Administrative) Training session (two (2) sessions can be conducted, if needed). There is no limit to the number of attendees for these sessions. One (1) three (3) hour Train the Trainer session. There is no limit to the number of attendees for these	

			sessions. One (1) one and a half (1.5) hour Evidence Tech Training. There is no limit to the number of attendees for these sessions. Fleet 3 Training - Generally, end users will be trained on the system when they return to pick up their vehicle after hardware installation is complete. They will be trained on system operation and best practices. This process can be modified if needed; in some larger agencies a group of end users may be trained, who will then train other groups of end users. The customer trainers would then complete the rollout of the cameras and training to all the officers. The number of classes will vary depending on the size of each department. For customer train the trainer rollout, we recommend a limit of 15 officers per class. Training is normally conducted at the beginning of a shift so that the officer can begin using the equipment immediately. Having training coincide with deployment reinforces the material taught during training and allows any issues that arise to be addressed by training staff immediately. While this is our recommended and proposed class structure and curriculum, our approach is flexible and can be modified to meet the needs of the City. Additional Training Resources and Continued Learning Our continued learning site, Axon Academy, is your go-to online resource for learning more about your TASER smart weapon, Axon camera, Axon Evidence account, and how each of these components interface with other elements of the Axon ecosystem. Supported by the Police One web infrastructure, Axon Academy is a convenient and secure way of accessing information to help agencies make the most of the Axon Ecosystem of products and digital evidence management software. Within Axon Academy, there are three different ways to learn: ON-DEMAND E-LEARNING MODULES – Each of these modules address a different element of the Axon Ecosystem and provide a self-paced, individual learning experience whenever is convenient for your users VIRTUAL TRAINING COURSES – these courses are offered live via the web, and give your users the ability to participate in a class and interact with the instructor CERTIFICATION PROGRAMS – Our comprehensive certification programs allow learners to pull together a specified list of resources to quantify their knowledge in a particular area (e.g., CEWs, Axon Evidence, Axon cameras). Training content is developed and maintained by Axon subject matter		

			experts and supporting documentation is designed to provide a simple and straightforward way of learning about specific topics. The database continues to grow as our product and service offering expands. Fleet 3 Installation Axon Fleet 3 significantly reduces the need for bulky and expensive components often seen in traditional in-car solutions. With Axon Fleet 3, customers will benefit from minimally-designed system components such as our integrated cameras built to capture both audio and video, as well as provide integrated ALPR capability. Our sleek hardware and non-obtrusive wiring installation help optimize space within the patrol vehicle and promote an open and safe cabin in which an officer can move about freely and unobstructed. The Axon Fleet 3 in-car system has a small form factor designed to offer a discreet and inconspicuous setup within a variety of vehicles, including civilian, unmarked, and patrol vehicles. Our team will work with customers to identify mounting locations within the vehicle that limit unwanted attention. Our proposed solution will include all necessary wiring. Axon Fleet 3 has been developed to utilize Power over Ethernet (PoE) connections, which offer both greater connection speed and stability. All wiring will be installed and run underneath the lining of the vehicle or with the shape of the vehicle where possible. Any exposed wire will be secured, mounted, and bundled together to avoid any loose cabling. During installation, our team will work with customers to determine the best mounting option for Axon Fleet 3 cameras in each vehicle, while keeping practical use and officer safety in mind. Cameras are typically mounted to the windshield or rear glass with an adhesive and can be removed without permanent damage. The offered Fleet 3 system includes two cameras: the dual view, forward facing camera that includes the ALPR camera, and the interior camera to capture the rear cabin. The Axon Fleet 3 Dual-View Camera is mounted on a swivel-ball joint that allows the camera to be panned and tilted to ensure objects of interest are within the camera's field of view. It supports 360-degree articulation. An Internal spring provides consistent sensory feedback as a user makes adjustments. The swivel-ball joint has detents that click in place every 22.5 degrees of horizontal rotation (pan) to hold the camera in the desired position. The Axon Fleet 3 Interior Camera is mounted on an adjusted angle mount that allows the camera to be		

tilted up or down to ensure objects of interest are within the camera's field of view. The Interior Mount can be adjusted to capture a comprehensive view of the cabin.

Long Term Support
In our view, a project is not over when a deployment is concluded. The final portion of any Axon delivery is our professional customer support, which starts after deployment concludes and continues for the life of the solution. Axon has included an initial five-year warranty as part of this project.
We have a multi-level approach to service, including our account specific Customer Success Managers, our 24/7 technical support and our Return Merchandise Authorization (RMA) team to help our law enforcement partners have the most successful body-worn, in-car camera and digital evidence management programs possible.
We begin the post-deployment process with a survey that allows all customers to provide feedback directly to Axon leaders, and we provide multiple options for getting help, offering suggestions, or expanding your Axon ecosystem.
Customer Success Manager
We assign a customer success manager (CSM) to your account for the remainder of your contract. Their goal is to support your day-to-day needs, educate you on new features, and help you receive value from your investment. Your CSM will wear multiple hats, from project management to product expert to consultant, and will continually be focused on making the City more efficient and confident in your daily workflows.
As your program develops and progresses, your CSM can take hardware and software feedback and pass it along to our engineers—another benefit of deploying a solution that is serviced by the same engineers who developed it. In fact, many new features have been built directly from such suggestions from our law enforcement partners. They will also work with your sales executive if any further purchases are desired. Your CSM can be reached by phone or email and can be adaptable to your communication preferences.
24/7/365 Technical Support
Our Technical Support team is US-based and offers live phone support 24 hours a day, seven days a week. This is included as part of your investment in the Axon ecosystem and any member of your agency can call; our staff will help anyone with their questions, not just supervisors. A caller is usually talking with one of our support staff within 30 seconds of placing their call. Online, email-based support and remote-location

			troubleshooting are also included. If a technical issue requires advanced troubleshooting or interfacing with our in-house engineers, our Senior Technical Support team (Tier 2) can take over from the Technical Support team (Tier 1). All senior technical support representatives hold certifications from their respective governments for access to CJI. The team currently holds a variety of education and information technology certifications, and many have a background in law enforcement. RMA Process If equipment needs to be returned for repair or warranty work, we make the process as simple and hassle-free as possible. Axon's return material authorization (RMA) request process is housed directly within Axon Evidence, allowing users with appropriate permissions to create repair requests easily. Our US-based RMA team works out of our Scottsdale, AZ headquarters. All returns are initiated, tracked, and managed using the hardware's unique device serial number, which also correlates with warranty status and helps protect evidence integrity if evidence recovery is needed. Axon's RMA process is also integrated with FedEx and return labels are provided at no extra cost.	

Table 15: Industry Specific Questions

Line Item	Question	Response *	
78	Describe the security features of your proposed solutions in relation to data security.	Axon Evidence, the same application used for managing TASER evidence, is a cloud-based solution that complies with the Federal Bureau of Investigation's Criminal Justice Information Services (CJIS) Security Policy, which sets the minimum-security requirements to provide an acceptable level of assurance to protect the full lifecycle of Criminal Justice Information (CJI). Axon Cloud Services was designed and is operated to ensure that it is compliant with the FBI CJIS Security Policy at both the application and data storage layers. Customers can be assured that their digital data is protected by a robust information security program that is designed to exceed the CJIS security requirements as well as provide protection against current and emerging threats. The Axon CJIS Compliance White paper outlines the specific security policies and practices for Axon Evidence and how they are compliant with the CJIS Security Policy. Read more about Axon's CJIS Compliance program and commitments here. http://www.axon.com/compliance. Axon Evidence offers numerous data security management functions to meet and exceed industry standards for the architecture and security of Axon Evidence. Axon has developed and operates secure software development lifecycle procedures (SDLC). Execution within the SDLC ensures security is evaluated at every phase of development and that quality measures are met. All evidence data is encrypted at rest and in transit. Robust SSL/TLS is implemented for data in transit using TLS 1.2 with a 256-bit connection and Perfect Forward Secrecy. Evidence data stored at rest is encrypted with at least 256-bit AES. The graphic below offers a high-level view of the various layers of security implemented in the CJIS compliant solution. Axon's compliance with a number of security standards in addition to CJIS demonstrate our commitment to providing a trustworthy platform to our customers, and offers a way to understand the controls put in place to secure Axon Evidence and the data you store in it. These additional certifications, compliance measures, and security assurances include: ISO/IEC 27001:2013 Certified - Information Security Management Standards ISO/IEC 27017:2015 Certified - Code of Practice for Information Security Controls	

ISO/IEC 27018:2019 Certified - Code of Practice for Protecting Personal Data in the Cloud
CALEA Standard 17.5.4 Compliant
HIPAA and HITECH
AICPA SOC 2 Type 2 Reporting (Applicable only to Axon Evidence)
Cloud Security Alliance - CSA STAR Attestation (Level Two)
Cloud Security Alliance - CSA STAR Self-Assessment (Level One)
Accessibility Conformance Report - WCAG 2.0 & VPAT/Section 508

BWC Security Overview
Law enforcement data is among the most sensitive in the world and, with Axon's robust information security program, we can help keep that data protected at all times. Our latest body-worn camera, Axon Body 3, includes a number of security features that help keep your valuable evidence and other information safe.
Both physical and software approaches ensure the security of data even if the camera is lost or stolen, and help you maintain a proper chain of custody.
Physical Security
SECURED COMPARTMENT – Axon assembles Axon Body 3 cameras with Torx screws, thus preventing access to the storage without proper tools. *
EMMC STORAGE (EMBEDDED MULTIMEDIA CARD) – eMMC storage is populated on the circuit board rather than using an SD card. Accessing and reading eMMC is difficult and would require destruction and/or modification of the circuit board. Videos cannot be deleted from the camera. Cameras will not natively mount into a Microsoft Windows operating system like a mass storage device such as a flash drive or external hard drive would.
Software/Firmware Security
NO PARTITION TABLE – The storage media does not have a partition table and will show as an unreadable drive/ card (under any operating system).
ENHANCED VIDEO AUTHENTICITY & INTEGRITY VALIDATION – Authentication and validation checks between the camera and Axon Evidence;
SIGNED COMMANDS – Cryptographic validation of commands sent to the camera from Axon Evidence;
SECURE BOOT – Only trusted, cryptographically signed firmware will run on the camera;
HASH TREE IMPLEMENTATION – Facilitates multiple layers of forensic integrity;
DISK ENCRYPTION – While on the device, evidentiary video is protected from manipulation with AES-XTS 128-bit encryption. Currently AES-128 is acceptable for protection of classified data, up to SECRET, by the US federal government.

Secure Transfer
The Secure Upload Process
Axon cameras are designed to protect and preserve the evidence they capture. The cameras store all video files securely in onboard storage until the files are completely and successfully transferred into the digital evidence management system. All communication between the Axon Body 3 camera and Axon Evidence is conducted over 256-bit AES encryption to safeguard data during transfer.
During offload from the camera to Axon Evidence:
1. The precomputed SHA-2 cryptographic hash tree is located for each video that needs to be uploaded and each SHA-2 hash tree is computed immediately after the corresponding MP4 video finishes recording.
2. The SHA-2 cryptographic hash tree and video metadata are transmitted to Axon Evidence. The MP4 video files are saved securely on Axon Evidence in their original state, as verified by the SHA-2 hash tree function.
3. Upon completion of the upload process, the SHA-2 cryptographic hash tree values are evaluated to detect data corruption of any kind. A contiguous SHA-2 hash is computed after this verification step.
4. Once the hash values and data integrity are verified, the file is confirmed to be uploaded, and the corresponding video files are deleted from the camera.
If a transfer is terminated before its video files are fully uploaded, any files not completely uploaded to Axon Evidence will remain on the camera, so that upload can resume the next time the camera is docked or connected.
Loss of power to an Axon camera will not cause data loss or corruption. The devices maintain a suitable amount of backup power to ensure proper shutdown. If a device were to lose power, it would properly close out all incident files (videos) to ensure that no data was lost or corrupted. In the event of sudden and complete power loss, the device will perform a video recovery operation during the next boot process and close out the incident file. The interrupted recording file, as well as any previously recorded files, will be available once power is restored.

79	Describe the data storage, Artificial Intelligence (AI) analytics, and management features and functionality as they relate to your proposed products.	As a cloud-based system, Axon Evidence's architecture is modular, scalable, and extensible. All data is stored in the Evidence instance at a Microsoft Azure data center. Managing the vast amount of digital evidence available to agencies today can be overwhelming. Especially when the burden is on end users to keep evidence organized—no matter the source. This becomes even more difficult when digital evidence is stored in various locations, on different devices, and across many platforms. Axon's unlimited third-party storage plan—which includes storage for both Axon-captured evidence and third-party evidence—offers agencies a modernized approach to digital evidence management that is affordable, convenient, modular, secure and can scale to meet any storage requirements. With unlimited storage, Axon Evidence can be the main source of storage for all digital evidence. You can then easily manage, store, share, receive, and investigate your data all from a single system. To help with the usability of large data volumes, content that has not been viewed or accessed for six months may be moved into archival storage. Archived files are still searchable and can be retrieved with a single click. Interview Room Axon Interview uses a local storage server to temporarily store video before upload to Axon Evidence. This is in place to ensure that no evidence is lost due to communications issues. Axon Body Worn Cameras Axon cameras will never overwrite previously recorded footage. It is not possible to delete or modify any video content on the device; videos are only deleted from the camera once they completely and verifiably upload to the application. This safeguard ensures no video content is accidentally lost or altered. The Axon Body 3 has 64 GB of non-removable storage to house captured video files and the camera's operating system. This is sufficient to hold 11 to 46 hours of recorded video (depending on resolution). The Axon Body 4 has 128 GB of non-removable storage on a solid state eMMC to house captured video files and the camera's operating system. This is sufficient to hold 11 to 103 hours of recorded video (depending on resolution). Axon Performance Axon Performance allows supervisors or managerial-level staff to review their agency's body-worn camera, Fleet and TASER metrics. Not only can Axon Performance help an agency adhere to policies and programs currently in place, but they can leverage the technology to identify gaps in performance and evidence management. By gathering this information, your agency can work to train and improve an officer's skill set. Please see the attached solution overview for more information. Auto-transcription As cases make their way through the justice system, an accurate transcript will be required at some point. Manual transcription typically takes 4-10 times longer to produce than the length of the actual audio, meaning there are often lengthy backlogs and budget constraints, which slow the delivery of admissible evidence. Furthermore, during the transcription process, transcribers are forced to repeatedly listen to potentially disturbing audio to ensure accuracy. To address these issues, Axon's Transcription Assistant offers access to powerful artificial intelligence (AI) and an intuitive user interface (UI) to help make transcribing audio faster and more efficient.

80	Describe how your proposed product(s) or systems integrates with Computer Aided Dispatch, Records Management, Digital Evidence Management, and/or Situational Awareness Systems.	Axon Evidence is a Digital Evidence Management System (DEMS), and a large benefit with Axon is that our full ecosystem of products natively integrates with Axon Evidence. There is never a need to worry about the core integration of evidence collection, storage and management as Axon provides all these capabilities. Axon has a proven integration with situational awareness systems such as RapidSOS and Flock through our Axon Respond API. This API is fully developed and requires no additional work for customers. Generally, the situational awareness systems will begin polling Axon Respond continuously, providing real-time access to officer locations. The location data of both body-worn and Fleet cameras will flow into these systems for visualization on their display. Integration with CAD/RMS Auto-tagging is a feature that categorizes videos based on the correlated event metadata captured by the respective systems. Common data already collected by the CAD or RMS, such Event ID, Event Type, Officer Badge ID, and Dispatched and Cleared Times can be automatically associated with evidence, without the need for manual intervention. Integrating a CAD or RMS system with Axon Evidence will save officers valuable time, because the majority of tags will be automatically added by the system. With auto-tagging, officers simply record videos with Axon body-worn or in-car cameras and upload them. Axon Evidence will use the data from the CAD and RMS solutions to apply the appropriate tags. Officers will still be able to add custom metadata tags in the field. On a regular schedule, customers export a database-printout file to a specific folder from the CAD or RMS software. The printout file format, generally an .xml or .csv, is designed to comply with Axon Evidence requirements for integration. Axon supplies a .NET 4.0 service “Integrator Application” on your server that monitors the selected folder. When the service detects the presence of a printout file, it encrypts the file using AES 256-bit encryption and sends it securely to Axon Evidence. After Axon Evidence confirms receipt of the file, the application deletes the local copy of the file. Axon Evidence decrypts the printout file and parses the data found in the file. Using an algorithm, Axon Evidence determines which evidence file each piece of data applies to and tags those files appropriately. Evidence can be auto-tagged for 72 hours after upload, and then will require manual tagging. When Axon Evidence finishes processing a batch of data received from the CAD/RMS solution, it sends the specified recipients a reporting email that includes summary results of the processing and detailed reports about evidence matched.

81	Describe how your system allows for secured sharing of videos - file sharing systems.	Sharing Evidence Axon Evidence enables users to share content with internal and external stakeholders without the need for additional licenses. This includes other agencies already using Axon Evidence or Axon Justice Premier, as well as external users who do not have Axon Evidence accounts. Sharing with Outside Agency Axon Evidence Users Axon Evidence makes it easy to share evidence and cases with other Axon Evidence agencies, as well as those utilizing our Justice Premier solution for prosecutors and public defenders. Since these external users already have Axon Evidence credentials, shared evidence can be used in the same way as their own digital evidence. After evidence is added to Axon Evidence, a user can simply share the case with any of their trusted partner agencies with Axon Evidence credentials. As users share evidence with partner agencies, the partner agencies will only have access to the data a user has chosen to share via an access list. All unshared data remains completely unavailable. When files are shared with a partner agency, Axon Evidence sends a copy of the files and their associated metadata, which the partner agency can manage independently without affecting the original evidence. Any evidence that is shared is preserved in its original form in the sharer's instance of Axon Evidence. Sharing With Non-Axon Evidence Users A user can share evidence with those who are not Axon Evidence users by emailing a download link to an external email address. Audit Trails, Table of Contents, and Transcripts, an Optional Message and the Duration in days that the share is active, can all be shared with the core evidence. All included documents will be made available via a ZIP folder, which a recipient can access without having to sign into an Axon Evidence account. There are no additional authorizations or licenses required by Axon to share files using this method. However, please note that access can no longer be centrally controlled once it is downloaded locally. Data Export Users cannot modify original videos captured for chain of custody and chain of evidence reasons. If the original content or video evidence is uploaded as an MP4 it will be downloaded as an MP4 for review. Axon does not apply any proprietary formats when files are exported. This applies with any files such as PDF, DOC, AVI, WAV, MP3, AAC, etc. At the time of upload an SHA cryptographic hash function is generated and used to verify the integrity of the content uploaded. This SHA hash is also available at time of download for verification of authenticity.
82	Detail how your system complies with Criminal Justice Information Systems (CJIS) security requirements.	Axon Evidence, the same application used for managing TASER evidence, is a cloud-based solution that complies with the Federal Bureau of Investigation's Criminal Justice Information Services (CJIS) Security Policy, which sets the minimum-security requirements to provide an acceptable level of assurance to protect the full lifecycle of Criminal Justice Information (CJI). Axon Cloud Services was designed and is operated to ensure that it is compliant with the FBI CJIS Security Policy at both the application and data storage layers. Customers can be assured that their digital data is protected by a robust information security program that is designed to exceed the CJIS security requirements as well as provide protection against current and emerging threats. The Axon CJIS Compliance White paper outlines the specific security policies and practices for Axon Evidence and how they are compliant with the CJIS Security Policy. Read more about Axon's CJIS Compliance program and commitments here. http://www.axon.com/compliance.

Exceptions to Terms, Conditions, or Specifications Form

Only those Proposer Exceptions to Terms, Conditions, or Specifications that have been accepted by Sourcewell have been incorporated into the contract text.

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as “Marketing Plan.”

- Pricing - 2023 Axon Pricebook - Sourcewell 2.0.xlsx - Tuesday October 10, 2023 15:41:59
- Financial Strength and Stability - AXON_2022_AnnualReport.pdf - Tuesday October 10, 2023 15:42:15
- Marketing Plan/Samples - Cooperative Contract Marketing Example.docx - Wednesday October 11, 2023 15:08:36
- WMBE/MBE/SBE or Related Certificates (optional)
- Warranty Information - Axon-Master Services and Purchasing Agreement- Sourcewell 101223.docx - Tuesday October 10, 2023 15:43:02
- Standard Transaction Document Samples - Axon-Master Services and Purchasing Agreement- Sourcewell 101223.docx - Tuesday October 10, 2023 15:42:43
- Upload Additional Document - Product Descriptions.zip - Tuesday October 10, 2023 15:46:25
- Requested Exceptions - Sourcewell RFP 101223 - Axon's Exceptions.docx - Tuesday October 10, 2023 15:42:34

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.

3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.

5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.

6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.

7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.

8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

11. Proposer its employees, agents, and subcontractors are not:
    1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;

    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or

    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Kenneth Maum, Senior Proposal Manager, Axon

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum**" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_11_RFP_101223_Public_Safety_Surveillance Thu October 5 2023 08:32 AM	☑	3
Addendum_10_RFP_101223_Public_Safety_Surveillance Mon October 2 2023 03:56 PM	☑	1
Addendum_9_RFP_101223_Public_Safety_Surveillance Tue September 26 2023 03:16 PM	☑	1
Addendum_8_RFP_101223_Public_Safety_Surveillance Thu September 21 2023 04:09 PM	☑	1
Addendum_7_RFP_101223_Public_Safety_Surveillance Thu September 21 2023 07:35 AM	☑	1
Addendum_6_RFP_101223_Public_Safety_Surveillance Wed September 20 2023 12:49 PM	☑	1
Addendum_5_RFP_101223_Public_Safety_Surveillance Mon September 18 2023 03:49 PM	☑	1
Addendum_4_RFP_101223_Public_Safety_Surveillance Fri September 15 2023 10:52 AM	☑	1
Addendum_3_RFP_101223_Public_Safety_Surveillance Tue September 5 2023 03:47 PM	☑	1
Addendum_2_RFP_101223_Public_Safety_Surveillance Fri August 25 2023 01:53 PM	☑	2
Addendum_1_RFP_101223_Public_Safety_Surveillance Fri August 25 2023 11:11 AM	☑	2

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AMENDMENT #1
TO
CONTRACT # 101223-AXN

THIS AMENDMENT is effective upon the date of the last signature below (Effective Date) by and between **Sourcewell** and **Axon Enterprise, Inc.** (Supplier), collectively referred to as "parties."

Sourcewell awarded a contract to the Supplier to provide Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories to Sourcewell and its Participating Entities, effective February 6, 2024, through December 15, 2027 (Contract).

Supplier requested that its Canadian affiliate, Axon Public Safety Canada, Inc., be named as an additional Contract holder.

Therefore, the parties agree that as of the effective date of this Amendment, the named Contract holder "Axon Enterprise, Inc." in Contract # 101223-AXN will be replaced with "Axon Enterprise, Inc. and it's Canadian affiliate Axon Public Safety Canada, Inc."

Except as amended by this Amendment, the Contract remains in full force and effect.

Sourcewell

By: Signed by: Jeremy Schwartz C0FD2A139D06489...

Jeremy Schwartz, Chief Procurement Officer

Date: 2/4/2025 | 10:39 AM CST

Axon Enterprise, Inc. and it's Canadian affiliate Axon Public Safety Canada, Inc.

By: Signed by: 55DAEBB131A4424...

Robert Driscoll, VP, Assoc. General Counsel

Date: 2/4/2025 | 9:07 AM MST

Docusign Envelope ID: 1A21341D-D25A-412C-81D8-C665C6D2E5C5

AMENDMENT #2
TO
CONTRACT # 101223-AXN

THIS AMENDMENT is effective upon the date of the last signature below by and between **Sourcewell** and **Axon Enterprise, Inc.** (Supplier), collectively referred to as "parties."

Sourcewell awarded a contract to the Supplier to provide Public Safety Video Surveillance Solutions with Related Equipment, Software and Accessories to Sourcewell and its Participating Entities, effective February 6, 2024, through December 15, 2027 (Contract).

On April 28, 2025, the parties signed a Price and Product Change Request (PNP) amendment to expand Supplier's product range to offer additional configuration choices for existing products.

NOW, THEREFORE, the parties wish to amend the Contract to add certain appendices related to that PNP, which are attached and incorporated into this Amendment, specifically:

a. Appendix for AI Technology
b. Dedrone Product Appendix

Except as amended by this Amendment, the Contract remains in full force and effect.

Sourcewell

By: Signed by: Jeremy Schwartz C0FD2A139D06489...

Jeremy Schwartz, Chief Procurement Officer

Date: 5/11/2025 | 10:31 PM CDT

Axon Enterprise, Inc. and its Canadian affiliate Axon Public Safety Canada, Inc.

By: Signed by: Robert E. Driscoll Jr. 55DAEBB131A4424...

Robert Driscoll, VP, Assoc. General Counsel

Date: 5/7/2025 | 2:44 PM MST

Docusign Envelope ID: 1A21341D-D25A-412C-81D8-C665C6D2E5C5

Appendix for AI Technology

This AI Appendix shall only apply to Customers who license Axon Cloud Services in a Quote that specifically utilize AI Technology. Unless explicitly defined otherwise, capitalized terms used in this Appendix have the same meaning as those in the Agreement.

1. **Definitions**

1.1 AI Technology. Refers to artificial intelligence functionalities embedded in Axon's Cloud Services, which may include: (a) Enhanced Evidence Management; (b) AI-powered redaction tools; (c) Large Language Model-based tools (e.g., "Draft One" "Policy Chat"); (d) Predictive Analytics for operational insights; or (e) Natural Language Processing (NLP) for text and speech analysis.

1.2 Model Drift. The degradation of AI model performance due to changes in input data or external conditions, requiring retraining or updates.

1.3 **Bias Mitigation.** Strategies and techniques used to identify, measure, and minimize bias in AI Technology.

2. **Scope and Usage**

2.1 **Integration.** Axon AI Technology is intended to improve public safety, streamline operations, and ensure data accuracy. The AI functionalities will only be used as described in the Agreement or applicable documentation.

Data Use. Axon acts as a Data Processor for AI Technology. All inquiries submitted are processed solely to provide accurate responses based on Customer Content submitted. Customer remains the Data Controller of all Customer Content. Axon and Axon's subprocessors do not train their models on Customer Content. Customers who elect to participate in Axon's ACEIP program can enter into custom agreements to assist in product development efforts like AI model training. Even in those cases, Axon operates carefully on redacted data and not on Customer Content.

Automatic Data Collection.AI Technology may automatically collect Non-Content Data about user interactions with the service and their devices to enhance the functionality and security of the system. The details collected include, but are not limited to, the following:

User Engagement and Activity Metrics. AI Technology may track key engagement statistics, including Daily Active Users (DAUs), Weekly Active Users (WAUs), and Monthly Active Users (MAUs). Additional metrics include new user activations, repeat usage rates, total queries submitted, follow-up query volume, session lengths, retention rates, and user satisfaction ratings (e.g., thumbs up/down feedback).

Sales and Adoption Tracking. Axon monitors the number of licenses and agencies purchasing the service, including those in trial phases, fully deploying the service, and conversion rates from trials to paid subscriptions.

End User inputs. Axon may process de-identified end-user inputs to the AI Technology, excluding Customer Content or any data that directly or indirectly identifies individuals.

3. **Axon Responsibilities**

3.1 **Ethical AI Development.** Axon shall: (a) Follow its responsible innovation framework; (b) Engage with the Ethics and Equity Advisory Council (EEAC) for feedback; (c) Conduct testing to minimize bias and ensure reliability; and (d) Implement Bias Mitigation techniques in model development and deployment.

3.2 **Security Program.** Axon will maintain a comprehensive information security program, including logical and physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of digital evidence; and security education.

3.3 **Transparency.** Axon will provide documentation describing AI functionalities and their intended use and disclose any material limitations, risks, or Model Drift incidents.

3.4 **Incident Response.** Axon will promptly address and rectify anomalies in AI functionalities, as outlined in its incident management procedures.

3.5 **Compliance.** Axon will ensure compliance with applicable laws, regulations, and standards, including but not limited to the EU AI Act, NIST AI standards, and ISO/IEC 27001.

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4. **Customer Responsibilities**

4.1 **Ownership of Customer Content.** Customer controls and owns all rights, title, and interest in Customer Content. Axon obtains no interest in Customer Content and will only access Customer Content for limited purposes as outlined in the Agreement.

4.2 **Use of AI Technologies.** Customer must: (a) review AI-generated outputs to ensure accuracy and appropriateness; (b) maintain control over Customer Content shared with AI Technologies (c) comply with applicable laws when using Axon AI Technology and Axon Services; (d) monitor for potential issues with AI outputs, including false positives or negatives; (e) actively opt-in for programs involving data sharing through Axon's ACEIP program; and (f) provide timely feedback on Axon AI Technology performance.

4.3 **Restrictions**. AI Technology is not designed for emergencies, and in such cases, users should contact appropriate emergency services directly. Axon disclaims liability for queries containing prohibited content, such as hate, sexual material, or violence, and reserves the right to restrict such usage.

5. **Policy Chat.** This section outlines the specific terms and conditions related to the use of Policy Chat by the Customer. By utilizing Policy Chat, the Customer agrees to comply with the following provisions:

5.1 **License and Content Restrictions**. Any uploads beyond 5,000 pages may be limited by Axon. It is the Customer's responsibility to manage uploads to ensure system efficiency and compliance with these terms.

5.2 **Data Processing.** Inquiries submitted to Policy Chat are processed solely to provide accurate responses based on existing policy documents provided by the Customer. The Customer remains the Data Controller of all policy content, and Axon's role is strictly limited to facilitating access to this information through Policy Chat.

5.3 **Policy Chat Restrictions.** The information provided by Policy Chat is for informational purposes only and is based on the policy documents uploaded by the Customer. Axon does not guarantee the accuracy, completeness, or timeliness of the information, and disclaims all liability for any reliance placed on such information. Policy Chat is not a substitute for official policy documents, legal advice, or comprehensive training. Users should consult their supervisors, legal advisors, or official sources for the most accurate and up-to-date policy guidance. Changes to policies may not be reflected immediately, and it is the Customer's responsibility to ensure data integrity by uploading the most current documents and removing outdated versions.

6. **Draft One.** Specifically for Customers who utilize Draft One, Axon may impose usage restrictions if a single user generates more than three hundred (300) reports per month for two or more consecutive months.

7. **Brief One.** Brief One includes automatic summarization of all products that can be transcribed. If Customer subscribes to Brief One within a Quote, Customer may utilize Brief One with no limit on the number of pieces of evidence or cases. Notwithstanding the foregoing, Axon may limit evidence and case summaries for cases with over one thousand (1000) pieces of evidence or after three hundred (300) cases per End User per month for two (2) consecutive months in a row.

8. Amendments. Axon reserves the right to amend this Appendix to reflect changes in applicable laws or improvements in AI Technologies. Axon will provide at least 30 days' notice for any substantive changes. Continued use of Axon Devices and Services after the effective date constitutes acceptance of the updated terms.

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Dedrone Product Appendix

If the Quote includes Dedrone Hardware, Dedrone Software, and/or Airspace Security as a Service (collectively "Dedrone Products"), this appendix and the following additional terms shall apply.

1. **Definitions**

1.1 **"Dedrone Data"** means data that Axon maintains regarding a wide variety of drone models and manufacturers in the marketplace ("DedroneDNA", formerly "DroneDNA"), as well as usability information that Axon collects regarding the performance of the Dedrone Software and Dedrone Hardware, aggregate or de-identified Collected Data compiled or used by Axon in accordance with Section 4.2, and any other information that Axon makes available to Customer by means of the Dedrone Software

1.2 **"Dedrone Hardware**" means the Axon drone detection hardware sensor or mitigation products set forth on a Quote and does not include any Third-Party Hardware.

1.3 **"Sensor"** means a radio frequency, video, radar or other hardware sensor for drone detection purchased by Customer from Axon or obtained from any third-party vendor.

1.4 **"Dedrone Software**" means (i) Axon's proprietary drone-tracking software, known as DedroneTracker (formerly DroneTracker), whether deployed on-premise or hosted by Axon as a cloud-based solution, (ii) Axon's video analytics software (currently known as Analytics Server), and/or (iii) software and/or firmware deployed or installed on the Dedrone Hardware or available for download and installation onto Customer's Third-Party Hardware.

1.5 **"Third-Party Hardware"** means hardware products owned by Customer or purchased by Customer from third parties that are used by Customer in conjunction with the Software.

2. **Customer License**

2.1 **Software License.** Subject to the terms of this Agreement, Axon grants Customer a royalty-free, nonexclusive, nontransferable, worldwide right during each Quote Term to use the Dedrone Software, including the Dedrone Data and Collected Data, subject to the terms of the Agreement and this Appendix (the "License"). Customer must purchase a License to the Software for each unit of Dedrone Hardware and/or Third-Party Hardware using Dedrone Software. Accordingly, Customer may only use the Software quantity and type of Hardware and/or Third-Party Hardware units specified on the applicable Quote. If Customer purchases additional Licenses during a current Term, the Term of the new License(s) will be pro-rated to terminate at the end of the then-current License Term. Use of the Dedrone Software is subject to the terms of the Agreement between the parties

2.2 **Restrictions.** Customer will not: (i) use (or allow a third party to use) the Dedrone Products in order to monitor the availability, security, performance, or functionality of the Dedrone Products, or for any other benchmarking or competitive purposes; (ii) market, sublicense, resell, lease, loan, transfer, or otherwise commercially exploit the Dedrone Products; (iii) modify, create derivative works, decompile, reverse engineer, attempt to gain access to the source code, or copy the Dedrone Products or any of their components; (iv) use the Dedrone Products to conduct any fraudulent, malicious, or illegal activities; or (v) use the Dedrone Products in contravention of any applicable laws or regulations (each of (i) through (v), a ("Prohibited Use").

3. **Customer Obligations**

3.1 **Compliance.** Customer will use the Dedrone Products only in accordance with applicable specifications (the "Specifications") and in compliance with all applicable laws, including all applicable export laws and regulations of the United States or any other country. Customer acknowledges that due to the nascent nature of drone detection and mitigation technologies applicable laws and regulations may be changing or emerging over time, and agrees that it is Customer's responsibility to keep itself aware and remain compliant with the current laws and regulations that may apply, including but not limited to those that may apply to advanced features available at Customer's option in the Dedrone Software. Customer will ensure that none of the Dedrone Products are directly or indirectly exported, re-exported, or used to provide services in violation of such export laws and regulations. Axon reserves the right to suspend use of any Dedrone Products operating in violation of such

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laws, following written notice to Customer. If Customer uses a radio jammer, or any other controlled device, in connection with the Dedrone Software, Customer represents to Axon that it is authorized to do so by the relevant authorities, that it will do so only in accordance with such authorization, and it will provide supporting documentation regarding such authorization upon request. Customer may be required to obtain legal authorization before any purchase or use of hardware sold by third parties. Axon shall not be liable if any government export authorization is delayed, denied, revoked, restricted or not renewed, nor shall any such delay, denial, revocation, restriction or non-renewal shall not constitute a breach of the Agreement by Axon.

3.2 **Computing Environment.** Customer is responsible for the maintenance and security of its own network and computing environment that it uses to host and/or access the Dedrone Products and for ensuring that any Third-Party Hardware meets the necessary specifications for use with the Dedrone Software.

4. **Data Protection**

4.1 **Data.** If Customer licenses Dedrone Software, as part of its operation, the Dedrone Software may collect and send to servers owned, operated or controlled by Axon data or other information regarding Customer's use of the Dedrone Software, which may include (i) information generated by each Sensor deployed by Customer, including information related to the date, time, and duration of the detection of the drone, as well as the locations of the detected drones and remote controls and of the Sensor itself (collectively, "Sensor Data"), and (ii) video recording of the detected drones, including flight path ("Video Data") (Sensor Data and Video Data are collectively referred to as "Collected Data").

4.2 **Use of Collected Data**. Axon has the right to use Collected Data for any purpose, including: (i) improving any Dedrone Product; (ii) analyzing any Dedrone Product or the performance of any Dedrone Product; or (iii) compiling or using aggregate or de-identified Collected Data with other customers, or government and law enforcement entities, with or without compensation. Customer acknowledges that Axon may learn from the performance or use of any Dedrone Product, and Axon shall have the sole right to exploit any modification, enhancement or improvement of any Dedrone Product resulting from such learning.

4.3 **User Data**. To the extent Axon uses User login information, including name, email, username, and password (collectively, "User Data") for any purpose other than to provide services to the Customer, such User Data will be deidentified and anonymized, and will not be identified as having come from Customer, except that Axon may disclose User Data where Axon, in good faith, believes that the law or legal process (such as a court order, search warrant or subpoena) requires Axon to do so.

4.4 **Security**. Axon maintains industry standard physical, technical, and administrative safeguards (the "Security Measures") to protect Collected Data.

4.5 **No Access.** Except for User Data, Axon does not (and will not) collect, process, store, or otherwise have access to any personal information, about End Users or users of Customer's products or services.

5. **Ownership.**

5.1 **Axon Property**. Axon owns and retains all right, title, and interest in and to the Dedrone Data, Collected Data, the Dedrone Software, and all intellectual property embodied in the Dedrone Hardware, if the Dedrone Hardware is provided by Axon. Except for the limited license granted to Customer in Section 2.1, Axon does not by means of this Agreement or otherwise transfer or license any rights in the Dedrone Products to Customer, whether by implication, estoppel or otherwise. To the maximum extent permitted by applicable law Customer will take no action inconsistent with Axon intellectual property rights in the Dedrone Products or any Dedrone Data.

5.2 **Customer Property**. Customer owns and retains all right, title, and interest in and to the User Data and does not by means of this Agreement or otherwise transfer any rights in the User Data to Axon, except for the limited rights set forth in Section 4.3.

6. **Government Restricted Rights**. To the extent that Customer is an agency or instrumentality of the U.S. government, the parties agree that the Dedrone Software and documentation are commercial computer software

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and commercial computer software documentation, respectively, and Customer's rights therein are as specified in this License, per FAR 12.212 and DFARS 227.7202-3, as applicable, or in the case of NASA, subject to NFS 1852.22.

7. **Updates.** The Dedrone Software may include functionality that allows it to automatically download updates that may be made available by Axon. Customer consents to the installation of such functionality.

Introduced: 9/5/2025

Current Status: Public Works, Facilities & Parks - Consent

Version: 1

Matter Type: BoS Agreement

a. Approve Amendment No. 4 to Standard Agreement No. A-14553, Multi-Year Agreement #3200*4823, with Cal-West Lighting and Signal Maintenance, Inc. to provide traffic signal and lighting maintenance repair services for various locations within the County of Monterey, under Request for Proposals #10680, with the term of November 6, 2019 to October 31, 2025, and increase not to exceed maximum by $250,000 to a total of $740,150 and
b. Authorize the Contracts & Purchasing Officer or their designee to execute Amendment No. 4 to Standard Agreement No. A-14553 and future amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the approved Agreement amount.

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Approve Amendment No. 4 to Standard Agreement No. A-14553, Multi-Year Agreement #3200*4823, with Cal-West Lighting and Signal Maintenance, Inc. to provide traffic signal and lighting maintenance repair services for various locations within the County of Monterey, under Request for Proposals #10680, with the term of November 6, 2019 to October 31, 2025, and increase not to exceed maximum by $250,000 to a total of $740,150 and
b. Authorize the Contracts & Purchasing Officer or their designee to execute Amendment No. 4 to Standard Agreement No. A-14553 and future amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the approved Agreement amount.

SUMMARY/DISCUSSION:
The recommended actions would allow for the approval of Amendment No. 4 to Standard Agreement (SA) No. A-14553 with Cal-West Lighting and Signal Maintenance, Inc. (Cal-West) to increase the not to exceed maximum of $490,150 by $250,000 to a total of $740,150, to allow for continued traffic signal and lighting maintenance repair services for various locations within the County of Monterey.

On September 19, 2019, the County of Monterey, Department of Public Works, Facilities and Parks (PWFP) solicited proposals from qualified consultants through Request for Proposals (RFP) #10680 for traffic signal and lighting maintenance and on-call repair services. The competitive selection process was conducted in accordance with County policies and State and Federal laws under RFP #10680. Cal-West was selected for their expertise and capabilities necessary to provide these services under a SA which was approved by the County of Monterey Board of Supervisors (Board) on November 5, 2019. The current SA with Cal-West is due to expire on October 31, 2025. On July 17, 2025, a new RFP (RFP #10915) was released to solicit proposals from qualified consultants

for these services.

In the past year, PWFP has experienced episodic traffic signal and lighting repair needs to replace failed battery back-up systems, repair work associated with damages incurred in Pajaro, vandalism to equipment, repair and replacement of damaged traffic signal equipment resulting from vehicle collision incidents, and additional funds are required for traffic signal and lighting repair services. PWFP staff recommends that the Board approve the proposed Amendment No. 4 (Attachment A) to the SA. Amendment No. 4 increases the not to exceed maximum of $490,150 by $250,000 to a total of $740,150. This increase will allow Cal-West to perform necessary traffic equipment repairs and maintenance, ensuring service coverage through the end of the SA term on October 31, 2025.

Attachments B through F, provided for reference, include Amendment Nos. 1-3 to the SA, the SA, a summary of the SA and annual expenditures and balance of the SA to date.

OTHER AGENCY INVOLVEMENT:
The Office of the County Counsel and the Auditor-Controller's Office have reviewed and approved Amendment No. 4 as to form, and fiscal provisions, respectively.

FINANCING:
Costs associated with Amendment No. 4 will be incurred through October 31, 2025. The Adopted Budget for FY 2025-26 includes sufficient appropriations in the Road Fund 002, Appropriation Unit PFP004 to cover costs related to Amendment No. 4.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

This action supports the Board's Strategic Plan Goals for Infrastructure.
___ Well-Being and Quality of Life
_X_ Sustainable Infrastructure for the Present and Future
___ Safe and Resilient Communities
___ Diverse and Thriving Economy

Prepared by: Jose Miguel Sanchez, EIT, Assistant Engineer, (831) 796-3009
Janie Bettencourt, Management Analyst II
Reviewed by: Chad Alinio, PE, Senior Civil Engineer
Enrique Saavedra, PE, Chief of Public Works
Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

The following attachments are on file with the Clerk of the Board:
Attachment A - Proposed Amendment No. 4 to SA
Attachment B - Amendment No. 3 to SA
Attachment C - Amendment No. 2 to SA
Attachment D - Amendment No. 1 to SA
Attachment E - SA
Attachment F - Summary of SA and Annual Expenditures and Balance

Introduced: 9/5/2025
Version: 1

Current Status: Agenda Ready
Matter Type: BoS Agreement

a. Approve Amendment No. 4 to Standard Agreement No. A-14553, Multi-Year Agreement #3200*4823, with Cal-West Lighting and Signal Maintenance, Inc. to provide traffic signal and lighting maintenance repair services for various locations within the County of Monterey, under Request for Proposals #10680, with the term of November 6, 2019 to October 31, 2025, and increase not to exceed maximum by $250,000 to a total of $740,150 and
b. Authorize the Contracts & Purchasing Officer or their designee to execute Amendment No. 4 to Standard Agreement No. A-14553 and future amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the approved Agreement amount.

RECOMMENDATION:
It is recommended that the Board of Supervisors:
a. Approve Amendment No. 4 to Standard Agreement No. A-14553, Multi-Year Agreement #3200*4823, with Cal-West Lighting and Signal Maintenance, Inc. to provide traffic signal and lighting maintenance repair services for various locations within the County of Monterey, under Request for Proposals #10680, with the term of November 6, 2019 to October 31, 2025, and increase not to exceed maximum by $250,000 to a total of $740,150 and
b. Authorize the Contracts & Purchasing Officer or their designee to execute Amendment No. 4 to Standard Agreement No. A-14553 and future amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the approved Agreement amount.

SUMMARY/DISCUSSION:
The recommended actions would allow for the approval of Amendment No. 4 to Standard Agreement (SA) No. A-14553 with Cal-West Lighting and Signal Maintenance, Inc. (Cal-West) to increase the not to exceed maximum of $490,150 by $250,000 to a total of $740,150, to allow for continued traffic signal and lighting maintenance repair services for various locations within the County of Monterey.

On September 19, 2019, the County of Monterey, Department of Public Works, Facilities and Parks (PWFP) solicited proposals from qualified consultants through Request for Proposals (RFP) #10680 for traffic signal and lighting maintenance and on-call repair services. The competitive selection process was conducted in accordance with County policies and State and Federal laws under RFP #10680. Cal-West was selected for their expertise and capabilities necessary to provide these services under a SA which was approved by the County of Monterey Board of Supervisors (Board) on November 5, 2019. The current SA with Cal-West is due to expire on October 31, 2025. On July 17, 2025, a new RFP (RFP #10915) was released to solicit proposals from qualified consultants for these services.

In the past year, PWFP has experienced episodic traffic signal and lighting repair needs to replace failed battery back-up systems, repair work associated with damages incurred in Pajaro, vandalism to equipment, repair and replacement of damaged traffic signal equipment resulting from vehicle collision incidents, and additional funds are required for traffic signal and lighting repair services. PWFP staff recommends that the Board approve the proposed Amendment No. 4 (Attachment A) to the SA. Amendment No. 4 increases the not to exceed maximum of $490,150 by $250,000 to a total of $740,150. This increase will allow Cal-West to perform necessary traffic equipment repairs and maintenance, ensuring service coverage through the end of the SA term on October 31, 2025.

Attachments B through F, provided for reference, include Amendment Nos. 1-3 to the SA, the SA, a summary of the SA and annual expenditures and balance of the SA to date.

OTHER AGENCY INVOLVEMENT:
The Office of the County Counsel and the Auditor-Controller's Office have reviewed and approved Amendment No. 4 as to form, and fiscal provisions, respectively.

FINANCING:
Costs associated with Amendment No. 4 will be incurred through October 31, 2025. The Adopted Budget for FY 2025-26 includes sufficient appropriations in the Road Fund 002, Appropriation Unit PFP004 to cover costs related to Amendment No. 4.

BOARD OF SUPERVISORS STRATEGIC PLAN GOALS:

This action supports the Board's Strategic Plan Goals for Infrastructure.
___ Well-Being and Quality of Life
_X_ Sustainable Infrastructure for the Present and Future
___ Safe and Resilient Communities
___ Diverse and Thriving Economy

Prepared by: Jose Miguel Sanchez, EIT, Assistant Engineer, (831) 796-3009
Janie Bettencourt, Management Analyst II
Reviewed by: Chad Alinio, PE, Senior Civil Engineer
Enrique Saavedra, PE, Chief of Public Works
Approved by: Randell Ishii, MS, PE, TE, PTOE, Director of Public Works, Facilities and Parks

The following attachments are on file with the Clerk of the Board:
Attachment A - Proposed Amendment No. 4 to SA
Attachment B - Amendment No. 3 to SA
Attachment C - Amendment No. 2 to SA
Attachment D - Amendment No. 1 to SA
Attachment E - SA
Attachment F - Summary of SA and Annual Expenditures and Balance

Attachment A

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AMENDMENT NO. 4
TO STANDARD AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
CAL-WEST LIGHTING AND SIGNAL MAINTENANCE, INC.

THIS AMENDMENT NO. 4 to Standard Agreement No. A-14553 between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and Cal-West Lighting and Signal Maintenance, Inc. (hereinafter, "CONTRACTOR") is hereby entered into between the County and the CONTRACTOR (collectively, the "Parties") and effective as of the last date opposite the respective signatures below.

WHEREAS, County entered into Standard Agreement No. A-14553 with Cal-West Lighting and Signal Maintenance, Inc. on November 14, 2019 (hereinafter, "Agreement") to provide traffic signal and lighting maintenance repair services (hereinafter, "services") for various locations within Monterey County per Request for Proposals (RFP) #10680 through October 31, 2022, with the option to extend the Agreement for two (2) additional one (1) year period(s), for an amount not to exceed $309,228; and

WHEREAS, the Agreement was amended by the Parties on September 22, 2022 (hereinafter, "Amendment No. 1", including Exhibit A-1 – Scope of Services/Payment Provisions) to update the provisions and Exhibit A, to extend the term for one (1) additional year through October 31, 2023, and to increase the amount by $30,922 which resulted in a total not to exceed amount of $340,150; and

WHEREAS, the Agreement was amended by the Parties on October 13, 2023 (hereinafter, "Amendment No. 2") to extend the term for one (1) additional year through October 31, 2024 and to increase the amount by $150,000 ($38,076 for Traffic Signal Maintenance and $111,924 for Ordinary/Extraordinary Traffic and Road Maintenance) which resulted in a total not to exceed amount of $490,150; and

WHEREAS, the Agreement was amended by the Parties on October 1, 2024 (hereinafter, "Amendment No. 3") to update various provisions and to extend the term for one (1) additional year through October 31, 2025 with no increase in the not to exceed amount; and

WHEREAS, various provisions of the Agreement require an update; and

WHEREAS, additional funding is necessary to allow CONTRACTOR to continue to provide the services required by the County; and

WHEREAS, the Parties wish to further amend the Agreement to update various provisions and to increase the amount by $250,000 (for Ordinary/Extraordinary Traffic and Road Maintenance) for a total amount not to exceed $740,150 with no term extension to allow CONTRACTOR to continue to provide services identified in the Agreement and as amended by this Amendment No. 4.

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NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Amend Paragraph 2.0, "Payment Provisions", to read as follows:

   County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A-1**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of $740,150.

2. Amend Paragraph 6.0, "Payment Conditions", to read as follows:

   6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

   6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.

   6.03 Invoice amounts shall be billed directly to the ordering department.

   6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

   6.05 CONTRACTOR shall not receive reimbursement for mileage or travel expenses unless set forth in this Agreement.

3. Amend Section 9.04, "Other Requirements", of Paragraph 9.0, "Insurance Requirements", to read as follows:

   All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years

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following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Additional Insured Status:
The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the auto liability policy for liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the CONTRACTOR. Auto Liability coverage shall be provided in the form of an endorsement to the CONTRACTOR's insurance.

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage:
For any claims related to this Agreement, the CONTRACTOR's insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects to the County, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents, or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Workers' Compensation Waiver of Subrogation:
The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against COUNTY, its officers, officials, employees, agents, or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by CONTRACTOR. Should CONTRACTOR be self-insured for workers' compensation, CONTRACTOR hereby agrees to waive its right of subrogation against COUNTY, its officers, officials, employees, agents, or volunteers.

Docusign Envelope ID: 081D6D96-2D0C-4F19-A676-75345DD9385A

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance and endorsements with the County's Contract Administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

4. Amend Paragraph 10.0, "Records and Confidentiality", to add Section 10.06, "Format of Deliverables", as follows:

   For this section, "Deliverables" shall mean all electronic documents CONTRACTOR provides to the County under this Agreement. CONTRACTOR shall ensure all Deliverables comply with the requirements of the Web Content Accessibility Guidelines ("WCAG") 2.1, pursuant to the Americans with Disabilities Act ("ADA"). CONTRACTOR bears the burden to deliver Deliverables, such as Adobe Acrobat Portable Document Format ("PDF") and Microsoft Office files, complying with WCAG 2.1. CONTRACTOR shall defend and indemnify the County against any breach of this Section. This Section shall survive the termination of this Agreement. Find more on Accessibility at this State website: https://webstandards.ca.gov/accessibility/.

5. All other terms and conditions of the Agreement, including all Exhibits thereto, shall remain unchanged and in full force.

6. This Amendment No. 4 and all previous amendments shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement.

7. The recitals to this Amendment No. 4 are incorporated into the Agreement and this Amendment No. 4.

Docusign Envelope ID: 081D6D96-2D0C-4F19-A676-75345DD9385A

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 4 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY
Chief Contracts and Procurement Officer

By: _____

Its: _____
(Print Name and Title)

Date: _____

CONTRACTOR*

Cal-West Lighting and Signal Maintenance, Inc.

By: Craig H. Geis Jr.

Its: Craig H. Geis, Jr., President
(Print Name and Title)

Date: 8/29/25

Approved as to Form
Office of the County Counsel
Susan K. Blitch, County Counsel

By: Signed by: Mary Grace Perry 76A18B9BA72D498...
Mary Grace Perry
Deputy County Counsel

Date: 9/2/2025 | 2:32 PM PDT

By: Sherry Geis

Its: Sherry A. Geis, Secretary
(Print Name and Title)

Date: 8/29/25

Approved as to Fiscal Provisions
Rupa Shah, Auditor-Controller

By: DocuSigned by: Patricia Ruiz E79EF64E57454F6...

Its: Patricia Ruiz Auditor Controller Analyst I
(Print Name and Title)

Date: 9/3/2025 | 8:05 AM PDT

Approved as to Indemnity and Insurance Provisions
Office of the County Counsel-Risk Management
Susan K. Blitch, County Counsel

By: _____
David Bolton
Risk Manager

Date: _____

* INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers (California Corporations Code, §313). If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of either 1) any member, or 2) two (2) managers (Corporations Code, §17703.01, subds. (a) and (d)). If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign.

Attachment B

Docusign Envelope ID: AA320CA0-D20D-4C90-845B-50C6E0C11D3D

AMENDMENT NO. 3
TO STANDARD AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
CAL-WEST LIGHTING AND SIGNAL MAINTENANCE, INC.

THIS AMENDMENT NO. 3 to Standard Agreement No. A-14553 between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and Cal-West Lighting and Signal Maintenance, Inc. (hereinafter, "CONTRACTOR") is hereby entered into between the County and the CONTRACTOR (collectively, the "Parties") and effective as of the last date opposite the respective signatures below.

WHEREAS, County entered into Standard Agreement No. A-14553 with Cal-West Lighting and Signal Maintenance, Inc. on November 14, 2019 (hereinafter, "Agreement") to provide traffic signal and lighting maintenance repair services (hereinafter, "services") for various locations within Monterey County per Request for Proposals (RFP) #10680 through October 31, 2022, with the option to extend the Agreement for two (2) additional one (1) year period(s), for an amount not to exceed $309,228; and

WHEREAS, the Agreement was amended by the Parties on September 22, 2022 (hereinafter, "Amendment No. 1", including Exhibit A-1 – Scope of Services/Payment Provisions) to update the provisions and Exhibit A, to extend the term for one (1) additional year through October 31, 2023, and to increase the amount by $30,922 which resulted in a total not to exceed amount of $340,150; and

WHEREAS, the Agreement was amended by the Parties on October 13, 2023 (hereinafter, "Amendment No. 2") to extend the term for one (1) additional year through October 31, 2024 and to increase the amount by $150,000 ($38,076 for Traffic Signal Maintenance and $111,924 for Ordinary/Extraordinary Traffic and Road Maintenance) which resulted in a total not to exceed amount of $490,150; and

WHEREAS, the provisions of the Agreement require an update; and

WHEREAS, the County has a continued need for services beyond the anticipated five (5) year Agreement term allowed for Agreement per RFP #10680; and

WHEREAS, additional time is necessary to allow CONTRACTOR to continue to provide the services required by the County and to allow County staff to prepare and process a new RFP for these services; and

WHEREAS, the Parties wish to further amend the Agreement to update the provisions and to extend the term for one (1) additional year to October 31, 2025 with no associated dollar amount increase to allow CONTRACTOR to continue to provide services identified in the Agreement and as amended by this Amendment No. 3.

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NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Amend the first sentence of Section 3.01 of Paragraph 3.0, "Term of Agreement", to read as follows:

   The term of this Agreement is from November 6, 2019 to October 31, 2025, unless sooner terminated pursuant to the terms of this Agreement.

2. Amend Paragraph 6.0, "Payment Conditions", to read as follows:

   6.01 Prices/rate changes shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

   6.02 Negotiations for price/rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.

   6.03 Invoice amounts shall be billed directly to the ordering department.

   6.04 CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to County. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the County may require. The Contract Administrator or his or her designee shall certify the invoice; either in the requested amount or in such other amount as the County approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

   6.05 If reimbursement for mileage expenses is set forth in this Agreement in Exhibit A – Scope of Services/Payment Provisions, then the Parties agree that CONTRACTOR and its subcontractors shall be reimbursed for mileage based upon the Internal Revenue Service (IRS) standard business mileage rate at the time of travel.

3. Amend Section 9.03, "Insurance Coverage Requirements", of Paragraph 9.0, "Insurance Requirements", to read as follows:

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Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance: including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence, and $2,000,000 in the aggregate.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Auto Liability Coverage: must include motor vehicles, including scheduled, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance: if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

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(Note: Professional liability insurance coverage is required if the CONTRACTOR is providing a professional service regulated by the state. Examples of service providers regulated by the state are insurance agents, professional architects and engineers, doctors, certified public accountants, lawyers, etc. However, other professional contractors, such as computer or software designers, technology services, and services providers such as claims administrators, should also have professional liability. If in doubt, consult with your risk or contract manager.)

If the CONTRACTOR maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the CONTRACTOR.

4. Amend Section 9.04, "Other Requirements", of Paragraph 9.0, "Insurance Requirements", to read as follows:

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Additional Insured Status:
The County of Monterey, its officers, officials, employees, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage:
For any claims related to this Agreement, the CONTRACTOR's insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects to the

Docusign Envelope ID: AA320CA0-D20D-4C90-845B-50C6E0C11D3D

County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Waiver of Subrogation:
CONTRACTOR hereby grants to County a waiver of any right to subrogation which any insurer of said CONTRACTOR may acquire against the County by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's Contract Administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

5. In all places within the Agreement, any reference to County's email address of PWFP-Finance-AP@co.monterey.ca.us for invoicing, is hereby replaced with PWFP-Finance-AP@countyofmonterey.gov.

6. All other terms and conditions of the Agreement, including all Exhibits thereto, shall remain unchanged and in full force.

7. This Amendment No. 3 and all previous amendments shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement.

8. The recitals to this Amendment No. 3 are incorporated into the Agreement and this Amendment No. 3.

Docusign Envelope ID: AA320CA0-D20D-4C90-845B-50C6E0C11D3D

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 3 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY
Debra R. Wilson, Contracts/Purchasing Officer

By: DocuSigned by: Debra Wilson 7B741937AA0D41B...

Its: Debra Wilson Contracts & Purchasing Officer
(Print Name and Title)

Date: 10/1/2024 | 9:34 AM PDT

CONTRACTOR*
Cal-West Lighting and Signal Maintenance, Inc.

By: Craig H. Geis Jr.

Its: Craig H. Geis, Jr., President
(Print Name and Title)

Date: September 26, 2024

Approved as to Form
Office of the County Counsel
Susan K. Blitch, County Counsel

By: Signed by: Michael Whilden 2C6F38174D4940D...

Michael J. Whilden
Deputy County Counsel

Date: 9/30/2024 | 4:52 PM PDT

By: Sherry Geis

Its: Sherry A. Geis, Secretary
(Print Name and Title)

Date: September 26, 2024

Approved as to Fiscal Provisions
Rupa Shah, Auditor-Controller

By: DocuSigned by: Jennifer Forsyth 4E7E657875454AE...

Its: Jennifer Forsyth Auditor-Controller Analyst II
(Print Name and Title)

Date: 9/30/2024 | 5:10 PM PDT

Approved as to Indemnity and Insurance Provisions
Office of the County Counsel-Risk Management
Susan K. Blitch, County Counsel

By: _____

David Bolton
Risk Manager

Date: _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers per California Corporations Code Section 313. If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of two (2) managers. If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement or Amendment to said Agreement

Attachment C

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Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Glenn Church, seconded by Supervisor Wendy Root Askew to:

Agreement No.: A-14553 ; Amendment No.: 2
a. Approve Amendment No. 2 to Standard Agreement No. A-14553, Multi-Year Agreement #3200*4823, with Cal-West Lighting and Signal Maintenance, Inc. to provide traffic signal and lighting maintenance repair services for various locations within Monterey County, under Request for Proposals #10680, to extend the expiration date for one additional year through October 31, 2024, for a revised term of November 6, 2019 to October 31, 2024, and increase the not to exceed maximum by $150,000 to a total of $490,150; and
b. Authorize the Contracts & Purchasing Officer or their designee to execute Amendment No. 2 to Standard Agreement No. A-14553 and future amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the approved Agreement amount.

PASSED AND ADOPTED on this 26th day of September 2023, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew, and Adams
NOES: None
ABSENT: None
(Government Code 54953)

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting September 26, 2023.

Dated: September 28, 2023
File ID: A 23-438
Agenda Item No.: 31

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Vicente Ramirez, Deputy

DocuSign Envelope ID: 102A9E50-DAF8-4798-9F5E-2E3D9E52F31E

AMENDMENT NO. 2
TO STANDARD AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
CAL-WEST LIGHTING AND SIGNAL MAINTENANCE, INC.

THIS AMENDMENT NO. 2 to Standard Agreement No. A-14553 between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and Cal-West Lighting and Signal Maintenance, Inc. (hereinafter, "CONTRACTOR") is hereby entered into between the County and the CONTRACTOR (collectively, the "Parties") and effective as of the last date opposite the respective signatures below.

WHEREAS, County entered into Standard Agreement No. A-14553 with Cal-West Lighting and Signal Maintenance, Inc. on November 14, 2019 (hereinafter, "Agreement") to provide traffic signal and lighting maintenance repair services (hereinafter, "services") for various locations within Monterey County per Request for Proposals (RFP) #10680 through October 31, 2022, with the option to extend the Agreement for two (2) additional one (1) year period(s), for an amount not to exceed $309,228; and

WHEREAS, the Agreement was amended by the Parties on September 22, 2022 (hereinafter, "Amendment No. 1", including Exhibit A-1 – Scope of Services/Payment Provisions) to update the provisions and Exhibit A, to extend the term for one (1) additional year through October 31, 2023, and to increase the amount by $30,922 which resulted in a total not to exceed amount of $340,150; and

WHEREAS, the County has a continued need for services; and

WHEREAS, the Parties agree that the Fee Schedule in Attachment A-1 of Exhibit A-1 - Scope of Services/Payment Provisions of the Agreement remains valid through October 31, 2024; and

WHEREAS, additional time and funding are necessary to allow CONTRACTOR to continue to provide the services required by the County; and

WHEREAS, the Parties wish to further amend the Agreement to extend the term for one (1) additional year to October 31, 2024 and to increase the amount by $150,000 ($38,076 for Traffic Signal Maintenance and $111,924 for Ordinary/Extraordinary Traffic and Road Maintenance) for a total amount not to exceed $490,150 to allow CONTRACTOR to continue to provide services identified in the Agreement and as amended by this Amendment No. 2.

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NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Amend Paragraph 2.0, "Payment Provisions", to read as follows:

   County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A-1**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of $490,150.

2. Amend the first sentence of Section 3.01 of Paragraph 3.0, "Term of Agreement", to read as follows:

   The term of this Agreement is from November 6, 2019 to October 31, 2024, unless sooner terminated pursuant to the terms of this Agreement.

3. All other terms and conditions of the Agreement, including all Exhibits thereto, shall remain unchanged and in full force.

4. This Amendment No. 2 and the previous Amendment No. 1 shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement.

5. The recitals to this Amendment No. 2 are incorporated into the Agreement and this Amendment No. 2.

DocuSign Envelope ID: 102A9E50-DAF8-4798-9F5E-2E3D9E52F31E

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 2 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY
Debra R. Wilson, Contracts/Purchasing Officer

DocuSigned by:
By: Angelica Rulas
4DEC1176E799451...

Its: Deputy Purchasing Agent
(Print Name and Title)

Date: 10/13/2023 | 11:22 AM PDT

Approved as to Form
Office of the County Counsel
Michael J. Whilden, County Counsel

DocuSigned by:
By: Michael Whilden
0F98C5BE9B6F476...

Michael J. Whilden
Deputy County Counsel

Date: 8/17/2023 | 1:19 PM PDT

Approved as to Fiscal Provisions
Rupa Shah, Auditor-Controller

DocuSigned by:
By: Patricia Ruiz
E79EF64E57454F6...

Its: Patricia Ruiz Auditor Controller Analyst I
(Print Name and Title)

Date: 8/18/2023 | 11:24 AM PDT

Approved as to Indemnity and Insurance Provisions
Office of the County Counsel-Risk Management
Leslie J. Girard, County Counsel

By: _____

Its: _____
(Print Name and Title)

Date: _____

CONTRACTOR*
Cal-West Lighting and Signal Maintenance, Inc.

DocuSigned by:
By: Craig H. Geis
08A7240B9D5E46C...

Its: Craig H. Geis, Jr., President
(Print Name and Title)

Date: 8/17/2023 | 10:24 AM PDT

DocuSigned by:
By: Sherry A. Geis
7E6D942C861C4E2...

Its: Sherry A. Geis, Secretary
(Print Name and Title)

Date: 8/17/2023 | 10:27 AM PDT

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers per California Corporations Code Section 313. If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of two (2) managers. If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement or Amendment to said Agreement.

Attachment D

DocuSign Envelope ID: F89C2786-5D05-4A60-99E0-1C8F9037B2B9

AMENDMENT NO. 1
TO STANDARD AGREEMENT
BETWEEN COUNTY OF MONTEREY AND
CAL-WEST LIGHTING AND SIGNAL MAINTENANCE, INC.

THIS AMENDMENT NO. 1 to Standard Agreement No. A-14553 between the County of Monterey, a political subdivision of the State of California (hereinafter, "County") and Cal-West Lighting and Signal Maintenance, Inc. (hereinafter, "CONTRACTOR") is hereby entered into between the County and the CONTRACTOR (collectively, the "Parties") and effective as of the last date opposite the respective signatures below.

WHEREAS, CONTRACTOR entered into Standard Agreement No. A-14553 with County on November 14, 2019 (hereinafter, "Agreement") to provide traffic signal and lighting maintenance repair services for various locations within Monterey County (hereinafter, "services") through October 31, 2022 for an amount not to exceed $309,228 with the option to extend the Agreement for two (2) additional one (1) year period(s); and

WHEREAS, the County has a continued need for services; and

WHEREAS, additional time and funding are necessary to allow CONTRACTOR to continue to provide the services required by the County; and

WHEREAS, the provisions of the Agreement and Exhibit A require an update; and

WHEREAS, the Parties wish to amend the Agreement to update the provisions and Exhibit A, to extend the term one (1) additional year to October 31, 2023, and to increase the amount by $30,922 for a total amount not to exceed $340,150 to allow CONTRACTOR to continue to provide services identified in the Agreement and as amended by this Amendment No. 1.

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

1. Amend the first sentence of Section 3.01 of Paragraph 3.0, "Term of Agreement", to read as follows:

   The term of this Agreement is from November 6, 2019 to October 31, 2023, unless sooner terminated pursuant to the terms of this Agreement.

2. Amend Paragraph 4.0, "Scope of Services and Additional Provisions", to delete "Exhibit A, Scope of Services/Payment Provisions" and to add "Exhibit A-1, Scope of Services/Payment Provisions".

3. In all places within the Agreement, any reference to "Exhibit A, Scope of Services/Payment Provisions" is hereby replaced with "Exhibit A-1, Scope of Services/Payment Provisions".

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4. Amend Section 11.01 of Paragraph 11.0, "Non-Discrimination", to read as follows:

   During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code §12940(a), either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

5. Amend Agreement to revise Paragraph 16.0, "Signature Page", to Paragraph 18.0, "Signature Page".

6. Amend Agreement to add Paragraph 16.0, "Compliance with Applicable Laws", as follows:

   16.01 CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT as well as any privacy laws including, if applicable, HIPAA. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.

   16.02 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

   16.03 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations, and guidelines that are in force at the time such documentation is prepared.

7. Amend Agreement to add Paragraph 17.0, "Consent to Use of Electronic Signatures", as follows:

   17.01 The parties to this Agreement consent to the use of electronic signatures via DocuSign to execute this Agreement. The parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 U.S.C. Section 7001 et seq.; California Government Code Section 16.5; and, California Civil Code Section 1633.1 *et seq.* Pursuant to said state and federal law as may be amended from time to time, the parties to this Agreement hereby authenticate and execute this Agreement, and any and all Exhibits to this Agreement, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF).

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17.02 Counterparts. The parties to this Agreement understand and agree that this Agreement can be executed in two (2) or more counterparts and transmitted electronically via facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) via email transmittal.

17.03 Form: Delivery by E-Mail or Facsimile. Executed counterparts of this Agreement may be delivered by facsimile transmission or by delivery of a scanned counterpart in portable format (PDF) by e-mail transmittal, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart or counterparts had been delivered to the other party in person.

8. In all places within the Agreement, any reference to "Resource Management Agency (RMA) – Public Works, Parks and Facilities" is hereby replaced with "Department of Public Works, Facilities and Parks (PWFP)".

9. All other terms and conditions of the Agreement, including all Exhibits thereto, remain unchanged and in full force.

10. This Amendment No. 1 shall be attached to the Agreement and incorporated therein as if fully set forth in the Agreement.

11. The recitals to this Amendment No. 1 are incorporated into the Agreement and this Amendment No. 1.

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IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 1 to the Agreement which shall be effective as of the last date opposite the respective signatures below.

COUNTY OF MONTEREY

By: DocuSigned by: Angelica Ruelas 4DFC1176E799451...
Contracts/Purchasing Officer

Date: 9/22/2022 | 2:53 PM PDT

Approved as to Form
Office of the County Counsel
Leslie J. Girard, County Counsel

By: DocuSigned by: Mary Grace Perry A1933B26E717442...
Mary Grace Perry
Deputy County Counsel

Date: 9/21/2022 | 4:34 PM PDT

Approved as to Fiscal Provisions

By: DocuSigned by: Jennifer Forsyth 4E7E657875454AE...
Auditor/Controller

Date: 9/22/2022 | 1:24 PM PDT

Approved as to Indemnity and Insurance Provisions
Office of the County Counsel
Leslie J. Girard, County Counsel

By:
Danielle P. Mancuso
Risk Manager

Date:

CONTRACTOR*

Cal-West Lighting and Signal Maintenance, Inc.
Contractor's Business Name

By:
(Signature of Chair, President or Vice President)

Its: Craig H. Geis, Jr., President
(Print Name and Title)

Date: 9-21-22

By:
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Its: Frank A. Garcia, Treasurer
(Print Name and Title)

Date: 9-21-22

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers per California Corporations Code Section 313. If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of two (2) managers. If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement or Amendment to said Agreement.

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EXHIBIT A-1 – SCOPE OF SERVICES/PAYMENT PROVISIONS

To Agreement by and between
County of Monterey, hereinafter referred to as "County"
and
Cal-West Lighting & Signal Maintenance, Inc., hereinafter referred to as "CONTRACTOR"

SCOPE OF SERVICES

The scope of services includes but is not limited to the following:

CONTRACTOR Minimum Work Performance Percentage: CONTRACTOR shall perform with his/her/its own organization Agreement work amounting to not less than fifty percent (50%) of the original total Agreement price, except that any designated 'Specialty Items' may be performed by subcontract and the amount of any such 'Specialty Items' so performed may be deducted from the original total Agreement price before computing the amount of work required to be performed by CONTRACTOR with his/her/its organization.

The work to be done consists, in general, of preventive maintenance and extraordinary maintenance and repair of traffic signal and lighting systems.

CONTRACTOR must hold a current C-10 License issued by the California Contractors State Licensing Board.

CONTRACTOR must possess all the equipment and qualified personnel necessary for the testing and certification of new controller assemblies except for environmental testing.

TRAFFIC SIGNAL & LIGHTING MAINTENANCE REPAIR DETAILS

A. GENERAL:

OBSTRUCTIONS:
CONTRACTOR must contact Underground Service Alert (U.S.A.) toll free at 1-800-642-2444 or 811 prior to performing any excavation work under this Agreement. Utility locations must be identified, and field marked before any excavating is done by CONTRACTOR.

CONSTRUCTION AREA SIGNS:
Construction area signs must be furnished, installed, maintained, and removed when no longer required. Full compensation for providing construction area signs must be considered as included in the Agreement prices for the various items of work and no separate payment will be made.

CONTRACTOR must erect flags, signs, flashing lights, and barricades as may be required to properly protect workers and the motoring public when repairs are being performed on or near the roadway. All signs and devices used must conform to the latest edition of the California Manual on Uniform Traffic Control Devices (MUTCD) as published and adopted by the California State Department of Transportation (Caltrans).

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MAINTAINING TRAFFIC:
Lane closures must conform to the provisions in the section below entitled "Traffic Control System for Lane Closure". Whenever vehicles or equipment are parked on the shoulder within six (6) feet of a traffic lane, the shoulder area must be closed with fluorescent traffic cones or portable delineators placed on a taper in advance of the parked vehicles or equipment. A W20-1 (Road Work Ahead) or W21-5 (Shoulder Work) sign must be placed at an adequate distance (per the MUTCD Standards latest edition as published and adopted by Caltrans) prior to the vehicles or equipment commencing work. Full compensation for maintaining traffic must be considered as included in the Agreement prices for the various items of work and no separate payment will be made.

TRAFFIC CONTROL SYSTEM FOR LANE CLOSURE:
CONTRACTOR shall provide safe and continuous passage for pedestrian and vehicular traffic at all times and conduct its operation as to cause the least possible obstruction and inconvenience to public traffic. No lane closures will be permitted between the hours of 7:00 a.m. and 9:00 a.m. or 3:00 p.m. to 6:00 p.m. unless an emergency exists, and such a closure is necessary to safeguard the traveling public. A traffic control system must consist of closing traffic lane(s) in accordance with Part 6 "Temporary Traffic Control" of the California MUTCD's latest edition as published and adopted by Caltrans. Full compensation for providing the traffic control system (including signs and flagging) must be considered as included in the Agreement prices paid for the various items of work and no separate payment will be made.

RECORDS/REPORTING:
The following records must be maintained by CONTRACTOR covering traffic signal maintenance activities:

- CONTRACTOR must promptly notify County Traffic Engineer of the disablement of any piece of equipment on any system due to an accident or other causes, such as damaged cable, broken parts, or other difficulties when such pieces of equipment cannot be readily repaired making it necessary to discontinue operation of all or part of the installation.

- Whenever it is necessary to close any traffic lane longer than thirty (30) minutes to complete any portion of the work, CONTRACTOR must notify County Traffic Engineer. The closure and time schedule must be subject to the approval of County Traffic Engineer. Work creating excessive delays to critical traffic movements must be scheduled during off peak traffic periods when possible. At least one (1) traffic lane must be kept open in each through direction at all times.

- CONTRACTOR agrees to provide phone service for the receiving of notification of inoperative traffic signals including those items requiring emergency repair and service during CONTRACTOR's normal business hours and an answering service for the receiving of notification of inoperative traffic signals requiring emergency repairs or service at all times (seven [7] days per week) other than CONTRACTOR's normal business hours, whether such notification originates with County, the California Highway Patrol, or any other party or person.

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- CONTRACTOR must maintain a local telephone where CONTRACTOR's personnel can be reached twenty-four (24) hours per day seven (7) days per week. This telephone number is to be made available to all persons designated by County. CONTRACTOR must make immediate emergency service calls twenty-four (24) hours per day when called upon by County to do so and must make temporary or permanent repairs as conditions warrant to signal equipment when said signal equipment has been damaged by vehicle accidents, acts of God, malicious damage, or just malfunctions. Response time must be within one and one-half (1 ½) hours during the CONTRACTOR's regular business hours (minimum eight [8] hour period) and two (2) hours after regular business hours or on weekends. In the event of multiple calls, each will be serviced on a priority basis. CONTRACTOR will first endeavor to make the first response location safe and secure prior to responding to other calls. CONTRACTOR must respond to all direct calls for emergency traffic signal repair service from law enforcement officers if the location is on County's list for routine maintenance, Attachment B, Traffic Signal & Lighting Maintenance Locations, of this Exhibit A-1, as may be amended from time to time.

- A record log is to be kept in the controller cabinet properly noting the time of the service person's regular monthly routine inspection and noting the time and description of all extraordinary maintenance and repairs.

- Signal timing charts are to be kept by County in each controller cabinet. County must authorize all timing changes. CONTRACTOR may make changes required on a temporary basis due to maintenance operation such as when detectors fail. CONTRACTOR must record the timing changes, date, time, and person making the change on the standard maintenance log sheet kept in the cabinet.

- A duplicate record of all service calls, repairs, and pertinent data pertaining to each individual intersection is to be kept on file in CONTRACTOR's office and available to County upon request. CONTRACTOR must send a status report on all intersections and other serviced locations to County once each month of all service calls, repairs, and other pertinent data occurring the previous month.

- Any maintenance operations found unsatisfactory, any equipment found not properly maintained, or any repair or extra work found necessary by County Traffic Engineer will be reported to CONTRACTOR and confirmed in writing. Upon receipt of such report, CONTRACTOR must immediately make the necessary corrections and perform any work necessary to bring the system up to the prescribed standard. CONTRACTOR must submit a report to County Traffic Engineer indicating that the work covered by County Traffic Engineer's report has been completed, giving the date of completion of the work.

B. DESCRIBED SERVICES:

CONTRACTOR must perform the following routine and preventive maintenance services at all traffic signal locations (all described work is included in routine maintenance unless stated otherwise):

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ROUTINE MAINTENANCE:

CONTRACTOR must furnish all tools, equipment, apparatus, facilities, labor, services and materials, and must perform all work necessary to routinely and preventatively maintain in a workmanlike manner, traffic signal facilities and their respective electroliers, illuminated street name signs, flashing beacons, and radar feedback signs located at the various intersections included as Attachment B, Traffic Signal Lighting & Maintenance Locations, of this Exhibit A-1. The work must include providing service and preventive maintenance. All of said labor, services, materials, and equipment must be furnished and said work performed and completed as an independent CONTRACTOR. All work will be subject to the inspection and approval of County and its Traffic Engineer.

CONTRACTOR must make a monthly inspection of each signal controller cabinet location at which time the following steps must be taken:

- Visually inspect for ant, earwig, etc. infestation or gopher problems and take appropriate action as necessary to prevent damage to electrical system. (Inspection is routine maintenance, but treatment for infestation is extraordinary maintenance).

- Vacuum cabinet, remove any foreign material, and clean or change air filters as needed.

- Visually inspect controller service cabinets for proper operation including battery backup system.

- Check timing of individual signal phases and interval timing circuits and adjust as necessary to comply with timing card.

- Check detector units (video, loop, or micro-loop), interconnect communication between intersections where applicable, and pedestrian buttons and make routine adjustments and repairs if necessary.

- Visually inspect the operation of all signal head lamps (LEDS), pedestrian signal head lamps (LEDS), relays, clocks, dials, switches, battery backup system, etc., and make routine adjustments or minor repairs if necessary.

- Visually check for missing or bent visors and back plates and turned signal heads.

- Legibly record inspection date, time, work performed, name of CONTRACTOR's employee in controller cabinet on CONTRACTOR provided maintenance log sheets.

- Send summary of monthly inspections with any recommendations to County with details listed by intersection included as Attachment C, Monthly Checklist, of this Exhibit A-1.

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SPARE EQUIPMENT:
CONTRACTOR must maintain adequate storage and shop repair facilities to perform this Agreement, including a sufficient stock of spare equipment and materials such as standby Type 170 controllers, Type 2070 controllers, Type 1-A poles, signal heads, pedestrian push buttons, and common 332 cabinet replacement parts to effect permanent repairs to the system within a ten (10) day period. Failure to effect permanent repairs within this time limit will be sufficient cause for County to authorize repairs to be completed by other available CONTRACTOR(s). Repetitive failure will be sufficient cause for County to cancel this Agreement. County reserves the right to furnish any materials to effect permanent repairs by CONTRACTOR.

As part of routine maintenance, CONTRACTOR must keep and maintain a spare Type 170 controller with Type C PROM module, Type 2070 controller, Model 206 24-volt DC power supply, and Model 210 conflict monitor in north Monterey County. Each unit may be used at any specific location for up to six (6) months without charge until the replaced unit is repaired and reinstalled, a County spare is installed, or new equipment is purchased and installed. All service vehicles responding to calls must have spare used or new Model 200 load switches, 242 isolators, 222 detector amplifiers, 204 flashers, and 430 flash transfer relays available for immediate use. The providing and installing of new equipment will only be paid as extraordinary maintenance. CONTRACTOR must notify County's Traffic Engineer or their designee by the end of the next business day when any County controller, PROM module, 24-volt power supply, or conflict monitor is removed from an intersection or the intersection timing is changed from the intersection timing chart.

AGING EQUIPMENT:
CONTRACTOR must provide all tools, equipment, apparatus, facilities, labor, services and materials, and must perform all work necessary to replace five (5) traffic signal controllers per year. County will indicate locations to CONTRACTOR. All controllers shall be McCain 2070 controllers compatible with existing intersection location as specified in Attachment B, Traffic Signal Lighting & Maintenance Locations, of this Exhibit A-1. All of said labor, services, materials, and equipment must be furnished and said work performed and completed as an independent CONTRACTOR. All work will be subject to the inspection and approval by County and its Traffic Engineer.

LED REPLACEMENT:
CONTRACTOR shall replace all incandescent lamps in all signals based on an eighty percent (80%) depletion period. All incandescent lamps shall be replaced light emitting diode (LED) modules. All LED modules in all signals shall be replaced when more than two percent (2%) of the LEDs have failed. Contractor shall only use standard LED traffic signal modules approved by Caltrans. The cost to replace LED modules is covered under extraordinary maintenance.

All controller units, auxiliary equipment, and appurtenances such as detectors, transformers, battery backup system (BBS) inverter units, batteries, timers and related items must be serviced as recommended by the manufacturer.

BATTERY BACK UP/PROM MODULE ANNUAL TESTING:

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CONTRACTOR must on an annual basis in September completely inspect and test the BBS and batteries and the lithium battery in the controller's PROM module where applicable. The written report format and detail must be pre-approved by County. Results must be sent to County Traffic Engineer within fifteen (15) calendar days of completion of the tests. Costs for lithium battery replacement must be included as part of CONTRACTOR's monthly intersection preventive maintenance billing. Replacement of the BBS batteries shall be every other year, must be an extraordinary work and require prior approval in writing from County Traffic Engineer (email is acceptable). Batteries supplied must be approved by the manufacturer and County Traffic Engineer for the specific unit involved. CONTRACTOR shall conduct confirmation testing of replaced batteries and appropriately dispose of replaced batteries. After replacement of BBS batteries, test results must be sent to County Traffic Engineer within fifteen (15) calendar days of completion of the tests.

EXTRAORDINARY MAINTENANCE:

Whenever any equipment or system component in any system malfunctions, is damaged, or has deteriorated as a result of causes other than the negligence of CONTRACTOR or his/her/its agents so as to require repairs to or replacement of such equipment, or whenever County deems it necessary to make changes in existing equipment or components, and the work is not covered under Attachment A-1, Fee Schedule, of this Exhibit A-1, the work will be deemed Extraordinary Maintenance. If the work exceeds $250 or is not at locations listed on Attachment B, Traffic Signal & Lighting Maintenance Locations, of this Exhibit A-1, the extraordinary work must be performed only with the written or e-mail approval of County Traffic Engineer prior to any material orders or any work being performed. If the repair exceeds $250, the need for the repair is before or after normal County business hours, and County Traffic Engineer cannot be reached, the temporary repair must be implemented and County Traffic Engineer must be notified of the repair within twenty-four (24) hours or the next business day if the repair is on a weekend. Total permanent replacement of a traffic signal controller cabinet, an electrical service cabinet, or a mast arm signal pole will only be allowed with the written or e-mail approval of County Traffic Engineer.

Claims for extraordinary traffic signal and lighting system repair over $250 and not of an emergency nature, which have not been authorized by County Traffic Engineer, will be rejected. CONTRACTOR must provide backup documentation for any claim regardless of the dollar amount within three (3) business days of correspondence.

CONFLICT MONITOR TESTING:

In June of each year of the Agreement, CONTRACTOR must field test each conflict monitor for proper operation, check each program card for proper conflict monitoring, and provide a certifying report to County. The written report format and detail must be pre-approved by County. Results must be sent to County's Traffic Engineer within fifteen (15) calendar days of completion of the tests. All intersections must be tested except those newly installed within the last six (6) months. County Traffic Engineer must resolve any doubt as to which locations must be tested. Replacement or repair of failed units will be performed as directed by County Traffic Engineer. If permanent repair or replacement is made by CONTRACTOR, it must be deemed extraordinary work. If failed/defective units are under warranty, CONTRACTOR shall seek warranty replacement, as applicable.

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OTHER SERVICES:

The replacement of blacked-out LED lamp modules need not be on an emergency basis provided there are at least two (2) indications still operative for the same traffic movement and direction of travel and at least one (1) of the modules is a mast arm indication. Such replacement should be handled as soon as possible in a routine manner.

CONTRACTOR also agrees to provide response service twenty-four (24) hours per day for repair of the equipment and appurtenances, such as safety lighting, street name signs, flashing beacons, and other electrical equipment which CONTRACTOR may be called upon from time to time by County to repair, replace or refurbish even though not listed on Attachment B, Traffic Signal & Lighting Maintenance Locations, of this Exhibit A-1. Such additional work must only be at the written or e-mail direction of County Traffic Engineer.

In the event of substantial collision damage to any part of a traffic signal or lighting system, CONTRACTOR must transport all damaged parts to a place designated by County for evaluation and documentation by photography or other means for future cost recovery. CONTRACTOR must dispose of damaged parts only upon completion of all related actions and approval by County.

All vehicular and pedestrian signal heads must be maintained with LED module lamps at all times including flashing beacons. All LED module lamps for vehicular signal faces must conform to the Institute of Transportation Engineers' standards and Cal Trans LED purchase specifications. LED modules must be on Caltrans Qualified Products List (QPL) list except for locations where countdown pedestrian heads are approved by County Traffic Engineer for installation. If failed/defective units are under warranty, CONTRACTOR shall seek warranty replacement, as applicable.

County will send a Bi-Monthly Inspection Report (Attachment D, Bi-Monthly Inspections, of this Exhibit A-1) of street lighting, illuminated street name signs, flashing beacons, etc. to CONTRACTOR with instructions on what to repair. CONTRACTOR must proceed to make the requested repairs in an expeditious manner at regular contract rates (not overtime).

In the event of an extended power outage (four (4) or more hours), CONTRACTOR will need to supply a generator to power a critical intersection. County may request more than one (1) generator.

ADDITIONS TO THE SYSTEM:

CONTRACTOR must maintain additional traffic signals and appurtenant devices as they are installed and become a part of the maintenance requirements of County at the same unit price, shown in Attachment A-1, Fee Schedule, of this Exhibit A-1. CONTRACTOR must inspect additional electroliers, flashing beacons, radar feedback signs, rectangular rapid flashing beacons and tunnel lighting as they are installed and become a part of the maintenance requirements of County at the same unit price shown in Attachment A-1, Fee Schedule, of this Exhibit A-1. In the event that notification is made of a new installation at other than the beginning of the monthly period, the unit cost must be pro-rated from the day that CONTRACTOR is notified.

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New signals, which are covered by manufacturer's material and workmanship warranty, must be serviced and preventive maintenance must be performed by CONTRACTOR, as in all other installations on the signal system, except that where parts or material are or become defective during this warranty period, CONTRACTOR must notify County Traffic Engineer so that the warranty may be exercised.

DELETIONS TO THE SYSTEM:
County may delete traffic signal locations and bimonthly inspections at locations not needing maintenance or inspections. Such events include but are not limited to temporary maintenance and operation by other Public agencies, annexation to cities, formation of a city, removal of equipment, etc. In lieu of Section 4-1.03B (2) of the Standard Specifications compensation per location to CONTRACTOR for the reduction in locations must remain unchanged until less than fifty percent (50%) of either category of locations remains. If this reduction in maintenance needs occurs, CONTRACTOR may request an increase in compensation. Should agreement not be reached as to the amount of increased compensation, CONTRACTOR may terminate his/her/its Agreement to provide maintenance and inspection services to County within thirty (30) days written notice to County.

UNSCHEDULED TRAFFIC SIGNAL MAINTENANCE (NON-EMERGENCY):
Unscheduled Traffic Signal Maintenance includes tasks not specifically included in Scheduled Traffic Signal Maintenance as noted in Attachment A-1, Fee Schedule, of this Exhibit A-1, that are not considered emergency in nature and are performed as requested by County to ensure that all traffic signal systems and equipment operate safely and continuously in good working order. CONTRACTOR shall perform Unscheduled Traffic Signal Maintenance tasks on all maintenance sites listed in Attachment B, Traffic Signal & Lighting Maintenance Locations, or as directed by County's Traffic Engineer. Common Unscheduled Traffic Signal Maintenance tasks include, but are not limited to the following:

- Modification of various signal components;
- Detector Loop Replacement due to pavement failure, utility work or other impact. Maintenance records indicate that County replaces approximately thirty (30) detector loops each year. In addition to the basic steps, Detector Loop Replacement shall include the following:
    - Layout and installation of loop and home run;
    - Replacement of conduit if necessary; and
    - Testing on loop for conductivity and integrity; Reconnection to amplifier and testing for proper sensitivity.
- Other traffic signal problems not considered an emergency;
- Cameras mounted on signal poles which require cleaning, alignment, replacement and adjustment;
- Signal Timing Revisions/Adjustments;
- Review of construction documents for new traffic signal installations;
- Assist in inspection of signal construction work performed by other contractors; and
- Other tasks as requested within the expertise of CONTRACTOR.

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EXHIBIT A-1 – SCOPE OF SERVICES/PAYMENT PROVISIONS

PAYMENT PROVISIONS

Compensation for Scheduled and Unscheduled Traffic Signal Maintenance tasks shall be in accordance with the unit prices shown in Attachment A-1, Fee Schedule, of this Exhibit A-1. CONTRACTOR's price bid for Unscheduled Traffic Signal Maintenance shall be considered inclusive of all materials, equipment, labor and traffic controls necessary to perform the work in accordance with these Technical Specifications.

County reserves the right to secure competitive bids to effect repairs or changes on any system exceeding $250.

A. COMPENSATION/ PAYMENT:

County shall pay an amount not to exceed **$340,150** for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Services. CONTRACTOR's compensation for services rendered shall be based according to the following Attachment A-1 – Fee Schedule which is effective November 1, 2022 under this Agreement, and in accordance with the following terms:

Traffic Signal Maintenance:	$152,304 ($38,076/year)
Ordinary/Extraordinary Traffic and Road Maintenance:	$187,846
TOTAL NOT TO EXCEEED:	**$340,150**

There shall be no travel reimbursement allowed during this Agreement.

CONTRACTOR warrants that the cost charged for services under the terms of this Agreement are not in excess of those charged any other client for rental equipment.

B. CONTRACTOR'S BILLING PROCEDURES:

County may, in its sole discretion, terminate the Agreement or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

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C. INVOICES:

Invoices under this Agreement shall be submitted monthly and promptly, and in accordance with Paragraph 6.0, Payment Conditions, of the Agreement. All invoices shall reference the Multi-Year Agreement (MYA) number (MYA#3200*4823), Project name and associated Delivery Order number, and an original hardcopy shall be sent to the following address or via email to PWFP-Finance-AP@co.monterey.ca.us:

County of Monterey
Department of Public Works, Facilities and Parks (PWFP) – Finance Division
1441 Schilling Place, South 2nd Floor
Salinas, California 93901-4527

Any questions pertaining to invoices under this Agreement shall be directed to the PWFP – Finance Division at (831) 755-4800 or via email to: PWFP-Finance-AP@co.monterey.ca.us.

ATTACHMENT A-1 – FEE SCHEDULE

ITEM DESCRIPTION	ITEM NO.	SITE	November 1, 2022 - October 31, 2023
TRAFFIC SIGNAL MONTHLY/ANNUAL MAINTENANCE			
		Pajaro	
	1	**Porter Drive/San Juan Road**	
		Luminaires: NE/NW/SW/SE/Free Right Turn/Crosswalk; Flashing Beacon: S/B; Street Name Signs: NE/NW/SW/SE	$70 per month/ $840 per year
	2	**Salinas Road/Pajaro School Driveway**	
		Luminaires: NE/SW; Street Name Signs (LED): NE/SW	$70 per month/ $840 per year
		Las Lomas	
	3	**Hall Road/Las Lomas Drive**	
		Luminaires: NE/NW/SW/SE; Flashing Beacon: WB/EB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year
		Prunedale	
	4	**Blackie Road/Prunedale South Road**	
		Luminaires: NE/NW/SW/SE; Flashing Beacon: SB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year
	5	**San Miguel Canyon Road/Prunedale North Road**	
		Luminaires: NE/NW/SW/SE	$70 per month/ $840 per year
	6	**San Miguel Canyon Road/Moro Road**	
		Luminaires: NE/SW; Flashing Beacon: S/B; Street Name Signs: NE/NW/SW	$70 per month/ $840 per year
	7	**San Miguel Canyon Road/Hall Road**	
		Luminaires: NW/SE/SW; Flashing Beacons: WB/EB/NB; Street Name Signs: NE/NW/SE	$70 per month/ $840 per year
		Salinas	
	8	**Blanco Road/Davis Road**	
		Luminaires: NE/NW/SW/SE; Flashing Beacon: EB(lt)/EB(rt); Street Name Signs: NE/NW/SW/SE	$70 per month/ $840 per year
	9	**Blanco Road/West Alisal Street**	
		Luminaires: NW/SW	$70 per month/ $840 per year
	10	**Harrison Road/Sala Road**	
		Luminaires: NW/SE; Flashing Beacon: EB/WB); Street Name Signs: NE/NW/SE	$70 per month/ $840 per year
	11	**Harrison Road/Russell Road**	
		Luminaires: NW/SE; Flashing Beacon: EB/WB; Street Name Signs: NE/NW/SE	$70 per month/ $840 per year
	12	**Espinosa Road/Christensen Road**	
		Luminaires: NW/SE; Flashing Beacon: EB/WB; Street Name Signs: NE/NW/SE	$70 per month/ $840 per year

	13	**Las Palmas Road/River Road**	
		Luminaires: NE/SW/SE; Flashing Beacon: NB/SB(lt)/SB(rt); Street Name Signs: NE/SW/SE	$70 per month/ $840 per year
	14	**Las Palmas Parkway/River Road**	
		Luminaires: NE/SW/SE; Flashing Beacon: NB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year
	15	**Reservation Road/Davis Road**	
		Luminaires: NE/SW/SE; Flashing Beacon: EB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year
	16	**Reservation Road/Inter-Garrison Road**	
		Luminaires: NE/NW/SW/SE; Flashing Beacon: WB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year
	17	**Reservation Road/East Garrison Road**	
		Luminaires: NE/NW/SW/SE; Flashing Beacon: WB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year
	18	**Reservation Road/Watkins Gate Road**	
		Luminaires: NE/NW/SW/SE; Flashing Beacon: WB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year
	19	**Russell Road/San Juan Grade Road**	
		Luminaires: NE/NW/SW/SE; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year
	20	**Russell Road/Van Buren Avenue**	
		Luminaires: NE(lt)/NE(rt)/NW/SW/SE; Street Name Signs: NE/NW/SE/SW	$70 per month/ $840 per year
Marina			
	21	**Blanco Road/Research Drive**	
		Luminaires: NE/NW/SW/SE; Flashing Beacon: SB(lt)/SB(rt); Street Name Signs: NE/SW/SE	$70 per month/ $840 per year
	22	**Blanco Road/Reservation Road**	
		Luminaires: NE/NW/SW/SE; Flashing Beacon: First/Second; Street Name Signs: NW/SW/SE	$70 per month/ $840 per year
Carmel Valley			
	23	**Rio Road/Road "A"**	
		Luminaires: NE/NW/SW/SE	$70 per month/ $840 per year
	24	**Rio Road/Carmel Center Place**	
		Luminaires: NW/SE	$70 per month/ $840 per year
	25	**Carmel Rancho Blvd/Carmel Rancho Shopping Center Driveways**	
		Luminaires: NE/NW/SW/SE; Street Name Signs: NW/SE	$70 per month/ $840 per year
	26	**Carmel Valley Road/Carmel Rancho Blvd./Carmel Knolls Drive**	
		Luminaires: NE/NW/SW/SE	$70 per month/ $840 per year
	27	**Carmel Valley Road/Carmel Middle School Driveway**	
		Luminaires: NE/NW/SW/SE; Flashing Beacon: WB; Street Name Signs: NW/SE	$70 per month/ $840 per year

	28	**Carmel Valley Road/Via Mallorca**	
		Luminaires: NE/NW/SE/at Via Petra NE/SE; Flashing Beacon: EB(lt)/EB(rt)/WB; Street Name Signs: NE/NW/SE	$70 per month/ $840 per year
	29	**Carmel Valley Road/Rancho San Carlos Road**	
		Luminaires: NW/SE; Flashing Beacon: EB/WB; Street Name Signs: NE/NW/SE	$70 per month/ $840 per year
		SUBTOTAL 1:	**$2,030 per month/ $24,360 per year**
FUTURE TRAFFIC SIGNALS			
	1	**Constitution Boulevard/Natividad Hospital Driveway**	$70 per month/ $840 per year
	2	**Carmel Valley Road/Brookdale Road**	$70 per month/ $840 per year
		SUBTOTAL 2:	**$140 per month/ $1,680 per year**
FLASHING BEACONS INDEPENDENT OF TRAFFIC SIGNALS			
	1	Carmel Valley Road near Country Club Drive	
		EB/WB	$35 per month/ $420 per year
	2	Carmel Valley Road e/o Boronda Road	
		EB	$35 per month/ $420 per year
	3	Castroville Boulevard e/o Elkhorn Road	
		WB	$35 per month/ $420 per year
	4	Castroville Boulevard near Paradise Road	
		EB/WB	$35 per month/ $420 per year
	5	Dolan Road w/o Castroville Boulevard	
		EB/WB	$35 per month/ $420 per year
	6	Old Stage Road north of the City of Gonzales	
		SB/EB	$35 per month/ $420 per year
	7	Olmstead Road/Olmstead School	
		NB/SB	$35 per month/ $420 per year
	8	River Road (3) between Gonzales River Road	
		NB/SB	$35 per month/ $420 per year
	9	Russell Road between SH 101 & San Juan Grade Road	
		EB(lt)/EB(rt)/WB	$35 per month/ $420 per year

	10	Maher Road between Echo Valley Road & Tarpey Road	
		NB/SB	$35 per month/ $420 per year
	11	Salinas Road/Pajaro Middle School	
		NB/SB	$35 per month/ $420 per year
	12	Salinas Road/Bishop Street Crosswalk	
		NB/SB	$35 per month/ $420 per year
	13	San Juan Road/Murphy Curve	
		EB/WB	$35 per month/ $420 per year
		SUBTOTAL 3:	**$455 per month/ $5,460 per year**
RECTANGULAR RAPID FLASHING BEACONS (LIGHTED CROSSWALK)			
	1	Salinas Road/Bishop Street	$35 per month/ $420 per year
	2	Rogge Road/Bollenbacher Drive	$35 per month/ $420 per year
	3	Castroville Boulevard/Collins Road	$35 per month/ $420 per year
	4	Merritt Street (SR183)/Crane Street	$35 per month/ $420 per year
	5	Rio Road/Via Nona Marie (future install)	$35 per month/ $420 per year
	6	Castroville Boulevard/Elkhorn Rd (future install)	$35 per month/ $420 per year
		SUBTOTAL 4:	**$210 per month/ $2,520 per year**
RADAR FEEDBACK SIGNS			
	1	Blanco Road between Davis Road and Reservation Road	
		NB1/NB2/SB1/SB2	$40 per month/ $480 per year
	2	Crazy Horse Canyon Road between Dump Road and San Juan Grade Road	
		EB	$40 per month/ $480 per year
	3	Las Lomas Drive between Hall Road and Overpass Road	
		SB	$40 per month/ $480 per year
	4	San Juan Road/Murphy Road	
		EB/WB	$40 per month/ $480 per year

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	6	Charter Oak Boulevard w/o Cathedral Oak Road (in Oak Hills)	
		WB	$40 per month/ $480 per year
	7	SR 156 (between SR 101 and SR 1)	
		EB/WB	$40 per month/ $480 per year
		SUBTOTAL 5:	**$240 per month/ $2,880 per year**
ELECTROLIERS INDEPENDENT OF TRAFFIC SIGNALS			
	1	Davis Road over crossing of State Highway 183	
		Luminaires: NB1/NB2/NB3/SB1/SB2/SB3	$12 per month/ $144 per year
	2	Salinas Road/Elkhorn Road	
		Luminaire: West side of roadway	$2 per month/ $24 per year
	3	Jensen Road/Hilltop Road	
		Luminaire: South side of roadway	$2 per month/ $24 per year
	4	Prunedale South Road/Reese Circle	
		Luminaire: East side of roadway	$2 per month/ $24 per year
		SUBTOTAL 6:	**$18 per month/ $216 per year**
TUNNEL LIGHTING/BRIDGE			
	1	Robinson Canyon Road/Carmel Valley Road	
		NB 1/2/3/4/5/6/7/8/9/10/11/12/13/14/15/16	$32 per month/ $384 per year
	2	Porter Drive Bridge/Pajaro River	
		Luminaires: NB Bridge side 1/2/3/4/5/6 Riverside/SB Bridge side 7/8/9/10/11/12 Riverside	$24 per month/ $288 per year
	3	Castroville Pedestrain/Bike bridge	
		Luminaires: NB Bridge side 1/2/3/4/5/6 /SB Bridge side 7/8/9/10/11/12	$24 per month/ $288 per year
		SUBTOTAL 7:	**$80 per month/ $960 per year**
		TRAFFIC SIGNAL MAINTENANCE ANNUAL GRAND TOTAL:	**$3,173 per month/ $38,076 per year**
		TRAFFIC SIGNAL MAINTENANCE GRAND TOTAL: (Term November 1, 2022 - October 31, 2023)	**$38,076**
ORDINARY MAINTENANCE/HOURLY RATE			
	1	STRAIGHT TIME, LEAD SIGNAL TECHNICIAN (Inside Wireman)	$105 per hour
	2	STRAIGHT TIME, SIGNAL TECHNICIAN (Inside Wireman)	$105 per hour

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	3	STRAIGHT TIME, LABORER	$75 per hour
	4	STRAIGHT TIME, INDUCTIVE LOOP INSTALLER (1 loop)	$500 per loop
	5	SERVICE TRUCK, BUCKET	$30 per hour
	6	CRANE TRUCK	$30 per hour
	7	AIR COMPRESSOR	No charge per hour
	8	CONCRETE SAW	No charge per hour
	9	MATERIAL COST	AT COST/NO MARKUP
EXTRAORDINARY MAINTENANCE/HOURLY RATE			
	1	EXTRAORDINARY MAINTENANCE, LEAD SIGNAL TECHNICIAN (Inside Wireman)	$190 per hour
	2	EXTRAORDINARY MAINTENANCE, SIGNAL TECHNICIAN (Inside Wireman)	$190 per hour
	3	EXTRAORDINARY MAINTENANCE, LABORER	$110 per hour
	4	EXTRAORDINARY MAINTENANCE, INDUCTIVE LOOP INSTALLER (1 loop)	$500 per loop
TESTING WHEN REQUESTED			
	1	170E or 2070 Controller Unit	$250 per unit
	2	332 Cabinet & All Internal Equipment (controller cabinet assembly)	$1,500 per unit
	3	Conflict Monitor Unit (separate from controller cabinet assembly)	$100 per unit
	4	Battery Backup System (BBS)	$250 per unit

Ordinary Maintenance/Extraordinary Maintenance will be charged at the above mentioned hourly rates for the term of November 1, 2022 - October 31, 2023 to the Agreement and as follows:

Traffic and Road Maintenance: $187,846

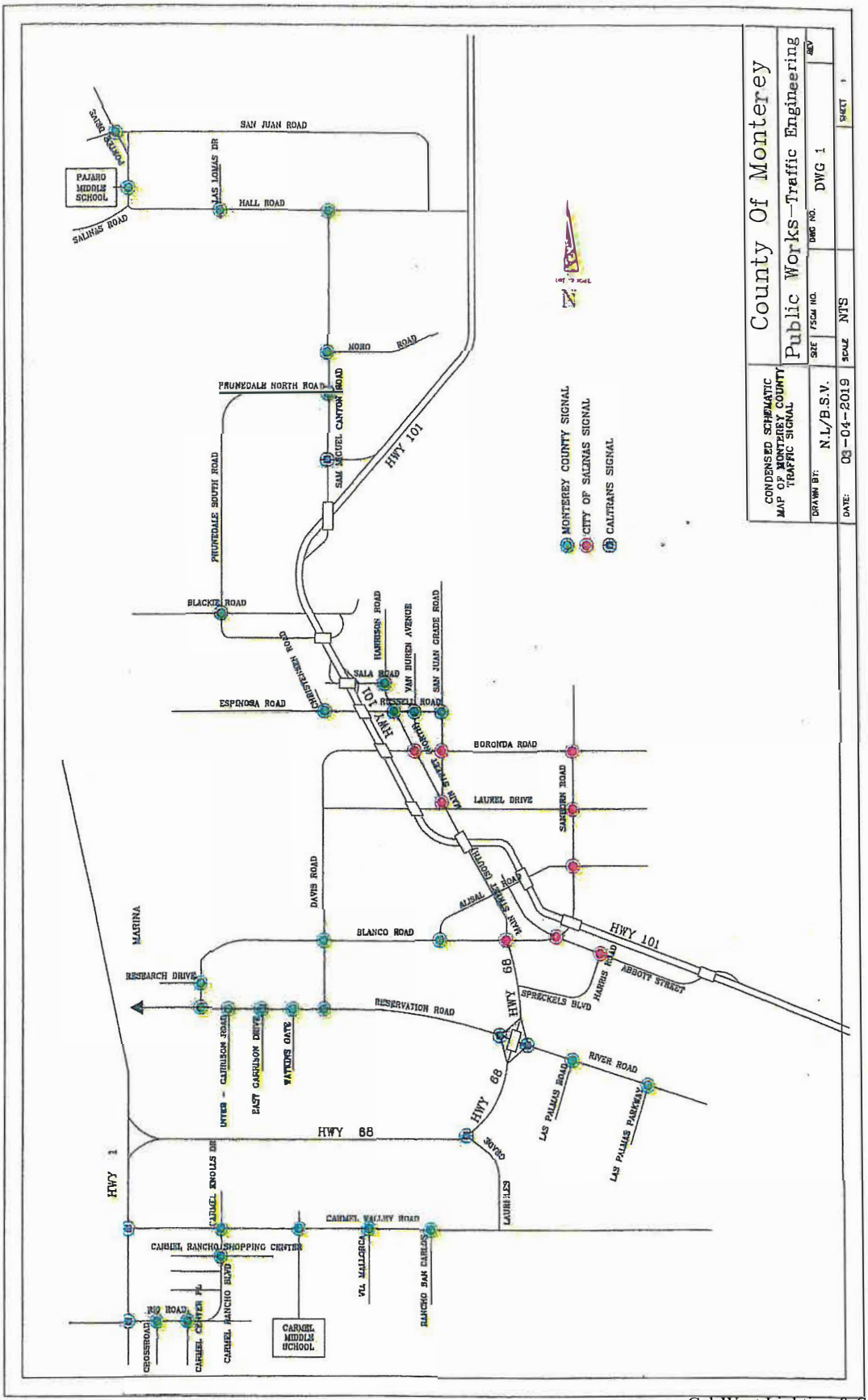
TOTAL ORDINARY MAINTENANCE/ EXTRAORDINARY MAINTENANCE GRAND TOTAL: $187,846

CONTRACTOR's prices stated in this Attachment A-1, Fee Schedule, shall be effective from November 1, 2022 through October 31, 2023. Agreement shall not exceed the total amount of **$340,150**.

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EXHIBIT A –1 SCOPE OF SERVICES/PAYMENT PROVISIONS

ATTACHMENT B: TRAFFIC SIGNAL & LIGHTING MAINTENANCE LOCATIONS



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ATTACHMENT C: MONTHTLY CHECKLIST

Intersection: _____
Date: _____
Start Time: _____
End Time: _____

	Service Area	Status	Remarks
A	**Controller Cabinet**		
	Appearance – paint, dust, dents		
	Door Fit, Gasket		
	Condition of Locks		
	Fan/Thermostat Operations		
	Cabinet Light Switch		
	Removal of Graffiti		
B	**Controller**		
	Controller Front Panel Condition		
	Verify Timings & Coordination		
C	**Signal Standards**		
	Missing or damaged parts		
	Condition of Hardware		
	Hand Hole Covers in Place		
	Removal of Graffiti		
	Street Name Sign Condition		
	Strap Condition		
	Luminaire Condition		
D	**Detector/Flasher/Load Switch**		
	Are all Detectors Functioning		
	Check Flasher Function		
	Check Load Switch Function		
E	**Signal Heads**		
	Indication Functions		
	Light Output		
	PV Head Visibility/Alignment		
	Condition of Backplates/Visors		
F	**Pedestrian Pushbuttons**		
	Aimed Correctly		
	Visibility/Output (Flickering?)		
G	**Pedestrian Pushbuttons**		
	Placing Calls		
	Condition		
H	**Pull Boxes & Covers**		
	Condition		
I	**Signs & Striping for Signals**		
	Condition of Existing Signs		
	Missing Signs		
COMMENTS:			

Technician: _____ Signature: _____
(Print Name)

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EXHIBIT A –1 – SCOPE OF SERVICES/PAYMENT PROVISIONS

ATTACHMENT D: BI-MONTHLY INSPECTIONS

2019 - 2023

BIMONTHLY INSPECTION OF ILLUMINATED STREET NAME SIGNS, ELECTROLIERS, FLASHING BEACONS, AND TUNNEL LIGHTING

(√ means electrical unit is working properly, Ø means electrical unit is blacked out)

TRAFFIC SIGNALS, ELECTROLIERS, BEACONS, & ILLUMINATED STREET NAME SIGNS:

PAJARO

1. Porter Drive/San Juan Road
   - Luminaires: NE___ NW___ SW___ SE___ Free Right Turn, Crosswalk___
   - Flashing Beacon: S/B___
   - Street Name Signs: NE___ NW___ SW___ SE___
2. Salinas Road/Pajaro School Dwy
   - Luminaires: NE___ SW___
   - Street Name Signs (LED): NE___ SW___

LAS LOMAS

1. Hall Road/Las Lomas Drive
   - Luminaires: NE___ NW___ SW___ SE___
   - Flashing Beacon: W/B___E/B___
   - Street Name Signs: NW___ SW___ SE___

PRUNEDALE

1. Blackie Road/ Prunedale South Road
   - Luminaires: NE___ SW
   - Flashing Beacon: S/B___
   - Street Name Signs: NE___ NW SW___
2. San Miguel Canyon Road/Prunedale North Rd
   - Luminaires: NE___ NW SW___ SE___
3. San Miguel Canyon Road/Moro Rd
   - Luminaires: NE___ SW
   - Flashing Beacon: S/B___
   - Street Name Signs: NE___ NW___ SW___
4. San Miguel Cyn Rd/Hall Rd
   - Luminaires: NW___SE___SW___
   - Flashing Beacons: W/B___E/B___N/B___
   - Street Name Signs: NE___NW___SE___

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SALINAS

1. Blanco Rd/Davis Road
   - Luminaires: NE___ NW___ SW___ SE___
   - Flashing Beacon: E/B (lt)___(rt)___
   - Street Name Signs: NE___ NW___ SW___ SE_
2. Blanco Rd/West Alisal Street
   - Luminaires: N/W___ S/W___
3. Harrison Road at Sala Road
   - Luminaires: NW SE___
   - Flashing Beacon: E/B W/B___
   - Street Name Signs NE ___ NW ___ SE ___
4. Harrison Road at Russell Road
   - Luminaires: NW SE___
   - Flashing Beacon: E/B W/B___
   - Street Name Signs NE ___ NW ___ SE ___
5. Espinosa Road at Christensen Road
   - Luminaires: NW SE___
   - Flashing Beacon: E/B W/B___
   - Street Name Signs NE ___ NW ___ SE ___
6. Las Palmas Road/River Rd
   - Luminaires: NE___ SE___ SW__
   - Flashing beacon: NB___ SB (lt)___(rt)___NE___
   - Street Name Signs: SE___ SW__
7. Las Palmas Parkway/River Rd
   - Luminaires: NE SE___ SW
   - Flashing beacon: NB
   - Street Name Signs: NE___ SE___ SW
8. Reservation Road/Davis Rd
   - Luminaires: NE SE___ SW
   - Flashing beacon: EB
   - Street Name Signs: NE___ SE___ SW
9. Reservation Road/Inter-Garrison Rd
   - Luminaires: NE NW___SE SW__
   - Flashing beacon: WB
   - Street Name Signs: NE___ SE___ SW
10. Reservation Road/East Garrison Rd
    - Luminaires: NE NW___SE SW__
    - Flashing beacon: WB
    - Street Name Signs: NE___ SE___ SW
11. Reservation Road/Watkins Gate Rd
    - Luminaires: NE NW___SE SW__
    - Flashing beacon: WB
    - Street Name Signs: NE___ SE___ SW__
12. Russell Road/San Juan Grade Rd
    - Luminaires: NE___ NW___ SW___ SE___
    - Street Name Signs: NE___ SW___ SE___
13. Russell Road/Van Buren Ave
    - Luminaires: NE(lt) NE(rt)__NW SW__SE_
    - Street Name Signs: NE___ NW___SW___SE___

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MARINA

1. Blanco Road/Research Drive
   - Luminaires: NE___ NW___ SW___ SE___
   - Flashing Beacons: S/B (lt)____(rt) ___
   - Street Name Signs: NE___ SE___ SW___
2. Blanco Road/Reservation Road
   - Luminaires: NE___ NW___ SW___ SE___
   - Free Right Turn Luminaries First____Second _____
   - Flashing Beacon: W/B___
   - Street Name Signs: NW___ SE___ SW___

CARMEL VALLEY

1. Rio Road/Road "A"
   - Luminaires: NE___ NW___ SW___ SE___
2. Rio Road/Carmel Center Place
   - Luminaires: NW___ SE___
3. Carmel Rancho Blvd/Carmel Rancho Shopping Center Driveways
   - Luminaires: NE___ NW___ SW___ SE___
   - Street Name Signs: NW___ SE___
4. Carmel Valley Road/Carmel Rancho Blvd./Carmel Knolls Dr
   - Luminaires: NE___ NW___ SW___ SE___
5. Carmel Valley Road/Carmel Middle School Driveway
   - Luminaires: NE___ NW___ SW___ SE___
   - Flashing Beacon: W/B___
   - Street Name Signs: NW___ SE___
6. Carmel Valley Road/Via Mallorca
   - Luminaires: NE___NW____SE____ at Via Petra NE___SE ____
   - Flashing Beacon: E/B (lt)___E/B (rt)____W/B____
   - Street Name Signs NE___ NW___ SE___
7. Carmel Valley Road/Rancho San Carlos Road
   - Luminaires: NW___ SE___
   - Flashing Beacon: E/B ___ W/B___
   - Street Name Signs NE ___ NW ___ SE ___

FLASHING BEACONS INDEPENDENT OF TRAFFIC SIGNALS

		Times of Operation
1. Carmel Valley Road near Country Club Drive:	E/B___W/B ___	at all times
2. Carmel Valley Road e/o Boronda Road	E/B ___	
3. Castroville Boulevard e/o Elkhorn Road	W/B___	at all times
4. Castroville Boulevard near Paradise Road	E/B__W/B ____	at all times
5. Old Stage Road north of the City of Gonzales:	E/B____S/B _____	at all times
6. Olmstead Road at Olmstead School	N/B__S/B ____	7:00 –8:30 am 3:00 – 3:40 pm
7. River Road (3) between Gonzales River Road	N/B__S/B ____	at all times
8. Russell Rd between SH 101 & San Juan Grade Rd:	E/B(lt) (rt) W/B ___	7:00 –8:30 am 3:00 – 3:40 pm
9. Maher Road between Echo Valley Rd & Tarpey Rd:	N/B___S/B ___	
10. Salinas Road at Pajaro Middle School:	N/B___S/B _____	7:00 –8:30 am 3:00 – 3:40 pm
11. Salinas Road at Bishop Street Crosswalk:	N/B__S/B ___	
12. San Juan Road at Murphy Curve:	W/B__E/B ___	

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ELECTROLIERS INDEPENDENT OF TRAFFIC SIGNALS

1. Davis Road over crossing of State Highway 183, See Attached Drawing
   Luminaires: N/B#1___N/B#2___N/B#3___
   S/B#1___S/B#2___S/B#3 ___

2. Porter Drive Bridge at Pajaro River Luminaires: (See attached location drawing)

   Northbound: Bridge Side #1___#2_____#3_____#4___#5_
   _____#6_ River Side ___ - ___ ___
   ___ ___

   Southbound: Bridge Side #7___#8___#9___#10___#11___#12___
   River Side ___ ___ ___ ___ ___ ___

3. Salinas Road at Elkhorn Road Luminaire: (west side of roadway) _____
4. Jensen Road at Hilltop Road Luminaire: (south side of roadway) _____
5. Prunedale South Road at Reese Circle Luminaire: (east side of roadway) _____

TUNNEL LIGHTING

1. Robinson Canyon Road at Carmel Valley Road (240v, 400 watt, must be inspected during daylight hours when all lights are energized)
   N/B #1___#2___#3___#4___#5___#6 #7___#8 ___
   #9___#10___#11___#12 #13___#14___#15___#16 ___

RADAR FEEDBACK SIGNS

1. Blanco Road between Davis Rd and Reservation Rd N/B1___N/B2___S/B1___S/B2___
2. Crazy Horse Cyn Rd between Dump Rd and San Juan Grd E/B___
3. Las Lomas Drive between Hall Rd and S/B ___
4. San Juan Rd at Murphy Road E/B___W/B ___

FUTURE TRAFFIC SIGNALS

1. Constitution Blvd at Natividad Hospital Dwy
2. Carmel Valley Road at Brookdale Road

Signature of Person Performing Inspection:_____ Date: _____

Submit to: County of Monterey Traffic Engineer
Department of Public Works, Facilities and Parks
Traffic Section
1441 Schilling Place, South 2nd Floor
Salinas, CA 93901

Attachment E

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

A motion was made by Supervisor Mary L. Adams, seconded by Supervisor Jane Parker to:

Agreement No.: A-14553

a. Approve Standard Agreement with Cal-West Lighting & Signal Maintenance, Inc. to provide traffic signal and lighting maintenance repair services for various locations within Monterey County, Request for Proposals #10680, for a total amount not to exceed $309,228 for an initial term of approximately three (3) years from November 6, 2019 to October 31, 2022, with the option to extend the Agreement for two (2) additional one (1) year period(s); and

b. Authorize the Contracts/Purchasing Officer or Contracts/Purchasing Supervisor to execute the Standard Agreement and up to three (3) amendments to the Agreement where the amendments do not significantly alter the scope of work or increase the approved Agreement amount more than ten percent (10%).

PASSED AND ADOPTED on this 5th day of November 2019, by the following vote, to wit:

AYES: Supervisors Alejo, Lopez, Phillips, Parker and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting November 5, 2019.

Dated: November 5, 2019
File ID.: A 19-389
Agenda Item No.: 76

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Julian Lorenzana, Deputy

COUNTY OF MONTEREY STANDARD AGREEMENT

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and:
Cal-West Lighting & Signal Maintenance, Inc.,
(hereinafter "CONTRACTOR").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1.0 GENERAL DESCRIPTION:

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

Provide:

Traffic signal and lighting maintenance repair services for various locations within Monterey County.

2.0 PAYMENT PROVISIONS:

County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A,** subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of:$ 309,228.00

3.0 TERM OF AGREEMENT:

3.01 The term of this Agreement is from November 6, 2019 **to** October 31, 2022, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement.**

3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS:

The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions
Exhibit B Other: Incorporation of RFP #10680, Addendum No. 1 to RFP#10680 and Proposal Documents, on file with the RMA - Public Works, Parks and Facilities

5.0 PERFORMANCE STANDARDS:

5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.

5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6.0 PAYMENT CONDITIONS:

6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.

6.03 Invoice amounts shall be billed directly to the ordering department.

6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

7.0 TERMINATION:

7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8.0 INDEMNIFICATION:

CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9.0 INSURANCE REQUIREMENTS:

9.01 **Evidence of Coverage:** Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 **Qualifying Insurers:** All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to

the current Best's Key Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Manager.

9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance: including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.
(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Requestor must check the appropriate Automobile Insurance Threshold:
Requestor must check the appropriate box.

☐ **Agreement Under $100,000 Business Automobile Liability Insurance**: covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than $500,000 per occurrence.

☑ **Agreement Over $100,000 Business Automobile Liability Insurance**: covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance: if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.
(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or

errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

(Note: any proposed modifications to these insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

9.04 **Other Requirements:**

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, **and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance.** The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10.0 RECORDS AND CONFIDENTIALITY:

10.1 **Confidentiality:** CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.2 **County Records:** When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.

10.3 **Maintenance of Records:** CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then CONTRACTOR shall retain said records until such action is resolved.

10.4 **Access to and Audit of Records:** The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of $10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.5 **Royalties and Inventions:** County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

11.0 NON-DISCRIMINATION:

11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12.0 COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS:

If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13.0 INDEPENDENT CONTRACTOR:

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is always acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

14.0 NOTICES:

Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR'S contract administrators at the addresses listed below:

FOR COUNTY:	**FOR CONTRACTOR:**
Dalia M. Mariscal-Martinez Management Analyst III	Craig H. Geis, Jr. President
Name and Title	Name and Title
1441 Schilling Place, South 2nd Floor Salinas, California 93901-4527	530 North Marburg Way San Jose, California 95133
Address	Address
(831) 755-8966	(408) 923-1313
Phone:	Phone:

15.0 MISCELLANEOUS PROVISIONS.

15.01 **Conflict of Interest:** CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the services required to be rendered under this Agreement.

15.02 **Amendment:** This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

15.03 **Waiver:** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

15.04 **Contractor:** The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

15.05 **Disputes:** CONTRACTOR shall continue to perform under this Agreement during any dispute.

15.06 **Assignment and Subcontracting:** The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

15.07 **Successors and Assigns:** This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

15.08 **Compliance with Applicable Law:** The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

15.09 **Headings:** The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

15.10 **Time is of the Essence:** Time is of the essence in each and all of the provisions of this Agreement.

15.11 **Governing Law:** This Agreement shall be governed by and interpreted under the laws of the State of California; venue shall be Monterey County.

15.12 **Non-exclusive Agreement:** This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

15.13 **Construction of Agreement:** The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

15.14 **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

15.15 **Authority:** Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

15.16 **Integration:** This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.

15.17 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

16.0 SIGNATURE PAGE.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: _____
Contracts/Purchasing Officer
Date: _____

By: _____
Department Head (if applicable)
Date: _____

By: _____
Board of Supervisors (if applicable)
Date: _____

Approved as to Form[1]

By: _____
County Counsel
Date: _____

Approved as to Fiscal Provisions[2]

By: _____
Auditor/Controller
Date: _____

Approved as to Liability Provisions[3]

By: _____
Risk Management
Date: _____

CONTRACTOR

Cal-West Lighting & Signal Maintenance
Contractor's Business Name*

By: _____
(Signature of Chair, President, or Vice-President) *

Craig H. Geis Jr. - President
Name and Title

Date: October 17, 2019

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasure) *

Frank A. Garcia - Treasurer
Name and Title

Date: October 17, 2019

County Board of Supervisors' Agreement Number:_____, approved on (date): _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers per California Corporations Code Section 313. If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of two (2) managers. If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement or Amendment to said Agreement.

[1]Approval by County Counsel is required
[2]Approval by Auditor-Controller is required
[3]Approval by Risk Management is necessary only if changes are made in paragraphs 8 or 9

16.0 SIGNATURE PAGE.

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: _____
For Contracts/Purchasing Officer
Deputy Purchasing Agent
County of Monterey

Date: 11/14/19

By: _____
Department Head (if applicable)

Date: _____

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form[1]

By: _____
County Counsel

Date: 10-28-19

Approved as to Fiscal Provisions[2]

By: _____
Auditor/Controller

Date: 10/22/2019

Approved as to Liability Provisions[3]

By: _____
Risk Management

Date: _____

CONTRACTOR

Cal-West Lighting & Signal Maintenance
Contractor's Business Name*

By: _____
(Signature of Chair, President, or Vice-President) *

Craig H. Geis Jr. - President
Name and Title

Date: October 17, 2019

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasure) *

Frank A. Garcia - Treasurer
Name and Title

Date: October 17, 2019

County Board of Supervisors' Agreement Number:_____, approved on (date): _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers per California Corporations Code Section 313. If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of two (2) managers. If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement or Amendment to said Agreement.

[1] Approval by County Counsel is required
[2] Approval by Auditor-Controller is required
[3] Approval by Risk Management is necessary only if changes are made in paragraphs 8 or 9

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS

To Agreement by and between
County of Monterey, hereinafter referred to as "County"
and
Cal-West Lighting & Signal Maintenance, Inc., hereinafter referred to as "CONTRACTOR"

SCOPE OF SERVICES
The scope of services includes but is not limited to the following:

CONTRACTOR Minimum Work Performance Percentage: CONTRACTOR shall perform with his/her/its own organization Agreement work amounting to not less than fifty percent (50%) of the original total Agreement price, except that any designated 'Specialty Items' may be performed by subcontract and the amount of any such 'Specialty Items' so performed may be deducted from the original total Agreement price before computing the amount of work required to be performed by CONTRACTOR with his/her/its organization.

The work to be done consists, in general, of preventive maintenance and extraordinary maintenance and repair of traffic signal and lighting systems.

CONTRACTOR must hold a current C-10 License issued by the California Contractors State Licensing Board.

CONTRACTOR must possess all the equipment and qualified personnel necessary for the testing and certification of new controller assemblies except for environmental testing.

TRAFFIC SIGNAL & LIGHTING MAINTENANCE REPAIR DETAILS

A. GENERAL:

OBSTRUCTIONS:
CONTRACTOR must contact Underground Service Alert (U.S.A.) toll free at 1-800-642-2444 or 811 prior to performing any excavation work under this Agreement. Utility locations must be identified, and field marked before any excavating is done by CONTRACTOR.

CONSTRUCTION AREA SIGNS:
Construction area signs must be furnished, installed, maintained, and removed when no longer required. Full compensation for providing construction area signs must be considered as included in the Agreement prices for the various items of work and no separate payment will be made.

CONTRACTOR must erect flags, signs, flashing lights, and barricades as may be required to properly protect workers and the motoring public when repairs are being performed on or near the roadway. All signs and devices used must conform to the latest edition of the California Manual on Uniform Traffic Control Devices (MUTCD) as published and adopted by the California State Department of Transportation (Caltrans).

MAINTAINING TRAFFIC:
Lane closures must conform to the provisions in the section below entitled "Traffic Control System for Lane Closure". Whenever vehicles or equipment are parked on the shoulder within six (6) feet of a traffic lane, the shoulder area must be closed with fluorescent traffic cones or portable delineators placed on a taper in advance of the parked vehicles or equipment. A W20-1 (Road Work Ahead) or W21-5 (Shoulder Work) sign must be placed at an adequate distance (per the MUTCD Standards latest edition as published and adopted by Caltrans) prior to the vehicles or equipment commencing work. Full compensation for maintaining traffic must be considered as included in the Agreement prices for the various items of work and no separate payment will be made.

TRAFFIC CONTROL SYSTEM FOR LANE CLOSURE:
CONTRACTOR shall provide safe and continuous passage for pedestrian and vehicular traffic at all times and conduct its operation as to cause the least possible obstruction and inconvenience to public traffic. No lane closures will be permitted between the hours of 7:00 a.m. and 9:00 a.m. or 3:00 p.m. to 6:00 p.m. unless an emergency exists, and such a closure is necessary to safeguard the traveling public. A traffic control system must consist of closing traffic lane(s) in accordance with Part 6 "Temporary Traffic Control" of the California MUTCD's latest edition as published and adopted by Caltrans. Full compensation for providing the traffic control system (including signs and flagging) must be considered as included in the Agreement prices paid for the various items of work and no separate payment will be made.

RECORDS/REPORTING:
The following records must be maintained by CONTRACTOR covering traffic signal maintenance activities:

- CONTRACTOR must promptly notify County Traffic Engineer of the disablement of any piece of equipment on any system due to an accident or other causes, such as damaged cable, broken parts, or other difficulties when such pieces of equipment cannot be readily repaired making it necessary to discontinue operation of all or part of the installation.

- Whenever it is necessary to close any traffic lane longer than thirty (30) minutes to complete any portion of the work, CONTRACTOR must notify County Traffic Engineer. The closure and time schedule must be subject to the approval of County Traffic Engineer. Work creating excessive delays to critical traffic movements must be scheduled during off peak traffic periods when possible. At least one (1) traffic lane must be kept open in each through direction at all times.

- CONTRACTOR agrees to provide phone service for the receiving of notification of inoperative traffic signals including those items requiring emergency repair and service during CONTRACTOR's normal business hours and an answering service for the receiving of notification of inoperative traffic signals requiring emergency repairs or service at all times (seven [7] days per week) other than CONTRACTOR's normal business hours, whether such notification originates with County, the California Highway Patrol, or any other party or person.

- CONTRACTOR must maintain a local telephone where CONTRACTOR's personnel can be reached twenty-four (24) hours per day seven (7) days per week. This telephone number is to be made available to all persons designated by County. CONTRACTOR must make immediate emergency service calls twenty-four (24) hours per day when called upon by County to do so and must make temporary or permanent repairs as conditions warrant to signal equipment when said signal equipment has been damaged by vehicle accidents, acts of God, malicious damage, or just malfunctions. Response time must be within one and one-half (1 ½) hours during the CONTRACTOR's regular business hours (minimum eight [8] hour period) and two (2) hours after regular business hours or on weekends. In the event of multiple calls, each will be serviced on a priority basis. CONTRACTOR will first endeavor to make the first response location safe and secure prior to responding to other calls. CONTRACTOR must respond to all direct calls for emergency traffic signal repair service from law enforcement officers if the location is on County's list for routine maintenance, Attachment B, Traffic Signal & Lighting Maintenance Locations, of this Exhibit A, as may be amended from time to time.

- A record log is to be kept in the controller cabinet properly noting the time of the service person's regular monthly routine inspection and noting the time and description of all extraordinary maintenance and repairs.

- Signal timing charts are to be kept by County in each controller cabinet. County must authorize all timing changes. CONTRACTOR may make changes required on a temporary basis due to maintenance operation such as when detectors fail. CONTRACTOR must record the timing changes, date, time, and person making the change on the standard maintenance log sheet kept in the cabinet.

- A duplicate record of all service calls, repairs, and pertinent data pertaining to each individual intersection is to be kept on file in CONTRACTOR's office and available to County upon request. CONTRACTOR must send a status report on all intersections and other serviced locations to County once each month of all service calls, repairs, and other pertinent data occurring the previous month.

- Any maintenance operations found unsatisfactory, any equipment found not properly maintained, or any repair or extra work found necessary by County Traffic Engineer will be reported to CONTRACTOR and confirmed in writing. Upon receipt of such report, CONTRACTOR must immediately make the necessary corrections and perform any work necessary to bring the system up to the prescribed standard. CONTRACTOR must submit a report to County Traffic Engineer indicating that the work covered by County Traffic Engineer's report has been completed, giving the date of completion of the work.

B. <u>DESCRIBED SERVICES</u>:

CONTRACTOR must perform the following routine and preventive maintenance services at all traffic signal locations (all described work is included in routine maintenance unless stated otherwise):

ROUTINE MAINTENANCE:

CONTRACTOR must furnish all tools, equipment, apparatus, facilities, labor, services and materials, and must perform all work necessary to routinely and preventatively maintain in a workmanlike manner, traffic signal facilities and their respective electroliers, illuminated street name signs, flashing beacons, and radar feedback signs located at the various intersections included as Attachment B, Traffic Signal Lighting & Maintenance Locations, of this Exhibit A. The work must include providing service and preventive maintenance. All of said labor, services, materials, and equipment must be furnished and said work performed and completed as an independent CONTRACTOR. All work will be subject to the inspection and approval of County and its Traffic Engineer.

CONTRACTOR must make a monthly inspection of each signal controller cabinet location at which time the following steps must be taken:

- Visually inspect for ant, earwig, etc. infestation or gopher problems and take appropriate action as necessary to prevent damage to electrical system. (Inspection is routine maintenance, but treatment for infestation is extraordinary maintenance).

- Vacuum cabinet, remove any foreign material, and clean or change air filters as needed.

- Visually inspect controller service cabinets for proper operation including battery backup system.

- Check timing of individual signal phases and interval timing circuits and adjust as necessary to comply with timing card.

- Check detector units (video, loop, or micro-loop), interconnect communication between intersections where applicable, and pedestrian buttons and make routine adjustments and repairs if necessary.

- Visually inspect the operation of all signal head lamps (LEDS), pedestrian signal head lamps (LEDS), relays, clocks, dials, switches, battery backup system, etc., and make routine adjustments or minor repairs if necessary.

- Visually check for missing or bent visors and back plates and turned signal heads.

- Legibly record inspection date, time, work performed, name of CONTRACTOR's employee in controller cabinet on CONTRACTOR provided maintenance log sheets.

- Send summary of monthly inspections with any recommendations to County with details listed by intersection included as Attachment C, Monthly Checklist, of this Exhibit A.

SPARE EQUIPMENT:
CONTRACTOR must maintain adequate storage and shop repair facilities to perform this Agreement, including a sufficient stock of spare equipment and materials such as standby Type 170 controllers, Type 2070 controllers, Type 1-A poles, signal heads, pedestrian push buttons, and common 332 cabinet replacement parts to effect permanent repairs to the system within a ten (10) day period. Failure to effect permanent repairs within this time limit will be sufficient cause for County to authorize repairs to be completed by other available CONTRACTOR(s). Repetitive failure will be sufficient cause for County to cancel this Agreement. County reserves the right to furnish any materials to effect permanent repairs by CONTRACTOR.

As part of routine maintenance, CONTRACTOR must keep and maintain a spare Type 170 controller with Type C PROM module, Type 2070 controller, Model 206 24-volt DC power supply, and Model 210 conflict monitor in north Monterey County. Each unit may be used at any specific location for up to six (6) months without charge until the replaced unit is repaired and reinstalled, a County spare is installed, or new equipment is purchased and installed. All service vehicles responding to calls must have spare used or new Model 200 load switches, 242 isolators, 222 detector amplifiers, 204 flashers, and 430 flash transfer relays available for immediate use. The providing and installing of new equipment will only be paid as extraordinary maintenance. CONTRACTOR must notify County's Traffic Engineer or their designee by the end of the next business day when any County controller, PROM module, 24-volt power supply, or conflict monitor is removed from an intersection or the intersection timing is changed from the intersection timing chart.

AGING EQUIPMENT:
CONTRACTOR must provide all tools, equipment, apparatus, facilities, labor, services and materials, and must perform all work necessary to replace five (5) traffic signal controllers per year. County will indicate locations to CONTRACTOR. All controllers shall be McCain 2070 controllers compatible with existing intersection location as specified in Attachment B, Traffic Signal Lighting & Maintenance Locations, of this Exhibit A. All of said labor, services, materials, and equipment must be furnished and said work performed and completed as an independent CONTRACTOR. All work will be subject to the inspection and approval by County and its Traffic Engineer.

LED REPLACEMENT:
CONTRACTOR shall replace all incandescent lamps in all signals based on an eighty percent (80%) depletion period. All incandescent lamps shall be replaced light emitting diode (LED) modules. All LED modules in all signals shall be replaced when more than two percent (2%) of the LEDs have failed. Contractor shall only use standard LED traffic signal modules approved by Caltrans. The cost to replace LED modules is covered under extraordinary maintenance.

All controller units, auxiliary equipment, and appurtenances such as detectors, transformers, battery backup system (BBS) inverter units, batteries, timers and related items must be serviced as recommended by the manufacturer.

BATTERY BACK UP/PROM MODULE ANNUAL TESTING:
CONTRACTOR must on an annual basis in September completely inspect and test the BBS and

batteries and the lithium battery in the controller's PROM module where applicable. The written report format and detail must be pre-approved by County. Results must be sent to County Traffic Engineer within fifteen (15) calendar days of completion of the tests. Costs for lithium battery replacement must be included as part of CONTRACTOR's monthly intersection preventive maintenance billing. Replacement of the BBS batteries shall be every other year, must be an extraordinary work and require prior approval in writing from County Traffic Engineer (email is acceptable). Batteries supplied must be approved by the manufacturer and County Traffic Engineer for the specific unit involved. CONTRACTOR shall conduct confirmation testing of replaced batteries and appropriately dispose of replaced batteries. After replacement of BBS batteries, test results must be sent to County Traffic Engineer within fifteen (15) calendar days of completion of the tests.

EXTRAORDINARY MAINTENANCE:

Whenever any equipment or system component in any system malfunctions, is damaged, or has deteriorated as a result of causes other than the negligence of CONTRACTOR or his/her/its agents so as to require repairs to or replacement of such equipment, or whenever County deems it necessary to make changes in existing equipment or components, and the work is not covered under Attachment A, Fee Schedule, of this Exhibit A, the work will be deemed Extraordinary Maintenance. If the work exceeds $250 or is not at locations listed on Attachment B, Traffic Signal & Lighting Maintenance Locations, of this Exhibit A, the extraordinary work must be performed only with the written or e-mail approval of County Traffic Engineer prior to any material orders or any work being performed. If the repair exceeds $250, the need for the repair is before or after normal County business hours, and County Traffic Engineer cannot be reached, the temporary repair must be implemented and County Traffic Engineer must be notified of the repair within twenty-four (24) hours or the next business day if the repair is on a weekend. Total permanent replacement of a traffic signal controller cabinet, an electrical service cabinet, or a mast arm signal pole will only be allowed with the written or e-mail approval of County Traffic Engineer.

Claims for extraordinary traffic signal and lighting system repair over $250 and not of an emergency nature, which have not been authorized by County Traffic Engineer, will be rejected. CONTRACTOR must provide backup documentation for any claim regardless of the dollar amount within three (3) business days of correspondence.

CONFLICT MONITOR TESTING:

In June of each year of the Agreement, CONTRACTOR must field test each conflict monitor for proper operation, check each program card for proper conflict monitoring, and provide a certifying report to County. The written report format and detail must be pre-approved by County. Results must be sent to County's Traffic Engineer within fifteen (15) calendar days of completion of the tests. All intersections must be tested except those newly installed within the last six (6) months. County Traffic Engineer must resolve any doubt as to which locations must be tested. Replacement or repair of failed units will be performed as directed by County Traffic Engineer. If permanent repair or replacement is made by CONTRACTOR, it must be deemed extraordinary work. If failed/defective units are under warranty, CONTRACTOR shall seek warranty replacement, as applicable.

OTHER SERVICES:
The replacement of blacked-out LED lamp modules need not be on an emergency basis provided there are at least two (2) indications still operative for the same traffic movement and direction of travel and at least one (1) of the modules is a mast arm indication. Such replacement should be handled as soon as possible in a routine manner.

CONTRACTOR also agrees to provide response service twenty-four (24) hours per day for repair of the equipment and appurtenances, such as safety lighting, street name signs, flashing beacons, and other electrical equipment which CONTRACTOR may be called upon from time to time by County to repair, replace or refurbish even though not listed on Attachment B, Traffic Signal & Lighting Maintenance Locations, of this Exhibit A. Such additional work must only be at the written or e-mail direction of County Traffic Engineer.

In the event of substantial collision damage to any part of a traffic signal or lighting system, CONTRACTOR must transport all damaged parts to a place designated by County for evaluation and documentation by photography or other means for future cost recovery. CONTRACTOR must dispose of damaged parts only upon completion of all related actions and approval by County.

All vehicular and pedestrian signal heads must be maintained with LED module lamps at all times including flashing beacons. All LED module lamps for vehicular signal faces must conform to the Institute of Transportation Engineers' standards and Cal Trans LED purchase specifications. LED modules must be on Caltrans Qualified Products List (QPL) list except for locations where countdown pedestrian heads are approved by County Traffic Engineer for installation. If failed/defective units are under warranty, CONTRACTOR shall seek warranty replacement, as applicable.

County will send a Bi-Monthly Inspection Report (Attachment D, Bi-Monthly Inspections, of this Exhibit A) of street lighting, illuminated street name signs, flashing beacons, etc. to CONTRACTOR with instructions on what to repair. CONTRACTOR must proceed to make the requested repairs in an expeditious manner at regular contract rates (not overtime).

In the event of an extended power outage (four (4) or more hours), CONTRACTOR will need to supply a generator to power a critical intersection. County may request more than one (1) generator.

ADDITIONS TO THE SYSTEM:
CONTRACTOR must maintain additional traffic signals and appurtenant devices as they are installed and become a part of the maintenance requirements of County at the same unit price, shown in Attachment A, Fee Schedule, of this Exhibit A. CONTRACTOR must inspect additional electroliers, flashing beacons, radar feedback signs, rectangular rapid flashing beacons and tunnel lighting as they are installed and become a part of the maintenance requirements of County at the same unit price shown in Attachment A, Fee Schedule, of this Exhibit A. In the event that notification is made of a new installation at other than the beginning of the monthly period, the unit cost must be pro-rated from the day that CONTRACTOR is notified.

New signals, which are covered by manufacturer's material and workmanship warranty, must be serviced and preventive maintenance must be performed by CONTRACTOR, as in all other installations on the signal system, except that where parts or material are or become defective during this warranty period, CONTRACTOR must notify County Traffic Engineer so that the warranty may be exercised.

DELETIONS TO THE SYSTEM:
County may delete traffic signal locations and bimonthly inspections at locations not needing maintenance or inspections. Such events include but are not limited to temporary maintenance and operation by other Public agencies, annexation to cities, formation of a city, removal of equipment, etc. In lieu of Section 4-1.03B (2) of the Standard Specifications compensation per location to CONTRACTOR for the reduction in locations must remain unchanged until less than fifty percent (50%) of either category of locations remains. If this reduction in maintenance needs occurs, CONTRACTOR may request an increase in compensation. Should agreement not be reached as to the amount of increased compensation, CONTRACTOR may terminate his/her/its Agreement to provide maintenance and inspection services to County within thirty (30) days written notice to County.

UNSCHEDULED TRAFFIC SIGNAL MAINTENANCE (NON-EMERGENCY):
Unscheduled Traffic Signal Maintenance includes tasks not specifically included in Scheduled Traffic Signal Maintenance as noted in Attachment A, Fee Schedule, of this Exhibit A, that are not considered emergency in nature and are performed as requested by County to ensure that all traffic signal systems and equipment operate safely and continuously in good working order. CONTRACTOR shall perform Unscheduled Traffic Signal Maintenance tasks on all maintenance sites listed in Attachment B, Traffic Signal & Lighting Maintenance Locations, or as directed by County's Traffic Engineer. Common Unscheduled Traffic Signal Maintenance tasks include, but are not limited to the following:

- Modification of various signal components;
- Detector Loop Replacement due to pavement failure, utility work or other impact. Maintenance records indicate that County replaces approximately thirty (30) detector loops each year. In addition to the basic steps, Detector Loop Replacement shall include the following:
    - Layout and installation of loop and home run;
    - Replacement of conduit if necessary; and
    - Testing on loop for conductivity and integrity; Reconnection to amplifier and testing for proper sensitivity.
- Other traffic signal problems not considered an emergency;
- Cameras mounted on signal poles which require cleaning, alignment, replacement and adjustment;
- Signal Timing Revisions/Adjustments;
- Review of construction documents for new traffic signal installations;
- Assist in inspection of signal construction work performed by other contractors; and
- Other tasks as requested within the expertise of CONTRACTOR.

PAYMENT PROVISIONS

Compensation for Scheduled and Unscheduled Traffic Signal Maintenance tasks shall be in accordance with the unit prices shown in Attachment A, Fee Schedule, of this Exhibit A. CONTRACTOR's price bid for Unscheduled Traffic Signal Maintenance shall be considered inclusive of all materials, equipment, labor and traffic controls necessary to perform the work in accordance with these Technical Specifications.

County reserves the right to secure competitive bids to effect repairs or changes on any system exceeding $250.

A. COMPENSATION/ PAYMENT:

County shall pay an amount not to exceed **$309,228** for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Services. CONTRACTOR's compensation for services rendered shall be based according to the following Attachment A – Fee Schedule which is effective for the initial term of the Agreement, and in accordance with the following terms:

Traffic Signal Maintenance:	$114,228 ($38,076/year for initial term of Agreement)
Ordinary/Extraordinary Maintenance:	$195,000
Traffic Maintenance: $120,000	
Road Maintenance: $ 75,000	
TOTAL NOT TO EXCEEED:	**$309,228**

There shall be no travel reimbursement allowed during this Agreement.

CONTRACTOR warrants that the cost charged for services under the terms of this Agreement are not in excess of those charged any other client for rental equipment.

B. CONTRACTOR's BILLING PROCEDURES:

County may, in its sole discretion, terminate the Agreement or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

County shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

C. INVOICES:

Invoices under this Agreement shall be submitted monthly and promptly, and in accordance with Paragraph 6.0, "Payment Conditions", of the Agreement. All invoices shall reference the services, Multi-Year Agreement (MYA) number and associated Delivery Order number, and an original hardcopy shall be sent to the following address or via email to RMA-Finance-AP-GP@co.monterey.ca.us.

County of Monterey
Resource Management Agency (RMA) – Finance Division
1441 Schilling Place, South 2nd Floor
Salinas, California 93901-4527

Any questions pertaining to invoices under this Agreement shall be directed to the RMA Finance Division at (831) 755-4800 or by emailing to: RMA-Finance-AP-GP@co.monterey.ca.us.

ATTACHMENT A – FEE SCHEDULE

ITEM DESCRIPTION	ITEM NO.	SITE	November 6, 2019- October 31, 2020	November 1, 2020– October 31, 2021	November 1, 2021 – October 31, 2022
TRAFFIC SIGNAL MONTHLY/ANNUAL MAINTENANCE					
		Pajaro			
	1	**Porter Drive/San Juan Road**			
		Luminaires: NE/NW/SW/SE/Free Right Turn/Crosswalk; Flashing Beacon: S/B; Street Name Signs: NE/NW/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	2	**Salinas Road/Pajaro School Driveway**			
		Luminaires: NE/SW; Street Name Signs (LED): NE/SW	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
		Las Lomas			
	3	**Hall Road/Las Lomas Drive**			
		Luminaires: NE/NW/SW/SE; Flashing Beacon: WB/EB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
		Prunedale			
	4	**Blackie Road/Prunedale South Road**			
		Luminaires: NE/NW/SW/SE; Flashing Beacon: SB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	5	**San Miguel Canyon Road/Prunedale North Road**			
		Luminaires: NE/NW/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	6	**San Miguel Canyon Road/Moro Road**			
		Luminaires: NE/SW; Flashing Beacon: S/B; Street Name Signs: NE/NW/SW	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	7	**San Miguel Canyon Road/Hall Road**			
		Luminaires: NW/SE/SW Flashing Beacons: WB/EB/NB; Street Name Signs: NE/NW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
		Salinas			
	8	**Blanco Road/Davis Road**			
		Luminaires: NE/NW/SW/SE; Flashing Beacon: EB(lt)/EB(rt); Street Name Signs: NE/NW/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	9	**Blanco Road/West Alisal Street**			
		Luminaires: NW/SW	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	10	**Harrison Road/Sala Road**			
		Luminaires: NW/SE; Flashing Beacon: EB/WB); Street Name Signs: NE/NW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	11	**Harrison Road/Russell Road**			
		Luminaires: NW/SE; Flashing Beacon: EB/WB; Street Name Signs: NE/NW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	12	**Espinosa Road/Christensen Road**			
		Luminaires: NW/SE; Flashing Beacon: EB/WB; Street Name Signs: NE/NW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	13	**Las Palmas Road/River Road**			
		Luminaires: NE/SW/SE; Flashing Beacon: NB/SB(lt)/SB(rt); Street Name Signs: NE/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	14	**Las Palmas Parkway/River Road**			
		Luminaires: NE/SW/SE; Flashing Beacon: NB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	15	**Reservation Road/Davis Road**			
		Luminaires: NE/SW/SE; Flashing Beacon: EB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	16	**Reservation Road/Inter-Garrison Road**			
		Luminaires: NE/NW/SW/SE; Flashing Beacon: WB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year

	17	**Reservation Road/East Garrison Road**			
		Luminaires: NE/NW/SW/SE; Flashing Beacon: WB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	18	**Reservation Road/Watkins Gate Road**			
		Luminaires: NE/NW/SW/SE; Flashing Beacon: WB; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	19	**Russell Road/San Juan Grade Road**			
		Luminaires: NE/NW/SW/SE; Street Name Signs: NE/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	20	**Russell Road/Van Buren Avenue**			
		Luminaires: NE(lt)/NE(rt)/NW/SW/SE; Street Name Signs: NE/NW/SE/SW	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
		Marina			
	21	**Blanco Road/Research Drive**			
		Luminaires: NE/NW/SW/SE; Flashing Beacon: SB(lt)/SB(rt); Street Name Signs: NE/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	22	**Blanco Road/Reservation Road**			
		Luminaires: NE/NW/SW/SE; Flashing Beacon: First/Second; Street Name Signs: NW/SW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
		Carmel Valley			
	23	**Rio Road/Road "A"**			
		Luminaires: NE/NW/SW/SE;	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	24	**Rio Road/Carmel Center Place**			
		Luminaires: NW/SE;	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	25	**Carmel Rancho Blvd./Carmel Rancho Shopping Center Driveways**			
		Luminaires: NE/NW/SW/SE; Street Name Signs: NW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	26	**Carmel Valley Road/Carmel Rancho Blvd./Carmel Knolls Drive**			
		Luminaires: NE/NW/SW/SE;	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	27	**Carmel Valley Road/Carmel Middle School Driveway**			
		Luminaires: NE/NW/SW/SE; Flashing Beacon: WB; Street Name Signs: NW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	28	**Carmel Valley Road/Via Mallorca**			
		Luminaires: NE/NW/SE/at Via Petra NE/SE; Flashing Beacon: EB(lt)/EB(rt)/WB; Street Name Signs: NE/NW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	29	**Carmel Valley Road/Rancho San Carlos Road**			
		Luminaires: NW/SE; Flashing Beacon: EB/WB; Street Name Signs: NE/NW/SE	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
		SUBTOTAL 1:	**$2,030 per month/ $24,360 per year**	**$2,030 per month/ $24,360 per year**	**$2,030 per month/ $24,360 per year**
FUTURE TRAFFIC SIGNALS					
	1	**Constitution Boulevard/Natividad Hospital Driveway**	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
	2	**Carmel Valley Road/Brookdale Road**	$70 per month/ $840 per year	$70 per month/ $840 per year	$70 per month/ $840 per year
		SUBTOTAL 2:	**$140 per month/ $1,680 per year**	**$140 per month/ $1,680 per year**	**$140 per month/ $1,680 per year**

FLASHING BEACONS INDEPENDENT OF TRAFFIC SIGNALS					
	1	Carmel Valley Road near Country Club Drive:			
		EB/WB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	2	Carmel Valley Road e/o Boronda Road			
		EB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	3	Castroville Boulevard e/o Elkhorn Road			
		WB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	4	Castroville Boulevard near Paradise Road			
		EB/WB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	5	Dolan Road w/o Castroville Boulevard			
		EB/WB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	6	Old Stage Road north of the City of Gonzales			
		SB/BB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	7	Olmstead Road/Olmstead School			
		NB/SB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	8	River Road (3) between Gonzales River Road			
		NB/SB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	9	Russell Road between SH 101 & San Juan Grade Road			
		EB(lt)/EB(rt)/WB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	10	Maher Road between Echo Valley Road & Tarpey Road			
		NB/SB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	11	Salinas Road/Pajaro Middle School			
		NB/SB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	12	Salinas Road/Bishop Street Crosswalk			
		NB/SB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	13	San Juan Road/Murphy Curve			
		EB/WB	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
		SUBTOTAL 3:	**$455 per month/ $5,460 per year**	**$455 per month/ $5,460 per year**	**$455 per month/ $5,460 per year**
RECTANGULAR RAPID FLASHING BEACONS (LIGHTED CROSSWALK)					
	1	Salinas Road/Bishop Street	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	2	Rogge Road/Bollenbacher Drive	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	3	Castroville Boulevard/Collins Road	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	4	Merritt Street (SR183)/Crane Street	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	5	Rio Road/Via Nona Marie (future install)	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
	6	Castroville Boulevard/Elkhorn Road (future install)	$35 per month/ $420 per year	$35 per month/ $420 per year	$35 per month/ $420 per year
		SUBTOTAL 4:	**$210 per month/ $2,520 per year**	**$210 per month/ $2,520 per year**	**$210 per month/ $2,520 per year**

RADAR FEEDBACK SIGNS					
	1	Blanco Road between Davis Road and Reservation Road			
		NB1/NB2/SB1/SB2	$40 per month/ $480 per year	$40 per month/ $480 per year	$40 per month/ $480 per year
	2	Crazy Horse Canyon Road between Dump Road and San Juan Grade Road			
		EB	$40 per month/ $480 per year	$40 per month/ $480 per year	$40 per month/ $480 per year
	3	Las Lomas Drive between Hall Road and Overpass Road			
		SB	$40 per month/ $480 per year	$40 per month/ $480 per year	$40 per month/ $480 per year
	4	San Juan Road/Murphy Road			
		EB/WB	$40 per month/ $480 per year	$40 per month/ $480 per year	$40 per month/ $480 per year
	6	Charter Oak Boulevard w/o Cathedral Oak Road (in Oak Hills)			
		WB	$40 per month/ $480 per year	$40 per month/ $480 per year	$40 per month/ $480 per year
	7	SR 156 (between SR 101 and SR 1)			
		EB/WB	$40 per month/ $480 per year	$40 per month/ $480 per year	$40 per month/ $480 per year
		SUBTOTAL 5:	**$240 per month/ $2,880 per year**	**$240 per month/ $2,880 per year**	**$240 per month/ $2,880 per year**
ELECTROLIERS INDEPENDENT OF TRAFFIC SIGNALS					
	1	Davis Road over crossing of State Highway 183			
		Luminaires: NB1/NB2/NB3/SB1/SB2/SB3	$12 per month/ $144 per year	$12 per month/ $144 per year	$12 per month/ $144 per year
	2	Salinas Road/Elkhorn Road			
		Luminaire: West side of roadway	$2 per month/ $24 per year	$2 per month/ $24 per year	$2 per month/ $24 per year
	3	Jensen Road/Hilltop Road			
		Luminaire: South side of roadway	$2 per month/ $24 per year	$2 per month/ $24 per year	$2 per month/ $24 per year
	4	Prunedale South Road/Reese Circle			
		Luminaire: East side of roadway	$2 per month/ $24 per year	$2 per month/ $24 per year	$2 per month/ $24 per year
		SUBTOTAL 6:	**$18 per month/ $216 per year**	**$18 per month/ $216 per year**	**$18 per month/ $216 per year**
TUNNEL LIGHTING/BRIDGE					
	1	Robinson Canyon Road/Carmel Valley Road			
		NB 1/2/3/4/5/6/7/8/9/10/11/12/13/14/15/16	$32 per month/ $384 per year	$32 per month/ $384 per year	$32 per month/ $384 per year
	2	Porter Drive Bridge/Pajaro River			
		Luminaires: NB Bridge side 1/2/3/4/5/6 Riverside/SB Bridge side 7/8/9/10/11/12 Riverside	$24 per month/ $288 per year	$24 per month/ $288 per year	$24 per month/ $288 per year
	3	Castroville Pedestrain/Bike bridge			
		Luminaires: NB Bridge side 1/2/3/4/5/6 /SB Bridge side 7/8/9/10/11/12	$24 per month/ $288 per year	$24 per month/ $288 per year	$24 per month/ $288 per year
		SUBTOTAL 7:	**$80 per month/ $960 per year**	**$80 per month/ $960 per year**	**$80 per month/ $960 per year**
		TRAFFIC SIGNAL MAINTENANCE ANNUAL GRAND TOTAL:	**$3,173 per month/ $38,076 per year**	**$3,173 per month/ $38,076 per year**	**$3,173 per month/ $38,076 per year**
		TRAFFIC SIGNAL MAINTENANCE GRAND TOTAL: (Term November 6, 2019 - October 31, 2022)	**$114,228**		

EXHIBIT A - SCOPE OF SERVICES/PAYMENT PROVISIONS

ORDINARY MAINTENANCE/HOURLY RATE					
	1	STRAIGHT TIME, LEAD SIGNAL TECHNICIAN (Inside Wireman)	$105 per hour	$105 per hour	$105 per hour
	2	STRAIGHT TIME, SIGNAL TECHNICIAN (Inside Wireman)	$105 per hour	$105 per hour	$105 per hour
	3	STRAIGHT TIME, LABORER	$75 per hour	$75 per hour	$75 per hour
	4	STRAIGHT TIME, INDUCTIVE LOOP INSTALLER (1 loop)	$500 per loop	$500 per loop	$500 per loop
	5	SERVICE TRUCK, BUCKET	$30 per hour	$30 per hour	$30 per hour
	6	CRANE TRUCK	$30 per hour	$30 per hour	$30 per hour
	7	AIR COMPRESSOR	No charge per hour	No charge per hour	No charge per hour
	8	CONCRETE SAW	No charge per hour	No charge per hour	No charge per hour
	9	MATERIAL COST	AT COST/NO MARKUP	AT COST/NO MARKUP	AT COST/NO MARKUP
EXTRAORDINARY MAINTENANCE/HOURLY RATE					
	1	EXTRAORDINARY MAINTENANCE, LEAD SIGNAL TECHNICIAN (Inside Wireman)	$190 per hour	$190 per hour	$190 per hour
	2	EXTRAORDINARY MAINTENANCE, SIGNAL TECHNICIAN (Inside Wireman)	$190 per hour	$190 per hour	$190 per hour
	3	EXTRAORDINARY MAINTENANCE, LABORER	$110 per hour	$110 per hour	$110 per hour
	4	EXTRAORDINARY MAINTENANCE, INDUCTIVE LOOP INSTALLER (1 loop)	$500 per loop	$500 per loop	$500 per loop
TESTING WHEN REQUESTED					
	1	170E or 2070 Controller Unit	$250 per unit	$250 per unit	$250 per unit
	2	332 Cabinet & All Internal Equipment (controller cabinet assembly)	$1,500 per unit	$1,500 per unit	$1,500 per unit
	3	Conflict Monitor Unit separate from controller cabinet assembly	$100 per unit	$100 per unit	$100 per unit
	4	Battery Backup System (BBS)	$250 per unit	$250 per unit	$250 per unit

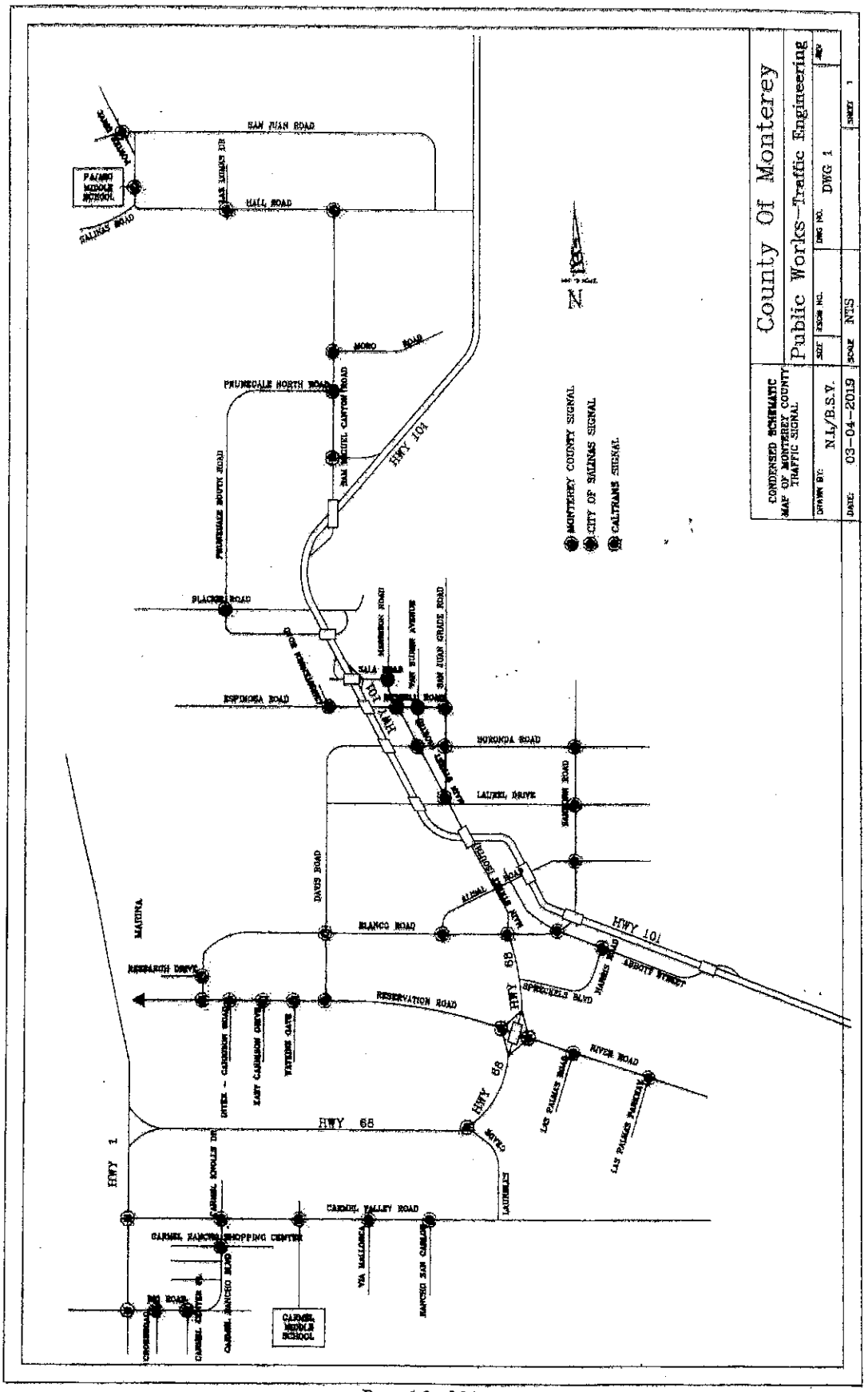
Ordinary Maintenance/Extraordinary Maintenance will be charged at the above mentioned hourly rates for the initial term of the Agreement and as follows:

Traffic Maintenance:	$120,000
Road Maintenance:	$75,000
ORDINARY MAINTENANCE/EXTRAORDINARY MAINTENANCE GRAND TOTAL:	**$195,000**

(Term November 6, 2019 - October 31, 2022)

CONTRACTOR's prices stated in this Attachment A, Fee Schedule, shall be effective from November 6, 2019 through October 31, 2022. Agreement shall not exceed the total amount of **$309,228.**

EXHIBIT A – SCOPE OF SERVICES/PAYMENT PROVISIONS
ATTACHMENT B: TRAFFIC SIGNAL & LIGHTING MAINTENANCE LOCATIONS



Intersection: _____
Date: _____
Start Time: _____
End Time: _____

	Service Area	Status	Remarks
A	**Controller Cabinet**		
	Appearance – paint, dust, dents		
	Door Fit, Gasket		
	Condition of Locks		
	Fan/Thermostat Operations		
	Cabinet Light Switch		
	Removal of Graffiti		
B	**Controller**		
	Controller Front Panel Condition		
	Verify Timings & Coordination		
C	**Signal Standards**		
	Missing or damaged parts		
	Condition of Hardware		
	Hand Hole Covers in Place		
	Removal of Graffiti		
	Street Name Sign Condition		
	Strap Condition		
	Luminaire Condition		
D	**Detector/Flasher/Load Switch**		
	Are all Detectors Functioning		
	Check Flasher Function		
	Check Load Switch Function		
E	**Signal Heads**		
	Indication Functions		
	Light Output		
	PV Head Visibility/Alignment		
	Condition of Backplates/Visors		
F	**Pedestrian Pushbuttons**		
	Aimed Correctly		
	Visibility/Output (Flickering?)		
G	**Pedestrian Pushbuttons**		
	Placing Calls		
	Condition		
H	**Pull Boxes & Covers**		
	Condition		
I	**Signs & Striping for Signals**		
	Condition of Existing Signs		
	Missing Signs		
COMMENTS:			

Technician: _____ Signature: _____
(Print Name)

2019 - 2022
BIMONTHLY INSPECTION OF ILLUMINATED STREET NAME SIGNS, ELECTROLIERS, FLASHING BEACONS, AND TUNNEL LIGHTING

(√ means electrical unit is working properly, Ø means electrical unit is blacked out)

TRAFFIC SIGNALS, ELECTROLIERS, BEACONS, & ILLUMINATED STREET NAME SIGNS:

PAJARO

1. Porter Drive/San Juan Road
   - Luminaires: NE___ NW___ SW___ SE___
     Free Right Turn, Crosswalk___
   - Flashing Beacon: S/B___
   - Street Name Signs: NE___ NW___ SW___ SE___
2. Salinas Road/Pajaro School Driveway
   - Luminaires: NE___ SW___
   - Street Name Signs (LED): NE___ SW___

LAS LOMAS

1. Hall Road/Las Lomas Drive
   - Luminaires: NE___ NW___ SW___ SE___
   - Flashing Beacon: W/B___ E/B___
   - Street Name Signs: NW___ SW___ SE___

PRUNEDALE

1. Blackie Road/Prunedale South Road
   - Luminaires: NE___ SW___
   - Flashing Beacon: S/B___
   - Street Name Signs: NE___ NW___ SW___
2. San Miguel Canyon Road/Prunedale North Road
   - Luminaires: NE___ NW___ SW___ SE___
3. San Miguel Canyon Road/Moro Road
   - Luminaires: NE___ SW___
   - Flashing Beacon: S/B___
   - Street Name Signs: NE___ NW___ SW___
4. San Miguel Canyon Road/Hall Road
   - Luminaires: NW___SE___SW___
   - Flashing Beacons: W/B___E/B___N/B___
   - Street Name Signs: NE___NW___SE___

SALINAS

1. Blanco Road/Davis Road
   - Luminaires: NE___ NW___ SW___ SE___
   - Flashing Beacon: E/B (lt)___(rt)___
   - Street Name Signs: NE___ NW___ SW___ SE_
2. Blanco Road/West Alisal Street
   - Luminaires: N/W___ S/W___
3. Harrison Road at Sala Road
   - Luminaires: NW___ SE___
   - Flashing Beacon: E/B___ W/B___
   - Street Name Signs NE ___ NW ___ SE ___
4. Harrison Road at Russell Road
   - Luminaires: NW___ SE___
   - Flashing Beacon: E/B___ W/B___
   - Street Name Signs NE ___ NW ___ SE ___
5. Espinosa Road at Christensen Road
   - Luminaires: NW___ SE___
   - Flashing Beacon: E/B___ W/B___
   - Street Name Signs NE ___ NW ___ SE ___
6. Las Palmas Road/River Road
   - Luminaires: NE___ SE___ SW__
   - Flashing beacon: NB___ SB (lt)___(rt)___NE___
   - Street Name Signs: SE___ SW__
7. Las Palmas Parkway/River Road
   - Luminaires: Flashing NE___ SE___ SW__
   - Beacon: Street Name NB___
   - Signs: NE___ SE___ SW__
8. Reservation Road/Davis Road
   - Luminaires: Flashing NE___ SE___ SW__
   - Beacon: Street Name EB___
   - Signs: NE___ SE___ SW__
9. Reservation Road/Inter-Garrison Road
   - Luminaires: Flashing NE___ NW___SE___ SW__
   - Beacon: WB___
   - Street Name Signs: NE___ SE___ SW__
10. Reservation Road/East Garrison Road
    - Luminaires: Flashing NE___ NW___SE___ SW__
    - Beacon: WB___
    - Street Name Signs: NE___ SE___ SW__
11. Reservation Road/Watkins Gate Road
    - Luminaires: Flashing NE___ NW___SE___ SW__
    - Beacon: WB___
    - Street Name Signs: NE___ SE___ SW__
12. Russell Road/San Juan Grade Road
    - Luminaires: NE___ NW___ SW___ SE___
    - Street Name Signs: NE___ SW___ SE___
13. Russell Road/Van Buren Avenue
    - Luminaires: NE(lt) NE(rt)__NW SW__SE_
    - Street Name Signs: NE___ NW___SW___SE___

MARINA

1. Blanco Road/Research Drive
   - Luminaires: NE___ NW___ SW___ SE___
   - Flashing Beacons: S/B (lt)____(rt) ____
   - Street Name Signs: NE___ SE___ SW___
2. Blanco Road/Reservation Road
   - Luminaires: NE___ NW___ SW___ SE___
   - Free Right Turn Luminaries First____Second____
   - Flashing Beacon: W/B___
   - Street Name Signs: NW___ SE___ SW___

CARMEL VALLEY

1. Rio Road/Road "A"
   - Luminaires: NE___ NW___ SW___ SE___
2. Rio Road/Carmel Center Place
   - Luminaires: NW___ SE___
3. Carmel Rancho Boulevard/Carmel Rancho Shopping Center Driveways
   - Luminaires: NE___ NW___ SW___ SE___
   - Street Name Signs: NW___ SE___
4. Carmel Valley Road/Carmel Rancho Boulevard/Carmel Knolls Drive
   - Luminaires: NE___ NW___ SW___ SE___
5. Carmel Valley Road/Carmel Middle School Driveway
   - Luminaires: NE___ NW___ SW___ SE___
   - Flashing Beacon: W/B___
   - Street Name Signs: NW___ SE___
6. Carmel Valley Road/Via Mallorca
   - Luminaires: NE___NW___SE____ at Via Petra NE____SE ____
   - Flashing Beacon: E/B (lt)___E/B (rt)____W/B____
   - Street Name Signs NE___ NW___ SE___
7. Carmel Valley Road/Rancho San Carlos Road
   - Luminaires: NW___ SE ___
   - Flashing Beacon: E/B ___ W/B ___
   - Street Name Signs NE ___ NW ___ SE ___

FLASHING BEACONS INDEPENDENT OF TRAFFIC SIGNALS

			Times of Operation
1.	Carmel Valley Road near Country Club Drive:	E/B___W/B ___	at all times
2.	Carmel Valley Road e/o Boronda Road	E/B ___	
3.	Castroville Boulevard e/o Elkhorn Road	W/B___	at all times
4.	Castroville Boulevard near Paradise Road	E/B___W/B ____	at all times
5.	Old Stage Road North of the City of Gonzales:	E/B____S/B _____	at all times
6.	Olmstead Road at Olmstead School	N/B___S/B ____	7:00 – 8:30 am 3:00 – 3:40 pm
7.	River Road (3) between Gonzales River Road	N/B___S/B ____	at all times
8.	Russell Road between SH 101 & San Juan Grade Road:	E/B(lt) _ (rt) W/B ___	7:00 - 8:30 am 3:00 - 3:40 pm
9.	Maher Road between Echo Valley Road & Tarpey Road:	N/B___S/B ____	
10.	Salinas Road at Pajaro Middle School:	N/B___S/B ____	7:00 - 8:30 am 3:00 - 3:40 pm
11.	Salinas Road at Bishop Street Crosswalk:	N/B___S/B ___	
12.	San Juan Road at Murphy Curve:	W/B ___ E/B ___	

ELECTROLIERS INDEPENDENT OF TRAFFIC SIGNALS

1. Davis Road over crossing of State Highway 183, (see attached drawing)
   Luminaires: N/B#1___N/B#2___N/B#3___
   S/B#1___S/B#2___S/B#3 ___

2. Porter Drive Bridge at Pajaro River Luminaires: (see attached location drawing)

   Northbound: Bridge Side #1___#2___#3___#4___#5__#6___
   River Side ___ ___ ___ ___

   Southbound: Bridge Side #7___#8___#9___#10___#11___#12___
   River Side ___ ___ ___ ___ ___ ___

3. Salinas Road at Elkhorn Road Luminaire: (west side of roadway) _____
4. Jensen Road at Hilltop Road Luminaire: (south side of roadway) _____
5. Prunedale South Road at Reese Circle Luminaire: (east side of roadway) _____

TUNNEL LIGHTING

1. Robinson Canyon Road at Carmel Valley Road (240v, 400 watt, must be inspected during daylight hours when all lights are energized)
   N/B #1___#2___#3___#4___#5___#6 #7___#8 ___
   #9___#10___#11___#12 #13___#14___#15___#16 ___

RADAR FEEDBACK SIGNS

1. Blanco Road between Davis Road and Reservation Road N/B1___N/B2___S/B1___S/B2___
2. Crazy Horse Canyon Road between Dump Road and San Juan Grade Road E/B ___
3. Las Lomas Drive between Hall Road and S/B ___
4. San Juan Road at Murphy Road E/B___W/B ____

FUTURE TRAFFIC SIGNALS

1. Constitution Boulevard at Natividad Hospital Driveway
2. Carmel Valley Road at Brookdale Road

Signature of Person Performing Inspection:_____ Date: _____

Submit to: County of Monterey Traffic Engineer
Resource Management Agency – Public Works, Parks & Facilities
Traffic Section
1441 Schilling Place, South 2nd Floor
Salinas, CA 93901

EXHIBIT B – INCORPORATION OF RFP #10680, ADDENDUM NO. 1 TO RFP #10680 AND PROPOSAL DOCUMENTS

The County invited submittals to Request for Proposals (RFP) through RFP #10680 for Traffic Signal & Lighting Maintenance Repair Services 2019 for various locations within Monterey County. Cal-West Lighting & Signal Maintenance, Inc. submitted a responsive and responsible Proposal to perform the services listed in RFP #10680.

RFP #10680, including Addendum No. 1 to the RFP #10680, and the Proposal submitted by Cal-West Lighting & Signal Maintenance, Inc., on file with the Resource Management Agency – Public Works, Parks and Facilities, are hereby incorporated into the Agreement by this reference.

ATTACHMENT F - SUMMARY OF STANDARD AGREEMENT AND ANNUAL EXPENDITURES AND BALANCE

Cal-West Lighting and Signal Maintenance, Inc., Agreement No. A-14553 (Multi-Year Agreement #3200*4823)

Summary of Standard Agreement (SA):

SA/Amendment	Board of Supervisors / Contracts/Purchasing Approval	SA/Amendment Amount/Increase and Term/Extension	SA Total
SA	November 5, 2019 / November 14, 2019	Original Amount: $309,228 Original Term: November 6, 2019 to October 31, 2022	$309,228
Amendment No. 1	N/A / September 22, 2022	Increased Amount by $30,922 Extended Term to October 31, 2023 Updated Various Provisions	$340,150
Amendment No. 2	September 26, 2023 / October 13, 2023	Increased Amount by $150,000 Extended Term to October 31, 2024	$490,150
Amendment No. 3	N/A / October 1, 2024	Extended Term to October 31, 2025 Updated Various Provisions	$490,150
Amendment No. 4	Pending / Pending	Increase Amount by $250,000 Update Various Provisions	$740,150

Summary of SA Annual Expenditures and Balance:

Fiscal Year (FY) (July 1 – June 30)	SA Beginning Balance	SA Additions	SA Expenditures	SA Ending Balance
FY 2019 – 2020	$309,228	$0	$45,478	$263,750
FY 2020 – 2021	$263,750	$0	$58,373	$205,377
FY 2021 – 2022	$205,377	$0	$49,504	$155,873
FY 2022 – 2023	$155,873	$30,922	$83,466	$103,329
FY 2023 – 2024	$103,329	$150,000	$64,393	$188,936
FY 2024 - 2025	$188,936	$250,000 (Pending BOS Approval)	$146,924 (through 8/6/25)	$42,012
Total	**N/A**	**$430,922 ($250,000 Pending BOS Approval)**	**$448,138 (through 8/6/25)**	**N/A**

*Note: Amounts have been rounded to the nearest dollar.

County of Monterey

Board Report

Legistar File Number: 25-662

Item No.49

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

September 23, 2025

Introduced: 9/19/2025
Version: 1

Current Status: Agenda Ready
Matter Type: General Agenda Item

Addenda/Supplemental

Added Item No. 25.1 under Scheduled Matters

September 17, 2025

Roxanne Wilson
Director, Homeless Services
County of Monterey Administrative Office
Division of Homelessness Strategies and Initiatives

CC: MariaElena de la Garza
Chief Executive Officer
Community Action Board of Santa Cruz County, Inc.

Dear Ms. Wilson:

On behalf of the Central California Alliance for Health ("Alliance"), it is my pleasure to inform the County of Monterey that, after careful consideration, your request for funding under the Alliance's Housing Fund dated September 17, 2025 to build a 34-bed Low Barrier Navigation Center on Westview Presbyterian Church's property at 118 First Street, Watsonville, CA ("LBNC Project") has been approved in the amount of $1,228,961.00. We understand that the the County of Monterey and the original funding applicant for the LBNC Project, Community Action Board of Santa Cruz County, Inc. ("CAB"), are requesting that the County of Monterey shall take the place of CAB as the LBNC Project's funding applicant. Accordingly, this award replaces and supecedes any previous Alliance Housing Fund award to CAB in connection with the Letter of Interest submitted by CAB dated June 11, 2025, and all other prior dealings between the Alliance and CAB or Monterey County regarding the LBNC Project.

This award is conditioned upon execution of a definitive Letter of Agreement, a copy of which is enclosed. Please review the Letter of Agreement very carefully, including the reporting requirements. The award funds will be distributed based upon the Letter of Agreement's final terms and payment schedule. Once your Letter of Agreement is fully executed, you will receive a confirmation email from the Alliance with details regarding your follow up forms that will be available in the online awards portal ("Portal"). The Portal is a web-based platform where Housing Fund awardees will have access to view award documentation, review payment information and installment details, and complete and submit any required reports. You will also receive an Awardee Checklist outlining the key steps for Alliance Housing Fund awards.

Please note that although the Alliance is currently reserving the above award amount for the LBNC Project, unless and until a definitive Letter of Agreement is executed between the Alliance and County of Monterey, the award may be withdrawn or revoked. If County of Monterey and the Alliance cannot agree on the terms of the Letter of Agreement after one month of good faith negotiation, the Alliance may choose to withdraw the award from County of Monterey and reallocate the funds to other projects. You will have a period of up to nine (9) months from the date of execution of the Letter of Agreement to begin construction of the LBNC Project. Please be sure to partner with us on any press release, construction signage or other recognition of the Alliance's contribution to the LBNC Project prior to making any such announcement. Once your Letter of Agreement is in place, please refer to the Alliance Funded Partners Brand Toolkit for instruction on the permitted visual presentation, form, and manner in which the Alliance's name and logos should be used in promotional activities: https://brandfolder.com/alliance/funded-partners-brand-toolkit.

If you have any questions, please do not hesitate to reach out to our team at pdincentives@thealliance.health. We are proud to partner with you to expand permanent supporting housing opportunities across the Alliance's service areas.

Sincerely,

Shannon Carini

Shannon Carini
Asociate Counsel

On behalf of and Acting on Authority of
Jessica Finney
Community Grants Director

Docusign Envelope ID: 025E9BC0-DC94-4FEE-9157-8C225D08C8E3

COUNTY OF MONTEREY
MENTAL HEALTH SERVICES AGREEMENT

Contract Number: _____

COUNTY Department Contract Representative:

Elsa M. Jimenez, Director of Health Services
1270 Natividad Road, Salinas, CA 93906

THIS CONTRACT is made and entered into by and between the **COUNTY OF MONTEREY**, a political subdivision of the State of California (hereinafter "COUNTY") and **PSYNERGY PROGRAMS, INC.** (hereinafter "CONTRACTOR").

RECITALS

WHEREAS, COUNTY desires to enter into an Agreement whereby CONTRACTOR shall provide community mental health services in accordance with the requirements of the Bronzan-McCorquodale Act (California Welfare and Institutions Code § 5600, et seq.), Part 2.5 of Division 5 of the California Welfare & Institutions Code, and Titles 9 and 22 of the California Code of Regulations; and

WHEREAS, CONTRACTOR is able to furnish such services under the terms and conditions of this Agreement and in accordance with applicable law, including all Federal, State of California (State), and local laws, regulations, rules, and guidelines pertaining to the provision of mental health services.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

I. DEFINITIONS

A. BEHAVIORAL HEALTH INFORMATION NOTICE (BHIN)

"Behavioral Health Information Notice" or "BHIN" means guidance from DHCS to inform counties and contractors of changes in policy or procedures at the federal or state levels. These were previously referred to as Mental Health and Substance Use Disorder Services Information Notices (MHSUDS IN). BHINs and MHSUDS INs are available on the DHCS website.

B. BENEFICIARY OR CLIENT

"Beneficiary" or "client" mean the individual(s) receiving services.

C. DHCS

"DHCS" means the California Department of Health Care Services.

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II. SERVICES TO BE PROVIDED

CONTRACTOR shall provide the services set forth in this Agreement, including the program services detailed in Exhibit A, to the recipient population and to the COUNTY, in compliance with the terms of this Agreement. These services can be summarized as follows: **Provide community-based living and normalizing experiences for adults with severe psychiatric disabilities.**

III. EXHIBITS

The following exhibits are attached to this Agreement and incorporated herein by reference:

EXHIBIT A: PROGRAM DESCRIPTION
EXHIBIT B: PAYMENT AND BILLING PROVISIONS
EXHIBIT C: CONFIDENTIALITY OF PATIENT INFORMATION
EXHIBIT D: ASSURANCE OF COMPLIANCE WITH SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED
EXHIBIT E: ASSURANCE OF COMPLIANCE WITH MONTEREY COUNTY CULTURAL COMPETENCY POLICY
EXHIBIT F: BUSINESS ASSOCIATE AGREEMENT
EXHIBIT G: BEHAVIORAL HEALTH INVOICE FORM
EXHIBIT H: BUDGET AND EXPENDITURE REPORT
EXHIBIT I: AUDITS AND AUDIT APPEALS
EXHIBIT J: COMPLEX CARE LEVEL OF SERVICE FORM

IV. PAYMENT BY COUNTY

A. The COUNTY shall pay CONTRACTOR in arrears, as applicable, for eligible services provided under this Agreement and in accordance with the terms and conditions set forth in Exhibit B. Payments are made at applicable rates up to the amounts identified for each Funded Program as shown in Exhibit B and as otherwise may be limited under this Agreement and the attachments thereto. If CONTRACTOR is paid at Cash Flow Advances, COUNTY payments are provisional, until the completion of all settlement activities and audits, as such payments are subject to future Federal, State and/or COUNTY adjustments. For the purposes of this Agreement, a "Funded Program" is a set of services paid through a particular funding source identified in Exhibit A: Program Description, Exhibit B: Payment and Billing Provisions, and Exhibit H: Budget and Expenditure Report, all of which are made part of this Agreement.

B. CONTRACTOR shall hold harmless the State and any recipients of services in the event COUNTY does not reimburse CONTRACTOR for services performed under this Agreement.

V. TERM AND TERMINATION

A. Term. This Agreement shall be effective **July 1, 2025** and shall remain in effect until **June 30, 2026.**

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B. Termination without Cause. Either party may terminate this Agreement at any time without cause by serving thirty (30) calendar days' advance written notice upon the other party. The notice shall state the effective date of the termination.

C. Termination with Cause. COUNTY, in its sole and absolute discretion, may terminate this Agreement immediately upon the occurrence of any of the following events:

1. CONTRACTOR'S failure to comply with COUNTY'S Utilization Review procedures;

2. CONTRACTOR'S failure to abide by Grievance decisions;

3. CONTRACTOR'S failure to meet COUNTY qualification criteria;

4. CONTRACTOR'S failure to submit any reports requested by the COUNTY pursuant to this Agreement, including but not limited to Provider's Certification and accompanying audited financial statement, other supporting documents in accordance with the terms of a written notice from COUNTY to CONTRACTOR, and/or, if made part of this Agreement, Exhibit I;

5. CONTRACTOR is unable or reasonably expected to be unable to provide the Services for any reason for a period in excess of thirty (30) consecutive days or sixty (60) days in the aggregate over any three (3) month period;

6. CONTRACTOR'S performance of this Agreement poses an imminent danger to the health and safety of any individual client of COUNTY;

7. CONTRACTOR loses its licensure or certification;

8. CONTRACTOR is suspended, excluded or otherwise becomes ineligible to participate in the Medicare, Medi-Cal, or any other government-sponsored health program;

9. Breach by CONTRACTOR of any confidentiality obligation;

10. Breach by CONTRACTOR of the Health Insurance Portability and Accountability Act (HIPAA) and Protected Health Information (PHI);

11. CONTRACTOR makes an assignment for the benefit of creditors, admits in writing the inability to pay its debts as they mature, applies to any court for the appointment of a trustee or receiver over its assets, or upon commencement of any voluntary or involuntary proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution liquidation or other similar law or any jurisdiction;

12. The insurance required to be maintained by CONTRACTOR under this Agreement is terminated, reduced below the minimum coverage requirements set forth in this Agreement, not renewed or cancelled (whether by action of the insurance company or CONTRACTOR) for any reason, and CONTRACTOR has not obtained replacement

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coverage as required by this Agreement by the effective date of such termination, reduction, non-renewal or cancellation;

13. CONTRACTOR is rendered unable to comply with the terms of this Agreement for any reason; or

14. COUNTY determines that CONTRACTOR is in violation or breach of any provision of this Agreement or violation of Federal, State or local laws, and thirty (30) calendar days have passed since written notice of the violation or breach has been given by COUNTY, without remedy thereof by CONTRACTOR to the satisfaction of COUNTY.

D. Termination or Amendment in Response to Reduction of Government Funding. Notwithstanding any other provision of this Agreement, if Federal, State or local government terminates or reduces its funding to the COUNTY for services that are to be provided under this Agreement, COUNTY, in its sole and absolute discretion after consultation with the CONTRACTOR, may elect to terminate this Agreement by giving written notice of termination to CONTRACTOR effective immediately or on such other date as COUNTY specifies in the notice. Alternatively, COUNTY and CONTRACTOR may mutually agree to amend the Agreement in response to a reduction in Federal, State or local funding.

E. Survival of Obligations after Termination. Termination of this Agreement shall be effected by notice of termination to CONTRACTOR specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. Upon termination of this Agreement, COUNTY shall no longer refer clients to the CONTRACTOR under this Agreement, and the rights and duties of the parties shall be terminated, except that the following obligations shall survive termination:

1. CONTRACTOR shall, pursuant to this Agreement and upon approval of the Behavioral Health Director, continue treatment of clients who are receiving care from CONTRACTOR until completion of treatment or until continuation of the client's care by another provider can be arranged by COUNTY;

2. COUNTY shall arrange for such transfer of treatment no later than sixty (60) calendar days after Agreement termination if the client's treatment is not by then completed;

3. COUNTY, any payer, and CONTRACTOR shall continue to remain obligated under this Agreement with regard to payment for services rendered prior to termination or required to be rendered after termination;

4. Upon termination or expiration of this Agreement, CONTRACTOR shall continue to remain obligated with respect to any confidentiality obligation as described in Section XII and in accordance with Exhibit C to this Agreement, HIPAA and PHI in accordance with Exhibit F to this Agreement, indemnification described in Section XIV to this Agreement, professional liability insurance described in Section XV to this Agreement, and access to and audit of records described in Section XVII to this Agreement, and in accordance with all applicable laws; and

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5. CONTRACTOR shall not do anything or cause any other person to do anything that interferes with COUNTY'S efforts to engage any other person or entity for the provision of the services set forth in this Agreement, or interfere in any way with any relationship between COUNTY and any other person or entity who may be engaged to provide the services to COUNTY.

VI. COMPLIANCE WITH APPLICABLE LAWS AND TERMS OF FEDERAL, STATE AND/OR LOCAL STATUTES AND FEDERAL AND/OR STATE GRANTS

A. Compliance with Laws. In providing services and meeting requirements for payment reimbursement for mental health treatment services under this Agreement, CONTRACTOR shall comply with all applicable Federal, State, and local laws, regulations, rules, and guidelines, including, but not limited to, Title XIX of the Social Security Act; California Welfare and Institutions Code, Divisions 5, 6, and 9; California Code of Regulations, Titles 9 and 22; any Short-Doyle and Short-Doyle/Medi-Cal policies as identified in the State Letters, Office of Management and Budget (OMB Uniform Guidance) 2 CFR part 230 and 2 CFR part 200, subpart E 2 CFR 230 - COST PRINCIPLES FOR NON-PROFIT ORGANIZATIONS (OMB CIRCULAR A-122) - Content Details - CFR-2012-title2-vol1-part230 (govinfo.gov) and Federal Register : Federal Acquisition Regulation; OMB Circular Citation Update, and the Mental Health policies issued by the COUNTY of Monterey.

B. Compliance with Terms of Federal and/or State Grants. If this Agreement is funded with monies received by the COUNTY pursuant to contract(s) with the Federal and/or State government in which the COUNTY is the grantee, CONTRACTOR shall comply with all provisions of said contract(s), to the extent applicable to CONTRACTOR as a sub-grantee under said contract(s), and said provisions shall be deemed a part of this Agreement as if fully set forth herein. Upon request, COUNTY shall deliver a copy of said contract(s) to CONTRACTOR at no cost to CONTRACTOR.

VII. AUTHORIZATION AND DOCUMENTATION PROVISIONS

A. ICD-10

1. CONTRACTOR shall use the criteria set forth in the current edition of the DSM as the clinical tool to make diagnostic determinations.

2. Once a DSM diagnosis is determined, the CONTRACTOR shall determine the corresponding mental health diagnosis in the current edition of ICD. CONTRACTOR shall use the ICD diagnosis code(s) to submit a claim for SMHS to receive reimbursement from COUNTY.

3. The ICD Tabular List of Diseases and Injuries is maintained by CMS and may be updated during the term of this Agreement. Changes to the lists of ICD diagnoses do not require an amendment to this Agreement, and COUNTY may implement these changes as provided by CMS.

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VIII. PROGRAM INTEGRITY

A. GENERAL

As a condition of receiving payment under a Medi-Cal managed care program, the CONTRACTOR shall comply with the provisions of 42 C.F.R. §§ 438.604, 438.606, 438.608 and 438.610. (42 C.F.R. § 438.600(b)).

B. CREDENTIALING AND RE-CREDENTIALING OF PROVIDERS

1. CONTRACTOR must follow the uniform process for credentialing and recredentialing of service providers established by COUNTY, including disciplinary actions such as reducing, suspending, or terminating provider's privileges. Failure to comply with specified requirements can result in suspension or termination of a provider.

2. Upon request, the CONTRACTOR must demonstrate to the COUNTY that each of its providers are qualified in accordance with current legal, professional, and technical standards, and that they are appropriately licensed, registered, waivered, and/or certified.

3. CONTRACTOR must not employ or subcontract with providers debarred, suspended or otherwise excluded (individually, and collectively referred to as "Excluded") from participation in Federal Health Care Programs, including Medi-Cal/Medicaid or procurement activities, as set forth in 42 C.F.R. §438.610. See relevant section below regarding specific requirements for exclusion monitoring.

4. CONTRACTOR shall ensure that all of their network providers delivering covered services, sign and date an attestation statement on a form provided by COUNTY, in which each provider attests to the following:

    a. Any limitations or inabilities that affect the provider's ability to perform any of the position's essential functions, with or without accommodation;

    b. A history of loss of license or felony convictions;

    c. A history of loss or limitation of privileges or disciplinary activity;

    d. A lack of present illegal drug use; and

    e. The application's accuracy and completeness

5. CONTRACTOR must file and keep track of attestation statements for all of their providers and must make those available to the COUNTY upon request at any time.

6. CONTRACTOR is required to sign an annual attestation statement at the time of Agreement renewal, but at least every three years, in which they will attest that they

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will follow COUNTY's Credentialing Policy and MHSUDS IN 18-019 and ensure that all of their rendering providers are credentialed as per established guidelines.

7. CONTRACTOR is required to verify and document at a minimum every three years that each network provider that delivers covered services continues to possess valid credentials, including verification of each of the credentialing requirements as per the COUNTY's uniform process for credentialing and recredentialing. If any of the requirements are not up-to-date, updated information shall be obtained from network providers to complete the re-credentialing process.

C. SCREENING AND ENROLLMENT REQUIREMENTS

1. COUNTY shall ensure that all CONTRACTOR providers are enrolled with the State as Medi-Cal providers consistent with the provider disclosure, screening, and enrollment requirements of 42 C.F.R. Part 455, subparts B and E. (42 C.F.R. § 438.608(b))

2. COUNTY may execute this Agreement, pending the outcome of screening, enrollment, and revalidation of CONTRACTOR of up to 120 days but shall terminate this Agreement immediately upon determination that CONTRACTOR cannot be enrolled, or the expiration of one 120-day period without enrollment of the CONTRACTOR, and notify affected clients. (42 C.F.R. § 438.602(b)(2))

3. CONTRACTOR shall ensure that all Providers and/or subcontracted Providers consent to a criminal background check, including fingerprinting to the extent required under state law and 42 C.F.R. § 455.434(a). CONTRACTOR shall provide evidence of completed consents when requested by the COUNTY, DHCS or the US Department of Health & Human Services (US DHHS).

IX. CONTRACT MONITORING AND QUALITY CONTROL

A. The Federal government, State, and COUNTY shall have the right to inspect and evaluate the quality, appropriateness and timeliness of services performed under this Agreement.

B. The Behavioral Health Director shall assign a Contract Monitor to ensure compliance with the terms and conditions of this Agreement. The Contract Monitor and CONTRACTOR shall meet at intervals deemed appropriate by COUNTY. In addition, the Contract Monitor shall review at regular intervals all statistical reports, financial records, clinical records, and other documents concerning services provided under this Agreement. In addition, CONTRACTOR shall at all times cooperate with the COUNTY'S Quality Improvement ("QI") Plan.

C. CONTRACTOR shall conduct reviews at regular intervals of the quality and utilization of services for all recipients of service under this Agreement. CONTRACTOR shall furnish all required data and reports in compliance with State Client and Service Information System ("CSI"). Units of time reporting are subject to special review and audit.

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D. If CONTRACTOR is an in-patient facility, CONTRACTOR shall submit its patient admissions and length of stay requests for utilization review through existing hospital systems or professional standards review organizations.

X. LICENSURE, CERTIFICATION AND STAFFING REQUIREMENTS

A. Licensure and Certification. CONTRACTOR shall furnish qualified professional personnel as prescribed by Title 9 of the California Code of Regulations, the California Business and Professions Code, the California Welfare and Institutions Code, and all other applicable laws for the type of services rendered under this Agreement. All personnel providing services pursuant to this Agreement shall be fully licensed in accordance with all applicable law and shall remain in good professional standing throughout the entire duration of this Agreement. CONTRACTOR shall comply with all COUNTY and State certification and licensing requirements and shall ensure that all services delivered by staff are within their scope of licensure and practice.

B. Medi-Cal Certification. If CONTRACTOR is an organizational provider of Medi-Cal specialty mental health services, CONTRACTOR shall maintain certification during the term of this Agreement. This includes meeting all staffing and facility standards required for organizational providers of Medi-Cal specialty mental health services which are claimed and notifying COUNTY'S Contract Monitor in writing of anticipated changes in service locations at least sixty (60) days prior to such change.

C. Staff Training and Supervision. CONTRACTOR shall ensure that all personnel, including any subcontractor(s) performing services under this Agreement, receive appropriate training and supervision. CONTRACTOR shall also maintain appropriate levels of staffing at all times when performing services under this Agreement.

D. Exclusion from Participation in Federal Health Care Program or State Equivalent.

1. CONTRACTOR shall not employ or contract with providers or other individuals and entities excluded from participation in Federal health care programs under either Section 1128 or 1128A of the Social Security Act. Federal Financial Participation (FFP) is not available for providers excluded by Medicare, Medicaid, or the State Children's Insurance Program, except for emergency services.

2. CONTRACTOR shall not employ or contract with services to be provided under the terms of this Agreement by any officer, employee, subcontractor, agent or any other individual or entity that is on the List of Excluded Individuals/Entities maintained by the U.S. Department of Health and Human Services, Office of the Inspector General ("OIG") or the California State Medi-Cal Suspended and Ineligible Provider List ("S&I") maintained by the California Department of Health Care Services (DHCS).

   a. CONTRACTOR shall be responsible to determine on a monthly basis whether any of its officers, employees, subcontractors, agents, or other individuals or entities are on either or both excluded lists of OIG and S&I and shall immediately notify the COUNTY upon discovery that any of its officers, employees, subcontractors, agents, or other individuals or entities appears on either or both excluded lists.

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b. The OIG list is currently found at the following web address: http://exclusions.oig.hhs.gov. The S&I list is currently found at the following web address: http://www.medi-cal.ca.gov/references.asp.

XI. PATIENT RIGHTS

A. CONTRACTOR shall comply with all applicable patients' rights laws including, but not limited to, the requirements set forth in California Welfare and Institutions Code, Division 5, Part 1, sections 5325, et seq., and California Code of Regulations, Title 9, Division 1, Chapter 4, Article 6 (sections 860, et seq.).

B. As a condition of reimbursement under this Agreement, CONTRACTOR shall ensure that all recipients of services under this Agreement shall receive the same level of services as other patients served by CONTRACTOR. CONTRACTOR shall ensure that recipients of services under this Agreement are not discriminated against in any manner including, but not limited to, admissions practices, evaluation, treatment, access to programs and or activities, placement in special wings or rooms, and the provision of special or separate meals. CONTRACTOR shall comply with Assurance of Compliance requirements as set forth in Exhibit D and incorporated by reference as if fully set forth herein.

C. CONTRACTOR must comply with all COUNTY policies and procedures regarding Advanced Directives in compliance with the requirements of 42 C.F.R. §§ 422.128 and 438.6(i) (l), (3) and (4).

D. Continuity of Care

CONTRACTOR shall follow the COUNTY's continuity of care policy that is in accordance with applicable state and federal regulations, MHSUDS IN 18-059 and any BHINs issued by DHCS for parity in mental health and substance use disorder benefits subsequent to the effective date of this Agreement (42 C.F.R. § 438.62(b)(1)-(2).)

E. Network Adequacy

1. The CONTRACTOR shall ensure that all services covered under this Agreement are available and accessible to clients in a timely manner and in accordance with the network adequacy standards required by regulation. (42 C.F.R. §438.206 (a), (c)).

2. CONTRACTOR shall submit, when requested by COUNTY and in a manner and format determined by the COUNTY, network adequacy certification information to the COUNTY, utilizing a provided template or other designated format.

3. CONTRACTOR shall submit updated network adequacy information to the COUNTY any time there has been a significant change that would affect the adequacy and capacity of services.

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4. To the extent possible and appropriately consistent with CCR, Title 9, §1830.225 and 42 C.F.R. §438.3 (l), the CONTRACTOR shall provide a client the ability to choose the person providing services to them.

F. Practice Guidelines

1. CONTRACTOR shall adopt practice guidelines (or adopt COUNTY's practice guidelines) that meet the following requirements:

   a. They are based on valid and reliable clinical evidence or a consensus of health care professionals in the applicable field;

   b. They consider the needs of the clients;

   c. They are adopted in consultation with contracting health care professionals; and

   d. They are reviewed and updated periodically as appropriate (42 C.F.R.§ 438.236(b) and CCR, Title 9, Section 1810.326).

2. CONTRACTOR shall disseminate the guidelines to all affected providers and, upon request, to clients and potential clients (42 C.F.R. § 438.236(c)).

G. Provider Application and Validation for Enrollment (PAVE)

1. CONTRACTOR shall ensure that all of its required clinical staff, who are rendering SMHS to Medi-Cal clients on behalf of CONTRACTOR, are registered through DHCS' Provider Application and Validation for Enrollment (PAVE) portal, pursuant to BHIN 20-071 requirements, the 21st Century Cures Act and the CMS Medicaid and Children's Health Insurance Program (CHIP) Managed Care Final Rule.

2. SMHS licensed individuals required to enroll via the "Ordering, Referring and Prescribing" (ORP) PAVE enrollment pathway (i.e. PAVE application package) available through the DHCS PED Pave Portal, include: Licensed Clinical Social Worker (LCSW), Licensed Marriage and Family Therapist (LMFT), Licensed Professional Clinical Counselor (LPCC), Psychologist, Licensed Educational Psychologist, Physician (MD and DO), Physician Assistant, Registered Pharmacist/Pharmacist, Certified Pediatric/Family Nurse Practitioner, Nurse Practitioner, Occupational Therapist, and Speech-Language Pathologist. Interns, trainees, and associates are not eligible for enrollment.

H. Physician Inventive Plan

If CONTRACTOR wants to institute a Physician Incentive Plan, CONTRACTOR shall submit the proposed plan to the COUNTY which will in turn submit the Plan to the State for approval, in accordance with the provisions of 42 C.F.R. § 438.6(c).

I. Reporting Unusual Occurrences

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1. CONTRACTOR shall report unusual occurrences to the Behavioral Health Director. An unusual occurrence is any event which jeopardizes the health and/or safety of clients, staff and/or members of the community, including, but not limited to, physical injury and death.

2. Unusual occurrences are to be reported to the COUNTY within timelines specified in COUNTY policy after becoming aware of the unusual event. Reports are to include the following elements:

   a. Complete written description of event including outcome;

   b. Written report of CONTRACTOR's investigation and conclusions;

   c. List of persons directly involved and/or with direct knowledge of the event.

3. COUNTY and DHCS retain the right to independently investigate unusual occurrences and CONTRACTOR will cooperate in the conduct of such independent investigations.

J. Client Informing Materials

1. Basic Information Requirements

   a. CONTRACTOR shall provide information in a manner and format that is easily understood and readily accessible to clients. (42 C.F.R. § 438.10(c)(1)) CONTRACTOR shall provide all written materials for clients in easily understood language, format, and alternative formats that take into consideration the special needs of clients in compliance with 42 C.F.R. § 438.10(d)(6). CONTRACTOR shall inform clients that information is available in alternate formats and how to access those formats in compliance with 42 C.F.R. § 438.10.

   b. CONTRACTOR shall provide the required information in this section to each client receiving SMHS under this Agreement and upon request. (1915(b) Medi-Cal Specialty Mental Health Services Waiver, § (2), subd. (d), at p. 26., attachments 3, 4; Cal. Code Regs., tit. 9, § 1810.360(e).)

   c. CONTRACTOR shall utilize the COUNTY's website that provides the content required in this section and 42 C.F.R. § 438.10 and complies with all requirements regarding the same set forth 42 C.F.R. § 438.10.

   d. CONTRACTOR shall use DHCS/COUNTY developed beneficiary handbook and client notices. (42 C.F.R. §§ 438.10(c)(4)(ii), 438.62(b)(3))

   e. Client information required in this section may only be provided electronically by the CONTRACTOR if all of the following conditions are met:

      i. The format is readily accessible;

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ii. The information is placed in a location on the CONTRACTOR's website that is prominent and readily accessible;

iii. The information is provided in an electronic form which can be electronically retained and printed;

iv. The information is consistent with the content and language requirements of this agreement;

v. The client is informed that the information is available in paper form without charge upon request and the CONTRACTOR provides it upon request within 5 business days. (42 C.F.R. § 438.10(c)(6).)

2. Language and Format

a. CONTRACTOR shall provide all written materials for potential clients and clients in a font size no smaller than 12 point. (42 C.F.R. 438.10(d)(6)(ii))

b. CONTRACTOR shall ensure its written materials that are critical to obtaining services are available in alternative formats, upon request of the client or potential client at no cost.

c. CONTRACTOR shall make its written materials that are critical to obtaining services, including, at a minimum, provider directories, beneficiary handbook, appeal and grievance notices, denial and termination notices, and the CONTRACTOR's mental health education materials, available in the prevalent non-English languages in the county. (42 C.F.R. § 438.10(d)(3))

i. CONTRACTOR shall notify clients, prospective clients, and members of the public that written translation is available in prevalent languages free of cost and how to access those materials. (42 C.F.R. § 438.10(d)(5)(i), (iii); Welfare & Inst. Code § 14727(a)(1); Cal. Code Regs. tit. 9 § 1810.410, subd. (e), para. (4))

d. CONTRACTOR shall make auxiliary aids and services available upon request and free of charge to each client. (42 C.F.R. § 438.10(d)(3)- (4))

e. CONTRACTOR shall make oral interpretation and auxiliary aids, such as Teletypewriter Telephone/Text Telephone (TTY/TDY) and American Sign Language (ASL), available and free of charge for any language in compliance with 42 C.F.R. § 438.10(d)(2), (4)-(5).

f. Taglines for written materials critical to obtaining services must be printed in a conspicuously visible font size.

3. Beneficiary Informing Materials

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a. Each client must receive and have access to the beneficiary informing materials upon request by the client and when first receiving SMHS from CONTRACTOR. Beneficiary informing materials include but are not limited to:

   i. Guide to Medi-Cal Mental Health Services

   ii. COUNTY Beneficiary Handbook (BHIN 22-060)

   iii. Provider Directory

   iv. Advance Health Care Directive Form (required for adult clients only)

   v. Notice of Language Assistance Services available upon request at no cost to the client

   vi. Language Taglines

   vii. Grievance/Appeal Process and Form

   viii. Notice of Privacy Practices

   ix. Early & Periodic Screening, Diagnostic and Treatment (EPSDT) poster (if serving clients under the age of 21)

b. CONTRACTOR shall provide each client with a beneficiary handbook at the time the client first accesses services. The beneficiary handbook shall be provided to beneficiaries within 14 business days after receiving notice of enrollment.

c. CONTRACTOR shall give each client notice of any significant change to the information contained in the beneficiary handbook at least 30 days before the intended effective date of change as per BHIN 22-060.

d. Required informing materials must be electronically available on CONTRACTOR's website and must be physically available at the CONTRACTOR agency facility lobby for clients' access.

e. Informing materials must be made available upon request, at no cost, in alternate formats (i.e., Braille or Audio) and Auxiliary Aids (i.e., California Relay Service (CRS) 711 and American Sign Language) and must be provided to clients within five business days. Large print materials shall be in a minimum 18-point font size.

f. Informing materials will be considered provided to the client if CONTRACTOR does one or more of the following:

   i. Mails a printed copy of the information to the client's mailing address before the client first receives a specialty mental health service;

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ii. Mails a printed copy of the information upon the client's request to the client's mailing address;

iii. Provides the information by email after obtaining the client's agreement to receive the information by email;

iv. Posts the information on the CONTRACTOR's website and advises the client in paper or electronic form that the information is available on the internet and includes applicable internet addresses, provided that clients with disabilities who cannot access this information online are provided auxiliary aids and services upon request and at no cost; or,

v. Provides the information by any other method that can reasonably be expected to result in the client receiving that information. If CONTRACTOR provides informing materials in person, when the client first receives specialty mental health services, the date and method of delivery shall be documented in the client's file.

4. Provider Directory

a. CONTRACTOR must follow the COUNTY's provider directory policy, in compliance with MHSUDS IN 18-020.

b. CONTRACTOR must make available to clients, in paper form upon request and electronic form, specified information about the county provider network as per 42 C.F.R. § 438.10(h). The most current provider directory is electronically available on the COUNTY website and is updated by the COUNTY no later than 30 calendar days after information is received to update provider information. A paper provider directory must be updated as set forth in 42 C.F.R. § 438.10(h)(3)(i).

c. Any changes to information published in the provider directory must be reported to the COUNTY within two weeks of the change.

d. CONTRACTOR will only need to report changes/updates to the provider directory for licensed, waivered, or registered mental health providers.

XII. MAINTENANCE AND CONFIDENTIALITY OF PATIENT INFORMATION

A. CONTRACTOR shall maintain clinical records for each recipient of service in compliance with all Federal and State requirements. Such records shall include a description of all services provided by the CONTRACTOR in sufficient detail to make possible an evaluation of services, and all data necessary to prepare reports to the State, including treatment plans, records of client interviews, and progress notes.

B. CONTRACTOR shall retain clinical records for a minimum of ten (10) years and, in

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the case of minors, for at least one (1) year after the minor has reached the age of majority, but for a period of no less than ten (10) years. Clinical records shall be the property of the COUNTY and maintained by the CONTRACTOR in accordance with Federal, State and COUNTY standards.

C. CONTRACTOR shall comply with the requirements set forth in Exhibit C: Confidentiality of Patient Information and Exhibit F: Business Associate Agreement, incorporated by reference as if fully set forth herein.

XIII. REPORTS OF DEATH, INJURY, DAMAGE, OR ABUSE

A. Reports of Death, Injury, or Damage. If death, serious personal injury, or substantial property damage occur in connection with the performance of this Agreement, CONTRACTOR shall immediately notify the Behavioral Health Director by telephone. In addition, CONTRACTOR shall promptly submit to COUNTY a written report including: (1) the name and address of the injured/deceased person; (2) the time and location of the incident; (3) the names and addresses of CONTRACTOR'S employees or agents who were involved with the incident; (4) the names of COUNTY employees, if any, involved with the incident; and (5) a detailed description of the incident.

B. Child Abuse Reporting. CONTRACTOR shall ensure that all known or suspected instances of child abuse or neglect are promptly reported to proper authorities as required by the Child Abuse and Neglect Reporting Act, California Penal Code sections 11164, et seq. CONTRACTOR shall require all of its employees, consultants, and agents performing services under this Agreement who are mandated reporters under the Act to sign statements indicating that they know of and shall comply with the Act's reporting requirements.

C. Elder Abuse Reporting. CONTRACTOR shall ensure that all known or suspected instances of abuse or neglect of elderly people 65 years of age or older and dependent adults age 18 or older are promptly reported to proper authorities as required by the Elder Abuse and Dependent Adult Protection Act (California Welfare and Institutions Code, sections 15600 Code, et seq.). CONTRACTOR shall require all of its employees, consultants, and agents performing services under this Agreement who are mandated reporters under the Act to sign statements indicating that they know of and shall comply with the Act's reporting requirements.

XIV. INDEMNIFICATION

CONTRACTOR shall indemnify, defend, and hold harmless the COUNTY, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies, in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR'S performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the COUNTY. "CONTRACTOR'S

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performance" includes CONTRACTOR'S action or inaction and the action or inaction of CONTRACTOR'S officers, employees, agents and subcontractors.

XV. INSURANCE

A. Evidence of Coverage. Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the CONTRACTOR upon request shall provide a certified copy of the policy or policies.
This verification of coverage shall be sent to the COUNTY'S Contracts/Purchasing Office, unless otherwise directed. The CONTRACTOR shall not receive approval for services for work under this Agreement until all insurance has been obtained as required and approved by the COUNTY. This approval of insurance shall neither relieve nor decrease the liability of the CONTRACTOR.

B. Qualifying Insurers. All coverage, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current A. M. Best's Key Rating Guide or a company of equal financial stability that is approved by the COUNTY'S Contracts/Purchasing Officer.

C. Insurance Coverage Requirements. Without limiting CONTRACTOR'S duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

1. Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence, and $2,000,000 in the aggregate.

2. Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than $1,000,000 per occurrence.

3. Workers Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's liability limits not less than $1,000,000 each person, $1,000,000 each accident and $1,000,000 each disease.

4. Professional Liability Insurance, if required for the professional service being provided, (e.g., those persons authorized by a license to engage in business or profession regulated by the California Business and Professional Code), in the amount of not less than $1,000,000 per claim and $2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional

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services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three (3) years following the expiration or earlier termination of this Agreement.

D. Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to the COUNTY and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three (3) years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the COUNTY shall be given notice in writing at least thirty (30) calendar days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, officials, employees, and volunteers as Additional Insured with respect to liability arising out of the CONTRACTOR'S work, including ongoing and complete operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the COUNTY and that the insurance of the Additional Insured shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance.

The workers' compensation policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against COUNTY, its officers, officials, employees, agents, or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by CONTRACTOR. Should CONTRACTOR be self-insured for workers' compensation, CONTRACTOR hereby agrees to waive its right of subrogation against COUNTY, its officers, officials, employees, agents, or volunteers.

Prior to the execution of this Agreement by the COUNTY, CONTRACTOR shall file certificates of insurance and endorsements with the COUNTY'S contract administrator and the COUNTY'S Contracts/Purchasing Office, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

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CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by COUNTY, annual certificates to COUNTY'S Contract Administrator and COUNTY'S Contracts/Purchasing Office. If the certificate is not received by the expiration date, CONTRACTOR shall have five (5) calendar days to send the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance coverage is a breach of this Agreement, which entitles COUNTY, at its sole and absolute discretion, to (1) immediately disallow claim(s) for payment and/or withhold payment(s) by COUNTY to CONTRACTOR, pursuant to Section IV (A), for services rendered on or after the effective date of termination, reduction, non-renewal, or cancellation of the insurance coverage maintained by CONTRACTOR, and/or (2) terminate this Agreement pursuant to Section V.

XVI. BUDGET

CONTRACTOR shall submit the Budget and Expenditure Report provided as Exhibit H, identifying CONTRACTOR'S allowable costs and program revenues. COUNTY shall identify program revenues for COUNTY funds, and CONTRACTOR shall identify allowable costs and other program revenues as defined in Exhibit B, Section VI, paragraph B of this Agreement, if applicable. The budget shall be the basis for payment reimbursements, cost settlement activities, and audits.

XVII. ACCESS TO AND AUDIT OF RECORDS

A. Right to Inspect Records. At any time during the term of this Agreement or after the expiration or termination of this Agreement, in accordance with Federal and State laws including, but not limited to the California Welfare and Institutions Code (WIC) Sections 14170 et seq., the COUNTY or its representative, Federal or State governments may conduct an audit, review or other monitoring procedures of the CONTRACTOR regarding the services/activities provided under this Agreement. The COUNTY or its representative, Federal or State governments shall have the right to inspect any and all books, records, and facilities maintained by CONTRACTOR during normal business hours and without advance notice to evaluate the use of funds and the cost, quality, appropriateness, and timeliness of services.

B. Maintenance of Records. CONTRACTOR shall maintain any and all records documenting all services set forth under this Agreement for a period of ten (10) years from the end of the fiscal year in which such services were provided or until three (3) years after final resolution of any audits, or appeals, whichever occurs later. CONTRACTOR shall maintain such records in a form comporting with generally accepted accounting and auditing standards and all applicable laws.

C. Overpayment. If the results of any audit show that the funds paid to CONTRACTOR under this Agreement exceeded the amount due, then CONTRACTOR shall pay the excess amount to COUNTY in cash not later than thirty (30) calendar days after the COUNTY notifies the CONTRACTOR of such overpayment; or, at COUNTY'S election, COUNTY may recover the excess or any portion of it by offsets made by COUNTY

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against any payment(s) owed to CONTRACTOR under this or any other Agreement or as set forth in Exhibit I, if made part of this Agreement.

D. Responsibility for Audit Exceptions. Any and all audit exceptions by COUNTY or any Federal or State agency resulting from an audit of CONTRACTOR'S performance of this Agreement, or actions by CONTRACTOR, its officers, agents, and employees shall be the sole responsibility of the CONTRACTOR.

E. Availability of Records for Grievances and Complaints by Recipients of Service. CONTRACTOR shall ensure the availability of records for the prompt handling of grievances or complaints filed by recipients of services. Release of records shall be subject to the confidentiality provisions set forth in this Agreement.

F. Reports. CONTRACTOR shall prepare any reports and furnish all information required for reports to be prepared by the COUNTY as may be required by the State of California or applicable law, including, but not limited to Budgets, Cost Allocation Methodologies, Tax Returns, Accounting Policies, Audited Financial Statements, Organization Charts, Personnel Policies, Bank Reconciliations, and Depreciation Schedules.

XVIII. NON-DISCRIMINATION

A. Non-discrimination. During the performance of this Agreement, CONTRACTOR shall not unlawfully discriminate against any person because of race, religion, color, sex, gender, gender identity, genetic information, national origin, ethnic group identification, ancestry, mental or physical handicap, medical condition, health status or need for health care services, marital status, age (over 40), or sexual orientation, either in CONTRACTOR'S employment practices or in the furnishing of services to recipients. CONTRACTOR shall insure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be unlawful discrimination. In addition, CONTRACTOR'S facility access for the disabled shall comply with § 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794).

B. Discrimination defined. The term "discrimination," as used in this Agreement, is the same term that is used in Monterey County Code, Chapter 2.80 ("Procedures for Investigation and Resolution of Discrimination Complaints"); it means the illegal denial of equal employment opportunity, harassment (including sexual harassment and violent harassment), disparate treatment, favoritism, subjection to unfair or unequal working conditions, and/or discriminatory practice by any Monterey County official, employee or agent, due to an individual's race, color, ethnic group, sex, national origin, ancestry, religious creed, sexual orientation, age, veteran's status, cancer-related medical condition, physical handicap (including AIDS) or disability. The term also includes any act of retaliation.

C. Application of Monterey County Code Chapter 2.80. The provisions of Monterey County Code Chapter 2.80 apply to activities conducted pursuant to this Agreement.

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CONTRACTOR and its officers and employees, in their actions under this Agreement, are agents of the COUNTY within the meaning of Chapter 2.80 and are responsible for ensuring that their workplace and the services that they provide are free from discrimination, as required by Chapter 2.80. Complaints of discrimination made by recipients of services against CONTRACTOR may be pursued by using the procedures established by or pursuant to Chapter 2.80. CONTRACTOR shall establish and follow its own written procedures for prompt and fair investigation and resolution of discrimination complaints made against CONTRACTOR by its own employees and agents or recipients of services pursuant to this Agreement, and CONTRACTOR shall provide a copy of such procedures to COUNTY on demand by COUNTY.

D. Compliance with Applicable Law. During the performance of this Agreement, CONTRACTOR shall comply with all applicable Federal, State and local laws and regulations which prohibit discrimination including, but not limited to, the following:

1. California Code of Regulations, Title 9, §§ 526, 527;
2. California Fair Employment and Housing Act, (Govt. Code § 12900, et seq.), and the administrative regulations issued thereunder, Cal. Code of Regulations, Title 2, § 7285, et seq.;
3. California Government Code, sections 11135-11139.5 (Title 2, Div. 3, Part 1, Chap. 1, Art. 9.5) and any applicable administrative rules and regulations issued under these sections;
4. Federal Civil Rights Acts of 1964 and 1991 (see especially Title VI, 42 U.S.C. § 2000(d), et seq.), as amended, and all administrative rules and regulations issued thereunder (see especially 45 C.F.R. Parts 80);
5. Sections 503 and 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §§ 793 and 794); all requirements imposed by the applicable HHS regulations (45 C.F.R. Part 84); and all guidelines and interpretations issued pursuant thereto;
6. Americans with Disabilities Act of 1990, 42 U.S.C. §12101, et seq., and 47 U.S.C. §§ 225 and 611, and any Federal regulations issued pursuant thereto (see 24 C.F.R. Chapter 1; 28 C.F.R. Parts 35 and 36; 29 C.F.R. Parts 1602, 1627, and 1630; and 36 C.F.R. Part 1191);
7. Unruh Civil Rights Act, Cal. Civil Code § 51, et seq.
8. California Government Code section 12900 (A-F) and California Code of Regulations, Title 2, Division 4, Chapter 5.

In addition, the applicable regulations of the California Fair Employment and Housing Commission implementing Government Code § 12990 as set forth in Chapter 5, Division 4 of Title 2 of the California Code of Regulations are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

E. Written Assurance. Upon request by COUNTY, CONTRACTOR shall give any written assurances of compliance with the Civil Rights Acts of 1964 and 1991, the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act of 1990, as may be required by the Federal government in connection with this Agreement, pursuant to 45 C.F.R. sec. 80.4 or C.F.R. § 84.5 or other applicable Federal or State regulations.

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F. Written Statement of Non-discrimination Policies. CONTRACTOR shall maintain a written statement of its non-discrimination policies and procedures. Such statement shall be consistent with the terms of this Agreement and shall be available to CONTRACTOR'S employees, recipients of services, and members of the public upon request.

G. Notice to Labor Unions. CONTRACTOR shall give written notice of its obligations under this section to labor organizations with which it has a collective bargaining or other agreement.

H. Access to Records by Government Agencies. CONTRACTOR shall permit access by COUNTY and by representatives of the State Department of Fair Employment and Housing and any Federal or State agency providing funds for this contract upon reasonable notice at any time during normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, facilities, and other sources of information as the inspecting party may deem appropriate to ascertain compliance with these nondiscrimination provisions.

I. Binding on Subcontractors. The provisions above shall also apply to all of CONTRACTOR'S subcontractors who provide services pursuant to this Agreement. CONTRACTOR shall include the non-discrimination and compliance provisions set forth above in all its subcontracts to perform work or provide services under this Agreement.

XIX. CULTURAL COMPETENCY AND LINGUISTIC ACCESSIBILITY

A. CONTRACTOR shall provide services in a culturally competent manner to assure access to services by all eligible individuals as required by State regulations and policies, other applicable laws, and in accordance with Exhibit E of this Agreement. Cultural competency is defined as a congruent set of practice skills, behaviors, attitudes, and policies that enable staff to work effectively in providing contractual services under this Agreement in cross-cultural situations. Specifically, CONTRACTOR'S provision of services shall acknowledge the importance of culture, adapt services to meet culturally unique needs, and promote congruent skills, behaviors, attitudes, and policies enabling all persons providing services to function effectively in cross-cultural situations.

B. CONTRACTOR shall provide linguistically accessible services to assure access to services by all eligible individuals as required by State regulations and policies and other applicable laws. Specifically, CONTRACTOR shall provide services to eligible individuals in their primary language through linguistically proficient staff or interpreters. Family members, friends, or neighbors may be used as interpreters only in emergency situations.

C. For the purposes of this Section, "access" is defined as the availability of medically necessary mental health services in a manner that promotes and provides the opportunity for services and facilitates their use.

XX. DRUG FREE WORKPLACE

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CONTRACTOR shall submit to the COUNTY evidence of compliance with the California Drug-Free Workplace Act of 1990, California Government Code sections 8350, et seq., to provide a drug-free workplace by doing all of the following:

A. Publishing a Statement notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace and specifying the actions that shall be taken against employees for violations of the prohibitions.

B. Establishing a drug-free awareness program to inform employees about all of the following:

   1. The dangers of drug abuse in the workplace;
   2. The person's or organization's policy of maintaining a drug-free workplace;
   3. Any available drug counseling, rehabilitation, and employee assistance programs;
   4. The penalties that may be imposed upon employees for drug abuse violations;

C. Requiring that each employee engaged in the performance of the Agreement or grant is given a copy of the company's drug-free policy statement and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.

XXI. INDEPENDENT CONTRACTOR

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the COUNTY. No offer or obligation of permanent employment with the COUNTY or particular COUNTY department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from COUNTY any form of employee benefits including, but not limited to sick leave, vacation, or retirement benefits, workers' compensation coverage, insurance, disability benefits, or social security benefits, or unemployment compensation or insurance. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes including, but not limited to, Federal and State income taxes and Social Security, arising out of CONTRACTOR'S compensation for performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold the COUNTY harmless from any and all liability COUNTY may incur because of CONTRACTOR'S failure to pay such taxes when due.

XXII. SUBCONTRACTING

CONTRACTOR may not subcontract any services under this Agreement without COUNTY'S prior written authorization. At any time, COUNTY may require a complete listing of all subcontractors employed by the CONTRACTOR for the purpose of fulfilling its obligations under the terms of this Agreement. CONTRACTOR shall be legally responsible for subcontractors' compliance with the terms and conditions of this Agreement and with applicable law. All subcontracts shall be in writing and shall comply with all Federal, State,

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and local laws, regulations, rules, and guidelines. In addition, CONTRACTOR shall be legally responsible to COUNTY for the acts and omissions of any subcontractor(s) and persons either directly or indirectly employed by subcontractor(s).

XXIII. GENERAL PROVISIONS

A. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by all the parties hereto.

B. Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement, either in whole or in part, without the prior written consent of the COUNTY. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the COUNTY. Any assignment without such consent shall automatically terminate this Agreement. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

C. Authority. Any individual executing this Agreement on behalf of an entity represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such entity and bind the entity to the terms and conditions of the same.

D. Compliance with Applicable Law. The parties shall comply with all applicable Federal, State, and local laws and regulations in performing this Agreement.

E. Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

F. Construction of Agreement. The parties agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment hereto.

G. CONTRACTOR. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR'S officers, agents, and employees acting on CONTRACTOR'S behalf in the performance of this Agreement.

H. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

I. Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.

J. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

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K. Headings. The section and paragraph headings are for convenience only and shall not be used to interpret the terms of this Agreement.

L. Integration. This Agreement, including the exhibits hereto, shall represent the entire Agreement between the parties with respect to the subject matter hereof and shall supersede all prior negotiations, representations, and/or agreements, either written or oral, between the parties as of the effective date hereof.

M. Non-exclusive Agreement. This Agreement is non-exclusive and both parties expressly reserve the right to contract with other entities for the same or similar services.

N. Severability. In the event of changes in law that effect the provisions of this Agreement, the parties agree to amend the affected provisions to conform to the changes in the law retroactive to the effective date of such changes in law. The parties further agree that the terms of this Agreement are severable and, in the event of changes in law as described above, the unaffected provisions and obligations of this Agreement shall remain in full force and effect.

O. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the COUNTY and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and insure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

P. Time is of the essence. Time is of the essence in each and all of the provisions of this Agreement.

Q. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the parties hereto. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

R. Format of Deliverables: For this section, "Deliverables" shall mean all electronic documents CONTRACTOR provides to the County under this Agreement. CONTRACTOR shall ensure all Deliverables comply with the requirements of the Web Content Accessibility Guidelines ("WCAG") 2.1, pursuant to the Americans with Disabilities Act ("ADA"). CONTRACTOR bears the burden to deliver Deliverables, such as Adobe Acrobat Portable Document Format ("PDF") and Microsoft Office files, complying with WCAG 2.1. CONTRACTOR shall defend and indemnify the County against any breach of this Section. This Section shall survive the termination of this Agreement. Find more on Accessibility at this State website: https://webstandards.ca.gov/accessibility/.

XXIV. NOTICES AND DESIGNATED LIAISONS

Notices to the parties in connection with this Agreement may be given personally or may be delivered by certified mail, return receipt requested, addressed to:

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COUNTY OF MONTEREY	**CONTRACTOR**
Melanie Rhodes Behavioral Health Bureau Chief 1270 Natividad Road Salinas, CA 93906 (831) 755-4580	Arturo Uribe, LCSW President and Chief Executive Officer Psynergy Programs, Inc. 18225 Hale Avenue Morgan Hill, CA 95037 (408) 465-8280 (408) 465-8295 FAX

(The remainder of this page is left intentionally blank)

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IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

By: _____
Department Head

Date: _____

Approved as to Form [1]

By: DocuSigned by: Kevin Serrano CF464EA4829E4B5...
County Counsel

Date: 8/21/2025 | 4:57 PM PDT

Approved as to Fiscal Provisions[2]

By: DocuSigned by: Patricia Ruiz E79EF64E57454F6...
Auditor-Controller's Office

Date: 8/22/2025 | 2:54 PM PDT

Reviewed as to Liability Provisions[3]

By: _____
Risk Management

Date: _____

CONTRACTOR

PSYNERGY PROGRAMS, INC.
CONTRACTOR NAME
Contractor's Business Name *

By: DocuSigned by: Arturo Uribe 65D60C1D2EC244E...
(Signature of Chair, President, or Vice-President) *

Arturo Uribe, LCSW; President and CEO
Name and Title

Date: 8/12/2025 | 5:48 PM PDT

By: DocuSigned by: Jean Edwards EAA105E20F414C6...
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer) *

Jean Edwards, Secretary
Name and Title

Date: 8/20/2025 | 3:59 PM PDT

County Board of Supervisors' Agreement Number: _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers (California Corporations Code, §313). If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of either 1) any member, or 2) two (2) managers (Corporations Code, §17703.01, subds. (a) and (d)). If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute on behalf of the partnership (Corporations Code, §§16301 and 15904.02). If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign.

[1]Approval by the Office of the County Counsel is required.

[2]Approval by Auditor-Controller is required.

[3]Review by Risk Management is necessary only if changes are made in the Indemnification or Insurance paragraphs.

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EXHIBIT A: PROGRAM DESCRIPTION

I. IDENTIFICATION OF PROVIDER

Incorporation Status: Private, for profit, Corporation

Facility Name	Service Address	# of Beds	Type of Facility
Nueva Vista Adult Residential Facility	18225 Hale Avenue Morgan Hill, CA 95037	72	24-hour Adult Residential Intensive & Dual Diagnosis Level of Care Facility / Outpatient Services
Nueva Vista Sacramento	4604 Roosevelt Avenue, Sacramento, CA 95820	60	24-hour Adult Residential Intensive & Dual Diagnosis Level of Care Facility / Outpatient Services
Cielo Vista Adult Residential Facility	806 Elm Avenue Greenfield, CA 93927	40	24-hour Adult Residential Care Facility / Outpatient Services
Vista de Robles Adult Residential Facility	9847 Folsom Blvd. Sacramento, CA 95827	80	24-hour Adult Residential Intensive & Dual Diagnosis Level of Care Facility / Outpatient Services
Vista Esperanza RCFE	5240 Jackson St. North Highlands, CA 95660	54*	24-hour Residential Care Facility for the Elderly / Whole Person Care
Tres Vista Apartments	18217 Hale Avenue, Apts. # 200, 210, 220 & 230 Morgan Hill, CA 95037	6	24-hour Adult Supported Accommodations / Independent Housing – Psynergy Morgan Hill Outpatient Clinic
Tres Vista Cottages	4612 and 4616 Roosevelt Ave. Sacramento CA 95820	9†	24-hour Adult Supported Accommodations / Independent Housing

* Includes two non-ambulatory beds
† 4612 is 4 male beds (all male house) / 4616 is 5 female beds (all female house)

Psynergy Programs Medi-Cal Certified Outpatient Mental Health Clinics:

Psynergy Morgan Hill
18217 Hale Avenue
Morgan Hill, CA 95037

Psynergy Greenfield
215 Huerta Avenue
Greenfield, CA 93927

Psynergy Sacramento – Clinic A
4612 Roosevelt Avenue
Sacramento CA 95820

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Psynergy Sacramento – Clinic B
4616 Roosevelt Avenue
Sacramento CA 95820

Psynergy Folsom Sacramento
9343 Tech Center Drive, Suite 110
Sacramento CA 95826

II. PROGRAM DESCRIPTION OF SERVICES

The need to provide stable housing and effective clinical services for adults with severe mental illness remains a challenge for many county agencies. Psynergy Programs offers Adult Residential Facilities (ARF), Residential Care Facilities for the Elderly (RCFE) and outpatient mental health clinics in close proximity. CONTRACTOR has demonstrated that providing reliable adult residential home care in combination with intensive outpatient mental health services can help individuals with mental illness avoid the unnecessary expense and emotional trauma often associated with incarceration and hospitalization. CONTRACTOR provides both residential services and mental health services to people with serious mental illnesses ages 18 and above. The program utilizes tenets of the Wellness and Recovery, Integrated Dual Diagnosis Treatment and Modified Therapeutic Community (MTC) treatment models, (Phase One, Two and Four). CONTRACTOR's programs are an alternative to locked settings such as a State Hospital, Psychiatric Hospital, an Institute for Mental Disease (IMD), a Psychiatric Health Facility (PHF) and Jail. The intent and goal of CONTRACTOR's services is to improve each individual's quality of life, to help individuals gain the skills and ability necessary to stay out of locked hospital settings and to move into a less restrictive living arrangement in the community.

The program will provide primary intervention services as certified and needed, to Medi-Cal eligible clients to reduce psychiatric hospital stays, reduce Institute for Mental Disease (IMD) placements, and to ensure access to all services necessary to live in the least restrictive community setting possible. The residential program assists residents with medication and medical appointments as well as with a wide variety of daily living skills. Residential care includes weekly residential council meetings, house meetings, staff meetings, money management and structured activities. The facility is designed to enable clients with severe mental illness to live in an unlocked setting that is designed to provide a maximum level of supervision and structured mental health support services and treatment programs that maximize functioning of the participants. Services provided by this facility include:

A. Assisting clients in decreasing symptoms or behaviors that can result in utilization of higher levels of care by providing a level of supervision and intensive interaction that is consistent with the clients' needs as outlined in the client's individualized care plan.

B. Providing Mental Health services which include, but are not limited to, assessment, evaluation, mental health services, plan development, case management and collateral contacts.

C. Provide a multi-disciplinary team which may include licensed social workers, nurses, mental health coordinators, and mental health aides to offer wellness/recovery-oriented

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support services.

D. Mental Health Services to provide support while clients work toward individual wellness/recovery goals and programs.

E. Self-care development to become more responsible in taking medications as prescribed by the treating physician. The facility will encourage the client to use treatment services and develop continuing support systems.

III. PROGRAM GOALS AND OBJECTIVES

The CONTRACTOR will provide services to individuals diagnosed with Serious Mental Illness (SMI) and Serious Persistent Mental Illness (SPMI) whose level of functioning, symptoms, and psychiatric history necessitate service intervention to maintain the individual in community settings. The goal is to assist individuals in IMD levels of care to step-down and transition back into the community with the support that has been demonstrated to be the most effective, using the Modified Therapeutic Community and Wellness and Recovery models.

The purpose of the Psynergy Programs, Inc. suite of programs is to provide wellness/recovery-oriented integrated mental health services within a continuum of supervised and supportive residential settings. Services are provided which focus on assisting clients to live in the least restrictive level of care and to enhance one's quality of life. The program may utilize a variety of tools that will assist individuals with Daily Living Skills, and will provide linkage to employment, education and community integration.

In order to receive payment for the care of mentally ill clients who have been assessed by the MCBHD, a residential care facility must be licensed by the State of California Community Care Licensing. CONTRACTOR must provide the following services:

A. Participate with the MCBHD Case Coordinator, the client and others in the development of an individualized needs assessment and care plan for each client within the first thirty (30) days of placement and retain a signed copy of the documented results in a client chart that is retained in the facility.

B. Work cooperatively with the staff and programs of the MCBHD to accomplish each client's individualized treatment plan and will document significant ongoing problems and/or progress.

C. Will attempt to reasonably manage those crisis situations to avoid the need for psychiatric hospitalization. The goal will be to reduce the client's need for acute psychiatric services.

D. Will work cooperatively with and provide information to the MCBHD Case Coordinator to facilitate the evaluation of those clients who have been discharged due to medical necessity or to a facility providing a more acute level of care that are deemed to require re-admission.

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E. Will transport or arrange transportation for the client to, and/or will monitor, visits for psychiatric treatment at MCBHD will attend scheduled medication evaluation and planning appointments as well as work with MCBHD staff when medications are changed.

F. Will store and assist residents with self-administered medications in an approved and effective manner, following State guidelines and maintain an updated record of the daily monitoring of medication, recording changes in dosages and types.

G. Arrange transportation for the client to attend services and programs as outlined in each client's individual care plan as well as educate and encourage the client to use the services of the MCBHD Adult Services Programs and other specialized services identified in each client's individualized care plan. CONTRACTOR will cooperate with the Case Coordinator and the staff of specialized services identified in each client's individualized care plan.

H. Post, on a monthly basis, information about programs, groups and activities that are provided by community agencies and activities that the facility will provide for clients in the general and specialized needs and interests of the client

I. CONTRACTOR will encourage the client to develop regular daily activities or routines and to teach self-care such as maintaining an acceptable level of personal hygiene and grooming, as well as physical and dental health. CONTRACTOR will provide adequate supplies and materials to accomplish this goal.

J. CONTRACTOR will ensure that the client receives an annual medical evaluation and will record the date and results of all medical and dental visits in the client's folder. CONTRACT will monitor to ensure that the client follows up on any established plan to care for identified medical and dental problems and will record these actions in the client's folder.

K. The facility will provide services in a manner that reflects an understanding of the specialized needs of the seriously mentally ill.

L. CONTRACTOR will ensure that all administrative staff and staff responsible for the supervision of clients receive a minimum of twenty (20) hours of training. The training schedule will be shared with MCBHD. The facility will document and maintain a record of each staff person's attendance at approved training programs.

M. CONTRACTOR will allow the staff of the MCBHD access to the facility, to the extent authorized by law.

N. CONTRACTOR will work with the staff of the MCBHD to conduct client assessments, monitor care, provide consultation, conduct record reviews and evaluate the results of the services.

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IV. ADMISSION CRITERIA

The CONTRACTOR shall admit adult clients referred by the COUNTY with DSM V serious mental illness Diagnostic Categories including but not limited to:

- Schizophrenia
- Bipolar disorders
- Schizoaffective disorders
- Mental health disorders that substantially interfere with the person's ability to carry out primary aspects of daily living in the community.

V. DISCHARGE CRITERIA

Two weeks' notice is required for discharge from Psynergy Programs to ensure all supporting documentation is prepared in a timely manner with a safe medical, psychiatric, and therapeutic transition plan.

Clients are discharged or transferred from Contractor's Facilities when the Client has successfully completed a treatment plan and no longer needs this level of residential care, the Client or their conservator requests a transfer or discharge, or the Client needs a higher level of medical or psychiatric care.

A. The Client has demonstrated that they meet one or more of the following criteria listed below:

1. Client has met the criteria for discharge listed in their treatment plan;
2. Client has alleviated all crisis and/or other symptoms; or
3. Client has demonstrated ability to function in a less-restrictive environment.

(OR)

B. The Client meets one or more of the following criteria listed below:

1. Client has demonstrated need for a higher level of medical or psychiatric care;
2. Client has demonstrated an uncooperative attitude toward treatment and is actively engaged in counter-productive behavior;
3. Client has demonstrated threats and/or other dangerous behavior to other residents or staff;
4. Client has engaged in property damage or theft;
5. Client has brought contraband articles or material into Contractor's Facilities and/or onto the Contractor's property;
6. Client has engaged in drinking alcohol or using illicit drugs while residing at Contractor's Facilities; or
7. Client has expired.

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VI. BED HOLDS

Requests for bed holds will be made on an individual basis by COUNTY with a maximum hold of five (5) days, unless prior arrangements are discussed. The Bed Hold rate will be at the rate corresponding to the client's placement level when they left for the Bed Hold period, as described in Exhibit B.

VII. CERTIFICATION/TYPE OF FACILITY LICENSE

The facility must show evidence of currently meeting all licensing requirements for Community Care facilities authorized by the State Department of Social Services to provide care and supervision to mentally disordered adults, as defined in Section 1502 of the Health and Safety Code. The facility must retain ongoing licensure and be in full compliance with licensing regulations. Any complaints received by the CONTRACTOR pertaining to services performed pursuant to this Agreement must be referred to MCBHD.

VIII. PROGRESS & OUTCOMES REPORTING REQUIREMENTS

Contractor will meet regularly with the designated Adult Behavioral Health Services Manager to monitor progress on client and project outcomes. Contractor will be required to report outcomes data regularly to MCBHD according to the requirements as set forth by the State Department of Mental Health. MCBHD will provide to the Contractor the reporting requirements, forms and instructions as required by DMH and the MCBHD which may include the following:

- Quarterly summary of treatment or progress
- Quarterly psychiatric summaries

IX. DESIGNATED CONTRACT MONITOR

Tawnya Majeski
Behavioral Health Services Manager II
Monterey County Health Department
Behavioral Health Bureau
299 12th Street
Marina, CA 93933
Telephone: (831) 647-7680
Email: majeskit@countyofmonterey.gov

X. SERVICE PROVISIONS

A. Certification of Eligibility

CONTRACTOR will, in cooperation with COUNTY, comply with Section 14705.5 of California Welfare and Institutions Code to obtain a certification of a client's eligibility for SMHS under Medi-Cal.

B. Access to Specialty Mental Health Services

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1. In collaboration with the COUNTY, Contractor will work to ensure that individuals to whom the CONTRACTOR provides SMHS meet access criteria, as per DHCS guidance specified in BHIN 21-073. Specifically, the CONTRACTOR will ensure that the clinical record for each client includes information as a whole indicating that client's presentation and needs are aligned with the criteria applicable to their age at the time of service provision as specified below.

2. For enrolled clients under 21 years of age, CONTRACTOR shall provide all medically necessary SMHS required pursuant to Section 1396d(r) of Title 42 of the United States Code. Covered SMHS shall be provided to enrolled clients who meet either of the following criteria, (a) or (b) below. If a client under age 21 meets the criteria as described in (a) below, the beneficiary meets criteria to access SMHS; it is not necessary to establish that the beneficiary also meets the criteria in (b) below.

    a. The client has a condition placing them at high risk for a mental health disorder due to experience of trauma evidenced by any of the following: scoring in the high-risk range under a trauma screening tool approved by DHCS, involvement in the child welfare system, juvenile justice involvement, or experiencing homelessness.

    b. The client has at least one of the following:

        i. A significant impairment,

        ii. A reasonable probability of significant deterioration in an important area of life functioning,

        iii. A reasonable probability of not progressing developmentally as appropriate, or

        iv. A need for SMHS, regardless of presence of impairment, that are not included within the mental health benefits that a Medi-Cal Managed Care Plan (MCP) is required to provide.

        v. The client's condition listed above is due to one of the following:

            a. A diagnosed mental health disorder, according to the criteria in the current editions of the Diagnostic and Statistical Manual of Mental Disorders (DSM) and the International Classification of Diseases and Related Health Problems (ICD).

            b. A suspected mental health disorder that has not yet been diagnosed.

            c. Significant trauma placing the client at risk of a future mental health condition, based on the assessment of a licensed mental health professional.

3. For clients 21 years of age or older, CONTRACTOR shall provide covered SMHS for clients who meet both of the following criteria, (a) and (b) below:

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a. The client has one or both of the following:

i. Significant impairment, where impairment is defined as distress, disability, or dysfunction in social, occupational, or other important activities.

ii. A reasonable probability of significant deterioration in an important area of life functioning.

b. The client's condition as described in paragraph (a) is due to either of the following:

i. A diagnosed mental health disorder, according to the criteria in the current editions of the DSM and ICD.

ii. A suspected mental disorder that has not yet been diagnosed.

C. Additional Clarifications

1. Criteria

a. A clinically appropriate and covered mental health prevention, screening, assessment, treatment, or recovery service listed within Exhibit A of this Agreement can be provided and submitted to the COUNTY for reimbursement under any of the following circumstances:

i. The services were provided prior to determining a diagnosis, including clinically appropriate and covered services provided during the assessment process;
ii. The service was not included in an individual treatment plan; or

iii. The client had a co-occurring substance use disorder.

2. Diagnosis Not a Prerequisite

a. Per BHIN 21-073, a mental health diagnosis is not a prerequisite for access to covered SMHS. This does not eliminate the requirement that all Medi-Cal claims, including SMHS claims, include a current Centers for Medicare & Medicaid Services (CMS) approved ICD diagnosis code.

D. Medical Necessity

1. CONTRACTOR will ensure that services provided are medically necessary in compliance with BHIN 21-073 and pursuant to Welfare and Institutions Code section 14184.402(a). Services provided to a client must be medically necessary and clinically appropriate to address the client's presenting condition. Documentation in each client's chart as a whole will demonstrate medical necessity as defined below, based on the client's age at the time of service provision.

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2. For individuals 21 years of age or older, a service is "medically necessary" or a "medical necessity" when it is reasonable and necessary to protect life, to prevent significant illness or significant disability, or to alleviate severe pain as set forth in Welfare and Institutions Code section 14059.5.

3. For individuals under 21 years of age, a service is "medically necessary" or a "medical necessity" if the service meets the standards set forth in Section 1396d(r)(5) of Title 42 of the United States Code.

E. Coordination or Care

1. CONTRACTOR shall ensure that all care, treatment and services provided pursuant to this Agreement are coordinated among all providers who are serving the client, including all other SMHS providers, as well as providers of Non-Specialty Mental Health Services (NSMHS), substance use disorder treatment services, physical health services, dental services, regional center services and all other services as applicable to ensure a client-centered and whole-person approach to services.

2. CONTRACTOR shall ensure that care coordination activities support the monitoring and treatment of comorbid substance use disorder and/or health conditions.

3. CONTRACTOR shall include in care coordination activities efforts to connect, refer and link clients to community-based services and supports, including but not limited to educational, social, prevocational, vocational, housing, nutritional, criminal justice, transportation, childcare, child development, family/marriage education, cultural sources, and mutual aid support groups.

4. CONTRACTOR shall engage in care coordination activities beginning at intake and throughout the treatment and discharge planning processes.

5. To facilitate care coordination, CONTRACTOR will request a HIPAA and California law compliant client authorization to share client information with and among all other providers involved in the client's care, in satisfaction of state and federal privacy laws and regulations.

F. Co-Occurring Treatment and No Wrong Door

1. Per BHIN 22-011, Specialty and Non-Specialty Mental Health Services can be provided concurrently, if those services are clinically appropriate, coordinated, and not duplicative. When a client meets criteria for both NSMHS and SMHS, the client should receive services based on individual clinical need and established therapeutic relationships. Clinically appropriate and covered SMHS can also be provided when the client has a co-occurring mental health condition and substance use disorder.

2. Under this Agreement, CONTRACTOR will ensure that clients receive timely mental health services without delay. Services are reimbursable to CONTRACTOR by COUNTY even when:

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a. Services are provided prior to determination of a diagnosis, during the assessment or prior to determination of whether SMHS access criteria are met, even if the assessment ultimately indicates the client does not meet criteria for SMHS.

b. If CONTRACTOR is serving a client receiving both SMHS and NSMHS, CONTRACTOR holds responsibility for documenting coordination of care and ensuring that services are non-duplicative.

XI. AUTHORIZATION AND DOCUMENTATION PROVISIONS

A. Services Authorization

1. CONTRACTOR will collaborate with COUNTY to complete authorization requests in line with COUNTY and DHCS policy.

2. CONTRACTOR shall have in place, and follow, written policies and procedures for completing requests for initial and continuing authorizations of services, as required by COUNTY guidance.

3. CONTRACTOR shall respond to COUNTY in a timely manner when consultation is necessary for COUNTY to make appropriate authorization determinations.

4. COUNTY shall provide CONTRACTOR with written notice of authorization determinations within the timeframes set forth in BHINs 22-016 and 22-017, or any subsequent DHCS notices.

5. CONTRACTOR shall alert COUNTY when an expedited authorization decision (no later than 72 hours) is necessary due to a client's specific needs and circumstances that could seriously jeopardize the client's life or health, or ability to attain, maintain, or regain maximum function.

B. Documentation Requirements

1. CONTRACTOR will follow all documentation requirements as specified in Article 4.2-4.8 inclusive in compliance with federal, state and COUNTY requirements.

2. All CONTRACTOR documentation shall be accurate, complete, and legible, shall list each date of service, and include the face-to-face time for each service. CONTRACTOR shall document travel and documentation time for each service separately from face-to-face time and provide this information to COUNTY upon request. Services must be identified as provided in-person, by telephone, or by telehealth.

3. All services shall be documented utilizing COUNTY-approved templates and contain all required elements. CONTRACTOR agrees to satisfy the chart documentation requirements set forth in BHIN 22-019 and the contract between COUNTY and DHCS. Failure to comply with documentation standards specified in this Article require corrective action plans.

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C. Assessment

1. CONTRACTOR shall ensure that all client medical records include an assessment of each client's need for mental health services.

2. CONTRACTOR will utilize the seven uniform assessment domains and include other required elements as identified in BHIN 22-019 and document the assessment in the client's medical record.

3. For clients aged 6 through 20, the Child and Adolescent Needs and Strengths (CANS), and for clients aged 3 through 18, the Pediatric Symptom Checklist-35 (PSC-35) tools are required at intake, every six months during treatment, and at discharge, as specified in DHCS MHSUDS INs 17-052 and 18-048.

4. The time period for providers to complete an initial assessment and subsequent assessments for SMHS are up to clinical discretion of COUNTY; however, CONTRACTOR's providers shall complete assessments within a reasonable time and in accordance with generally accepted standards of practice.

D. Problem List

1. CONTRACTOR will create and maintain a Problem List for each client served under this Agreement. The problem list is a list of symptoms, conditions, diagnoses, and/or risk factors identified through assessment, psychiatric diagnostic evaluation, crisis encounters, or other types of service encounters.

2. CONTRACTOR must document a problem list that adheres to industry standards utilizing at minimum current SNOMED International, Systematized Nomenclature of Medicine Clinical Terms (SNOMED CT®) U.S. Edition, September 2022 Release, and ICD-10-CM 2023.

3. A problem identified during a service encounter may be addressed by the service provider during that service encounter and subsequently added to the problem list.

4. The problem list shall include, but is not limited to, all elements specified in BHIN 22-019.

5. COUNTY does not require the problem list to be updated within a specific timeframe or have a requirement about how frequently the problem list should be updated after a problem has initially been added. However, CONTRACTOR shall update the problem list within a reasonable time such that the problem list reflects the current issues facing the client, in accordance with generally accepted standards of practice and in specific circumstances specified in BHIN 22-019.

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E. Treatment and Care Plans

1. CONTRACTOR is not required to complete treatment or care plans for clients under this Agreement, except in the circumstances specified in BHIN 22-019 and additional guidance from DHCS that may follow after execution of this Agreement.

F. Progress Notes

1. CONTRACTOR shall create progress notes for the provision of all SMHS services provided under this Agreement.

2. Each progress note shall provide sufficient detail to support the service code selected for the service type as indicated by the service code description.

3. Progress notes shall include all elements specified in BHIN 22-019, whether the note be for an individual or a group service.

4. CONTRACTOR shall complete progress notes within three business days of providing a service, with the exception of notes for crisis services, which shall be completed within 24 hours.

5. Providers shall complete a daily progress note for services that are billed on a daily basis, such as residential and day treatment services, if applicable.

G. Transition of Care Tool

1. CONTRACTOR shall use a Transition of Care Tool for any clients whose existing services will be transferred from CONTRACTOR to an Medi-Cal Managed Care Plan (MCP) provider or when NSMHS will be added to the existing mental health treatment provided by CONTRACTOR, as specified in BHIN 22-065, in order to ensure continuity of care.

2. Determinations to transition care or add services from an MCP shall be made in alignment with COUNTY policies and via a client-centered, shared decision-making process.

3. CONTRACTOR may directly use the DHCS-provided Transition of Care Tool, found at: https://www.dhcs.ca.gov/Pages/Screening-and-Transition-of-Care-Tools-for-Medi-Cal-Mental-Health-Services.aspx, or obtain a copy of that tool provided by the COUNTY. CONTRACTOR may create the Transition of Care Tool in its Electronic Health Record (EHR). However, the contents of the Transition of Care Tool, including the specific wording and order of fields, shall remain identical to the DHCS provided form. The only exception to this requirement is when the tool is translated into languages other than English.

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H. Telehealth

1. CONTRACTOR may use telehealth, when it deems clinically appropriate, as a mode of delivering behavioral health services in accordance with all applicable COUNTY, state, and federal requirements, including those related to privacy/security, efficiency, and standards of care. Such services will conform to the definitions and meet the requirements included in the Medi-Cal Provider Manual: Telehealth, available in the DHCS Telehealth Resources page at:

   https://www.dhcs.ca.gov/provgovpart/Pages/TelehealthResources.aspx.

2. All telehealth equipment and service locations must ensure that client confidentiality is maintained.

3. Licensed providers and staff may provide services via telephone and telehealth as long as the service is within their scope of practice.

4. Medical records for clients served by CONTRACTOR under this Agreement must include documentation of written or verbal consent for telehealth or telephone services if such services are provided by CONTRACTOR. Such consent must be obtained at least once prior to initiating applicable health care services and consent must include all elements as specified in BHIN 22-019.
5. COUNTY may at any time audit CONTRACTOR's telehealth practices, and CONTRACTOR must allow access to all materials needed to adequately monitor CONTRACTOR's adherence to telehealth standards and requirements.

XII. MONTEREY INTEGRATED SYSTEM OF CARE TRANSFORMATION INITIATIVE (MISTI)

A. Participation in the Monterey Integrated System of Care Transformation Initiative

Monterey County Behavioral Health (MCBH) envisions a system of care that addresses the needs of individuals and families with co-occurring mental health (MH) and substance use disorder (SUD) conditions, as well as other MH and/or SUD complex challenges, across their lifespan. The system is designed to ensure that services are welcoming, coordinated, and integrated, focusing on cultural and linguistic competence.

CONTRACTOR shall participate in the Monterey Integrated System Transformation Initiative (MISTI). CONTRACTOR will take specific actions to develop co-occurring capability within their programs, including:

- Appointing a representative to the MISTI Steering Committee.
- Identifying a change agent for each program to participate in monthly meetings and training events
- Completing a COMPASS-EZ self-assessment for each agency and identifying priority areas for action

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- Developing a Quality Improvement (QI) action plan derived from the COMPASS-EZ that focuses on at least three key areas such as improving engagement, recognition, integrated service planning, and staff competency in co-occurring care.
- Participating in activities designed by MCBH to improve collaboration between mental health and substance use disorder programs, ensuring integrated care for individuals with co-occurring conditions

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EXHIBIT B: PAYMENT AND BILLING PROVISIONS

I. PAYMENT TYPES

Provisional Rate and Negotiated Rate

II. PAYMENT AUTHORIZATION FOR SERVICES

The COUNTY'S commitment to authorize reimbursement to the CONTRACTOR for services as set forth in this Exhibit B is contingent upon COUNTY authorized admission and service, and CONTRACTOR'S commitment to provide care and services in accordance with the terms of this Agreement.

III. LEVELS OF TREATMENT COMPLEXITY

A. Complexity Level I and II – Assessment and Descriptions

A supplemental services patch rate will be determined and based on an individual's level of treatment complexity. Rates will be compatible with these terms reflected in this Exhibit B.

CONTRACTOR will work in collaboration with COUNTY case manager to determine Level I or Level II rate for each referred client, (for those Psynergy facilities with Complexity Level classifications). CONTRACTOR will utilize the Psynergy Programs Complex Care Level of Service Evaluation as an assessment tool prior to admission. County staff and Psynergy staff both will provide input to determine the client's complexity level prior to admission to Psynergy Programs.

The client's complexity level will be assessed upon admission, discharge, and at the request of the case manager, using the Psynergy Programs Complex Care Level of Service Evaluation as an assessment tool. If there is a significant change in the level of functioning before discharge, CONTRACTOR and COUNTY case manager will establish a new benchmark assessment, using the Exhibit J Psynergy Programs Complex Care Level of Service Evaluation as an assessment tool and adjust the daily patch rate accordingly.

Examples of some Complexity Level I and Level II care coincide with the specialized needs, reporting, and treatment requirements of the following client populations:

1. Individuals who have severe psychiatric conditions that require additional temporary assistance in monitoring medical issues or that need continued support and education to manage chronic medical conditions such as diabetes and COPD.
2. Individuals with co-occurring disorders such as substance abuse, developmental delays or physical impairments that require linkage to specialized community resources or that may need various behavioral supports, including specialized health care, frequent one-to-one supervision and prompting to maintain a community placement.

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3. Individuals requiring Restricted Health Care Plans, incontinent care (urinary and fecal), Diabetes and Insulin management, Colostomy care, Vitals, Oncology treatment and support, etc. significant medication management, crushed medication orders, medication adherence precautions, treatment supports, multiple medications, and supporting refusals with medication room staff interventions.
4. Individuals released from jail requiring additional supports and reporting. Mental Health Diversion, PC1001.36, Registered Sex Offenders, Court Ordered Treatment (AOT, Laura's Law), Arsonists, Electronic monitoring devices, and Probation.

B. Intensive Support Services (ISS) Program

ISS provides a higher level of care to transitional clients, including but not limited to, higher levels of supervision, separate smaller residential wing, more intensive clinical and medication management leading to symptom stabilization, and supervised integration with other facility residents.

Program is intended for County clients who are discharged to Contractor from Psychiatric Health Facilities, Psychiatric Hospitals, State Hospitals, Crisis Stabilization Units, and Behavioral Health Units. Program may also be beneficial to County clients who are not thriving, relapsing or decompensating while admitted to Contractor residential programs.

C. Isolation Support Services

If a resident has been ordered to stay in their room due to COVID, or other transmissible disease or diagnosis, precautions, or exposure, CONTRACTOR will charge a rate of $100.00 per diem for room support, bedside support, medication delivery, or other 1:1 support as needed. This will support the affected Psynergy facility in providing temporary and on-call staff for support and supervision. A typical isolation protocol due to COVID infection or exposure can be up to 14 days.

IV. PAYMENT RATE

A. NEGOTIATED RATE: PROVIDER ROLE-BASED MHS SERVICES

NEGOTIATED RATE: CONTRACTOR shall be reimbursed the following negotiated rates for services. Rendering Staff Type shall provide services according to the Monterey County Behavioral Health Specialty Mental Health Services Documentation Manual, Scope of Practice.

CONTRACTOR may exceed units by clinician within a program or total contract as long as the annual program not-to-exceed (NTE) or annual maximum County obligation is not exceeded.

The following program services will be paid for actual client usage in arrears, not to exceed the negotiated rates on a monthly basis for a total amount not to exceed **$1,996,366** for **FY 2025-26** *(amounts are rounded to the nearest dollar)*:

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Rendering Staff Type	Mode of Service	Service Function Code	Rate per UOS (minutes)	UOS Per Client	Total UOS	Line Item Total
Psychiatrist / Contracted Psychiatrist	15	01,10,30, 40,45, 50, 60, 70	$18.43	1080	38,880	$716,474
Psychologist / Pre-licensed Psychologist			$7.20	0	0	$0
Physician's Assistant			$8.03	0	0	$0
Nurse Practitioner			$8.90	0	0	$0
Clinical Nurse Specialist			$8.90	0	0	$0
Registered Nurse			$7.27	0	0	$0
Licensed Vocational Nurse (LVN)			$4.16	504	18,144	$75,456
Licensed Psychiatric Technician (LPT)			$4.10	0	0	$0
MFT/LPCC or LCSW (Licensed, Waivered, or Registered)			$4.40	4320	155,520	$684,713
Occupational Therapist			$6.21	0	0	$0
Peer Recovery Specialist			$3.68	0	0	$0
Mental Health Rehab Specialist; Other Qualified Providers			$3.34	4320	155,520	$519,722
					Total Services Billed to Medi-Cal FY 2025-26:	**$1,996,366**

B. NEGOTIATED RATE: BOARD AND CARE

1. Board and Care Service Rate / Monthly Service Level Units:

Board and Care shall be paid from the clients Supplemental Security Income (SSI) or Supplemental Security Income/Social Security Administration (SSI/SSA) benefits. If the client does not yet receive SSI or SSI/SSA benefits, or those benefits have been diminished due to back payments owed to other entities, or are not at a level to cover the standard residential care rates, COUNTY will provide payment to cover the delinquent and/or amount owed. The clients SSI or SSI/SSA monthly residential board and care rate is currently $1,420 per month for a client who receives one check and $1,440 for a client who receives two checks (this monthly amount is subject to annual adjustments by the Federal Government and State of California). These annual adjustments shall be effective without the need for any amendment to this Agreement.

Board and Care Service				
Fiscal Year	**Board & Care Monthly Service**	**Number of Months/Year**	**Estimated # of Clients Per Month**	**Maximum Annual Amount**
July 1, 2025 - June 30, 2026	$1420 - $1440	12	6	$103,680
			Maximum County Obligation FY 2025-2026:	**$103,680**

2. Board and Care Patch Rates:

The COUNTY agrees to pay an augmentation to the SSI/SSA rate based on the service descriptions and rates outlined in the following tables.

The following Board and Care services will be paid for actual client usage in arrears, not to exceed the listed daily bed rates, on a monthly basis for a total amount not to exceed **$2,433,528** for **FY 2025-26** *(amounts are rounded to the nearest dollar)*:

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Service Location	Board & Care Service Description	# of Clients	Estimated Units (Days/Yr)	Daily Bed Rate	Estimated FY 2025-26 Total
Cielo Vista / Nueva Vista / Nueva Vista Sacramento / Vista de Robles	Day Rate for Complexity Level I	24	8,760	$183.82	$1,610,263
Cielo Vista / Nueva Vista / Nueva Vista Sacramento / Vista de Robles	Day Rate for Complexity Level II	1	365	$153.39	$55,987
Cielo Vista / Nueva Vista / Nueva Vista Sacramento / Vista de Robles	Day Rate for Intensive Support Services	1	365	$304.27	$111,059
Vista Esperanza RCFE	Day Rate for Inclusive Whole Person Care	6	2,190	$258.48	$566,071
Tres Vista Apartments	Day Rate for Individuals with Benefits	2	730	$58.32	$42,574
Tres Vista Cottages	Day Rate for Individuals with Benefits	2	730	$58.32	$42,574
All Contracted Service Locations	Isolation Support Services	5	50	$100.00	$5,000
				Maximum County Obligation FY 2025-26:	**$2,433,528**

C. NEGOTIATED RATE: TRANSPORTATION, MILEAGE AND ENHANCED SUPPORT AND SUPERVISION

1. Transportation/Mileage

   Transportation may be required for admissions, Conservatorship hearings, and/or discharge to a lower level of care.

   CONTRACTOR will pick-up new admissions from placements upon request from COUNTY. From the residence, to the destination, and return in a Psynergy Program insured car and driver rate is $55.00 per hour in 15-minute increments, plus mileage. The standard mileage rates for all vehicle types is 0.700 cents per mile for business miles driven. Driver will ensure the safety and supervision of individuals, ensure admission paperwork and medications are in order, a meal provided, hydration, and cigarette breaks if so required.

2. Enhanced Support and Supervision

   CONTRACTOR will provide individual support and supervision with prior authorization from COUNTY. The rate for Enhanced Support and Supervision is $45.00 per hour in 15-minute increments. Examples of individual support and supervision are:

   - Stand by assistance for dialysis treatment, including bedside support during treatment and transport to and from treatment.

   - Stand by assistance for chemotherapy treatment, including bedside support during treatment, and transport to and from treatment.

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- Stand by assistance for physical therapy treatment, including support during therapy session, and transport to and from treatment.
- Individual support for clients diagnosed with Severe & Persistent Mental Illness (SPMI) and Intellectual Disabilities, that without this individual support are placing their housing at risk due to the escalation of symptoms and behaviors.
- Bereavement support for individuals attending funeral or memorial of a loved one, including transportation to and from services.

3. Conservatorship LPS Declarations and Evaluations

To assist in establishing and re-establishing LPS Conservatorship Decalarations, and conducting related Evaluations. Services are calculated for approximately 30 clients per FY, at $1,900 per decalaration, with a 10% margin added.

The following Transportation (to include mileage) and Enhanced Support and Supervision and Conservatorship services will be paid for actual client usage in arrears, not to exceed the listed rates, on a monthly basis for a total amount not to exceed **$171,400** for **FY 2025-26** *(amounts are rounded to the nearest dollar)*:

FISCAL YEAR	Service Description	Estimated Units (Hours / Year)	Service Rate / Hour	Estimated FY Liability	TOTAL AMOUNT PER FY
July 1, 2025 to June 30, 2026	Enhanced Support and Supervision	600	$45	$27,000	$32,500
	Transportation	100	$55	$5,500	
	Mileage	Estimated Units (Miles / Year)	Service Rate / Mile	Estimated FY Liability	$2,100
		3,000	$0.700	$2,100	
	Conservatorship LPS Declarations and Evaluations	Estimated Units (Assessments / Year)	Rate per LPS Assessment	Estimated FY Liability	$136,800
		72	$1,900	$136,800	
Total Transportation (to include mileage) and Enhanced / LPS Services FY 2025-26:					**$171,400**

V. PAYMENT CONDITIONS

A. If CONTRACTOR is seeking reimbursement for eligible services funded by the Short-Doyle/Medi-Cal, Mental Health Services Act ("MHSA"), SB 90, Federal or State Grants, and/or COUNTY funds provided pursuant to this Agreement, reimbursement for such services shall be based on actual cost of providing those services less any deductible revenues collected by the CONTRACTOR from other payer sources. In order to reduce COUNTY costs, the CONTRACTOR shall comply with all applicable provisions of the California Welfare and Institutions Code (WIC), the California Code of Regulations, the Code of Federal Regulations, and the federal Social Security Act related to reimbursements by non-County and non-State sources, including, but not limited to, collecting reimbursements for services from clients (which shall be the same as patient fees established pursuant to WIC section 5710) and from private or public third-party payers.

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CONTRACTOR shall not claim reimbursement from COUNTY for (or apply sums received from COUNTY with respect to) that portion of its obligations which has been paid by another source of revenue. If CONTRACTOR is seeking reimbursement for mental health services provided pursuant to this Agreement, reimbursement for such services shall be based upon the actual allowable costs of providing those services less any deductible revenues, as stated above. Notwithstanding any other provision of this Agreement, in no event may CONTRACTOR request a rate that exceeds the COUNTY'S Maximum Allowances (CMA). CONTRACTOR shall be responsible for costs that exceed applicable CMAs. In no case shall payments to CONTRACTOR exceed CMAs. In addition to the CMA limitation, in no event shall the maximum reimbursement that will be paid by COUNTY to CONTRACTOR under this Agreement for any Program Amount be more than the amount identified for each Program Amount for each Funded Program, as identified in this Exhibit B, Section III. Said amounts shall be referred to as the "Maximum Obligation of County," as identified in this Exhibit B, Section V.

B. To the extent a recipient of services under this Agreement is eligible for coverage under Short-Doyle/Medi-Cal or Medicaid or Medicare or any other Federal or State funded program ("an eligible beneficiary"), CONTRACTOR shall ensure that services provided to eligible beneficiaries are properly identified and claimed to the Funded Program responsible for such services to said eligible beneficiaries. For the Short-Doyle/Medi-Cal Funded Program, CONTRACTOR assumes fiscal responsibility for services provided to all individuals who do not have full-scope Medi-Cal or are not Medi-Cal eligible during the term of this Agreement.

C. CONTRACTOR shall be responsible for delivering services to the extent that funding is provided by the COUNTY. To the extent that CONTRACTOR does not have funds allocated in the Agreement for a Funded Program that pays for services to a particular eligible beneficiary, CONTRACTOR shall, at the first opportunity, refer said eligible beneficiary to another CONTRACTOR or COUNTY facility within the same geographic area to the extent feasible, which has available funds allocated for that Funded Program.

D. In order to receive any payment under this Agreement, CONTRACTOR shall submit reports and claims in such form as General Ledger, Payroll Report and other accounting documents as needed, and as may be required by the County of Monterey Department of Health, Behavioral Health Bureau. Specifically, CONTRACTOR shall submit its claims on Cost Reimbursement Invoice Form provided as Exhibit G, to this Agreement, along with backup documentation, on a monthly basis, to COUNTY so as to reach the Behavioral Health Bureau no later than the thirtieth (30th) day of the month following the month of service. See Section III, above, for payment amount information to be reimbursed each fiscal year period of this Agreement. The amount requested for reimbursement shall be in accordance with the approved budget and shall not exceed the actual net costs incurred for services provided under this Agreement.

CONTRACTOR shall submit via email a monthly claim using Exhibit G, Cost Reimbursement Invoice Form in Excel format with electronic signature along with supporting documentations, as may be required by the COUNTY for services rendered to:

MCHDBHFinance@countyofmonterey.gov

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E. CONTRACTOR shall submit all claims for reimbursement under this Agreement within thirty (30) calendar days after the termination or end date of this Agreement. All claims not submitted after thirty (30) calendar days following the termination or end date of this Agreement shall not be subject to reimbursement by the COUNTY. Any claim(s) submitted for services that preceded thirty (30) calendar days prior to the termination or end date of this Agreement may be disallowed, except to the extent that such failure was through no fault of CONTRACTOR.

F. If CONTRACTOR fails to submit claim(s) for services provided under the terms of this Agreement as described above, the COUNTY may, at its sole discretion, deny payment for that month of service and disallow the claim.

G. COUNTY shall review and certify CONTRACTOR'S claim either in the requested amount or in such other amount as COUNTY approves in conformity with this Agreement and shall then submit such certified claim to the COUNTY Auditor. The County Auditor-Controller shall pay the amount certified within thirty (30) calendar days of receiving the certified invoice.

H. To the extent that the COUNTY determines CONTRACTOR has improperly claimed services to a particular Program Amount, COUNTY may disallow payment of said services and require CONTRACTOR to resubmit said claim of services for payment from the correct Program Amount, or COUNTY may make corrective accounting transactions to transfer the payment of the services to the appropriate Program Amount.

I. If COUNTY certifies payment at a lesser amount than the amount requested COUNTY shall immediately notify the CONTRACTOR in writing of such certification and shall specify the reason for it. If the CONTRACTOR desires to contest the certification, the CONTRACTOR must submit a written notice of protest to the COUNTY within twenty (20) calendar days after the CONTRACTOR'S receipt of the COUNTY notice. The parties shall thereafter promptly meet to review the dispute and resolve it on a mutually acceptable basis. No court action may be taken on such a dispute until the parties have met and attempted to resolve the dispute in person.

VI. MAXIMUM OBLIGATION OF COUNTY

A. Subject to the limitations set forth herein, COUNTY shall pay to CONTRACTOR during the term of this Agreement a maximum amount of **$4,704,973** for services rendered under this Agreement.

B. MAXIMUM ANNUAL LIABILITY:

FISCAL YEAR LIABILITY	Mental Health / Medi-Cal Services	Transportation / Enhanced / LPS Services	Board & Care Services	TOTAL AMOUNT
July 1, 2025 to June 30, 2026	$1,996,366	$171,400	$2,537,208	$4,704,973
			TOTAL MAXIMUM COUNTY OBLIGATION:	$4,704,973

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C. If, as of the date of signing this Agreement, CONTRACTOR has already received payment from COUNTY for services rendered under this Agreement, such amount shall be deemed to have been paid out under this Agreement and shall be counted towards COUNTY'S maximum liability under this Agreement.

D. If for any reason this Agreement is canceled, COUNTY'S maximum liability shall be the total utilization to the date of cancellation not to exceed the maximum amount listed above.

E. As an exception to Section E. above with respect to the Survival of Obligations after Termination, COUNTY, any payer, and CONTRACTOR shall continue to remain obligated under this Agreement with regard to payment for services required to be rendered after termination.

VII. BILLING AND PAYMENT LIMITATIONS

A. Provisional Payments: COUNTY payments to CONTRACTOR for performance of eligible services hereunder are provisional until the completion of all settlement activities and audits, as such payments are subject to future Federal, State and/or COUNTY adjustments. COUNTY adjustments to provisional payments to CONTRACTOR may be based upon COUNTY'S claims processing information system data, State adjudication of Medi-Cal and Healthy Families claims files, contractual limitations of this Agreement, annual cost and MHSA reports, application of various Federal, State, and/or COUNTY reimbursement limitations, application of any Federal, State, and/or COUNTY policies, procedures and regulations, and/or Federal, State, or COUNTY audits, all of which take precedence over monthly claim reimbursements.

B. Allowable Costs: Allowable costs shall be the CONTRACTOR'S actual costs of developing, supervising and delivering the services under this Agreement, as set forth in the Budget provided in Exhibit H. Only the costs listed in Exhibit H of this Agreement as contract expenses may be claimed as allowable costs. Any dispute over whether costs are allowable shall be resolved in accordance with the provisions of applicable Federal, State and COUNTY regulations.

C. Cost Control: CONTRACTOR shall not exceed by more than twenty (20%) percent any contract expense line item amount in the budget without the written approval of COUNTY, given by and through the Contract Administrator or Contract Administrator's designee. CONTRACTOR shall submit an amended budget using Exhibit H, or on a format as required by the COUNTY, with its request for such approval. Such approval shall not permit CONTRACTOR to receive more than the maximum total amount payable under this Agreement. Therefore, an increase in one line item shall require corresponding decreases in other line items.

D. Other Limitations for Certain Funded Programs: In addition to all other limitations provided in this Agreement, reimbursement for services rendered under certain Funded Programs may be further limited by rules, regulations and procedures applicable only to that Funded Program. CONTRACTOR shall be familiar with said rules, regulations and procedures and submit all claims in accordance therewith.

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E. Adjustment of Claims Based on Other Data and Information: The COUNTY shall have the right to adjust claims based upon data and information that may include, but are not limited to, COUNTY'S claims processing information system reports, remittance advices, State adjudication of Medi-Cal claims, and billing system data.

VIII. LIMITATION OF PAYMENTS BASED ON FUNDING AND BUDGETARY RESTRICTIONS

A. This Agreement shall be subject to any restrictions, limitations, or conditions imposed by State which may in any way affect the provisions or funding of this Agreement, including, but not limited to, those contained in State's Budget Act.

B. This Agreement shall also be subject to any additional restrictions, limitations, or conditions imposed by the Federal government which may in any way affect the provisions or funding of this Agreement.

C. In the event that the COUNTY'S Board of Supervisors adopts, in any fiscal year, a COUNTY Budget which provides for reductions in COUNTY Agreements, the COUNTY reserves the right to unilaterally reduce its payment obligation under this Agreement to implement such Board reductions for that fiscal year and any subsequent fiscal year during the term of this Agreement, correspondingly. The COUNTY'S notice to the CONTRACTOR regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such action.

C. Notwithstanding any other provision of this Agreement, COUNTY shall not be obligated for CONTRACTOR'S performance hereunder or by any provision of this Agreement during any of COUNTY'S current or future fiscal year(s) unless and until COUNTY'S Board of Supervisors appropriates funds for this Agreement in COUNTY'S Budget for each such fiscal year. In the event funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. COUNTY shall notify CONTRACTOR of any such non-appropriation of funds at the earliest possible date and the services to be provided by the CONTRACTOR under this Agreement shall also be reduced or terminated.

IX. BILLING PROCEDURES AND LIMITATIONS ON COUNTY'S FINANCIAL RESPONSIBILITY FOR PAYMENT OF SERVICES UNDER FEDERAL SOCIAL SECURITY ACT, TITLE XIX SHORT-DOYLE/MEDI-CAL SERVICES AND/OR TITLE XXI HEALTHY FAMILIES

The Short-Doyle/Medi-Cal (SD/MC) claims processing system enables California county Mental Health Plans (MHPs) to obtain reimbursement of Federal funds for medically necessary specialty mental health services provided to Medi-Cal-eligible beneficiaries and to Healthy Families subscribers diagnosed as Seriously Emotionally Disturbed (SED). The Mental Health Medi-Cal program oversees the SD/MC claims processing system. Authority for the Mental Health Medi-Cal program is governed by Federal and California statutes.

A. If, under this Agreement, CONTRACTOR has Funded Programs that include Short-Doyle/Medi-Cal services and/or Healthy Families services, CONTRACTOR shall certify

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in writing annually, by August 1 of each year, that all necessary documentation shall exist at the time any claims for Short-Doyle/Medi-Cal services and/or Healthy Families services are submitted by CONTRACTOR to COUNTY.

CONTRACTOR shall be solely liable and responsible for all service data and information submitted by CONTRACTOR.

B. CONTRACTOR acknowledges and agrees that the COUNTY, in undertaking the processing of claims and payment for services rendered under this Agreement for these Funded Programs, does so as the Mental Health Plan for the Federal, State and local governments.

D. CONTRACTOR shall submit to COUNTY all Short-Doyle/Medi-Cal, and/or Healthy Families claims or other State required claims data within the thirty (30) calendar day time frame(s) as prescribed by this Agreement to allow the COUNTY to meet the time frames prescribed by the Federal and State governments. COUNTY shall have no liability for CONTRACTOR'S failure to comply with the time frames established under this Agreement and/or Federal and State time frames, except to the extent that such failure was through no fault of CONTRACTOR.

E. COUNTY, as the Mental Health Plan, shall submit to the State in a timely manner claims for Short-Doyle/Medi-Cal services, and/or Healthy Families services only for those services/activities identified and entered into the COUNTY'S claims processing information system which are compliant with Federal and State requirements. COUNTY shall make available to CONTRACTOR any subsequent State approvals or denials of such claims upon request by the CONTRACTOR.

F. CONTRACTOR acknowledges and agrees that COUNTY'S final payment for services and activities claimed by CONTRACTOR Short-Doyle/Medi-Cal services and/or Healthy Families services is contingent upon reimbursement from the Federal and State governments and that COUNTY'S provisional payment for said services does not render COUNTY in any way responsible for payment of, or liable for, CONTRACTOR'S claims for payment for these services.

G. CONTRACTOR'S ability to retain payment for such services and/or activities is entirely dependent upon CONTRACTOR'S compliance with all laws and regulations related to same.

H. Notwithstanding any other provision of this Agreement, CONTRACTOR shall hold COUNTY harmless from and against any loss to CONTRACTOR resulting from the denial or disallowance of claim(s) for or any audit disallowances related to said services, including any State approved Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative Activities, and/or Title XXI Healthy Families services/activities, by the Federal, State or COUNTY governments, or other applicable payer source, unless the denial or disallowance was due to the fault of the COUNTY.

I. CONTRACTOR shall repay to COUNTY the amount paid by COUNTY to CONTRACTOR for Title XIX Short-Doyle/Medi-Cal and/or Medi-Cal Administrative

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Activities, and/or Title XXI Healthy Families services/ activities subsequently denied or disallowed by Federal, State and/or COUNTY government.

J. Notwithstanding any other provision of this Agreement, CONTRACTOR agrees that the COUNTY may offset future payments to the CONTRACTOR and/or demand repayment from CONTRACTOR when amounts are owed to the COUNTY pursuant to Subparagraphs G. and H. above. Such demand for repayment and CONTRACTOR'S repayment shall be in accordance with Exhibit I, Section IV (Method of Payments for Amounts Due to County) of this Agreement.

K. CONTRACTOR shall comply with all written instructions provided to CONTRACTOR by the COUNTY, State or other applicable payer source regarding claiming and documentation.

L. Nothing in this Section VIII shall be construed to limit CONTRACTOR'S rights to appeal Federal and State settlement and/or audit findings in accordance with the applicable Federal and State regulations.

X. PATIENT/CLIENT ELIGIBILITY, UMDAP FEES, THIRD PARTY REVENUES, AND INTEREST

A. CONTRACTOR shall comply with all Federal, State and COUNTY requirements and procedures relating to:

1. The determination and collection of patient/client fees for services hereunder based on the Uniform Method of Determining Payment (UMDAP), in accordance with the State Department of Health Care Services guidelines and WIC sections 5709 and 5710.

2. The eligibility of patients/clients for Short-Doyle/Medi-Cal, Medicaid, Medicare, private insurance, or other third party revenue, and the collection, reporting and deduction of all patient/client and other revenue for patients/clients receiving services hereunder. CONTRACTOR shall pursue and report collection of all patient/client and other revenue.

B. All fees paid by patients/clients receiving services under this Agreement and all fees paid on behalf of patients/clients receiving services hereunder shall be utilized by CONTRACTOR only for the delivery of mental health service/activities specified in this Agreement.

C. CONTRACTOR may retain unanticipated program revenue, under this Agreement, for a maximum period of one Fiscal Year, provided that the unanticipated revenue is utilized for the delivery of mental health services/activities specified in this Agreement. CONTRACTOR shall report the expenditures for the mental health services/activities funded by this unanticipated revenue in the Annual Report(s) and Cost Report Settlement submitted by CONTRACTOR to COUNTY.

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D. CONTRACTOR shall not retain any fees paid by any sources for, or on behalf of, Medi-Cal beneficiaries without deducting those fees from the cost of providing those mental health services for which fees were paid.

E. CONTRACTOR may retain any interest and/or return which may be received, earned or collected from any funds paid by COUNTY to CONTRACTOR, provided that CONTRACTOR shall utilize all such interest and return only for the delivery of mental health services/activities specified in this Agreement.

F. Failure of CONTRACTOR to report in all its claims and in its Annual Report(s) and Cost Report Settlement all fees paid by patients/clients receiving services hereunder, all fees paid on behalf of patients/clients receiving services hereunder, all fees paid by third parties on behalf of Medi-Cal beneficiaries receiving services and/or activities hereunder, and all interest and return on funds paid by COUNTY to CONTRACTOR, shall result in:

1. CONTRACTOR'S submission of a revised claim statement and/or Annual Report(s) and Cost Report Settlement showing all such non-reported revenue.

2. A report by COUNTY to State of all such non-reported revenue including any such unreported revenue paid by any sources for or on behalf of Medi-Cal beneficiaries and/or COUNTY'S revision of the Annual Report(s).

3. Any appropriate financial adjustment to CONTRACTOR'S reimbursement.

XI. CASH FLOW ADVANCE IN EXPECTATION OF SERVICES/ ACTIVITIES TO BE RENDERED OR FIXED RATE PAYMENTS

A. The Maximum Contract Amount for each period of this Agreement includes Cash Flow Advance (CFA) or fixed rate payments which is an advance of funds to be repaid by CONTRACTOR through the provision of appropriate services/activities under this Agreement during the applicable period.

B. For each month of each period of this Agreement, COUNTY shall reimburse CONTRACTOR based upon CONTRACTOR'S submitted claims for rendered services/activities subject to claim edits, and future settlement and audit processes.

C. CFA shall consist of, and shall be payable only from, the Maximum Contract Amount for the particular fiscal year in which the related services are to be rendered and upon which the request(s) is (are) based.

D. CFA is intended to provide cash flow to CONTRACTOR pending CONTRACTOR'S rendering and billing of eligible services/activities, as identified in this Exhibit B, Sections III. and V., and COUNTY payment thereof. CONTRACTOR may request each monthly Cash Flow Advance only for such services/activities and only to the extent that there is no reimbursement from any public or private sources for such services/activities.

E. Cash Flow Advance (CFA) Invoice. For each month for which CONTRACTOR is eligible to request and receive a CFA, CONTRACTOR must submit to the COUNTY an

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invoice of a CFA in a format that is in compliance with the funding source and the amount of CFA CONTRACTOR is requesting. In addition, the CONTRACTOR must submit supporting documentation of expenses incurred in the prior month to receive future CFAs.

F. Upon receipt of the Invoice, COUNTY, shall determine whether to approve the CFA and, if approved, whether the request is approved in whole or in part.

G. If a CFA is not approved, COUNTY will notify CONTRACTOR within ten (10) business days of the decision, including the reason(s) for non-approval. Thereafter, CONTRACTOR may, within fifteen (15) calendar days, request reconsideration of the decision.

H. Year-end Settlement. CONTRACTOR shall adhere to all settlement and audit provisions specified in Exhibit I, of this Agreement, for all CFAs received during the fiscal year.

I. Should CONTRACTOR request and receive CFAs, CONTRACTOR shall exercise cash management of such CFAs in a prudent manner.

XII. AUTHORITY TO ACT FOR THE COUNTY

The Director of the Health Department of the County of Monterey may designate one or more persons within the County of Monterey for the purposes of acting on his/her behalf to implement the provisions of this Agreement. Therefore, the term "Director" in all cases shall mean "Director or his/her designee."

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EXHIBIT C: CONFIDENTIALITY OF PATIENT INFORMATION

Confidentiality of Patient Information and Records. All patient information and records are confidential. CONTRACTOR shall maintain the confidentiality of all patient records, including billings and computerized records, in accordance with all state and federal law relating to confidentiality of patient records and patient information, including but not limited to: Welfare and Institutions Code sections 5328, *et seq*., 14100.2, and 10850, *et seq*; Title 45 Code of Federal Regulations section 205.50, and Title 42, CFR, section 431.300 et seq.

"Patient information" or "confidential information" includes any patient/recipient of services identifying information including, but not limited to: name, identifying numbers, symbol, fingerprint, photograph or voice print. In addition, "patient information" or "confidential information" includes all information CONTRACTOR has obtained about a patient/recipient of services whether or not a documentary record of such information exists.

Use and Disclosure of Patient Information. Confidential information gained by CONTRACTOR from access to records and from contact with patients/recipients of service and complainants shall be used by CONTRACTOR only in connection with its performance under this Agreement. CONTRACTOR shall not disclose patient records or information, including the identities of patients/recipients of service, without proper consent to such disclosure or a court order requiring disclosure. In addition, CONTRACTOR shall obtain COUNTY's authorization to such disclosure prior to any release of confidential information. The COUNTY, through the Behavioral Health Director, shall have access to such confidential information.

Penalty for Unauthorized Disclosure. CONTRACTOR understands that disclosure of patient information in violation of law may subject the party releasing the information to a minimum of $10,000 in civil damages, as set forth in Welfare and Institutions Code Section 5330.

Duty to Warn. CONTRACTOR understands that persons providing services under this Agreement may, in certain situations involving a patient or recipient of services who is a danger to himself or others, have a duty to warn third parties of such danger and should consult supervisory staff and/or legal counsel about such duty to warn as appropriate.

Dissemination of these Confidentiality Provisions. CONTRACTOR shall inform all its officers, employees, agents, and subcontractors providing services hereunder of these provisions.

By my signature below, as the authorized representative of the CONTRACTOR named below, I certify acceptance and understanding for myself and the CONTRACTOR of the above confidentiality provisions.

	Psynergy Programs, Inc.
	Business Name of Contractor
DocuSigned by: Arturo Uribe 65D60C1D2FC244F...	Arturo Uribe, LCSW
Signature of Authorized Representative	Name of Authorized Representative (printed)
8/12/2025 | 5:48 PM PDT	President and Chief Executive Officer
Date	Title of Authorized Representative

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EXHIBIT D: ASSURANCE OF COMPLIANCE WITH SECTION 504 OF THE REHABILITATION ACT OF 1973, AS AMENDED

CONTRACTOR hereby agrees that it will comply with: (1) Section 504 of the Rehabilitation Act of 1973, as amended (29. U.S.C. 794), (2) all requirements imposed by the applicable HHS Regulations (45 C.F.R. Part 84) and, (3) all guidelines and interpretations issued pursuant thereto.

Pursuant to Section 84.5(a) of the Regulation (45 C.F.R. 84.5a) CONTRACTOR gives this Assurance in consideration of and for the purpose of obtaining any and all federal grants, loans, contracts (except procurement contracts and contracts of insurance or guaranty), property, discounts or other federal financial assistance extended after the date of this Assurance, including payments or other assistance made after such date on applications for federal financial assistance which will be extended in reliance on the representations and agreements made in this Assurance. The United States will have the right to enforce this Assurance through lawful means. This Assurance is binding on CONTRACTOR, its successors, transferees and assignees. The person or persons whose signatures appear below are authorized to sign this Assurance on behalf of CONTRACTOR.

This Assurance obligates CONTRACTOR for the period during which federal financial assistance is extended or, where the assistance is in the form of real or personal property, for the period provided for in section 84.5(b) of the Regulations (45 C.F.R. 84.5b).

In addition, CONTRACTOR gives this assurance for the purpose of obtaining payment from the COUNTY under this Agreement, regardless of the funding source. This assurance obligates the CONTRACTOR during the entire term of this Agreement.

CONTRACTOR: (Please check A or B)

A. ☐ Employs fewer than fifteen persons;

B. ☒ Employs fifteen or more persons, and pursuant to Section 84.7(a) of the Regulations (45 C.F.R. 84.7a), has designated the following person(s) to coordinate its efforts to comply with the HHS regulations.

Contractor's Business Name	Psynergy Programs, Inc.		
Name of Contractor's Designee	Arturo Uribe, LCSW		
Title of Designee	President and Chief Executive Officer		
Street	18225 Hale Avenue		
City	Morgan Hill	State CA	Zip 95037
IRS Employer Identification Number		94-3131675	

I certify that the above information is complete and correct to the best of my knowledge and belief.

DocuSigned by: Arturo Uribe 03D60C1D2F1C244F...

Signature of Contractor

Date 8/12/2025 | 5:48 PM PDT

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EXHIBIT E: ASSURANCE OF COMPLIANCE WITH MONTEREY COUNTY CULTURAL COMPETENCY POLICY

In a culturally competent system, each provider organization shows respect for and responds to individual differences and special needs. Services are provided in the appropriate cultural context and without discrimination related to race, national origin, income level, religion, gender, sexual orientation, age, or physical disability, to name a few. Culturally competent caregivers are aware of the impact of their own culture on their relationships with consumers/families and know about and respect cultural and ethnic differences. They adapt their skills to meet each individual's/family's values and customs. Cultural competence is a developmental and dynamic process – one that occurs over time.

Organizations in a Culturally Competent Service System Promote:

Quality Improvement

- Continuous evaluation and quality improvement
- Supporting evidence-based, promising, community defined, and emerging practices that are congruent with ethnic/racial/linguistic group belief systems, cultural values and help-seeking behaviors.

Collaboration

- Collaborating with Behavioral Health and other community programs
- Resolving barriers to partnerships with other service providers

Access

- Providing new services to unserved and underserved children, youth, adults and/or older adults
- Reducing disparities in access to, and retention in, care as identified in the Mental Health Services Act Plan
- Ensuring representation of mental health services consumers, family members of a mental health services consumer, and/or representatives from unserved communities on their advisory/governance body or committee for development of service delivery and evaluation (with a minimum target of 40%).
- Developing recruitment, hiring, and retention plans that are reflective of the population focus, communities' ethnic, racial, and linguistic populations.

Cultural Competent Services:

- Are available, accessible and welcoming to all clients regardless of race, ethnicity, language, age, and sexual orientation.
- Provide a physical environment that is friendly, respectful and inclusive of all cultures.
- Provide information, resources and reading materials in multilingual formats.
- Promote and foment culturally accepted social interactions, respect and healthy behaviors within the family constellation and service delivery system.
- Provide options for services, which are consistent with the client's beliefs, values, healing traditions, including individual preferences for alternative, spiritual and/or holistic approaches to health.
- Offer services in unserved and underserved communities.

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- Have services available in the evening and on weekends to ensure maximum accessibility.
- Offer services in Spanish and other necessary languages (such as Tagalog, Vietnamese, Oaxacan, Trique and other languages spoken of Monterey County residents).

Definitions for Cultural Competency

"Cultural Competence" is defined as a set of congruent practice skills, knowledge, behaviors, attitudes, and policies that come together in a system, agency, or among consumer providers, family members, and professionals that enables that system, agency, or those professionals and consumers, and family member providers to work effectively in cross-cultural situations.

(Adapted from Cross, et al., 1989; cited in DMH Information Notice No.02-03).

"Cultural Competence" is a means to eliminating cultural, racial and ethnic disparities. Cultural Competence enhances the ability of the whole system to incorporate the languages, cultures, beliefs and practices of its clients into the service. In this way all clients benefit from services that address their needs from the foundation of their own culture. Strategies for elimination of these disparities must be developed and implemented. Cultural Competence must be supported at all levels of the system.

(CMHDA Framework for Eliminating Cultural, Linguistic, Racial and Ethnic Behavioral Health Disparities)

[Cultural Competency] A set of congruent behaviors, attitudes, and policies that come together in a system, agency or amongst professionals and consumers and enables that system, agency or those professionals and consumers to work effectively in cross-cultural situations.

(Cross, Bazron, Dennis & Issacs, 1989)

The ability to work effectively with culturally diverse clients and communities.

(Randall David, 1994)

CONTRACTOR hereby agrees that it will comply with the principles and guidelines set forth in Monterey County's Health Department – Behavioral Health's Cultural Competency Policy (as outlined above), and will:

1. Develop organizational capacity to provide services in a culturally and linguistically competent manner. This may include: hiring staff with the linguistic capabilities needed to meet the diverse language needs in Monterey County (for example, Spanish, Tagalog, Vietnamese, Oaxacan, Trique, American Sign Language (ASL), Middle Eastern languages); providing staff with training in cultural competency; making services accessible at locations and times that minimize access barriers, and ensuring that staff have an open, welcoming and positive attitude and feel comfortable working with diverse cultures.

2. Create a physical environment that ensures people of all cultures, ages and sexual orientation feel welcome and cared for. This may include: decorating waiting and treatment areas with pictures that reflect the diverse cultures of Monterey County; providing reading materials, resources and magazines in varied languages, at appropriate reading levels and suitable for different age groups, including children and youth; consideration of cultural differences and preferences when offering refreshments; ensuring that any pictures, symbols or materials on display are not unintentionally disrespectful to another culture.

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3. Provide a services delivery environment that ensures people of all cultures, ages and sexual orientation feel welcome and cared for. This may include: respect for individual preferences for alternative, spiritual and/or holistic approaches to health; a reception staff that is competent in the different languages spoken by consumers/families; staff that is knowledgeable of cultural and ethnic differences and needs, and is able and willing to respond an appropriate and respectful manner.

4. Support the county's goal to reduce disparities to care by increasing access and retention while decreasing barriers to services by unserved and underserved communities.

5. Include the voice of multi-cultural youth, client and family members, including: monolingual and bilingual clients and family members and representatives from unserved and underserved communities, in the advisory/governance body or committee for development of service delivery, planning and evaluation (County Goal: 40%).

6. Participate in outcome evaluation activities aimed at assessing individual organizations as well as countywide cultural competency in providing mental health services.

7. As requested, meet with the Monterey County Health Department - Behavioral Health Director or designee to monitor progress and outcomes of the project.

8. Ensure that 100% of staff, over a 3 year period, participate in cultural competency training including, but not limited to, those offered by Monterey County Behavioral Health.

Dissemination of these Provisions. CONTRACTOR shall inform all its officers, employees, agents, and subcontractors providing services hereunder of these provisions.

By my signature below, as the authorized representative of the CONTRACTOR named below, I certify acceptance and understanding for myself and the CONTRACTOR of the above provisions.

Psynergy Programs, Inc.
Contractor (Organization Name)

DocuSigned by:
Arturo Uribe
65D60C1D2FC244F...
Signature of Authorized Representative

Arturo Uribe, LCSW
Name of Authorized Representative (*printed*)

8/12/2025 | 5:48 PM PDT
Date

President and Chief Executive Officer
Title of Authorized Representative

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Psynergy Programs, Inc.

REVENUE AND EXPENDITURE SUMMARY

For Monterey County - Behavioral Health

PROGRAM: Cielo Vista / Nueva Vista / Nueva Vista Sacramento / Vista de Robles / Vista Esperanza / Tres Vista - MHS SERVICES

		Actual FY 2023-24	Estimated FY 2024-25	Requested FY 2025-26
A. PROGRAM REVENUES				
Requested Monterey County Funds				1,420,785
Other Program Revenues				
TOTAL PROGRAM REVENUES (equals Allowable Program Expenditures)		**-**	**-**	**1,420,785**
B. ALLOWABLE PROGRAM EXPENDITURES - Allowable Expenditures for the services provided in accordance with requirements contained in this Agreement. Expenditures should be reported within the cost categories listed below.				
1 Program Expenditures				
2	Salaries and wages			676,249
3	Payroll taxes			49,165
4	Employee benefits			25,064
5	Workers Compensation			25,950
6	Severance Pay (if required by law, employer-employee agreement or established written policy or associated with County's loss of funding)			--
7	Temporary Staffing			919
8	Flexible Client Spending (please provide supporting documents)			--
9	Client Transportation Costs and staff mileage			11,600
10	Employee Travel and Conference			--
11	Staff Training			--
12	Communication Costs			2,491
13	Utilities			9,964
14	Cleaning and Janitorial			1,289
15	Insurance and Indemnity			52,940
16	Maintenance and Repairs - Buildings			66,944
17	Maintenance and Repairs - Equipment			--
18	Printing and Publications			--
19	Memberships, Subscriptions and Dues			225
20	Office Supplies			10,464
21	Postage and Mailing			521
22	Legal Services (when required for the administration of the County Programs)			38,691
23	Audit Costs and Related Services (Audits required by and conducted in accordance with the Single Audit Act (OMB Circular A-133)			46,378

		Actual FY 2023-24	Estimated FY 2024-25	Requested FY 2025-26
24	Other Professional and Consultant Services (allowable with prior specific approval from Monterey County)			135,718
25	Rent and Leases - building and improvements			24,689
26	Rent and Leases - equipment			--
27	Taxes and assessments			--
28	Interest in Bonds			--
29	Interest in Other Long-term debts			--
30	Other interest and finance charges			--
31	Advertising (for recruitment of program personnel, procurement of services and disposal of surplus assets)			--
32	Miscellaneous (please provide details)			24,543
33	**Total Program Expenditures**	$-	$-	**$1,203,802.40**
34	Administrative Expenditures - the allocation base must reasonably reflect the level of service received by the County from the program/activity and there must be a direct causal relationship between the allocation based used and the service provided. The allocation base must be auditable and supported by information kept by the CONTRACTOR.			
35	Salaries and wages (please include personnel and contract administration)			120,557
36	Payroll taxes			8,676
37	Employee benefits			4,423
38	Workers Compensation			4,579
39	Severance Pay (if required by law, employer-employee agreement or established written policy or associated with County's loss of funding)			--
40	Transportation, Travel, Training and Conferences			2,047
41	Data Processing (Computers & Technology)			--
42	Utilities (Telephone & Communications)			2,198
43	Cleaning and Janitorial			227
44	Insurance and Indemnity			9,343
45	Maintenance and Repairs - Buildings			11,814
46	Maintenance and Repairs - Equipment			--
47	Memberships, Subscriptions and Dues			40
48	Office Supplies			1,846
49	Postage and Mailing			92
50	Legal Services (when required for the administration of the County Programs)			6,828
51	Other Professional and Specialized Services (allowable with prior specific approval from Monterey County)			32,135
52	Rent and Leases - building and improvements			4,357
53	Rent and Leases - equipment			--
54	Taxes and assessments			--
55	Interest in Bonds			--
56	Interest in Other Long-term debts			--
57	Other interest and finance charges			--

		Actual FY 2023-24	Estimated FY 2024-25	Requested FY 2025-26
58	Advertising (for recruitment of admin personnel, procurement of services and disposal of surplus assets)			--
59	Miscellaneous (please provide details)			8,883
60	**Total Administrative Expenditures**	-	-	**218,045**
61	**Depreciation Expense**			
62	**OTHERS - must be authorized by the County and/or not prohibited under Federal, State or local law or regulations.**			
63	**Total Allowable Program Expenditures**	-	-	$1,421,848

We hereby certify to the best of my knowledge, under penalty of perjury, that the above report is true and correct, that the amounts reported are traceable to (Contractor's Name) accounting records, and that all Monterey County funds received for the purposes of this program were spent in accordance with the Contract's program requirements, the Agreement and all applicable Federal, State and County laws and regulations. Falsification of any amount disclosed herein shall constitute a false claim pursuant to California Government Code Section 12650 et seq.

Executive Director's Signature **Date** **Finance Director's Signature** **Date**

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I. AUDITS AND AUDIT APPEALS

A. At any time during the term of this Agreement or after the expiration or termination of this Agreement, in accordance with Federal and State law including but not limited to the California Welfare and Institutions Code (WIC) Sections 14170 et seq., authorized representatives from the Federal governments, State or COUNTY may conduct an audit of CONTRACTOR regarding the services/activities provided under the fiscal year(s) for which the audit is outstanding. In addition, contract compliance audits or reviews may be conducted by the County of Monterey Auditor-Controller's Office or designated representative. Furthermore, the California State Controller Office performs audits of the mandated cost claims for the seriously emotionally disturbed pupils for the Out-of-State Mental Health Services Program and Handicapped and Disabled Students Programs. The Centers for Medicare and Medicaid Services (CMS) also perform audits of the Certified Public Expenditure (CPE) processes, negotiated rate audit information, and other issues.

B. Settlement of audit findings shall be conducted according to the auditing party's procedures in place at the time of the audit.

C. In the case of a Federal Government or State audit, COUNTY may perform a post-audit based on Federal or State audit findings. Such post-audit shall take place when the Federal Government or State initiates its settlement action, which customarily is after the issuance of the audit report by the Federal Government or State and before the Federal Government or State's audit appeal process.

    1. If the Federal Government or State stays its collection of any amounts due or payable because of the audit findings, COUNTY shall also stay its settlement of the same amounts due or payable until the responsible auditing party initiates its settlement action with COUNTY.

    2. COUNTY shall follow all applicable Federal, State and local laws, regulations manuals, guidelines and directives in recovering from CONTRACTOR any amount due to the COUNTY.

    3. COUNTY shall issue an invoice to CONTRACTOR for any amount due to the COUNTY no later than ninety (90) calendar days after the Federal or State issues its audit settlement letter to the COUNTY. CONTRACTOR shall make payment to the COUNTY in accordance with the terms of Section IV (Method of Payments for Amounts Due to COUNTY) of this Exhibit I. Said payment shall be submitted to the person and at the address identified in the COUNTY invoice.

D. CONTRACTOR may appeal any such audit findings in accordance with the audit appeal process established by the party performing the audit.

    1. For Federal audit exceptions, Federal audit appeal processes shall be followed.

Docusign Envelope ID: 025E9BC0-DC94-4FEE-9157-8C225D08C8E3

2. CONTRACTOR may appeal the State audit findings in conformance with provisions of Sections 51016 et seq. of Title 22 of the California Code of Regulations. Such appeals must be filed through COUNTY. COUNTY shall notify CONTRACTOR of State appeal deadlines after COUNTY'S receipt from State of the audit report.

3. If at any time the Appeal process results in a revision to the audit findings, and the Federal Government or State recalculates the final settlement with COUNTY, COUNTY may perform a post-audit based on the Federal or State revised findings after the Federal Government or State has issued its revised settlement with the COUNTY, based on such re-computed final settlement.

   a. If the re-computed final settlement results in amounts due to CONTRACTOR by the COUNTY, COUNTY shall make such payments to CONTRACTOR within thirty (30) calendar days of issuing the revised settlement amount to the CONTRACTOR.

   b. If the re-computed final settlement results in amounts due from CONTRACTOR to the COUNTY, CONTRACTOR shall make payment to the COUNTY within thirty (30) days that the COUNTY issues its invoice to the CONTRACTOR.

E. Not withstanding any other provisions of this Agreement, if CONTRACTOR appeals any audit report, the appeal shall not prevent the COUNTY from recovering from CONTRACTOR any amount owed by CONTRACTOR that the Federal Government or State has recovered from COUNTY.

F. Should the auditing party be the COUNTY, CONTRACTOR shall have thirty (30) calendar days from the date of the audit report with in which to file an appeal with COUNTY. The letter providing the CONTRACTOR with notice of the audit findings shall indicate the person(s) and address to which the appeal should be directed. COUNTY shall consider all information provided by CONTRACTOR with its appeal, and shall issue its decision on the appeal after such consideration. Such decision is final. COUNTY shall issue an invoice for any amount due COUNTY fifteen (15) calendar days after COUNTY has notified CONTRACTOR of the COUNTY'S audit appeal findings. CONTRACTOR shall make payment to the COUNTY in accordance with the terms of Section IV (Method of Payments for Amounts Due to COUNTY) of this Exhibit I. Said payment shall be submitted to the person and at the address identified in the COUNTY invoice.

II. METHOD OF PAYMENTS FOR AMOUNTS DUE TO COUNTY

A. Within ten (10) business days after written notification by COUNTY to CONTRACTOR of any amount due by CONTRACTOR to COUNTY, CONTRACTOR shall notify COUNTY as to which of the following five (5) payment options CONTRACTOR requests be used as the method by which such amount shall be recovered by COUNTY.

   Any such amount shall be:

   1. Paid in one cash payment by CONTRACTOR to COUNTY;

Docusign Envelope ID: 025E9BC0-DC94-4FEE-9157-8C225D08C8E3

2. Deducted from future claims over a period not to exceed six (6) months;

3. Deducted from any amounts due from COUNTY to CONTRACTOR whether under this Agreement or otherwise;

4. Paid by cash payment(s) by CONTRACTOR to COUNTY over a period not to exceed six (6) months; OR

5. A combination of any or all of the above.

B. If CONTRACTOR does not so notify COUNTY within such ten (10) days, or if CONTRACTOR fails to make payment of any such amount to COUNTY as required, then Director, in his sole discretion, shall determine which of the above five (5) payment options shall be used by COUNTY for recovery of such amount from CONTRACTOR.

(The remainder of this page is left intentionally blank)

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EXHIBIT J: LEVEL OF SERVICE FORM

Psynergy Programs
Complex Care Level of Service

Diagnosis – *Circle all known diagnoses. No points allocated.*

Schizophrenia	ADD/DHD
Schizo-Affective	SUD/Poly-Substance
Bipolar Disorder	Major Depression Disorder
Anxiety Disorder	Impulse Control Disorder
Dissociative	PTSD
Personality D/O	

Symptoms *Check all that apply in the past six months pre-admission and every six months post admission.*

(1) Psychosomatic	(2) Psychosis
(2) Labile	(1) Disorganized
(2) Depression	(2) Mania
(1) Anxiety	(3) Suicidal Ideation
(2) Perseverating	(1) Fearfulness
(1) Delusional	(2) Paranoia
(2) Auditory Hallucinations	(2) Command Hallucinations

Total_____

Behavioral Supports – *Check all that apply in the past six months pre-admission and every six months post admission.*

(2) Intrusive	(2) Labile
(3) Intermittent Explosiveness	(3) Verbally Assaultive
	(1) Victimization
(2) Inappropriate Sexual Bx	(3) Elopement/UAA Bxs
	(2) Disruptive to Milieu
(1) OCD Bxs	(1) Isolation
(2) Threatening Behaviors	(2) Aggressive Behaviors
(2) Impulsive behaviors	(2) Property Destruction

Total_____

Legal Restrictions

2 On Probation
2 Registered Sex Offender
3 Arsonist/Fire-Setting with intent to destroy property
3 Electronic Monitoring Device
4 Mental Health Diversion PC1001.36

Total_____

Restricted Health Care Plans

(2) Urinary Incontinence, Neurosis
(3) Fecal Incontinence
(2) Diabetes, BSL Management
(2) Inhaler/Asthma/Allergy
(2) Hypertension
(2) COPD with Inhaler
(2) Vitals, Blood Pressure, Temperature, Etc.
(2) Pacemaker
(2) Colostomy Care ( ) Other_____

Total____

Special Diets

(2) Ground/Pureed/Chopped
(2) Vegan, Vegetarian, GERD friendly
(3) Weight management, shakes, dbl portions, etc
(2) Other:
(*must be approved by Food Services Manager prior to admission)*

Total_____

Medication and Medical Management

(3) Clozaril	(2) 1-6 Oral Medications
(3) Lithium	(3) 7-11 Oral Medications
(3) Depakote	(4) 12-18 Oral Medications
(4) Insulin	
(2) 1-2 Treatments	(3) 3+ Treatments

(3) 2 or more Antipsychotics
(3) Crushed Medications Order
(3) Medication adherence precautions / Med Refusals

Total_____

Suicidal Attempt & Self Injurious Bx

(3) Past 30 Days
(2) 30-90 Days
(1) 90-180 Days
(0) 180+ Days & History of SA/SIB

Total_____

Docusign Envelope ID: 025E9BC0-DC94-4FEE-9157-8C225D08C8E3

Physical Disabilities

(2) Assistive Device, Walker, Knee Scooter, Etc.
(3) Visual Impaired (ex. Blind)
(3) Hearing Impaired

Total_____

Activities of Daily Living Assistance

(4) Bathing, Grooming, Dressing

Dual Recovery Program Support

(MUST BE DIAGNISED- INCLUDES ETOH, POLYSUBSTANCE, AND CAFFEINE)

(1) <1 Test Administered
(2) x1 Test Administered
(3) x2 Tests Administered
(4) x3 Tests Administered

(3) Relapse Prevention Plan – Active

Total_____

Total Level of Service Score

Level I Management	18 +
Level II Management	0 - 17

Total Points: _____

Psynergy Programs Only: CLIENT NAME_____
COUNTY NAME:_____

Completed by Facility Administrator:

Signature:

Date:

Review by Medication Room Mgr.:

Signature:

Date:

County Case Manager or Conservator:

Signature:

Date:

This form must be completed prior to initial admission and/or internal transfer to other Psynergy facility.

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RENEWAL AND AMENDMENT NO. 3
TO SERVICES AGREEMENT
BETWEEN B.E. SMITH, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
INTERIM MANAGEMENT-LEVEL SERVICES

This Renewal and Amendment No. 3 to the Services Agreement ("Agreement") which was effective on July 1, 2018 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and B.E. Smith, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the Agreement was executed with B.E. Smith Inc. for interim management-level services with a term July 1, 2018 through June 30, 2021 and a total Agreement amount not to exceed $300,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 1 to extend it for an additional two (2) year period through June 30, 2023 for a revised full Agreement term (July 1, 2018 through June 30, 2023) to allow for services to continue with no revisions to the original scope of work attached hereto as "Exhibit A-1 per Amendment No. 1" with a $300,000 increase for a revised Agreement amount not to exceed $600,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 2 to allow for services to continue with no changes to the scope of work or term of Agreement (July 1, 2018 through June 30, 2023) with a $450,000 increase for a revised Agreement amount not to exceed $1,050,000; and

WHEREAS, the Agreement expired on June 30, 2023; and

WHEREAS, the Parties wish to renew and amend the Agreement via Renewal and Amendment No. 3 on the same or similar terms, beginning July 1, 2023 and to extend the term for an additional six (6) month period through December 31, 2023 for a revised full Agreement term (July 1, 2018 through December 31, 2023) to allow for services to continue with no changes to the scope of work or Agreement amount of $1,050,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1 and Amendment No. 2 incorporated herein by this reference, except as specifically set forth below.

1. The first sentence of Section 3.1 shall be amended to the following:
   "The term of this Agreement is from July 1, 2018 through December 31, 2023 unless sooner terminated pursuant to the terms of this Agreement."

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2. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Renewal and Amendment No. 3 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1 and Amendment No. 2.

3. A copy of this Renewal and Amendment No. 3 shall be attached to the Agreement.

4. This Renewal and Amendment No. 3 is effective retroactively on July 1, 2023.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

DocuSign Envelope ID: B353BAB6-BD23-42B5-9C17-4DFE965D21AD

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 3 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: DocuSigned by: Charles R. Harris 4E1F837D2DAE481...
Charles R. Harris, CEO

Date: 10/10/2023 | 1:31 PM PDT

APPROVED AS TO LEGAL PROVISIONS

By: DocuSigned by: Stacy Saetta C0ECE1B99F444A9...
Monterey County Deputy County Counsel

Date: 10/5/2023 | 7:28 PM PDT

APPROVED AS TO FISCAL PROVISIONS

By: DocuSigned by: Jennifer Forsyth 4E7E657875454AE...
Monterey County Deputy Auditor/Controller

Date: 10/9/2023 | 9:05 AM PDT

CONTRACTOR

B.E. Smith, Inc.
CONTRACTOR's Business Name
See instructions below

By: DocuSigned by: Steve Leatherman 6B1CFED9347C4E5...
(Signature of: Chair, President, or Vice-President)

Steve Leatherman, Division Director, West
Name and Title

Date: 10/3/2023 | 8:17 AM PDT

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

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Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Luis A. Alejo, seconded by Supervisor Chris Lopez to:

Agreement No.: A-13995 ; Amendment No.: 4
Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute renewal and amendment No. 4 to the agreement (A-13995) with B.E. Smith, Inc. for interim management-level services, extending the agreement an additional one (1) year period (January 1, 2024 through December 31, 2024) for a revised full agreement term of July 1, 2018 through December 31, 2024, and adding $250,000 for a revised total agreement amount not to exceed $1,300,000.

PASSED AND ADOPTED on this 30th day of January 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting January 30, 2024.

Dated: February 2, 2024
File ID: A 24-017
Agenda Item No.: 18

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Vicente Ramirez, Deputy

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DocuSign Envelope ID: FF9A714F-0DE5-4F7E-86E8-1302DAD8D716

Original Agreement No. (A-13995)

RENEWAL AND AMENDMENT NO. 4
TO SERVICES AGREEMENT
BETWEEN B.E. SMITH, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
INTERIM MANAGEMENT-LEVEL SERVICES

This Renewal and Amendment No. 4 to the Services Agreement ("Agreement") which was effective on July 1, 2018 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and B.E. Smith, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the Agreement was executed with B.E. Smith Inc. for interim management-level services with a term July 1, 2018 through June 30, 2021 and a total Agreement amount not to exceed $300,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 1 to extend it for an additional two (2) year period through June 30, 2023 for a revised full Agreement term (July 1, 2018 through June 30, 2023) to allow for services to continue with revisions to the original scope of work attached hereto as "Exhibit A-1 per Amendment No. 1" with a $300,000 increase for a revised total Agreement amount not to exceed $600,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 2 to allow for services to continue with no changes to the scope of work or term of Agreement (July 1, 2018 through June 30, 2023) with a $450,000 increase for a revised total Agreement amount not to exceed $1,050,000; and

WHEREAS, the Agreement expired on June 30, 2023; and

WHEREAS, the Parties amended the Agreement via Renewal and Amendment No. 3 on the same or similar terms, beginning July 1, 2023 and to extend the term for an additional six (6) month period through December 31, 2023 for a revised full Agreement term (July 1, 2018 through December 31, 2023) to allow for services to continue with no changes to the scope of work or total Agreement amount of $1,050,000; and

WHEREAS, the Agreement expired on December 31, 2023; and

WHEREAS, the Parties wish to renew and amend the Agreement via Renewal and Amendment No. 4 retroactive to January 1, 2024 to extend the term for an additional one (1) year period through December 31, 2024 for a revised full Agreement term of (July 1, 2018 through December 31, 2024) to allow for continued need of CONTRACTOR's services with no changes to the scope of work and to add an additional $250,000 for a revised total Agreement amount not to exceed $1,300,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

DocuSign Envelope ID: C10F84AA-A992-4DE4-8715-38D0484A10C7

DocuSign Envelope ID: FF9A714F-0DE5-4F7E-86E8-1302DAD8D716

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, and Renewal and Amendment No. 3 incorporated herein by this reference, except as specifically set forth below.

1. Section 2/ Paragraph titled, "PAYMENTS BY COUNTY" shall be amended to the following:
   "COUNTY shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A-1 as per Amendment No. 1 attached hereto this Amendment No. 1. The total amount payable by COUNTY to CONTRACTOR under this Agreement shall not exceed the sum of $1,300,000."

2. The first sentence of Section 3.1 shall be amended to the following:
   "The term of this Agreement is from July 1, 2018 through December 31, 2024 unless sooner terminated pursuant to the terms of this Agreement."

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Renewal and Amendment No. 4 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, and Renewal and Amendment No. 3.

4. A copy of this Renewal and Amendment No. 4 shall be attached to the Agreement.

5. This Renewal and Amendment No. 4 is effective retroactively on January 1, 2024.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

DocuSign Envelope ID: C10F84AA-A992-4DE4-8715-38D0484A10C7

DocuSign Envelope ID: FF9A714F-0DE5-4F7E-86E8-1302DAD8D716

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 4 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:

By: Charles R. Harris
4E1F837D204E481...
Charles R. Harris, CEO

Date: 2/6/2024 | 9:23 AM PST

APPROVED AS TO LEGAL PROVISIONS

DocuSigned by:

By: Stacy Saetta
C0ECE1B09E444A9...
Monterey County Deputy County Counsel

Date: 1/5/2024 | 2:29 PM PST

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:

By: Jennifer Forsyth
4E7E6576754C4AE...
Monterey County Deputy Auditor/Controller

Date: 1/5/2024 | 4:35 PM PST

CONTRACTOR

B.E. Smith, Inc.
CONTRACTOR's Business Name
See instructions below

DocuSigned by:

By: Steve Leatherman
881CFED924FC4E5...
(Signature of: Chair, President, or Vice-President)

Steve Leatherman, Division Director, West
Name and Title

Date: 1/2/2024 | 4:07 PM PST

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Docusign Envelope ID: F0ECAD48-A5C6-448B-BB17-37F596B6A72A

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Wendy Root Askew, seconded by Supervisor Kate Daniels to:

Agreement No.: A-13995 ; Amendment No.: 5
Authorize the Chief Executive Officer for Natividad Medical Center (NMC) or his designee to execute renewal and amendment No. 5 to the agreement (A-13995) with B.E. Smith, Inc. for interim management-level services at NMC, extending the agreement for an additional one year term (January 1, 2025 through December 31, 2025) for a revised full agreement term of July 18, 2018 through December 31, 2025, with no change to the total contract amount of $1,300,000.

PASSED AND ADOPTED on this 18th day of February 2025, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez, Askew and Daniels
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting February 18, 2025.

Dated: February 21, 2025
File ID: A 25-018
Agenda Item No.: 24

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Vicente Ramirez, Deputy

Docusign Envelope ID: F0ECAD48-A5C6-448B-BB17-37F596B6A72A

Original Agreement No. (A-13995)

RENEWAL AND AMENDMENT NO. 5
TO SERVICES AGREEMENT
BETWEEN B.E. SMITH, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
INTERIM MANAGEMENT-LEVEL SERVICES

This Renewal and Amendment No. 5 to the Services Agreement ("Agreement") which was effective on July 1, 2018 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and B.E. Smith, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the Agreement was executed with B.E. Smith Inc. for interim management-level services with a term July 1, 2018 through June 30, 2021 and a total Agreement amount not to exceed $300,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 1 to extend it for an additional two (2) year period through June 30, 2023 for a revised full Agreement term (July 1, 2018 through June 30, 2023) to allow for services to continue with revisions to the original scope of work attached hereto as "Exhibit A-1 per Amendment No. 1" with a $300,000 increase for a revised total Agreement amount not to exceed $600,000; and

WHEREAS, the Parties amended the Agreement via Amendment No. 2 to allow for services to continue with no changes to the scope of work or term of Agreement (July 1, 2018 through June 30, 2023) with a $450,000 increase for a revised total Agreement amount not to exceed $1,050,000; and

WHEREAS, the Agreement expired on June 30, 2023; and

WHEREAS, the Parties amended the Agreement via Renewal and Amendment No. 3 on the same or similar terms, beginning July 1, 2023 and to extend the term for an additional six (6) month period through December 31, 2023 for a revised full Agreement term (July 1, 2018 through December 31, 2023) to allow for services to continue with no changes to the scope of work or total Agreement amount of $1,050,000; and

WHEREAS, the Agreement expired on December 31, 2023; and

WHEREAS, the Parties amended the Agreement via Renewal and Amendment No. 4 retroactive to January 1, 2024 to extend the term for an additional one (1) year period through December 31, 2024 for a revised full Agreement term of (July 1, 2018 through December 31, 2024), and to add an additional $250,000 for a revised total Agreement amount not to exceed $1,300,000; and

WHEREAS, the Agreement expired on December 31, 2024; and

WHEREAS, the Parties wish to amend the Agreement retroactive to January 1, 2025 to extend it for an additional one (1) year period (January 1, 2025 through December 31, 2025) for a revised full Agreement term of July 1, 2018 through December 31, 2025, to allow services to continue with no changes to the scope of work or the total Agreement amount of not to exceed $1,300,000.

Docusign Envelope ID: F0ECAD48-A5C6-448B-BB17-37F596B6A72A

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, and Renewal Amendment No. 3, and Renewal and Amendment No. 4 incorporated herein by this reference, except as specifically set forth below.

1. The first sentence of Section 3.1 shall be amended to the following:
   "The term of this Agreement is from July 1, 2018 through December 31, 2025 unless sooner terminated pursuant to the terms of this Agreement."

2. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Renewal and Amendment No. 5 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Renewal and Amendment No. 3, and Renewal and Amendment No. 4.

3. A copy of this Renewal and Amendment No. 5 shall be attached to the Agreement.

4. This Renewal and Amendment No. 5 shall be effective retroactive to January 1, 2025.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: F0ECAD48-A5C6-448B-BB17-37F596B6A72A

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 5 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:
By: Charles R. Harris
4E1F837D204E481...
Charles R. Harris, CEO

Date: 2/21/2025 | 2:58 PM PST

APPROVED AS TO LEGAL PROVISIONS

Signed by:
By: Stacy Saetta
696D21D44C4341D...
Monterey County Deputy County Counsel

Date: 2/20/2025 | 4:14 PM PST

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Jennifer Forsyth
4E7E057875454AE...
Monterey County Deputy Auditor/Controller

Date: 2/21/2025 | 2:41 PM PST

CONTRACTOR

B.E. Smith, Inc.
CONTRACTOR's Business Name
See instructions below

Signed by:
By: Andrew S. O'Neill
A76C872EE94B4C2...
(Signature of: Chair, President, or Vice-President)

Andrew S. O'Neill - Vice President,ClientPartnerships
Name and Title

Date: 12/5/2024

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Docusign Envelope ID: 086582DA-CB6E-4FCC-9F73-78C8305A64A2

RENEWAL AND AMENDMENT NO. 1
TO SERVICES AGREEMENT
BETWEEN EXPERIAN HEALTH, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
MEDITRACK ENTERPRISE FOR ACCESS TO MEDICARE DIRECT DATA ENTRY ("DDE") SCREENS SERVICES

This Renewal and Amendment No. 1 to the Services Agreement ("Agreement") which was effective on July 1, 2021 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Experian Health, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, COUNTY and CONTRACTOR had previously entered into an Agreement for Services (hereinafter "Agreement") on July 1, 2021 to provide Meditrack Enterprise for access to Medicare DDE screens services for Natividad Medical Center with a three (3) year term (July 1, 2021 through June 30, 2024) and a total Agreement amount not to exceed $450,000; and

WHEREAS, the Agreement expired on June 30, 2024; and

WHEREAS, COUNTY and CONTRACTOR wish to renew and amend the Agreement retroactive to July 1, 2024, to extend the term for an additional two (2) year period through June 30, 2026 for a revised full Agreement term of July 1, 2021 through June 30, 2026 to allow for continued need of CONTRACTOR's services with no changes to the original scope of work and to increase the amount payable by an additional $45,000 for a total Agreement amount not to exceed $495,000.

AGREEMENT

NOW THEREFORE, the Parties agree as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the original Agreement incorporated herein by this reference, except as specifically set forth below.

1. **The first sentence of Section 3.1 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:**

   "The term of this Agreement is from July 1, 2021 through June 30, 2026 unless sooner terminated pursuant to the terms of this Agreement".

Docusign Envelope ID: 086582DA-CB6E-4FCC-9F73-78C8305A64A2

2. **Section 2 / Paragraph titled, "PAYMENTS BY COUNTY" shall be amended to the following:**

   "COUNTY shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by COUNTY to CONTRACTOR shall not exceed the sum of $495,000."

3. If there is any conflict or inconsistency between the provisions of Agreement, the provisions of this Renewal and Amendment No. 1 shall govern.

4. A copy of this Amendment No. shall be attached to the Agreement.

5. This Renewal and Amendment is effective retroactively on July 1, 2024.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: 086582DA-CB6E-4FCC-9F73-78C8305A64A2

IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 1 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: DocuSigned by: Charles R. Harris
4E1F837CD04B481...
Charles R. Harris, CEO

Date: 6/27/2025 | 10:21 AM PDT

APPROVED AS TO LEGAL PROVISIONS

By: Signed by: Stacy Saetta
696D21D44C4341D...
Monterey County Deputy County Counsel

Date: 6/26/2025 | 5:43 PM PDT

APPROVED AS TO FISCAL PROVISIONS

By: DocuSigned by: Patricia Ruiz
E795F64E57454E6...
Monterey County Deputy Auditor/Controller

Date: 6/27/2025 | 10:03 AM PDT

CONTRACTOR

Experian Health

CONTRACTOR's Business Name
See instructions below

By: Jeff Corley Signed by: Jeff Corley
E94007DE5C9C4CE...
(Signature of: Chair, President, or Vice-President)

Jeff Corley Senior Director - Operations

Name and Title

Date: Jun 23, 2025 | 10:40 AM CDT

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Docusign Envelope ID: AA27B11E-9514-406A-A302-E336A931BAA5

AMENDMENT NO. 2
TO SERVICES AGREEMENT
BETWEEN EXPERIAN HEALTH, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
MEDITRACK ENTERPRISE FOR ACCESS TO MEDICARE DIRECT DATA ENTRY ("DDE") SCREENS SERVICES

This Amendment No. 2 to the Services Agreement ("Agreement") which was effective on July 1, 2021 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Experian Health, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, COUNTY and CONTRACTOR had previously entered into an Agreement for Services (hereinafter "Agreement") on July 1, 2021 to provide Meditrack Enterprise for access to Medicare DDE screens services for Natividad Medical Center with a three (3) year term (July 1, 2021 through June 30, 2024) and a total Agreement amount not to exceed $450,000; and

WHEREAS, the Agreement expired on June 30, 2024; and

WHEREAS, the Parties renewed and amended the Agreement via Renewal and Amendment No. 1 retroactive to July 1, 2024, to extend the term for an additional two (2) year period through June 30, 2026 for a revised full Agreement term of July 1, 2021 through June 30, 2026 to allow for continued need of CONTRACTOR's services with no changes to the original scope of work and to increase the amount payable by an additional $45,000 for a revised total Agreement amount not to exceed $495,000; and

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement via Amendment No. 2 to increase the amount payable by an additional $300,000 for a revised total Agreement amount not to exceed $795,000 with no changes to the scope of work or to the term of Agreement (July 1, 2021 through June 30, 2026).

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Renewal and Amendment No. 1 incorporated herein by this reference, except as specifically set forth below.

1. **Section 2 / Paragraph titled, "PAYMENTS BY COUNTY" shall be amended to the following:**
   "COUNTY shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by COUNTY to CONTRACTOR shall not exceed the sum of $795,000."

Docusign Envelope ID: AA27B11E-9514-406A-A302-E336A931BAA5

2. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 2 and shall continue in full force and effect as set forth in the Agreement and in Renewal and Amendment No. 1.

3. A copy of this Amendment No. 2 shall be attached to the Agreement.

4. This Amendment No. 2 is effective when signed by both Parties.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: AA27B11E-9514-406A-A302-E336A931BAA5

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 2 on the basis set forth in this document and have executed this Amendment No. 2 on the day and year set forth herein.

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: _____
Charles R. Harris, CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: Signed by: Stacy Saetta 696D21D44C4341D...
Monterey County Deputy County Counsel

Date: 8/11/2025 | 6:34 PM PDT

APPROVED AS TO FISCAL PROVISIONS

By: DocuSigned by: Patricia Ruiz E79EF64E57454F6...
Monterey County Deputy Auditor/Controller

Date: 8/12/2025 | 8:12 AM PDT

CONTRACTOR

Experian Health

CONTRACTOR's Business Name
See instructions below

By: Signed by: Jeff Corley F94007DF5C9C4CE...
(Signature of: Chair, President, or Vice-President)

Jeff Corley Senior Director - Operations
Name and Title

Date: Aug 5, 2025 | 9:25 AM CDT

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

_____
Name and Title

Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Docusign Envelope ID: 9C929E69-83BD-417D-96CF-683141EED6AA

PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

by and between

COUNTY OF MONTEREY ("County")

on behalf of NATIVIDAD MEDICAL CENTER ("Hospital")

and

MOHAMED KERALA SERIO, M.D. ("Contractor")

Docusign Envelope ID: 9C929E69-83BD-417D-96CF-683141EED6AA

PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

THIS PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT (this **"Agreement"**) is entered into as of October 1, 2025, by and between COUNTY OF MONTEREY (**"County"**) on behalf of NATIVIDAD MEDICAL CENTER (**"Hospital"**), and MOHAMED KERALA SERIO, M.D., an individual (**"Contractor"**). County, Hospital and Contractor are sometimes referred to in this Agreement as a **"Party"** or, collectively, as the **"Parties**."

RECITALS

A. County owns and operates Hospital, a general acute care teaching hospital facility located in Salinas, California and various outpatient clinics (collectively, the **"Clinic"**) under its acute care license.

B. Contractor is duly licensed to practice medicine in the State of California (the **"State"**). Contractor is board certified for the practice of medicine in the specialty of cardiology (the **"Specialty"**).

C. Hospital must arrange for the provision of professional consultation and treatment of patients who present to the emergency department (**"ED"**) and who are admitted as Hospital inpatients in need of medical care or treatment in the Specialty, including inpatient and outpatient procedures performed in Hospital's operating room and/or who present to Hospital's Clinic (collectively, the **"Patients"**), without regard to any consideration other than medical condition.

D. In order to ensure adequate and continued Specialty coverage for the Hospital as required by applicable federal and state laws, Hospital desires to engage a panel of physicians specializing in the Specialty, including Contractor (each, a **"Panel Member"** and, collectively, the **"Panel Members"**), to provide call coverage for the Hospital, upon the terms and subject to the conditions set forth in this Agreement.

E. Hospital has considered the following factors in determining the necessity and amount of compensation payable to Contractor pursuant to this Agreement:

1. The nature of Contractor's duties as contemplated by this Agreement.

2. Contractor's qualifications.

3. The difficulty in obtaining a qualified physician to provide the services described in this Agreement.

4. The benefits to Hospital's community resulting from Contractor's performance of the services described in this Agreement.

5. The economic conditions locally and in the health care industry generally.

Docusign Envelope ID: 9C929E69-83BD-417D-96CF-683141EED6AA

AGREEMENT

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I.
CONTRACTOR'S OBLIGATIONS

1.1 Professional and Coverage Services.

(a) Contractor shall provide professional services to Patients including inpatient consults, interpretation services and outpatient Clinic services, upon the terms and subject to the conditions set forth in this Agreement (the **"Professional Services"**).

(b) Contractor shall be available on an on-call basis to provide Specialty medical care and treatment to Patients (**"Coverage Services"**), along with other Panel Members, in a manner that is sufficient to ensure coverage of Hospital in the Specialty twenty-four (24) hours per day, seven (7) days per week, including all holidays, in accordance with the schedule developed by Hospital.

(c) Contractor shall provide timely initial follow-up care for all Hospital patients referred for care by the ED or attending physician. If Contractor is the physician on-call at the time of the referral, Contractor shall provide any necessary follow-up care for such patients regardless of the patient's ability to pay for services at the time of the first visit.

1.2 Teaching Services. Contractor shall provide to Hospital those teaching services set forth in **Exhibit 1.2** (collectively, the **"Teaching Services"**). Contractor shall not be separately compensated for the provision of Teaching Services under this Agreement.

1.3 Additional Services. Contractor shall provide to Hospital those additional services set forth in **Exhibit 1.3** (the **"Additional Services"**), upon the terms and subject to the conditions set forth in this Agreement. The Professional Services, Teaching Services, Coverage Services, and Additional Services are sometimes referred to collectively in this Agreement as the **"Services**."

1.4 Personal Services. This Agreement is entered into by Hospital in reliance on the professional skills of Contractor. Contractor shall be solely responsible for performing the Services and otherwise fulfilling the terms of this Agreement, except as specifically set forth in this Agreement.

1.5 Time Commitment. Contractor shall allocate time among the Professional Services, Teaching Services, Coverage Services and Additional Services as reasonably requested by Hospital from time to time.

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1.6 Availability. Contractor shall be available to provide the Services on a twenty-four (24) hour per day, seven (7) day per week basis. On or before the first (1st) day of each month, Contractor shall inform Hospital of Contractor's schedule of availability to perform the Services during the following month. Contractor shall use his or her best efforts to adjust such schedule of availability if reasonably requested by Hospital in order to meet Hospital's needs for the Services.

1.7 Absences. If Contractor is unable or reasonably expected to be unable to provide the Services for any reason for a period of greater than thirty (30) consecutive days or sixty (60) days in the aggregate over any three (3) month period, Contractor shall designate a qualified replacement to provide the Services on behalf of Contractor, subject to the prior written approval of Hospital. Contractor shall ensure that any such designated replacement meets any and all obligations and requirements of Contractor under this Agreement. If the length of Contractor's absence is anticipated to be or actually is longer than sixty (60) calendar days, the person who provides the Services in Contractor's absence shall execute a written acknowledgment in form and substance acceptable to Hospital agreeing to be bound by all terms of this Agreement. Except in the event of absence due to illness or disability, Hospital shall have the right to approve the length of Contractor's absence, and any unapproved absence shall constitute a breach of this Agreement.

1.8 Time Reports. Contractor shall maintain and submit to Hospital monthly time sheets that provide a true and accurate accounting of time spent on a daily basis providing the Services. Such time sheets shall be on the then-current form provided by Hospital attached hereto as **Exhibit 1.8**. Contractor shall submit all such time sheets to Hospital no later than the tenth (10th) day of each month for Services provided by Contractor during the immediately preceding month.

1.9 Medical Staff. Contractor shall be a member in good standing and active on the Hospital's medical staff (the "**Medical Staff**") and have and maintain all clinical privileges at Hospital necessary for the performance of Contractor's obligations under this Agreement. If, as of the Effective Date (as defined in Section 5.1), Contractor is not a member in good standing or active on the Medical Staff or does not hold all clinical privileges at Hospital necessary for the performance of Contractor's obligations hereunder, Contractor shall have a reasonable amount of time, which in no event shall exceed sixty (60) calendar days from the Effective Date, to obtain such membership and/or clinical privileges; provided, however, that Hospital may immediately terminate this Agreement if Hospital determines that Contractor is not diligently pursuing such membership and/or clinical privileges in accordance with the normal procedures set forth in the Medical Staff bylaws. Contractor may obtain and maintain medical staff privileges at any other hospital or health care facility at Contractor's sole expense.

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1.10 Professional Qualifications. Contractor shall have and maintain an unrestricted license to practice medicine in the State. Contractor shall be board certified in the Specialty by the applicable medical specialty board approved by the American Board of Medical Specialties. Contractor shall have and maintain a valid and unrestricted United States Drug Enforcement Administration (**"DEA"**) registration.

1.11 Review of Office of the Inspector General ("OIG") Medicare Compliance Bulletins. The OIG from time to time issues Medicare compliance alert bulletins. To the extent applicable to Contractor's performance under this Agreement, Contractor shall undertake to review, be familiar with and comply with all applicable requirements of such OIG compliance bulletins.

1.12 Performance Standards. Contractor shall comply with all bylaws, Medical Staff policies, rules and regulations of Hospital and the Medical Staff (collectively, the **"Hospital Rules"**), and all protocols applicable to the Services or the Hospital (the **"Protocols"**).

1.13 Code of Conduct. Contractor hereby acknowledges receipt of Hospital's Code of Conduct which is attached to this Agreement as **Exhibit 1.13** (the **"Code"**), and agrees that Contractor has been given ample opportunity to read, review and understand the Code. With respect to Contractor's business dealings with Hospital and Contractor's performance of the Services described in this Agreement, Contractor shall not act in any manner which conflicts with or violates the Code, and shall not cause another person to act in any manner which conflicts with or violates the Code. Contractor shall comply with the Code as it relates to Contractor's business relationship with Hospital or any Affiliate, subsidiaries, employees, agents, servants, officers, directors, contractors and suppliers of every kind.

1.14 Continuing Medical Education. Contractor shall participate in continuing medical education as necessary to maintain licensure, professional competence and skills commensurate with the standards of the medical community and as otherwise required by the medical profession.

1.15 Use of Space. Contractor shall use Hospital's premises and space solely and exclusively for the provision of the Services, except in an emergency or with Hospital's prior written consent.

1.16 Notification of Certain Events. Contractor shall notify Hospital in writing within twenty-four (24) hours after the occurrence of any one or more of the following events:

(a) Contractor becomes the subject of, or materially involved in, any investigation, proceeding, or disciplinary action by: Medicare and Medicaid programs or any other Federal health care program, as defined at 42 U.S.C. Section 1320a-7b(f) (collectively, the **"Federal Health Care Programs"**) or state equivalent, any state's medical board, any agency responsible for professional licensing, standards or behavior, or any medical staff;

(b) Contractor's medical staff membership or clinical privileges at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

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(c) Contractor becomes the subject of any suit, action or other legal proceeding arising out of Contractor's professional services;

(d) Contractor is required to pay damages or any other amount in any malpractice action by way of judgment or settlement;

(e) Contractor becomes the subject of any disciplinary proceeding or action before any state's medical board or similar agency responsible for professional standards or behavior;

(f) Contractor voluntarily or involuntarily retires from the practice of medicine;

(g) Contractor's license to practice medicine in the State is restricted, suspended or terminated, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(h) Contractor is charged with or convicted of a criminal offense;

(i) any act of nature or any other event occurs which has a material adverse effect on Contractor's ability to provide the Services; or

(j) Contractor is debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program or state equivalent.

1.17 Representations and Warranties by Contractor. Contractor represents and warrants that: (a) Contractor's license to practice medicine in any state has never been suspended, revoked or restricted; (b) Contractor has never been reprimanded, sanctioned or disciplined by any licensing board or medical specialty board; (c) Contractor has never been excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program; (d) Contractor has never been denied membership and/or reappointment to the medical staff of any hospital or health care facility; (e) Contractor's medical staff membership or clinical privileges at any hospital or health care facility have never been suspended, limited or revoked for a medical disciplinary cause or reason; and (f) Contractor has never been charged with or convicted of a felony, a misdemeanor involving fraud, dishonesty, controlled substances, or moral turpitude, or any crime relevant to the provision of medical services or the practice of medicine.

1.18 Nondiscrimination. Contractor shall not differentiate or discriminate in performing the Services on the basis of race, religion, creed, color, national origin, ancestry, sex, physical disability, mental disability, medical condition, marital status, age, sexual orientation or payor, or on any other basis prohibited by applicable law.

1.19 Non-Exclusive Services. The Services provided by Contractor hereunder are intended to be non-exclusive. Notwithstanding the above, during the term of this Agreement, Contractor shall undertake to retain the service capacity necessary to provide those Services described in this Agreement, to the extent necessary to serve the reasonably foreseeable patient needs for medical care at Hospital and the administrative services hereunder.

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1.20 Compliance with Grant Terms. If this Agreement has been or will be funded with monies received by Hospital or County pursuant to a contract with the state or federal government or private entity in which Hospital or County is the grantee, Contractor shall comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, Hospital shall deliver a copy of said contract to Contractor at no cost to Contractor.

1.21 Coordination with Attending Physicians. Contractor shall promptly report the results of all professional services furnished to an ED patient to such patient's attending physician(s) and any other physician(s) engaged in specialty consultation or treatment for such patient.

1.22 Medical Records and Claims.

(a) Contractor shall prepare complete, timely, accurate and legible medical and other records with respect to the services and treatment furnished by Contractor to ED patients, in accordance with the Hospital Rules, federal and state laws and regulations, and standards and recommendations of such nationally recognized accrediting organization as Hospital designates from time to time. All such information and records relating to any ED patient shall be: (i) prepared on forms developed, provided or approved by Hospital; (ii) the sole property of Hospital; and (iii) maintained at Hospital in accordance with the terms of this Agreement and for so long as is required by applicable laws and regulations.

(b) Contractor shall maintain and upon request provide to ED patients, Hospital, and state and federal agencies, all financial books and records and medical records and charts as may be necessary for Contractor and/or Hospital to comply with applicable state, federal, and local laws and regulations and with contracts between Hospital and third party payors. Contractor shall cooperate with Hospital in completing such claim forms for ED patients as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors. Contractor shall retain all such records and information for at least ten (10) years following the expiration or termination of this Agreement. This Section 1.22(b) shall survive the expiration or termination of this Agreement.

1.23 Records Available to Contractor. Both during and after the term of this Agreement, Hospital shall permit Contractor and Contractor's agents to inspect and/or duplicate, at Contractor's sole cost and expense, any medical chart and record to the extent necessary to meet Contractor's professional responsibilities to patients, to assist in the defense of any malpractice or similar claim to which such chart or record may be pertinent, and/or to fulfill requirements pursuant to provider contracts to provide patient information; provided, however, such inspection or duplication is permitted and conducted in accordance with applicable legal requirements and pursuant to commonly accepted standards of patient confidentiality. Contractor shall be solely responsible for maintaining patient confidentiality with respect to any information which Contractor obtains pursuant to this Section.

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1.24 Response Times. Contractor shall respond in person to a request for an emergency evaluation by the attending physician or the ED physician within a response time frame as required by the patient's medical condition and in accordance with Hospital Rules. Contractor shall respond within forty (40) minutes by phone, if asked to respond by phone, to any request for an ED or patient phone consultation and subsequent follow-up at Hospital.

ARTICLE II.
COMPENSATION

2.1 Compensation. Hospital shall pay to Contractor the amount determined in accordance with **Exhibit 2.1** (the **"Compensation"**), upon the terms and conditions set forth therein. The total amount payable by Hospital to Contractor under this Agreement shall not exceed the sum of One Million Two Hundred Sixty-Eight Thousand Dollars ($1,268,000). The Hospital's maximum obligation under this Agreement shall not exceed Six Hundred Thirty-Four Thousand Four Hundred Dollars ($634,400) per contract year.

2.2 Billing and Collection. Hospital shall have the sole and exclusive right to bill and collect for any and all Professional Services rendered to Patients by Contractor under this Agreement (the **"NMC Services"**). Hospital shall have the sole and exclusive right, title and interest in and to accounts receivable with respect to such NMC Services.

(a) **Assignment of Claims.** Contractor hereby assigns (or reassigns, as the case may be) to Hospital all claims, demands and rights of Contractor for any and all NMC Services rendered by Contractor pursuant to this Agreement. Contractor shall take such action and execute such documents (e.g., CMS Forms 855R and 855I), as may be reasonably necessary or appropriate to effectuate the assignment (or reassignment, as the case may be) to Hospital of all claims, demands and rights of Contractor for any and all NMC Services rendered by Contractor pursuant to this Agreement.

(b) **Cooperation with Billing and Collections.** Contractor shall cooperate with Hospital in the billing and collection of fees with respect to NMC Services rendered by Contractor. Without limiting the generality of the foregoing, Contractor shall cooperate with Hospital in completing such claim forms with respect to NMC Services rendered by Contractor pursuant to this Agreement as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors.

(c) **Hospital as Exclusive Source for Compensation for NMC Services.** Contractor shall seek and obtain compensation for the performance of NMC Services only from Hospital. Contractor shall not, bill, assess or charge any fee, assessment or charge of any type against any Hospital patient or any other person or entity for NMC Services rendered by Contractor pursuant to this Agreement. Contractor shall promptly deliver to Hospital any and all compensation, in whatever form, that is received by Contractor for NMC Services rendered by Contractor pursuant to this Agreement, including any amount received from any Managed Care Organization (as defined below) for NMC Services rendered by Contractor pursuant to this Agreement.

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(d) **Joint and Several Liability.** Hospital and Contractor acknowledge that they will be jointly and severally liable for any Federal Health Care Program overpayments relating to claims with respect to NMC Services furnished by Contractor pursuant to this Agreement. The foregoing is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the Parties' respective indemnification obligations under this Agreement.

(e) **Indemnification for Billing Information.** Contractor hereby agrees to indemnify County, Hospital, its officers, supervisors, trustees, employees and agents, from and against any and all liability, cost, loss, penalty or expense (including, without limitation, attorneys' fees and court costs) incurred by Hospital resulting from negligent acts or negligent omissions of Contractor which result in inaccurate and/or improper billing information furnished by Contractor and relied on by Hospital regarding Professional Services rendered by Contractor to Patients, to the extent such liability, cost, loss, penalty or expense exceeds the amount of payment or reimbursement actually received by Hospital for such services.

2.3 Third Party Payor Arrangements.

(a) Contractor shall cooperate in all reasonable respects necessary to facilitate Hospital's entry into or maintenance of any third party payor arrangements for the provision of services under Federal Health Care Programs or any other public or private health and/or hospital care programs, including insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations.

(b) To enable Hospital or the Clinic to participate in any third party payor arrangement, Contractor shall, not more than ten (10) business days following Hospital's request:

(i) Initiate enrollment as a provider (if required by the third party payor), separate from Hospital and Clinic, with any third party payor or intermediate organization (including any independent practice association) (each, a **"Managed Care Organization"**) designated by Hospital for the provision of Professional Services to Hospital patients covered by such Managed Care Organization;

(ii) Complete any documents (e.g., CAQH Universal Provider Datasource form) as may be reasonably necessary or appropriate to effectuate enrollment;

(iii) Enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision of Professional Services to Hospital patients covered by such Managed Care Organization; and/or

(iv) Enter into a written agreement with Hospital regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of Professional Services to Hospital patients covered by such Managed Care Organization.

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ARTICLE III.
INSURANCE AND INDEMNITY

3.1 Evidence of Coverage. Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies. This verification of coverage shall be sent to Hospital's Medical Staff Office, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and Hospital has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

3.2 Qualifying Insurers. All coverages except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by Hospital's Contracts/Purchasing Director.

3.3 Insurance Coverage Requirements. Without limiting Contractor's duty to indemnify, Contractor shall maintain in effect throughout the term of this Agreement, at Contractor's sole cost and expense, a policy or policies of insurance with the following minimum limits of liability:

(a) **Professional liability insurance**, covering Contractor with coverage of not less than One-Million Dollars ($1,000,000) per physician per occurrence and Three-Million Dollars ($3,000,000) per physician in the aggregate; or such other amount(s) of professional liability insurance as may be required by Article 2.2-1 of Hospital's Medical Staff Bylaws from time to time, to cover liability for malpractice and/or errors or omissions made in the course of rendering services under this Agreement. If any professional liability insurance covering Contractor is procured on a "Claims Made" rather than "Occurrence" basis, then Contractor shall either continue such coverage or obtain extended reporting coverage (**"Tail Coverage"**), as appropriate, upon the occurrence of any of the following: (i) termination or expiration of this Agreement; (ii) change of coverage if such change shall result in a gap in coverage; or (iii) amendment, reduction or other material change in the then existing professional liability coverage of Contractor if such amendment, reduction or other material change will result in a gap in coverage. Any Tail Coverage shall have liability limits in the amount set forth above and shall in all events continue in existence until the greater of: (a) three (3) years or (b) the longest statute of limitations for professional and general liability for acts committed has expired. All insurance required by this Agreement shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact insurance business in the State.

(b) **Commercial general liability insurance**, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence.

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☐ Exemption/Modification (Justification attached; subject to approval).

(c) **Business automobile liability insurance**, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

(d) **Workers' Compensation Insurance**, if Contractor employs others in the performance of this Agreement, in accordance with California Labor Code Section 3700 and with Employer's Liability limits not less than One Million Dollars ($1,000,000) each person, One Million Dollars ($1,000,000) each accident and One Million Dollars ($1,000,000) each disease.

☐ Exemption/Modification (Justification attached; subject to approval).

3.4 Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to Hospital and issued and executed by an admitted insurer authorized to transact insurance business in the State. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three (3) years following the date Contractor completes its performance of services under this Agreement.

Each liability policy shall provide that Hospital shall be given notice in writing at least thirty (30) days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance. The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

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Prior to the execution of this Agreement by Hospital, Contractor shall file certificates of insurance with Hospital's Medical Staff Office, showing that the Contractor has in effect the insurance required by this Agreement. The Contractor shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

Contractor shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by Hospital, annual certificates to Hospital's Medical Staff Office. If the certificate is not received by the expiration date, Hospital shall notify Contractor and Contractor shall have five (5) calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by Contractor to maintain such insurance is a default of this Agreement, which entitles Hospital, at its sole discretion, to terminate the Agreement immediately.

3.5 Right to Offset Insurance Costs.

(a) In the event that Contractor does not purchase or otherwise have the liability insurance set forth in this Section at any time during the term of this Agreement, and without limiting any rights or remedies of County, County may at its option and within its sole discretion provide the liability insurance required by this Section and continue to pay the premiums therefor. If Contractor does not promptly reimburse all such amounts, then County shall have the right to withhold and offset the compensation due to Contractor under this Agreement, in addition to such other rights or privileges as County may have at law or in equity.

(b) The County's option to provide such insurance and to offset the compensation otherwise due to the Contractor shall also apply to the "Tail Coverage" referenced in Section 3.3, including for general liability if during the term of the Agreement such coverage has been written on a claims made basis, which is required to remain effective after the expiration or termination of this Agreement for any reason.

3.6 Indemnification.

(a) **Indemnification by Contractor.** Contractor shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with Contractor's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "Contractor's performance" includes Contractor's acts or omissions and the acts or omissions of Contractor's officers, employees, agents and subcontractors.

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(b) **Indemnification by County.** County agrees to defend, indemnify, and hold harmless Contractor, to the extent permitted by applicable law, from and against any and all claims and losses whatsoever accruing or resulting to any person, firm or corporation for damages, injury or death arising out of or connected with any negligent act or omission or willful misconduct of County or any of its agents or employees.

3.7 Indemnification for Timely Payment of Tax Contributions. It is expressly agreed by the Parties hereto that no work, act, commission or omission of Contractor shall be construed to make or render Contractor the agent, employee or servant of County. Contractor agrees to indemnify, defend and hold harmless County and Hospital from and against any and all liability, loss, costs or obligations (including, without limitation, interest, penalties and attorney's fees in defending against the same) against County or Hospital based upon any claim that Contractor has failed to make proper and timely payment of any required tax contributions for itself, its employees, or its purported agents or independent contractors.

3.8 Hospital Services. Hospital shall retain professional and administrative responsibility for the operation of the Hospital and/or Clinic, as and to the extent required by Title 22, California Code of Regulations, Section 70713. Hospital's retention of such responsibility is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the obligations of Contractor under this Agreement, including, without limitation, the obligations under the insurance and indemnification provisions set forth in this Article III.

3.9 Survival of Obligations. The Parties' obligations under this Article III shall survive the expiration or termination of this Agreement for any reason.

ARTICLE IV.
RELATIONSHIP BETWEEN THE PARTIES

4.1 Independent Contractor.

(a) Contractor is and shall at all times be an independent contractor with respect to Hospital in the performance of Contractor's obligations under this Agreement. Nothing in this Agreement shall be construed to create an employer/employee, joint venture, partnership, lease or landlord/tenant relationship between Hospital and Contractor. Contractor shall not hold himself or herself out as an officer, agent or employee of Hospital, and shall not incur any contractual or financial obligation on behalf of Hospital without Hospital's prior written consent.

(b) If the Internal Revenue Service (**"IRS"**) or any other governmental agency should inquire about, question or challenge the independent contractor status of Contractor with respect to County, the Parties hereto mutually agree that: (i) each shall inform the other Party hereto of such inquiry or challenge; and (ii) County and Contractor shall each have the right to participate in any discussion or negotiation occurring with the taxing agency, regardless of who initiated such discussions or negotiations. In the event the taxing agency concludes that an independent contractor relationship does not exist, County may terminate this Agreement

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effective immediately upon written notice. In the event of such termination, the Parties remain free to negotiate an employer/employee contract.

4.2 Limitation on Control. Hospital shall neither have nor exercise any control or direction over Contractor's professional medical judgment or the methods by which Contractor performs professional medical services; provided, however, that Contractor shall be subject to and shall at all times comply with the Protocols and the bylaws, guidelines, policies and rules applicable to other members of the Medical Staff.

4.3 Practice of Medicine. Contractor and Hospital acknowledge that Hospital is neither authorized nor qualified to engage in any activity which may be construed or deemed to constitute the practice of medicine. To the extent that any act or service required of, or reserved to, Hospital in this Agreement is construed or deemed to constitute the practice of medicine, the performance of such act or service by Hospital shall be deemed waived or unenforceable, unless this Agreement can be amended to comply with the law, in which case the Parties shall make such amendment.

4.4 No Benefit Contributions. Hospital shall have no obligation under this Agreement to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Contractor or any other person employed or retained by Contractor. Notwithstanding the foregoing, if Hospital determines or is advised that it is required by law to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Contractor or any other person employed or retained by Contractor, Contractor shall reimburse Hospital for any such expenditure within thirty (30) calendar days after being notified of such expenditure.

4.5 Referrals. Contractor shall be entitled to refer patients to any hospital or other health care facility or provider deemed by Contractor best qualified to deliver medical services to any particular patient; provided, however, that Contractor shall not refer any Hospital patient to any provider of health care services which Contractor knows or should have known is excluded or suspended from participation in, or sanctioned by, any state or Federal Health Care Program. Nothing in this Agreement or in any other written or oral agreement between Hospital and Contractor, nor any consideration offered or paid in connection with this Agreement, contemplates or requires the admission or referral of any patients or business to Hospital or any Affiliate. In the event that any governmental agency, any court or any other judicial body of competent jurisdiction, as applicable, issues an opinion, ruling or decision that any payment, fee or consideration provided for hereunder is made or given in return for patient referrals, either Party may at its option terminate this Agreement with three (3) days' notice to the other Party. Contractor's rights under this Agreement shall not be dependent in any way on the referral of patients or business to Hospital or any Affiliate by Contractor or any person employed or retained by Contractor.

4.6 Form 1099 or W-2. If required to do so under applicable law, Hospital shall issue an Internal Revenue Service Form 1099 or Form W-2 to Contractor.

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4.7 Contractor Compensation Arrangements. Contractor represents and warrants to Hospital that the compensation paid or to be paid by Contractor to any physician is and will at all times be fair market value for services and items actually provided by such physician, not taking into account the value or volume of referrals or other business generated by such physician for Hospital or any Affiliate. Contractor further represents and warrants to Hospital that Contractor has and will at all times maintain a written agreement with each physician receiving compensation from Contractor.

4.8 Cooperation.

(a) The Parties recognize that, during the term of this Agreement and for an undetermined time period thereafter, certain risk management issues, legal issues, claims or actions may arise that involve or could potentially involve the Parties and their respective employees and agents. The Parties further recognize the importance of cooperating with each other in good faith when such issues, claims or actions arise, to the extent such cooperation does not violate any applicable laws, cause the breach of any duties created by any policies of insurance or programs of self-insurance, or otherwise compromise the confidentiality of communications or information regarding the issues, claims or actions. As such, the Parties hereby agree to cooperate in good faith, using their best efforts, to address such risk management and legal issues, claims, or actions.

(b) The Parties further agree that if a controversy, dispute, claim, action or lawsuit (each, an **"Action"**) arises with a third party wherein both the Parties are included as defendants, each Party shall promptly disclose to the other Party in writing the existence and continuing status of the Action and any negotiations relating thereto. Each Party shall make every reasonable attempt to include the other Party in any settlement offer or negotiations. In the event the other Party is not included in the settlement, the settling Party shall immediately disclose to the other Party in writing the acceptance of any settlement and terms relating thereto, if allowed by the settlement agreement.

(c) Contractor shall cooperate with the individual designated by Hospital to have principal responsibility for the administration and operation of the Hospital and/or Clinic. Such cooperation shall include supervision, selection, assignment, and evaluation of personnel; management and direction of equipment maintenance; development of budgets; and oversight of the acquisition of materials, supplies, and equipment.

(d) Contractor shall assist Hospital, as reasonably requested by Hospital, in Hospital's compliance with applicable laws and the standards, requirements, guidelines and recommendations of any governing or advisory body having authority to set standards relating to the operation of Hospital, or any nationally recognized accrediting organization that Hospital designates from time to time.

4.9 Contractor's Performance. County or Hospital, at its option and within its sole discretion, may seek evaluation of contractual performance by requesting input from Hospital's Medical Director/Chief Medical Officer and from other professionals within Hospital.

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4.10 Right of Inspection. Upon reasonable prior written notice, Hospital and County officials and their designees may inspect the books and records of Contractor which are necessary to determine that work performed by Contractor to patients hereunder is in accord with the requirements of this Agreement. Such inspection shall be made in a manner so as not to disrupt the operations of Hospital or Contractor.

4.11 Access to and Audit of Records. Hospital shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the Contractor and its subcontractors related to services provided under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of Ten Thousand Dollars ($10,000), the Parties may be subject, at the request of Hospital or as part of any audit of Hospital, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three (3) years after final payment under the Agreement.

ARTICLE V.
TERM AND TERMINATION

5.1 Term. This Agreement shall become effective on October 1, 2025 (the **"Effective Date"**), and shall continue until September 30, 2027 (the **"Expiration Date"**), subject to the termination provisions of this Agreement.

5.2 Termination by Hospital. Hospital shall have the right to terminate this Agreement upon the occurrence of any one or more of the following events:

(a) breach of this Agreement by Contractor where the breach is not cured within thirty (30) calendar days after Hospital gives written notice of the breach to Contractor;

(b) death or permanent disability of Contractor;

(c) Contractor's voluntary retirement from the practice of medicine;

(d) neglect of professional duty by Contractor in a manner that violates Hospital's policies, rules or regulations;

(e) Contractor is unable or reasonably expected to be unable to provide the Services for any reason for a period in excess of thirty (30) consecutive days or sixty (60) days in the aggregate over any three (3) month period;

(f) Contractor's clinical privileges or medical staff membership at any hospital are denied, suspended, terminated, restricted, revoked or relinquished for any reason, whether voluntarily or involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(g) Contractor's license to practice medicine in the State is restricted, suspended or terminated, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

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(h) Contractor for any reason is not a member in good standing in the "active staff" category of the Medical Staff or does not hold all clinical privileges at Hospital necessary for Contractor's performance of the Services or Contractor is the subject of one or more investigations, proceedings or peer review or other disciplinary actions by the Medical Staff;

(i) Contractor is charged with or convicted of a criminal offense;

(j) Contractor's performance of this Agreement, in the sole determination of Hospital, jeopardizes the mental or physical health or well-being of patients of Hospital;

(k) Contractor is debarred, suspended, excluded or otherwise ineligible to participate in any state or Federal Health Care Program or state equivalent;

(l) Contractor acts, or causes another person to act, in a manner which conflicts with or violates the Code;

(m) breach by Contractor of any HIPAA Obligation (as defined in **Exhibit 6.3**);

(n) Contractor makes an assignment for the benefit of creditors, admits in writing the inability to pay his or her debts as they mature, applies to any court for the appointment of a trustee or receiver over his or her assets, or upon commencement of any voluntary or involuntary proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution liquidation or other similar law of any jurisdiction;

(o) the insurance required to be maintained by Contractor under this Agreement is terminated, reduced below the minimum coverage requirements set forth in this Agreement, not renewed or cancelled (whether by action of the insurance company or Contractor) for any reason, and Contractor has not obtained replacement coverage as required by this Agreement prior to the effective date of such termination, reduction, non-renewal or cancellation;

(p) Contractor is rendered unable to comply with the terms of this Agreement for any reason; or

(q) upon a sale of all or substantially all assets comprising Hospital's acute care hospital facility, any change of control in Hospital's organization, or any change in control of its day to day operations, whether through a membership change or by management contract. Hospital shall notify Contractor in writing of such sale or change of control at least thirty (30) days prior to the closing date of any such sale or the effective date of any such change of control.

5.3 Termination by Contractor. Contractor shall have the right to terminate this Agreement upon breach of this Agreement by Hospital where the breach is not cured within thirty (30) calendar days after Contractor gives written notice of the breach to Hospital.

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5.4 Termination or Modification in the Event of Government Action.

(a) If the Parties receive notice of any Government Action, the Parties shall attempt to amend this Agreement in order to comply with the Government Action.

(b) If the Parties, acting in good faith, are unable to make the amendments necessary to comply with the Government Action, or, alternatively, if either Party determines in good faith that compliance with the Government Action is impossible or infeasible, this Agreement shall terminate ten (10) calendar days after one Party notices the other of such fact.

(c) For the purposes of this Section, **"Government Action"** shall mean any legislation, regulation, rule or procedure passed, adopted or implemented by any federal, state or local government or legislative body or any private agency, or any notice of a decision, finding, interpretation or action by any governmental or private agency, court or other third party which, in the opinion of counsel to Hospital, because of the arrangement between the Parties pursuant to this Agreement, if or when implemented, would:

(i) revoke or jeopardize the status of any health facility license granted to Hospital or any Affiliate of Hospital;

(ii) revoke or jeopardize the federal, state or local tax-exempt status of Hospital or any Affiliate of Hospital, or their respective tax-exempt financial obligations;

(iii) prevent Contractor from being able to access and use the facilities of Hospital or any Affiliate of Hospital;

(iv) constitute a violation of 42 U.S.C. Section 1395nn (commonly referred to as the Stark law) if Contractor referred patients to Hospital or any Affiliate of Hospital;

(v) prohibit Hospital or any Affiliate of Hospital from billing for services provided to patients referred to by Contractor;

(vi) subject Hospital or Contractor, or any Affiliate of Hospital, or any of their respective employees or agents, to civil or criminal prosecution (including any excise tax penalty under Internal Revenue Code Section 4958), on the basis of their participation in executing this Agreement or performing their respective obligations under this Agreement; or

(vii) jeopardize Hospital's full accreditation with any accrediting organization as Hospital designates from time to time.

(d) For the purposes of this Agreement, **"Affiliate"** shall mean any entity which, directly or indirectly, controls, is controlled by or is under common control with Hospital.

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5.5 Termination without Cause. Either Party may terminate this Agreement without cause, expense or penalty, effective sixty (60) calendar days after written notice of termination is given to the other Party.

5.6 Effect of Termination or Expiration. Upon any termination or expiration of this Agreement:

(a) All rights and obligations of the Parties shall cease except: (i) those rights and obligations that have accrued and remain unsatisfied prior to the termination or expiration of this Agreement; (ii) those rights and obligations which expressly survive termination or expiration of this Agreement; and (iii) Contractor's obligation to continue to provide services to Hospital patients under Contractor's care at the time of expiration or termination of this Agreement, until the patient's course of treatment is completed or the patient is transferred to the care of another physician.

(b) Contractor shall not do anything or cause any other person to do anything that interferes with Hospital's efforts to engage any other person or entity for the provision of the Services, or interfere in any way with any relationship between Hospital and any other person or entity who may be engaged to provide the Services to Hospital.

(c) Contractor shall not have any right to a "fair hearing" or any other similar rights or procedures under the Medical Staff bylaws or otherwise.

(d) This Section 5.6 shall survive the expiration or termination for any reason of this Agreement.

5.7 Return of Property. Upon any termination or expiration of this Agreement, Contractor shall immediately return to Hospital all of Hospital's property, including Hospital's equipment, supplies, furniture, furnishings and patient records, which is in Contractor's possession or under Contractor's control.

5.8 Termination or Amendment in Response to Reduction of Government Funding. Notwithstanding any other provision of this Agreement, if Federal, State or local government terminates or reduces its funding to the County for services that are to be provided under this Agreement, County, in its sole and absolute discretion after consultation with the Contractor, may elect to terminate this Agreement by giving written notice of termination to Contractor effective immediately or on such other date as County specifies in the notice. Alternatively, County and Contractor may mutually agree to amend the Agreement in response to a reduction in Federal, State or local funding.

ARTICLE VI.
GENERAL PROVISIONS

6.1 Amendment. This Agreement may be modified or amended only by mutual written agreement of the Parties. Any such modification or amendment must be in writing, dated and signed by the Parties and attached to this Agreement.

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6.2 Assignment. Except for assignment by Hospital to an entity owned, controlled by, or under common control with Hospital, neither Party may assign any interest or obligation under this Agreement without the other Party's prior written consent. Subject to the foregoing, this Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns.

6.3 Compliance with HIPAA. Contractor shall comply with the obligations under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d et seq.), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and all rules and regulations promulgated thereunder (collectively, **"HIPAA,"** the obligations collectively referred to herein as **"HIPAA Obligations"**), as set forth in **Exhibit 6.3**. The HIPAA Obligations shall survive the expiration or termination of this Agreement for any reason.

6.4 Compliance with Laws and Accreditation. Contractor shall comply with all applicable laws, ordinances, codes and regulations of federal, state and local governments (collectively, **"Laws"**) applicable to Contractor, the provision of the Services, or the obligations of Contractor under this Agreement, including without limitation laws that require Contractor to disclose any economic interest or relationship with Hospital, the Emergency Medical Treatment and Active Labor Act and the rules and regulations thereunder (**"EMTALA"**), and California Health and Safety Code Section 1317 and the rules and regulations thereunder (**"Health and Safety Code §1317"**). Contractor shall perform and handle all patient transfers and reports in accordance with applicable Laws, including EMTALA, and Health and Safety Code §1317. Contractor shall take actions necessary to ensure that the Hospital and/or Clinic are operated in accordance with: all requirements of a nationally recognized accrediting organization that Hospital designates from time to time, all applicable licensing requirements, and all other relevant requirements promulgated by any federal, state or local agency.

6.5 Compliance with Medicare Rules. To the extent required by law or regulation, Contractor shall make available, upon written request from Hospital, the Secretary of Health and Human Services, the Comptroller General of the United States, or any other duly authorized agent or representative, this Agreement and Contractor's books, documents and records. Contractor shall preserve and make available such books, documents and records for a period of ten (10) years after the end of the term of this Agreement, or the length of time required by state or federal law. If Contractor is requested to disclose books, documents or records pursuant to this Section for any purpose, Contractor shall notify Hospital of the nature and scope of such request, and Contractor shall make available, upon written request of Hospital, all such books, documents or records. Contractor shall indemnify and hold harmless Hospital if any amount of reimbursement is denied or disallowed because of Contractor's failure to comply with the obligations set forth in this Section. Such indemnity shall include, but not be limited to, the amount of reimbursement denied, plus any interest, penalties and legal costs. This Section shall survive the expiration or termination for any reason of this Agreement.

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6.6 Confidential Information.

(a) During the term of this Agreement, Contractor may have access to and become acquainted with Trade Secrets and Confidential Information of Hospital. **"Trade Secrets"** includes information and data relating to payor contracts and accounts, clients, patients, patient groups, patient lists, billing practices and procedures, business techniques and methods, strategic plans, operations and related data. **"Confidential Information"** includes Trade Secrets and any information related to the past, current or proposed operations, business or strategic plans, financial statements or reports, technology or services of Hospital or any Affiliate that Hospital discloses or otherwise makes available in any manner to Contractor, or to which Contractor may gain access in the performance of the Services under this Agreement, or which Contractor knows or has reason to know is confidential information of Hospital or any Affiliate; whether such information is disclosed orally, visually or in writing, and whether or not bearing any legend or marking indicating that such information or data is confidential. By way of example, but not limitation, Confidential Information includes any and all know-how, processes, manuals, confidential reports, procedures and methods of Hospital, any Hospital patient's individually identifiable health information (as defined under HIPAA), and any information, records and proceedings of Hospital and/or Medical Staff committees, peer review bodies, quality committees and other committees or bodies charged with the evaluation and improvement of the quality of care. Confidential Information also includes proprietary or confidential information of any third party that may be in Hospital's or any Affiliate's possession.

(b) Confidential Information shall be and remain the sole property of Hospital, and shall, as applicable, be proprietary information protected under the Uniform Trade Secrets Act. Contractor shall not use any Confidential Information for any purpose not expressly permitted by this Agreement, or disclose any Confidential Information to any person or entity, without the prior written consent of Hospital. Contractor shall protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Contractor protects his or her own confidential or proprietary information of a similar nature and with no less than reasonable care. All documents that Contractor prepares, or Confidential Information that might be given to Contractor in the course of providing Services under this Agreement, are the exclusive property of Hospital, and, without the prior written consent of Hospital, shall not be removed from Hospital's premises.

(c) Contractor shall return to Hospital all Confidential Information and all copies thereof in Contractor's possession or control, and permanently erase all electronic copies of such Confidential Information, promptly upon the written request of Hospital, or the termination or expiration of this Agreement. Contractor shall not copy, duplicate or reproduce any Confidential Information without the prior written consent of Hospital.

(d) This Section shall survive the expiration or termination of this Agreement.

6.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

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6.8 Disclosure of Interests. Contractor shall provide to Hospital, as requested by Hospital from time to time, information sufficient to disclose any ownership, investment or compensation interest or arrangement of Contractor, or any of Contractor's immediate family members, in any entity providing "designated health services" (as such term is defined in the Stark Law (42 U.S.C. Section 1395nn) and its regulations) or any other health care services. This Section shall not impose on Hospital any disclosure or reporting requirements or obligations imposed on Contractor under any governmental program or create an assumption of such disclosure obligations by Hospital. Contractor shall have the sole responsibility to fulfill any such federal and/or state reporting requirements or obligations.

6.9 Dispute Resolution. In the event of any dispute, controversy, claim or disagreement arising out of or related to this Agreement or the acts or omissions of the Parties with respect to this Agreement (each, a **"Dispute"**), the Parties shall resolve such Dispute as follows:

(a) **Meet and Confer.** The Parties shall, as soon as reasonably practicable, but in no case more than ten (10) days after one Party gives written notice of a Dispute to the other Party (the **"Dispute Notice"**), meet and confer in good faith regarding such Dispute at such time and place as mutually agreed upon by the Parties (the **"Meet and Confer"**). The obligation to conduct a Meet and Confer pursuant to this Section does not obligate either Party to agree to any compromise or resolution of the Dispute that such Party does not determine, in its sole and absolute discretion, to be a satisfactory resolution of the Dispute. The Meet and Confer shall be considered a settlement negotiation for the purpose of all applicable Laws protecting statements, disclosures or conduct in such context, and any offer in compromise or other statements or conduct made at or in connection with any Meet and Confer shall be protected under such Laws.

(b) **Arbitration.** If any Dispute is not resolved to the mutual satisfaction of the Parties within ten (10) business days after delivery of the Dispute Notice (or such other period as may be mutually agreed upon by the Parties in writing), the Parties shall submit such Dispute to arbitration conducted by Judicial Arbitration and Mediation Services, Inc. (**"JAMS"**), or other arbitration and/or mediation services company as agreed to by the Parties, in accordance with the following rules and procedures:

(i) Each Party may commence arbitration by giving written notice to the other Party demanding arbitration (the **"Arbitration Notice"**). The Arbitration Notice shall specify the Dispute, the particular claims and/or causes of actions alleged by the Party demanding arbitration, and the factual and legal basis in support of such claims and/or causes of action.

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(ii) The arbitration shall be conducted in the County in which the Hospital is located and in accordance with the commercial arbitration rules and procedures of JAMS (or other arbitration company as mutually agreed to by the Parties) to the extent such rules and procedures are not inconsistent with the provisions set forth in this Section. In the event of a conflict between any rules and/or procedures of JAMS (or other arbitration company as mutually agreed to by the Parties) and the rules and/or procedures set forth in this Section, the rules and/or procedures set forth in this Section shall govern.

(iii) The arbitration shall be conducted before a single impartial retired member of the JAMS panel of arbitrators (or panel of arbitrators from such other arbitration company as mutually agreed to by the Parties) covering the County in which the Hospital is located (the **"Panel"**). The Parties shall use their good faith efforts to agree upon a mutually acceptable arbitrator within thirty (30) days after delivery of the Arbitration Notice. If the Parties are unable to agree upon a mutually acceptable arbitrator within such time period, then each Party shall select one arbitrator from the Panel, and those arbitrators shall select a single impartial arbitrator from the Panel to serve as arbitrator of the Dispute.

(iv) The Parties expressly waive any right to any and all discovery in connection with the arbitration; provided, however, that each Party shall have the right to conduct no more than two (2) depositions and submit one set of interrogatories with a maximum of forty (40) questions, including subparts of such questions.

(v) The arbitration hearing shall commence within thirty (30) days after appointment of the arbitrator. The substantive internal law (and not the conflict of laws) of the State shall be applied by the arbitrator to the resolution of the Dispute, and the Evidence Code of the State shall apply to all testimony and documents submitted to the arbitrator. The arbitrator shall have no authority to amend or modify the limitation on the discovery rights of the Parties or any of the other rules and/or procedures set forth in this Section. As soon as reasonably practicable, but not later than thirty (30) days after the arbitration hearing is completed, the arbitrator shall arrive at a final decision, which shall be reduced to writing, signed by the arbitrator and mailed to each of the Parties and their respective legal counsel.

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(vi) Any Party may apply to a court of competent jurisdiction for entry and enforcement of judgment based on the arbitration award. The award of the arbitrator shall be final and binding upon the Parties without appeal or review except as permitted by the Arbitration Act of the State.

(vii) The fees and costs of JAMS (or other arbitration company as mutually agreed to by the Parties) and the arbitrator, including any costs and expenses incurred by the arbitrator in connection with the arbitration, shall be borne equally by the Parties, unless otherwise agreed to by the Parties.

(viii) Except as set forth in Section 6.9(b)(vii), each Party shall be responsible for the costs and expenses incurred by such Party in connection with the arbitration, including its own attorneys' fees and costs; provided, however, that the arbitrator shall require one Party to pay the costs and expenses of the prevailing Party, including attorneys' fees and costs and the fees and costs of experts and consultants, incurred in connection with the arbitration if the arbitrator determines that the claims and/or position of a Party were frivolous and without reasonable foundation.

(c) **Waiver of Injunctive or Similar Relief.** The Parties hereby waive the right to seek specific performance or any other form of injunctive or equitable relief or remedy arising out of any Dispute, except that such remedies may be utilized for purposes of enforcing this Section and sections governing Confidential Information, Compliance with HIPAA, Compliance with Laws and Accreditation and Compliance with Medicare Rules of this Agreement. Except as expressly provided herein, upon any determination by a court or by an arbitrator that a Party has breached this Agreement or improperly terminated this Agreement, the other Party shall accept monetary damages, if any, as full and complete relief and remedy, to the exclusion of specific performance or any other form of injunctive or equitable relief or remedy.

(d) **Injunctive or Similar Relief.** Notwithstanding anything to the contrary in this Section, the Parties reserve the right to seek specific performance or any other form of injunctive relief or remedy in any state or federal court located within the County in which the Hospital is located for purposes of enforcing this Section and sections governing Confidential Information, Compliance with HIPAA, Compliance with Laws and Accreditation and Compliance with Medicare Rules of this Agreement. Contractor hereby consents to the jurisdiction of any such court and to venue therein, waives any and all rights under the Laws of any other state to object to jurisdiction within the State, and consents to the service of process in any such action or proceeding, in addition to any other manner permitted by applicable Law, by compliance with the notices provision of this Agreement. The non-prevailing Party in any such action or proceeding shall pay to the prevailing Party reasonable fees and costs incurred in such action or proceeding, including attorneys' fees and costs and the fees and costs of experts and consultants. The prevailing Party shall be the Party who is entitled to recover its costs of suit (as determined by the court of competent jurisdiction), whether or not the action or proceeding proceeds to final judgment or award.

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(e) **Survival.** This Section shall survive the expiration or termination of this Agreement.

6.10 Entire Agreement. This Agreement is the entire understanding and agreement of the Parties regarding its subject matter, and supersedes any prior oral or written agreements, representations, understandings or discussions between the Parties. No other understanding between the Parties shall be binding on them unless set forth in writing, signed and attached to this Agreement.

6.11 Exhibits. The attached exhibits, together with all documents incorporated by reference in the exhibits, form an integral part of this Agreement and are incorporated into this Agreement wherever reference is made to them to the same extent as if they were set out in full at the point at which such reference is made.

6.12 Force Majeure. Neither Party shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's control, including acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each Party shall use its good faith efforts to perform its duties and obligations under this Agreement.

6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State.

6.14 Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

6.15 Litigation Consultation. Contractor shall not accept consulting assignments or otherwise contract, agree, or enter into any arrangement to provide expert testimony or evaluation on behalf of a plaintiff in connection with any claim against Hospital or any Affiliate named, or expected to be named as a defendant. Contractor shall not accept similar consulting assignments if (a) the defendants or anticipated defendants include a member of the medical staff of Hospital or any Affiliate, and (b) the matter relates to events that occurred at Hospital or any Affiliate; provided, however, the provisions of this Section shall not apply to situations in which Contractor served as a treating physician.

6.16 Master List. The Parties acknowledge and agree that this Agreement, together with any other contracts between Hospital and Contractor, will be included on the master list of physician contracts maintained by Hospital.

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6.17 Meaning of Certain Words. Wherever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa. Unless otherwise specified: (i) "days" shall be considered "calendar days;" (ii) "months" shall be considered "calendar months;" and (iii) "including" means "including, without limitation" in this Agreement and its exhibits and attachments.

6.18 No Conflicting Obligations. Contractor represents and warrants that the execution and delivery of this Agreement and the performance of his or her obligations hereunder do not and will not: (a) present a conflict of interest or materially interfere with the performance of Contractor's duties under any other agreement or arrangement; or (b) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice and/or lapse of time, would constitute a default) under, terminate, accelerate the performance required by, or result in a right of termination or acceleration under any of the terms, conditions or provisions of any other agreement, indebtedness, note, bond, indenture, security or pledge agreement, license, franchise, permit, or other instrument or obligation to which Contractor is a party or by which Contractor is bound. Contractor shall immediately inform Hospital of any other agreements to which Contractor is a party that may present a conflict of interest or materially interfere with performance of Contractor's duties under this Agreement.

6.19 No Third Party Beneficiary Rights. The Parties do not intend to confer and this Agreement shall not be construed to confer any rights or benefits to any person, firm, group, corporation or entity other than the Parties.

6.20 Notices. All notices or communications required or permitted under this Agreement shall be given in writing and delivered personally or sent by United States registered or certified mail with postage prepaid and return receipt requested or by overnight delivery service (e.g., Federal Express, DHL). Notice shall be deemed given when sent, if sent as specified in this Section, or otherwise deemed given when received. In each case, notice shall be delivered or sent to:

If to Hospital, addressed to:

NATIVIDAD MEDICAL CENTER
1441 Constitution Blvd., Bldg. 300
Salinas, California 93906
Attention: * Physician Services

If to Contractor, addressed to:

MOHAMED KERALA SERIO, M.D.
25990 Rotunda Drive
Carmel, CA 92923
Attn: Dr. Serio

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6.21 Participation in Federal Health Care Programs. Contractor hereby represents that Contractor is not debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program.

6.22 Representations. Each Party represents with respect to itself that: (a) no representation or promise not expressly contained in this Agreement has been made by any other Party or by any Parties' agents, employees, representatives or attorneys; (b) this Agreement is not being entered into on the basis of, or in reliance on, any promise or representation, expressed or implied, other than such as are set forth expressly in this Agreement; and (c) Party has been represented by legal counsel of Party's own choice or has elected not to be represented by legal counsel in this matter.

6.23 Severability. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and such severance shall have no effect upon the enforceability of the remainder of this Agreement.

6.24 Statutes and Regulations. Any reference in this Agreement to any statute, regulation, ruling, or administrative order or decree shall include, and be a reference to any successor statute, regulation, ruling, or administrative order or decree.

6.25 Waiver. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a Party must be in writing to be effective, and shall apply solely to the specific instance expressly stated.

[*signature page follows*]

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The Parties have executed this Agreement on the date first above written, and signify their agreement with duly authorized signatures.

CONTRACTOR

MOHAMED KERALA SERIO, M.D., an Individual

Signed by:
Mohamed kerala Serio
B1A142AA1FE04CA...

Date: 8/29/2025 | 3:15 PM PDT

NATIVIDAD MEDICAL CENTER

_____ Date: _____
Deputy Purchasing Agent

APPROVED AS TO LEGAL PROVISIONS:

DocuSigned by:
Stacy Saetta
C0ECE1B99F444A9...

Date: 8/29/2025 | 3:42 PM PDT

Stacy Saetta, Deputy County Counsel

APPROVED AS TO FISCAL PROVISIONS:

DocuSigned by:
Patricia Ruiz
E79EF64E57454E6...

Date: 9/2/2025 | 8:44 AM PDT

Deputy Auditor/Controller

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Exhibit 1.2

TEACHING SERVICES TO BE PROVIDED BY CONTRACTOR

Contractor shall:

1. supervise patient care in a constructive and supportive way;

2. demonstrate effective interviewing, physical examination, procedures, use of diagnostic and therapeutic interventions, and medical records documentation;

3. create a professional role model; and

4. evaluate resident performance in a meaningful, objective fashion.

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Exhibit 1.3

ADDITIONAL SERVICES TO BE PROVIDED BY CONTRACTOR

Contractor shall:

1. provide teaching, educational or training services, as reasonably requested by Hospital;

2. participate in utilization review programs, as reasonably requested by Hospital;

3. participate in risk management, quality assurance and peer review programs, as reasonably requested by Hospital;

4. accept third party insured patients and referrals of patients which are made by members of the Medical Staff, subject only to the limitations of scheduling and Contractor's professional qualifications;

5. assist Hospital in monitoring and reviewing the clinical performance of health care professionals who provide services to Hospital's patients; including reviewing incident reports and patient satisfaction studies relevant to the Specialty, and assisting Hospital in implementing any necessary corrective actions to address any issues identified during the course of such review;

6. assist in monitoring the performance of those professionals who are not meeting Hospital quality and/or performance standards, including, without limitation, direct observation of the provision of care by such professionals, and in disciplining any professionals who continue poor performance, recognizing that the Hospital Board of Directors is ultimately responsible for maintaining the standards of care provided to patients;

7. assist Hospital management with all preparation for, and conduct of, any inspections and on-site surveys of Hospital or Clinic conducted by governmental agencies or accrediting organizations;

8. cooperate with Hospital in all litigation matters affecting Contractor or Hospital, consistent with advice from Contractor's legal counsel;

9. cooperate and comply with Hospital's policies and procedures which are pertinent to patient relations, quality assurance, scheduling, billing, collections and other administrative matters and cooperate with Hospital's efforts to bill and collect fees for services rendered to Hospital's patients. All business transactions related to the Services provided by Contractor, such as enrollment, verification and billings, shall be conducted by and in the name of Hospital; and

10. assist Hospital in developing, implementing and monitoring a program by which quality measures are reportable to Hospital with respect to the Specialty.

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Exhibit 1.8

CONTRACTOR'S MONTHLY TIME REPORT

(See attached.)

Natividad MEDICAL CENTER

Accurately document all time in quarter hour (.25 hour) increments. Do not exceed 24 hours in a single day.
Directions and examples are located on back of timesheet.

Name:
Employee #:
Dept Name:
Cost Center:
Period Ending:

			Direct			Hospital Administrations and Teaching Services							Other Admin		Non-billable Activities				Total
			00001			00002	00003	00004	00005	00006	00007	00008	00009		00010		00011	00012	
			Direct Patient Care Services												Non-Productive Hrs				
			Sched. IP/ OP Care (PR)	In House On-Call (PR)	Off-Site Call (PR)	Supervision & Training of Nurses & Techs, etc.	Utilization Review and Other Committee Meetings	Quality Control, Medical Review, Autopsy	Supervision of Interns and Residents	Teaching of Interns & Residents	Teaching & Supervision of Allied Hlth Professionals	Other Administrative (specify)	CME (PR)	Conferences and Training (PR)	Paid Time Off (Sick/ Vacation) (PR)	Holiday (PR)	Research	Other Non-Billable Activities (specify)	TOTAL HOURS
1	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
2	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
3	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
4	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
5	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
6	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
7	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
8	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
9	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
10	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
11	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
12	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
13	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
14	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	

SIGN IN BLUE INK

I certify that the above information is a true and accurate statement of the hours and locations indicated.

Provider: _____

Telephone Number: _____ Date: _____

SIGN IN BLUE INK

I certify that the hours and types of service shown below are correct and that the employee performed satisfactorily, meeting all requirements.

Service Director: _____

Telephone Number: _____ Date: _____

REV. 4/20/2011

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Natividad
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MEDICAL STAFF POLICY

Title: Practitioner Code of Conduct	**Number:** MSP004-2 BOT Approval: 1/2023
Standard: Medical Staff (MS)	MEC Approval: 12/22 Responsible: Medical Staff Services Manager

As a member of the Medical Staff or an Advanced Practice Professional (APP) of Natividad (collectively Practitioners), you must acknowledge that the ability of Practitioners and Natividad employees to jointly deliver high quality health care depends significantly upon their ability to communicate well, collaborate effectively, and work as a team, recognizing that patients, family members, visitors, colleagues and Natividad staff members must be treated in a dignified and respectful manner at all times.

ARTICLE VII.POLICY

In keeping with the accepted standards of the health care profession as evidenced by the Hippocratic Oath, the Code of Ethics of the American Medical Association (AMA) and other professional societies, and the values of Natividad, Practitioners are leaders in maintaining professional standards of behavior. In keeping with this responsibility to maintain professional standards of behavior at Natividad, Practitioners:

1. Facilitate effective patient care by consistent, active, and cooperative participation as members of the Natividad health care team.

2. Recognize the individual and independent responsibilities of all other members of the Natividad health care team and their right to independently advocate on behalf of the patient.

3. Maintain respect for the dignity and sensitivities of patients and families, as well as colleagues, Natividad employees, and all other health care professionals.

4. Participate in the Medical Staff quality assessment and peer review activities, and in organizational performance improvement activities.

5. Reflect positively upon the reputation of the health care profession, the Medical Staff, and Natividad in their language, action, attitude, and behavior.

6. Commit and contribute to the overall educational mission of Natividad and promote an effective, inclusive, equitable and supportive clinical learning environment.

Behaviors of Practitioners which do not meet the professional behavior standards established in this Code of Conduct (Code) shall be referred to as Disruptive or Unprofessional Behavior.

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Disruptive or Unprofessional Behavior by Practitioners exhibited on the premises of Natividad, whether or not the Practitioner is on duty or functioning in his/her professional capacity, are subject to this Code.

ARTICLE VIII.EXAMPLES OF PROFESSIONAL BEHAVIOR

Practitioners are expected to exhibit professional behavior at Natividad, consistent with this Code, as follows:

1. Be consistently available with cooperative and timely responsiveness to appropriate requests from physicians, nurses, and all other members of the Natividad health care team in patient care and other professional responsibilities.

2. Provide for and communicate alternate coverage arrangements to assure the continuity and quality of care.

3. Demonstrate language, action, attitude, and behavior which consistently convey to patients, families, colleagues, and all other members of the Natividad health care team a sense of compassion and respect for human dignity.

4. Understand and accept individual cultural differences.

5. Maintain appropriate, timely, and legible medical record entries which enable all Natividad professionals to understand and effectively participate in a cohesive plan of management to assure continuity, quality, and efficiency of care and effective post-discharge planning and follow-up.

6. Respect the right of patients, families, or other designated surrogates to participate in an informed manner in decisions pertaining to patient care.

7. Treat patients and all persons functioning in any capacity within Natividad with courtesy, respect, and human dignity.

8. Conduct one’s practice at Natividad in a manner that will facilitate timely commencement of medical/surgical procedures at Natividad, including but not limited to, timely arrival at the hospital, pre-ordering all needed special equipment and/or supplies, and timely notification of required staff.

ARTICLE IX.EXAMPLES OF DISRUPTIVE OR UNPROFESSIONAL BEHAVIOR

Disruptive or Unprofessional Behavior, as characterized in this Code, includes but is not limited to:

1. Misappropriation or unauthorized removal or possession of Natividad owned property.

2. Falsification of medical records, including timekeeping records and other Natividad documents.

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3. Working under the influence of alcohol or illegal drugs.

4. Working under the influence of prescription or over-the-counter medications when use of such medications significantly affects the practitioner's level of cognitive functioning.

5. Possession, distribution, purchase, sale, transfer, transport, or use of illegal drugs in the workplace.

6. Possession of dangerous or unauthorized materials such as explosives, firearms, or other weapons in the workplace.

7. Writing derogatory and/or accusatory notes in the medical record which are not necessary for the provision of quality patient care services. Concerns regarding the performance of other Practitioners or Natividad employees should generate an Occurrence Report in Verge and submit pursuant to Natividad policy and should not be entered into the patient's medical record.

8. Harassment

    a. Harassment is verbal or physical contact that denigrates or shows hostility or aversion toward an individual based on race, religion, color, national origin, ancestry, age, disability, marital status, gender, sexual orientation, or any other basis protected by federal, state, or local law or ordinance, and that:

        1. Has the purpose or effect of creating an intimidating, hostile, or offensive working environment, or;

        2. Has the purpose or effect of unreasonably interfering with an individual's work performance, or;

        3. Otherwise aversely affects an individual's employment opportunity.

    b. Harassing conduct includes, but is not limited to:

        1. Epithets, slurs, negative stereotyping, threatening, intimidating, or hostile acts that relate to race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation.

        2. Written material or illustrations that denigrate or show hostility or aversion toward an individual or group because of race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation, and is placed on walls; bulletin boards, or elsewhere on Natividad's premises or circulated in the workplace.

9. Physical behavior that is harassing, intimidating, or threatening, from the viewpoint of the recipient, including touching, obscene or intimidating gestures, or throwing of objects.

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10. Passive behaviors, such as refusing to perform assigned tasks or to answer questions, return phone calls, or pages.

11. Language that is a reasonable adult would consider to be foul, abusive, degrading, demeaning, or threatening, such as crude comments, degrading jokes or comments, yelling, or shouting at a person, or threatening violence or retribution.

12. Single incident of egregious behavior, such as an assault or other criminal act.

13. Criticism of Natividad staff in front of patients, families, or other staff.

ARTICLE X.PROCEDURE

1. Any person who functions in any capacity at Natividad who observes Practitioner language, action, attitude, or behavior which may be unprofessional, harassing, or disruptive to the provision of quality patient care services should document the incident via an Occurrence Report in Verge.

2. Identified incidents involving Practitioners shall be reviewed pursuant to the current Road Map for Handling Reports of Disruptive or Unprofessional Behavior or the County Sexual Harassment Policy, as determined by the nature of the behavior and the person who exhibits it.

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Natividad
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MEDICAL STAFF POLICY

Title: Practitioner Code of Conduct	**Effective:** 05/09 **Reviewed/Revised:** 12/22
Standard: MSP004-2	**Approved:** **MEC** 12/22 **BOT** 1/23

I acknowledge that I have received and read this Practitioner Code of Conduct. I acknowledge that hospitals are required to define and address disruptive and inappropriate conduct to comply with The Joint Commission standards for accreditation. I agree to adhere to the guidelines in this Code and conduct myself in a professional manner. I further understand that failure to behave in a professional fashion may result in disciplinary actions set forth in the RoadMap for Handling Reports of Disruptive or Unprofessional Behavior or as determined by the Medical Executive Committee pursuant to the Medical Staff Bylaws.

Printed name: Mohamed Kerala Serio

Signature: Signed by: Mohamed Kerala Serio B1A142AA1FE04CA... Date: 8/29/2025 | 3:15 PM PDT

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Exhibit 2.1

COMPENSATION

1. **Professional Services.** Hospital shall pay to Contractor the amount of Two Hundred Sixty-Eight Dollars ($268) per hour for those Professional Services provided to Patients in the Hospital or Clinic rendered by Contractor under this Agreement when Contractor is not otherwise scheduled to provide Coverage Services; provided, however, that Contractor is in compliance with the terms and conditions of this Agreement.

2. **Coverage Services.** While Contractor is scheduled to provide Coverage Services:

(a) Hospital shall pay to Contractor an amount equal to Six Hundred Twenty-Four Dollars ($624) per day for Coverage Services provided pursuant to this Agreement (**"Coverage Stipend"**); provided, however, that Contractor is in compliance with the terms and conditions of this Agreement.

(b) Hospital shall pay to Contractor, in addition to the Coverage Stipend, an amount equal to Two Hundred Forty-Two Dollars ($242) per hour to provide Professional Services to this Agreement (the **"Response Payments"**).

3. **Timing.** Hospital shall pay the compensation due for Services performed by Contractor after Contractor's submission of the monthly invoice of preceding month's activity and time report in accordance with this Agreement; provided, however, that if Contractor does not submit an invoice and time sheet within sixty (60) days of the end of the month during which Services were performed, Hospital shall not be obligated to pay Contractor for Services performed during that month. The County of Monterey Standard Payment Terms for contracts/PSAs and paying invoices is "30 days after receipt of the certified invoice in the Auditor-Controller's Office".

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Exhibit 6.3

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement"), effective October 1, 2025 ("Effective Date"), is entered into by and among the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center ("Covered Entity") and MOHAMED KERALA SERIO, M.D., an individual ("Business Associate") (each a "Party" and collectively the "Parties").

Business Associate provides certain services for Covered Entity ("Services") that involve the use and disclosure of Protected Health Information that is created or received by Business Associate from or on behalf of Covered Entity ("PHI"). The Parties are committed to complying with the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E as amended from time to time (the "Privacy Rule"), and with the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C as amended from time to time (the "Security Rule"), under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations ("HITECH"). Business Associate acknowledges that, pursuant to HITECH, 45 C.F.R. §§ 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), 164.316 (policies and procedures and documentation requirements) and 164.502 *et. seq.* apply to Business Associate in the same manner that such sections apply to Covered Entity. The additional requirements of Title XIII of HITECH contained in Public Law 111-005 that relate to privacy and security and that are made applicable with respect to covered entities shall also be applicable to Business Associate. The Parties are also committed to complying with the California Confidentiality of Medical Information Act, Ca. Civil Code §§ 56 *et seq.* ("CMIA"), where applicable. Business Associate acknowledges that the CMIA prohibits Business Associate from further disclosing the PHI it receives from Covered Entity where such disclosure would be violative of the CMIA. The Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 ("Red Flag Rules"). This Agreement sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information ("EPHI"), shall be handled. The Parties further acknowledge that state statutes or other laws or precedents may impose data breach notification or information security obligations, and it is their further intention that each shall comply with such laws as well as HITECH and HIPAA in the collection, handling, storage, and disclosure of personal data of patients or other personal identifying information exchanged or stored in connection with their relationship.

The Parties agree as follows:

1. DEFINITIONS

All capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in the Privacy Rule, Security Rule and HITECH.

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2. PERMITTED USES AND DISCLOSURES OF PHI

2.1 Unless otherwise limited herein, Business Associate may:

(a) use or disclose PHI to perform functions, activities or Services for, or on behalf of, Covered Entity as requested by Covered Entity from time to time, provided that such use or disclosure would not violate the Privacy or Security Rules or the standards for Business Associate Agreements set forth in 45 C.F.R. § 164.504(e), exceed the minimum necessary to accomplish the intended purpose of such use or disclosure, violate the additional requirements of HITECH contained in Public Law 111-005 that relate to privacy and security, or violate the CMIA;

(b) disclose PHI for the purposes authorized by this Agreement only: (i) to its employees, subcontractors and agents; (ii) as directed by this Agreement; or (iii) as otherwise permitted by the terms of this Agreement;

(c) use PHI in its possession to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

(d) use PHI in its possession for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) disclose the PHI in its possession to third parties for the proper management and administration of Business Associate to the extent and in the manner permitted under 45 C.F.R. § 164.504(e)(4)(ii); provided that disclosures are Required by Law , or Business Associate obtains reasonable assurances from the persons to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached;

(f) use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1);

(g) de-identify any PHI obtained by Business Associate under this Agreement for further use or disclosure only to the extent such de-identification is pursuant to this Agreement, and use such de-identified data in accordance with 45 C.F.R. § 164.502(d)(1).

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

3.1 Responsibilities of Business Associate. With regard to its use and/or disclosure of PHI, Business Associate shall:

(a) use and/or disclose the PHI only as permitted or required by this Agreement or as otherwise Required by Law;

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(b) report to the privacy officer of Covered Entity, in writing, (i) any use and/or disclosure of the PHI that is not permitted or required by this Agreement of which Business Associate becomes aware, and (ii) any Breach of unsecured PHI as specified by HITECH, within two (2) days of Business Associate's determination of the occurrence of such unauthorized use and/or disclosure. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure. The notification of any Breach of unsecured PHI shall include, to the extent possible, the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used or disclosed during the Breach.

(c) use commercially reasonable safeguards to maintain the security of the PHI and to prevent use and/or disclosure of such PHI other than as provided herein;

(d) obtain and maintain an agreement with all of its subcontractors and agents that receive, use, or have access to, PHI pursuant to which agreement such subcontractors and agents agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate pursuant to this Agreement;

(e) make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the use and/or disclosure of PHI to the Secretary for purposes of determining Covered Entity or Business Associate's compliance with the Privacy Rule;

(f) document disclosures of PHI and information related to such disclosure and, within ten (10) days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528, as well as provide an accounting of disclosures, as required by HITECH, directly to an individual provided that the individual has made a request directly to Business Associate for such an accounting. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within two (2) days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) subject to Section 4.4 below, return to Covered Entity within twenty-one (21) days of the termination of this Agreement, the PHI in its possession and retain no copies, including backup copies;

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(h) disclose to its subcontractors, agents or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) if all or any portion of the PHI is maintained in a Designated Record Set:

(i) upon ten (10) days' prior written request from Covered Entity, provide access to the PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, the individual to whom such PHI relates or his or her authorized representative to meet a request by such individual under 45 C.F.R. § 164.524; and

(ii) upon ten (10) days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526;

(j) maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules;

(k) notify the Covered Entity within five (5) days of the Business Associate's receipt of any request or subpoena for PHI. To the extent that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge;

(l) maintain a formal security program materially in accordance with all applicable data security and privacy laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security

The Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

3.2 Additional Responsibilities of Business Associate with Respect to EPHI. In the event that Business Associate has access to EPHI, in addition to the other requirements set forth in this Agreement relating to PHI, Business Associate shall:

(a) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity as required by 45 C.F.R. Part 164, Subpart C;

(b) ensure that any subcontractor or agent to whom Business Associate provides any EPHI agrees in writing to implement reasonable and appropriate safeguards to protect such EPHI; and

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(c) report to the privacy officer of Covered Entity, in writing, any Security Incident involving EPHI of which Business Associate becomes aware within two (2) days of Business Associate's discovery of such Security Incident. For purposes of this Section, a Security Incident shall mean (consistent with the definition set forth at 45 C.F.R. § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure.

3.3 Responsibilities of Covered Entity. Covered Entity shall, with respect to Business Associate:

(a) provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(b) notify Business Associate of any limitations in the Notice pursuant to 45 C.F.R.
§ 164.520, to the extent that such limitations may affect Business Associate's use or disclosure of PHI;

(c) notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's use or disclosure of PHI;

(d) notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the use or disclosure of PHI provided to Covered Entity pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

(e) notify Business Associate, in writing and in a timely manner, of any restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4. TERMS AND TERMINATION

4.1 Term. This Agreement shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Article 4. Certain provisions and requirements of this Agreement shall survive its expiration or other termination as set forth in Section 5.1 herein.

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4.2 Termination. Either Covered Entity or Business Associate may terminate this Agreement and any related agreements if the terminating Party determines in good faith that the terminated Party has breached a material term of this Agreement; provided, however, that no Party may terminate this Agreement if the breaching Party cures such breach to the reasonable satisfaction of the terminating Party within thirty (30) days after the breaching Party's receipt of written notice of such breach.

4.3 Automatic Termination. This Agreement shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

4.4 Effect of Termination. Upon termination or expiration of this Agreement for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(I) if, and to the extent that, it is feasible to do so. Prior to doing so, Business Associate shall recover any PHI in the possession of its subcontractors or agents. To the extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall provide Covered Entity a statement that Business Associate has determined that it is infeasible to return or destroy all or some portion of the PHI in its possession or in possession of its subcontractors or agents. Business Associate shall extend any and all protections, limitations and restrictions contained in this Agreement to any PHI retained after the termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed.

5. MISCELLANEOUS

5.1 Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 4.4, 5.1, 5.6, and 5.7, and Section 2.1 (solely with respect to PHI that Business Associate retains in accordance with Section 4.4 because it is not feasible to return or destroy such PHI), shall survive termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this Agreement, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

5.2 Amendments; Waiver. This Agreement may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of the HIPAA, HITECH or Red Flag Rules is materially amended in a manner that changes the obligations of Business Associates or Covered Entities, the Parties agree to negotiate in good faith appropriate amendment(s) to this Agreement to give effect to the revised obligations. Further, no provision of this Agreement shall be waived, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

5.3 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

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5.4 Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

MOHAMED KERALA SERIO, M.D.
25990 Rotunda Drive
Carmel, CA 92923
Attn: Dr. Serio

If to Covered Entity, to:

NATIVIDAD MEDICAL CENTER
1441 Constitution Blvd., Bldg. 300
Salinas, California 93906
Attention: Compliance Officer
Phone: 831.755.4111
Fax: 831.755.6297

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

5.5 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

5.6 Choice of Law; Interpretation. This Agreement shall be governed by the laws of the State of California; as provided, however, that any ambiguities in this Agreement shall be resolved in a manner that allows Business Associate to comply with the Privacy Rule, and, if applicable, the Security Rule and the CMIA.

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5.7 Indemnification. Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter County), its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including the County's reasonable cost of providing notification of and of mitigating any acquisition, access, use or disclosure of PHI in a manner not permitted by this BAA, arising out of, or in connection with, performance of this BAA by Contractor and/or its agents, members, employees, or sub-contractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this BAA to provide the broadest possible indemnification for the County. Contractor shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred by the County with respect to any investigation, enforcement proceeding or litigation in which Contractor is obligated to indemnify, defend, and hold harmless the County under this BAA. This provision is in addition to and independent of any indemnification provision in any related or other agreement between the Covered Entity and the Business Associate.

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IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf as of the Effective Date.

MOHAMED KERALA SERIO, M.D.

By: Signed by: Mohamed Kerala Serio B1A142AA1FE04CA...

Print Name: Mohamed Kerala Serio

Print Title: MD

Date: 8/29/2025 | 3:15 PM PDT

COUNTY OF MONTEREY, ON BEHALF OF
NATIVIDAD MEDICAL CENTER

By: _____

Print Name: Dr. Charles R. Haris

Print Title: Chief Executive Officer

Date: _____

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AMENDMENT NO. 3
TO AGREEMENT FOR SPECIALIZED ATTORNEY SERVICES BY AND BETWEEN COUNTY OF MONTEREY AND FOLEY & LARDNER, LLP

THIS AMENDMENT NO. 3 to Agreement for Specialized Attorney Services ("AGREEMENT") for the provision of legal services is made by and between the COUNTY OF MONTEREY**,** a political subdivision of the State of California (hereinafter referred to as "COUNTY"), on behalf of Natividad Medical Center, and **FOLEY & LARDNER, LLP** (hereinafter referred to as "ATTORNEY"), with respect to the following.

WHEREAS, COUNTY and ATTORNEY entered into AGREEMENT in the amount of $500,000 with a term of July 1, 2021 to June 30, 2024; and

WHEREAS, COUNTY and ATTORNEY entered into an AMENDMENT NO. 1 effective January 1, 2021, adding $300,000, for a revised total liability of $800,000, with no change to the term of the AGREEMENT; and

WHEREAS, COUNTY and ATTORNEY entered into an AMENDMENT NO. 2 effective May 1, 2024, adding $300,000, for a revised total liability of $1,100,000, and two years, for a revised new term of July 1, 2021 to June 30, 2026; and

WHEREAS, COUNTY and ATTORNEY wish to enter into a further amendment, adding $300,000, for a revised total liability of $1,400,000, and adding two years, for a revised new term of July 1, 2021 to June 30, 2028.

NOW THEREFORE, COUNTY and ATTORNEY hereby agree to amend AGREEMENT in the following manner:

1. Paragraph 1.01 of Section 1, EFFECTIVE DATE AND TERM. Paragraph 1.01 shall be amended and restated in its entirety as follows:

   "1.01. This Agreement shall be effective as of July 1, 2021, and shall terminate on June 30, 2028, unless earlier terminated as set forth below. This Agreement may be amended from time-to-time upon the written mutual agreement of the parties."

2. Paragraph 3.02. Paragraph 3.02, Budget, shall be amended and restated in its entirety as follows:

   "3.02. Budget. ATTORNEY and COUNTY agree that the budget for services pursuant to this Agreement is the sum of $1,400,000.00. ATTORNEY and COUNTY shall revise the budget as necessary to reflect additional fees and expenses required

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for services, and this Agreement shall be amended accordingly to provide for such budget increases. Proposed budget increases must be approved by COUNTY before increased charges or expenditures are paid. ATTORNEY shall notify the County Counsel in writing when fifty percent (50%) and seventy-five percent (75%) of the Budget has been spent. If COUNTY does not approve additional fees and expenses required by the project beyond the initial and revised budget, COUNTY hereby agrees that ATTORNEY has the right to terminate work on the matter and that ATTORNEY need not perform further services pursuant to this Agreement. COUNTY will compensate ATTORNEY for all necessary and reasonable costs incurred on behalf of COUNTY as set forth herein.

3. Except as provided herein, all remaining terms, conditions and provisions of the AGREEMENT that are unchanged and unaffected by this AMENDMENT NO. 3 shall continue in full force and effect as set forth in the AGREEMENT.

4. This AMENDMENT NO. 3 shall be effective September 15, 2025.

5. A copy of this AMENDMENT NO. 3 shall be attached to the original AGREEMENT executed by the County.

IN WITNESS WHEREOF, County and ATTORNEY have executed this AGREEMENT as of the day and year written below.

DATED: _____

COUNTY

By _____
Susan K. Blitch
County Counsel
County of Monterey

DATED: 8/31/25

ATTORNEY

By Claire Marblestone
Claire Marblestone, Partner
Foley & Lardner LLP

APPROVED AS TO FORM AND LEGALITY

DATED: 9/2/2025 | 9:47 AM PDT

DocuSigned by:
By Stacy Saetta
C0ECE1B99F444A9...
Stacy L. Saetta

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Chief Deputy County Counsel

APPROVED AS TO FINANCIAL TERMS

DATED: 9/3/2025 | 7:32 AM PDT

By DocuSigned by: Patricia Ruiz E79EF64E57454F6...

Title Auditor Controller Analyst I

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Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Mary L. Adams to:

Agreement No.: A-13319	**Receivable Solutions, Inc.**
Agreement No.: A-13320	**Credit Consulting Services, Inc.**

a. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 6 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one year (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 and adding $1,000,000 for a revised total aggregate amount for all contracts not to exceed $10,270,000.
b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute a single amendment to the agreement that does not cause an increase of more than 10% ($240,000) of the original Agreement amount, that will not increase the total Agreement amount above 10,510,000 and which does not significantly alter the scope of work.

PASSED AND ADOPTED on this 29th day of August 2023, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting August 29, 2023.

Dated: August 30, 2023
File ID: A 23-409
Agenda Item No.: 25

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

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Agreement A-13320

AMENDMENT NO. 6
TO SERVICES AGREEMENT
BETWEEN RECEIVABLE SOLUTIONS, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 6 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Receivable Solutions, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Receivable Solutions, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, on January 18, 2023 beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000; and

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement to extend it for an additional one (1) year period (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 with a $1,000,000 increase for the total aggregate amount for both agreements of $10,270,000.

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AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, and Renewal and Amendment No. 5 incorporated herein by this reference, except as specifically set forth below.

1. Section 4.1, "TERM OF AGREEMNT" shall be amended to the following:
   "The term of this Agreement is from October 1, 2016 through September 30, 2024 unless sooner terminated pursuant to the terms of this Agreement."

2. Section 5.4 under, "COMPENSATION AND PAYMENTS BY COUNTY" shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $10,270,00."

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 6 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4 and in Renewal & Amendment No. 5.

4. A copy of this Amendment No. 6 shall be attached to the Agreement.

5. This Amendment No. 6 shall be effective when both parties have signed.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

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IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 6 on the basis set forth in this document and have executed this Amendment No. 6 on the day and year set forth herein.

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:
By: Charles Harris
4E1F837D204E481...
Charles R. Harris, CEO

Date: 9/1/2023 | 12:00 PM PDT

APPROVED AS TO LEGAL PROVISIONS

DocuSigned by:
By: Stacy Saetta
C0ECE1B99F444A9...
Monterey County Deputy County Counsel

Date: 7/13/2023 | 7:36 AM PDT

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Patricia Ruiz
E79EF64E57454F6...
Monterey County Deputy Auditor/Controller

Date: 7/13/2023 | 7:49 AM PDT

CONTRACTOR

Receivable Solutions, Inc.
CONTRACTOR's Business Name
~~***See instructions below***~~

By: _____
(Signature of: Chair, President, or Vice-President)

Brent D. Rollins, CEO
Name and Title

Date: 07/10/2023

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

John Baker, CFO
Name and Title

Date: 7/10/2023

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

DocuSign Envelope ID: 34E58841-1E07-403B-9BC9-FE2F897F4451

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Mary L. Adams to:

Agreement No.: A-13319	**Receivable Solutions, Inc.**
Agreement No.: A-13320	**Credit Consulting Services, Inc.**

a. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 6 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional one year (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 and adding $1,000,000 for a revised total aggregate amount for all contracts not to exceed $10,270,000.
b. Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute a single amendment to the agreement that does not cause an increase of more than 10% ($240,000) of the original Agreement amount, that will not increase the total Agreement amount above 10,510,000 and which does not significantly alter the scope of work.

PASSED AND ADOPTED on this 29th day of August 2023, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting August 29, 2023.

Dated: August 30, 2023
File ID: A 23-409
Agenda Item No.: 25

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

DocuSign Envelope ID: 34E58841-1E07-403B-9BC9-FE2F897F4451

AMENDMENT NO. 6
TO SERVICES AGREEMENT
BETWEEN CREDIT CONSULTING SERVICES INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 6 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Credit Consulting Services, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Credit Consulting Services, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, on January 18, 2023 beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000; and

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement to extend it for an additional one (1) year period (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 with a $1,000,000 increase for the total aggregate amount for both agreements of $10,270,000.

DocuSign Envelope ID: 34E58841-1E07-403B-9BC9-FE2F897F4451

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, and Renewal and Amendment No. 5 incorporated herein by this reference, except as specifically set forth below.

1. Section 4.1, "TERM OF AGREEMNT" shall be amended to the following:
   "The term of this Agreement is from October 1, 2016 through September 30, 2024 unless sooner terminated pursuant to the terms of this Agreement."

2. Section 5.4 under, "COMPENSATION AND PAYMENTS BY COUNTY" shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $10,270,00."

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 6 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4 and in Renewal & Amendment No. 5.

4. A copy of this Amendment No. 6 shall be attached to the Agreement.

5. This Amendment No. 6 shall be effective when both parties have signed.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

DocuSign Envelope ID: 34E58841-1E07-403B-9BC9-FE2F897F4451

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 6 on the basis set forth in this document and have executed this Amendment No. 6 on the day and year set forth herein.

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:
By: Charles Harris
4E1F837D204E481...
Charles R. Harris, CEO

Date: 9/1/2023 | 12:00 PM PDT

APPROVED AS TO LEGAL PROVISIONS

DocuSigned by:
By: Stacy Saetta
C0ECE1B99F444A9...
Monterey County Deputy County Counsel

Date: 7/13/2023 | 7:36 AM PDT

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Patricia Ruiz
E79EF64E57454F6...
Monterey County Deputy Auditor/Controller

Date: 7/13/2023 | 7:49 AM PDT

CONTRACTOR

Credit Consulting Services, Inc.
CONTRACTOR's Business Name
See instructions below

By: _____
(Signature of: Chair, President, or Vice-President)

RODNEY MEEKS, PRESIDENT/CEO
Name and Title

Date: 7/12/2023

By: _____
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

RODNEY MEEKS, CFO
Name and Title

Date: 7/12/2023

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Mary L. Adams to:

Agreement No.: A-13319 ; Amendment No.: 7	**Receivable Solutions, Inc**
Agreement No.: A-13320 ; Amendment No.: 7	**Credit Consulting Services, Inc.**

Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 7 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional nine-month period (October 1, 2024 through June 30, 2025) for a revised full agreement term of October 1, 2016 through June 30, 2025 and adding $2,700,000 for a revised total aggregate amount for all contracts not to exceed $12,970,000.

PASSED AND ADOPTED on this 10th day of September 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting September 10, 2023.

Dated: September 11, 2023
File ID: A 24-429
Agenda Item No.: 21

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

AMENDMENT NO. 7
TO SERVICES AGREEMENT
BETWEEN RECEIVABLE SOLUTIONS, INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 7 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Receivable Solutions, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Receivable Solutions, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, on January 18, 2023 beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on September 1, 2023 to extend it for an additional one (1) year period (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 with a $1,000,000 increase for the total aggregate amount for both agreements of $10,270,000; and

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement to extend it for an additional nine (9) month period (October 1, 2024 through June 30, 2025) for a revised Agreement term October 1, 2016 through June 30, 2025 allow for services to continue with no additions to the scope and to increase the amount payable by $2,700,000 for a revised total aggregate amount not to exceed $12,970,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Renewal and Amendment No. 5, and Amendment No. 6 incorporated herein by this reference, except as specifically set forth below.

1. Section 5.4 under, "COMPENSATION AND PAYMENTS BY COUNTY" shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $12,9700,000."

2. The first sentence of Section 3 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:
   "The term of this Agreement is from October 1, 2024 through June 30, 2025 unless sooner terminated pursuant to the terms of this Agreement."

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 6 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Renewal & Amendment No. 5 and in Amendment No. 6.

4. A copy of this Amendment No. 7 shall be attached to the Agreement.

5. This Amendment No. 7 shall be effective when both parties have signed.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 7 on the basis set forth in this document and have executed this Amendment No. 6 on the day and year set forth herein.

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:
By: Charles Harris
4E1F837D204E481...
Charles R. Harris, CEO

Date: 9/12/2024 | 9:42 AM PDT

APPROVED AS TO LEGAL PROVISIONS

Signed by:
By: Stacy Saetta
696D21D44C4341D...
Monterey County Deputy County Counsel

Date: 8/20/2024 | 1:34 PM PDT

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Jennifer Forsyth
4E7E657875454AE...
Monterey County Deputy Auditor/Controller

Date: 8/20/2024 | 3:32 PM PDT

CONTRACTOR

Receivable Solutions, Inc.
CONTRACTOR's Business Name
See instructions below

DocuSigned by:
By: Brent D. Rollins
713159E3C802460...
(Signature of: Chair, President, or Vice-President)

Brent D. Rollins CEO
Name and Title

Date: 8/8/2024

Signed by:
By: John Baker
ABB687DCA06C4A2...
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

John Baker CFO
Name and Title

Date: 8/8/2024

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066
www.co.monterey.ca.us

Board Order

A motion was made by Supervisor Chris Lopez, seconded by Supervisor Mary L. Adams to:

Agreement No.: A-13319 ; Amendment No.: 7	**Receivable Solutions, Inc**
Agreement No.: A-13320 ; Amendment No.: 7	**Credit Consulting Services, Inc.**

Authorize the Chief Executive Officer for Natividad Medical Center or his designee to execute amendment No. 7 to the agreements with Receivable Solutions, Inc. (A-13319) and Credit Consulting Services, Inc. (A-13320) pursuant to the Request for Proposal (RFP) #9600-64 for debt collection services, to extend an additional nine-month period (October 1, 2024 through June 30, 2025) for a revised full agreement term of October 1, 2016 through June 30, 2025 and adding $2,700,000 for a revised total aggregate amount for all contracts not to exceed $12,970,000.

PASSED AND ADOPTED on this 10th day of September 2024, by roll call vote:

AYES: Supervisors Alejo, Church, Lopez Askew, and Adams
NOES: None
ABSENT: None

I, Valerie Ralph, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 82 for the meeting September 10, 2023.

Dated: September 11, 2023
File ID: A 24-429
Agenda Item No.: 21

Valerie Ralph, Clerk of the Board of Supervisors
County of Monterey, State of California

Emmanuel H. Santos

Emmanuel H. Santos, Deputy

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

AMENDMENT NO. 7
TO SERVICES AGREEMENT
BETWEEN CREDIT CONSULTING SERVICES INC. AND
THE COUNTY OF MONTEREY ON BEHALF OF NATIVIDAD MEDICAL CENTER
FOR
DEBT COLLECTION SERVICES

This Amendment No. 7 to the Services Agreement ("Agreement") which was effective on October 1, 2016 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Credit Consulting Services, Inc. ("CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Credit Consulting Services, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, on January 18, 2023 beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on September 1, 2023 to extend it for an additional one (1) year period (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 with a $1,000,000 increase for the total aggregate amount for both agreements of $10,270,000.

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

WHEREAS, COUNTY and CONTRACTOR currently wish to amend the Agreement to extend it for an additional nine (9) month period (October 1, 2024 through June 30, 2025) for a revised Agreement term October 1, 2016 through June 30, 2025 allow for services to continue with no additions to the scope and to increase the amount payable by $2,700,000 for a revised total aggregate amount not to exceed $12,970,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Renewal and Amendment No. 5, and Amendment No. 6 incorporated herein by this reference, except as specifically set forth below.

1. Section 5.4 under, "COMPENSATION AND PAYMENTS BY COUNTY" shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $12,9700,000."

2. The first sentence of Section 3 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:
   "The term of this Agreement is from October 1, 2024 through June 30, 2025 unless sooner terminated pursuant to the terms of this Agreement."

3. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment No. 6 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4, Renewal & Amendment No. 5 and in Amendment No. 6.

4. A copy of this Amendment No. 7 shall be attached to the Agreement.

5. This Amendment No. 7 shall be effective when both parties have signed.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

Docusign Envelope ID: 41B853A8-8891-4C09-A258-80CAFCFC0C32

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 7 on the basis set forth in this document and have executed this Amendment No. 6 on the day and year set forth herein.

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

DocuSigned by:
By: Charles Harris
4E1E837D204E481...
Charles R. Harris, CEO

9/12/2024 | 9:42 AM PDT
Date: _____

APPROVED AS TO LEGAL PROVISIONS

Signed by:
By: Stacy Saetta
696D21D44C4341D...
Monterey County Deputy County Counsel

8/22/2024 | 8:06 AM PDT
Date: _____

APPROVED AS TO FISCAL PROVISIONS

DocuSigned by:
By: Jennifer Forsyth
4E7E657875454AE...
Monterey County Deputy Auditor/Controller

8/22/2024 | 3:19 PM PDT
Date: _____

CONTRACTOR

Credit Consulting Services, Inc.
CONTRACTOR's Business Name
See instructions below

DocuSigned by:
By: Rodney Meeks
7567CCD525DD4A7...
(Signature of: Chair, President, or Vice-President)

Rodney Meeks President
Name and Title

8/21/2024 | 9:15 AM PDT
Date: _____

DocuSigned by:
By: Rodney Meeks
7567CCD525DD4A7...
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Rodney Meeks President
Name and Title

8/21/2024 | 9:15 AM PDT
Date: _____

Instructions

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

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Docusign Envelope ID: A56DA7B0-E161-4F63-AEE7-6DE0BAF8E534

RENEWAL AND AMENDMENT NO. 8
TO THE SERVICES AGREEMENT
BETWEEN NATIVIDAD MEDICAL CENTER (COUNTY OF MONTEREY) AND
CREDIT CONSULTING SERVICES, INC.
FOR
DEBT COLLECTION SERVICES

This Renewal and Amendment No. 8 to the County of Monterey, Natividad Medical Center (NMC) Agreement for Services is made and entered into, by and between the County of Monterey (hereinafter "County"), a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care hospital (hereinafter, "NMC"), and Credit Consulting Services, Inc. (hereinafter "CONTRACTOR"); **From this point forward, the party referenced previously as "NMC" shall be referenced as "COUNTY" and collectively, COUNTY and CONTRACTOR are referred to as the "Parties" to this Agreement, with respect to the following:**

RECITALS

WHEREAS, the County of Monterey on behalf of Natividad Medical Center and Credit Consulting Services, Inc. had previously entered into an Agreement for Debt Collection Services pursuant to RFP#9600-64 (hereinafter "Agreement") on October 10, 2016 to provide debt collection services to NMC with a three-year term and a total Agreement amount not to exceed $2,400,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on November 14, 2018 via Amendment No. 2 to extend the term for an additional one-year period through September 30, 2020 to allow for services to continue and to add an additional $2,170,000 thereby increasing the total aggregate amount for both Agreements to $4,570,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amended the Agreement on November 19, 2019 to add an additional $2,400,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $6,970,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on September 14, 2020 to extend an additional one (1) year (October 1, 2020 through September 30, 2021) and to add an additional $1,000,000 in funds to allow for services to continue for a total aggregate amount for both agreements not to exceed $7,970,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on August 13, 2021 to extend an additional one (1) year period (October 1, 2021 through September 30, 2022) for a revised full agreement term of October 1, 2016 through September 30, 2022 with no changes to the total aggregate amount for both agreements or scope of services; and

WHEREAS, the Agreement expired on September 30, 2022; and

WHEREAS, the Parties renewed and amended the Agreement on the same or similar terms, on January 18, 2023 beginning October 1, 2022 and to extend the term for an additional one (1) year period (October 1, 2022 through September 30, 2023) for a revised full Agreement term of October 1, 2016 to September 30, 2023 allow for services to continue with no additions to the scope and to increase the amount payable by $1,300,000 for a revised total aggregate amount not to exceed $9,270,000; and

WHEREAS, COUNTY and CONTRACTOR amended the Agreement on September 1, 2023 to extend it for an additional one (1) year period (October 1, 2023 through September 30, 2024) for a revised full agreement term of October 1, 2016 through September 30, 2024 with a $1,000,000 increase for the total aggregate amount for both agreements of $10,270,000.

Docusign Envelope ID: EEB9D0DC-1AF1-4167-A2ED-62BECEC0B67A

WHEREAS, COUNTY and CONTRACTOR amended the Agreement via Amendment No. 7 to extend it for an additional nine (9) month period (October 1, 2024 through June 30, 2025) for a revised Agreement term October 1, 2016 through June 30, 2025 allow for services to continue with no additions to the scope and to increase the amount payable by $2,700,000 for a revised total aggregate amount not to exceed $12,970,000; and

WHEREAS, the Agreement expired on June 30, 2025; and

WHEREAS, COUNTY and CONTRACTOR wish to renew and amend the Agreement retroactive to July 1, 2025 to extend the term for an additional one (1) year period (July 1, 2025 through June 30, 2026) for a revised full Agreement term of October 1, 2016 through June 30, 2026 to allow for continued need of CONTRACTOR's services and to increase the amount payable by an additional $3,500,000 for a total Agreement amount not to exceed $16,470,000.

AGREEMENT

NOW THEREFORE, the Parties agree as follows:

The Agreement is hereby renewed and amended on the terms and conditions as set forth in the original Agreement incorporated herein by this reference, except as specifically set forth below.

1. Section 5.4 under, "COMPENSATION AND PAYMENTS BY COUNTY" shall be amended to the following:
   "Because CONTRACTOR's compensation shall be based on the amount of the debt collected by CONTRACTOR which is not known; this Agreement is not set at a specific dollar amount. The aggregate total amount payable by NMC under all Agreements awarded per RFP 9600-64 for Debt Collection services should not exceed the sum of $16,470,000."

2. The first sentence of Section 3 /Paragraph titled, "TERM OF AGREEMENT" shall be amended to the following:
   "The term of this Agreement is from October 1, 2016 through June 30, 2026 unless sooner terminated pursuant to the terms of this Agreement."

3. If there is any conflict or inconsistency between the provisions of Agreement, Amendment No. 1, Amendment No. 3, Amendment No. 4, Renewal & Amendment No. 5, Amendment No. 6, and Amendment No. 7 or this Renewal & Amendment No. 8, the provisions of this Renewal and Amendment No. 8 shall govern.

4. This Renewal and Amendment is effective retroactively on July 1, 2025.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

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IN WITNESS WHEREOF, the Parties hereby execute this Renewal and Amendment No. 8 as follows:

COUNTY OF MONTEREY on behalf of NATIVIDAD MEDICAL CENTER

By: _____
Charles R. Harris, CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: _____ Signed by: Stacy Saetta 69BD21D44C4341D...
Monterey County Deputy County Counsel

Date: 8/27/2025 | 9:29 AM PDT

APPROVED AS TO FISCAL PROVISIONS

By: _____ DocuSigned by: Patricia Ruiz E79EF64E57454F6...
Monterey County Chief Deputy Auditor-Controller

Date: 9/3/2025 | 8:15 AM PDT

CONTRACTOR

CREDIT CONSULTING SERVICES

CONTRACTOR's Business Name
Signature instructions below

By: _____ DocuSigned by: Rodney Meeks 7567CCD525DD4A7...
(Signature of Chair, President, or Vice-President)

Rodney Meeks President
Name and Title

Date: 8/26/2025 | 11:39 AM PDT

By: _____ DocuSigned by: Rodney Meeks 7567CCD525DD4A7...
(Signature of Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

Rodney Meeks CFO
Name and Title

Date: 8/26/2025 | 11:39 AM PDT

***SIGNATURE INSTRUCTIONS**

If CONTRACTOR is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. (2 signatures required)

If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. (2 signatures required)

If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement. (1 signature required)

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PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

by and between

NATIVIDAD MEDICAL CENTER ("Hospital")

and

ADVANCED GASTROENTEROLOGY OF MONTEREY COUNTY MEDICAL CORPORATION ("Contractor")

Docusign Envelope ID: 766BC226-F7C7-4FD3-B37D-14CCF7CC6263

PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

THIS PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT (this **"Agreement"**) is entered into as of October 1, 2025, by and between COUNTY OF MONTEREY (**"County"**) on behalf of NATIVIDAD MEDICAL CENTER (**"Hospital"**), and ADVANCED GASTROENTEROLOGY OF MONTEREY COUNTY MEDICAL CORPORATION, a California professional corporation (**"Contractor"**). County, Hospital and Contractor are sometimes referred to in this Agreement as a **"Party"** or, collectively, as the **"Parties."**

RECITALS

A. County owns and operates Hospital, a general acute care teaching hospital facility located in Salinas, California and various outpatient clinics (collectively, the **"Clinic"**) under its acute care license.

B. Contractor is a professional corporation organized under the laws of the State of California (the **"State"**), wholly owned and controlled by Mumtaz G. Tabbaa, M.D. (**"Physician"**), an individual duly licensed and qualified to practice medicine in the State. Physician is experienced in the specialized field of gastroenterology (the **"Specialty"**).

C. Hospital must arrange for the provision of professional consultation and treatment of patients who present to the emergency department (**"ED"**) and who are admitted as Hospital inpatients in need of medical care or treatment in the Specialty, including inpatient and outpatient procedures performed in Hospital's operating room and/or who present to Hospital's Clinic (collectively, the **"Patients"**), without regard to any consideration other than medical condition.

D. In order to ensure adequate and continued Specialty coverage for the Hospital as required by applicable federal and state laws, Hospital desires to engage a panel of physicians specializing in the Specialty, including Contractor (each, a **"Panel Member"** and, collectively, the **"Panel Members"**), to provide call coverage for the Hospital, upon the terms and subject to the conditions set forth in this Agreement.

E. Hospital has considered the following factors in determining the necessity and amount of compensation payable to Contractor pursuant to this Agreement:

1. The nature of Contractor's duties as contemplated by this Agreement.

2. Contractor's qualifications.

3. The difficulty in obtaining a qualified physician to provide the services described in this Agreement.

4. The benefits to Hospital's community resulting from Contractor's performance of the services described in this Agreement.

5. The economic conditions locally and in the health care industry generally.

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AGREEMENT

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I.
CONTRACTOR'S OBLIGATIONS

1.1 Services.

(a) Contractor shall provide professional services in the Specialty to Patients, upon the terms and subject to the conditions set forth in this Agreement (the **"Professional Services"**), including, without limitation: (i) Professional Services in the Clinic, initially for four (4) Half-Days per week (**"Clinic Services"**), and (ii) endoscopy services in Hospital's outpatient surgery center, initially for four (4) Half-Days per week (**"Endoscopy Services"**). Contractor shall provide Endoscopy Services in accordance with American Gastroenterology Association guidelines. The schedule each month for Clinic Services and Endoscopy Services, respectively, shall be determined by Hospital, after consultation with Contractor. For purposes of this Agreement, **"Half-Day"** shall mean four (4) hours per day.

(b) Contractor shall be available on an on-call basis to provide Specialty medical care and treatment to Patients (**"Coverage Services"**), along with other Panel Members, in a manner that is sufficient to ensure coverage of Hospital in the Specialty twenty-four (24) hours per day, seven (7) days per week, including all holidays, in accordance with the schedule developed by Hospital.

(c) Contractor shall ensure that Physician provides timely initial follow-up care for all Hospital patients referred for care by the ED or attending physician. If Physician is the physician on-call at the time of the referral, Physician shall provide any necessary follow-up care for such patients regardless of the patient's ability to pay for services at the time of the first visit.

1.2 Teaching Services. Contractor shall, through the services of Physician, provide to Hospital those teaching services set forth in **Exhibit 1.2** (collectively, the **"Teaching Services"**). Contractor shall not be separately compensated for the provision of Teaching Services under this Agreement.

1.3 Additional Services. Contractor shall, through the services of Physician, provide to Hospital those additional services set forth in **Exhibit 1.3** (the **"Additional Services"**), upon the terms and subject to the conditions set forth in this Agreement. The Professional Services, Clinic Services, Endoscopy Services, Teaching Services, Coverage Services and Additional Services are sometimes referred to collectively in this Agreement as the **"Services."**

1.4 Time Commitment. Contractor shall allocate time among the Professional Services, Teaching Services, Coverage Services and Additional Services as reasonably requested by Hospital from time to time.

1.5 Availability. Contractor shall ensure that Physician shall be available to provide the Services on a twenty-four (24) hour per day, seven (7) day per week basis. On or before the

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first (1st) day of each month, Contractor shall inform Hospital of Physician's schedule of availability to perform the Services during the following month. Physician shall use his or her best efforts to adjust such schedule of availability if reasonably requested by Hospital in order to meet Hospital's needs for the Services.

1.6 Time Reports. Contractor shall maintain and submit to Hospital monthly time sheets that provide a true and accurate accounting of Physician's time spent on a daily basis providing the Services. Such time sheets shall be on the then-current form provided by Hospital attached hereto as **Exhibit 1.6**. Contractor shall submit all such time sheets to Hospital no later than the tenth (10th) day of each month for Services provided during the immediately preceding month.

1.7 Medical Staff. Physician shall be a member in good standing and active on the Hospital's medical staff (the **"Medical Staff"**) and have and maintain all clinical privileges at Hospital necessary for the performance of Physician's obligations under this Agreement. If, as of the Effective Date (as defined in Section 5.1), Physician is not a member in good standing or active on the Medical Staff or does not hold all clinical privileges at Hospital necessary for the performance of Physician's obligations hereunder, Physician shall have a reasonable amount of time, which in no event shall exceed sixty (60) calendar days from the Effective Date, to obtain such membership and/or clinical privileges; provided, however, that Physician diligently pursues such membership and/or clinical privileges in accordance with the normal procedures set forth in the Medical Staff bylaws; and provided, however, that, at all times, Physician has been granted privileges to perform the Services. Physician may obtain and maintain medical staff privileges at any other hospital or health care facility at Physician's sole expense.

1.8 Professional Qualifications. Physician shall have and maintain an unrestricted license to practice medicine in the State. Physician shall be board certified in the Specialty by the applicable medical specialty board approved by the American Board of Medical Specialties. Physician shall have and maintain a valid and unrestricted United States Drug Enforcement Administration (**"DEA"**) registration.

1.9 Review of Office of the Inspector General ("OIG") Medicare Compliance Bulletins. The OIG from time to time issues Medicare compliance alert bulletins. To the extent applicable to Contractor's performance under this Agreement, Contractor and Physician shall undertake to review, be familiar with and comply with all applicable requirements of such OIG compliance bulletins.

1.10 Performance Standards. Contractor and Physician shall comply with all bylaws, Medical Staff policies, rules and regulations of Hospital and the Medical Staff (collectively, the **"Hospital Rules"**), and all protocols applicable to the Services or the Hospital (the **"Protocols"**).

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1.11 Code of Conduct. Contractor hereby acknowledges receipt of Hospital's Code of Conduct which is attached to this Agreement as **Exhibit 1.11** (the **"Code"**), and agrees that Contractor and Physician have been given ample opportunity to read, review and understand the Code. With respect to Contractor's and Physician's business dealings with Hospital and their performance of the Services described in this Agreement, neither Contractor nor Physician shall act in any manner which conflicts with or violates the Code, nor cause another person to act in any manner which conflicts with or violates the Code. Contractor and Physician shall comply with the Code as it relates to their business relationship with Hospital or any Affiliate, subsidiaries, employees, agents, servants, officers, directors, contractors and suppliers of every kind.

1.12 Continuing Medical Education. Contractor shall ensure that Physician participates in continuing medical education as necessary to maintain licensure, professional competence and skills commensurate with the standards of the medical community and as otherwise required by the medical profession.

1.13 Use of Space. Contractor and Physician shall use Hospital's premises and space solely and exclusively for the provision of the Services, except in an emergency or with Hospital's prior written consent.

1.14 Notification of Certain Events. Contractor shall notify Hospital in writing within twenty-four (24) hours after the occurrence of any one or more of the following events:

(a) Contractor or Physician becomes the subject of, or materially involved in, any investigation, proceeding, or disciplinary action by: Medicare and Medicaid programs or any other Federal health care program, as defined at 42 U.S.C. Section 1320a-7b(f) (collectively, the **"Federal Health Care Programs"**) or state equivalent, any state's medical board, any agency responsible for professional licensing, standards or behavior, or any medical staff;

(b) the medical staff membership or clinical privileges of Physician at any hospital are denied, suspended, restricted, revoked or voluntarily relinquished, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(c) Physician becomes the subject of any suit, action or other legal proceeding arising out of Contractor's professional services;

(d) Physician voluntarily or involuntarily retires from the practice of medicine;

(e) Physician's license to practice medicine in the State is restricted, suspended or terminated, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(f) Contractor or Physician is charged with or convicted of a criminal offense;

(g) Contractor changes the location of Contractor's office;

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(h) any act of nature or any other event occurs which has a material adverse effect on Contractor's or Physician's ability to provide the Services; or

(i) Contractor or Physician is debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program or state equivalent.

1.15 Representations and Warranties by Contractor. Contractor represents and warrants that: (a) Physician's license to practice medicine in any state has never been suspended, revoked or restricted; (b) neither Contractor nor Physician has ever been reprimanded, sanctioned or disciplined by any licensing board or medical specialty board; (c) neither Contractor nor Physician has ever been excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program; (d) Physician has never been denied membership and/or reappointment to the medical staff of any hospital or health care facility; (e) Physician's medical staff membership or clinical privileges at any hospital or health care facility have ever been suspended, limited or revoked for a medical disciplinary cause or reason; and (f) Physician has never been charged with or convicted of a felony, a misdemeanor involving fraud, dishonesty, controlled substances, or moral turpitude, or any crime relevant to the provision of medical services or the practice of medicine.

1.16 Nondiscrimination. Neither Contractor nor Physician shall differentiate or discriminate in performing the Services on the basis of race, religion, creed, color, national origin, ancestry, sex, physical disability, mental disability, medical condition, marital status, age, sexual orientation or payor, or on any other basis prohibited by applicable law.

1.17 Non-Exclusive Services. The Services provided by Contractor hereunder are intended to be non-exclusive. Notwithstanding the above, during the term of this Agreement, Contractor shall undertake to retain the service capacity necessary to provide those Services described in this Agreement, to the extent necessary to serve the reasonably foreseeable patient needs for medical care at Hospital and the administrative services hereunder.

1.18 Compliance with Grant Terms. If this Agreement has been or will be funded with monies received by Hospital or County pursuant to a contract with the state or federal government or private entity in which Hospital or County is the grantee, Contractor and Physician shall comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, Hospital shall deliver a copy of said contract to Contractor at no cost to Contractor.

1.19 Coordination with Attending Physicians. Contractor shall ensure that Physician promptly reports the results of all professional services furnished to an ED patient to such patient's attending physician(s) and any other physician(s) engaged in specialty consultation or treatment for such patient.

1.20 Medical Records and Claims.

(a) Contractor shall ensure that Physician prepares complete, timely, accurate and legible medical and other records with respect to the services and treatment furnished to ED patients, in accordance with the Hospital Rules, federal and state laws and regulations, and standards and recommendations of such nationally recognized accrediting organization as

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Hospital designates from time to time. All such information and records relating to any ED patient shall be: (i) prepared on forms developed, provided or approved by Hospital; (ii) the sole property of Hospital; and (iii) maintained at Hospital in accordance with the terms of this Agreement and for so long as is required by applicable laws and regulations.

(b) Contractor shall maintain and upon request provide to ED patients, Hospital, and state and federal agencies, all financial books and records and medical records and charts as may be necessary for Contractor and/or Hospital to comply with applicable state, federal, and local laws and regulations and with contracts between Hospital and third party payors. Contractor shall cooperate with Hospital in completing such claim forms for ED patients as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors. Contractor shall retain all such records and information for at least ten (10) years following the expiration or termination of this Agreement. This Section 1.20(b) shall survive the expiration or termination of this Agreement.

1.21 Records Available to Contractor. Both during and after the term of this Agreement, Hospital shall permit Contractor and Contractor's agents to inspect and/or duplicate, at Contractor's sole cost and expense, any medical chart and record to the extent necessary to meet Contractor's professional responsibilities to patients, to assist in the defense of any malpractice or similar claim to which such chart or record may be pertinent, and/or to fulfill requirements pursuant to provider contracts to provide patient information; provided, however, such inspection or duplication is permitted and conducted in accordance with applicable legal requirements and pursuant to commonly accepted standards of patient confidentiality. Contractor shall be solely responsible for maintaining patient confidentiality with respect to any information which Contractor obtains pursuant to this Section.

1.22 Response Times. Contractor shall ensure that Physician responds in person to a request for an emergency evaluation by the attending physician or the ED physician within a response time frame as required by the patient's medical condition and in accordance with Hospital Rules. Contractor shall ensure that Physician responds within forty (40) minutes by phone, if asked to respond by phone, to any request for an ED or patient phone consultation and subsequent follow-up at Hospital.

ARTICLE II.
COMPENSATION

2.1 Compensation. Hospital shall pay to Contractor the amount determined in accordance with **Exhibit 2.1** (the **"Compensation"**), upon the terms and conditions set forth therein. The total amount payable by Hospital to Contractor under this Agreement shall not exceed the sum of One Million Three Hundred Fifty-Two Thousand Dollars ($1,352,000). The Hospital's maximum obligation under this Agreement shall not exceed Six Hundred Seventy-Six Thousand Dollars ($676,000) per Contract Year.

2.2 Billing and Collection. Hospital shall have the sole and exclusive right to bill and collect for any and all Professional Services rendered to Patients by Contractor or Physician under this Agreement (the **"NMC Services"**). Hospital shall have the sole and exclusive right, title and interest in and to accounts receivable with respect to such NMC Services.

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(a) **Assignment of Claims.** Contractor hereby assigns (or reassigns, as the case may be) to Hospital all claims, demands and rights of Contractor for any and all NMC Services rendered by Contractor pursuant to this Agreement. Contractor shall take such action and execute such documents (e.g., CMS Forms 855R and 855I), as may be reasonably necessary or appropriate to effectuate the assignment (or reassignment, as the case may be) to Hospital of all claims, demands and rights of Contractor for any and all NMC Services rendered by Contractor pursuant to this Agreement.

(b) **Cooperation with Billing and Collections.** Contractor shall cooperate with Hospital in the billing and collection of fees with respect to NMC Services rendered by Contractor. Without limiting the generality of the foregoing, Contractor shall cooperate with Hospital in completing such claim forms with respect to NMC Services rendered by Contractor pursuant to this Agreement as may be required by insurance carriers, health care service plans, governmental agencies, or other third party payors.

(c) **Hospital as Exclusive Source for Compensation for NMC Services.** Contractor shall seek and obtain compensation for the performance of NMC Services only from Hospital. Contractor shall not, bill, assess or charge any fee, assessment or charge of any type against any Hospital patient or any other person or entity for NMC Services rendered by Contractor pursuant to this Agreement. Contractor shall promptly deliver to Hospital any and all compensation, in whatever form, that is received by Contractor or Physician for NMC Services rendered by Contractor or Physician pursuant to this Agreement, including any amount received from any Managed Care Organization (as defined below) for NMC Services rendered by Contractor or Physician pursuant to this Agreement.

(d) **Joint and Several Liability**. Hospital and Contractor acknowledge that they will be jointly and severally liable for any Federal Health Care Program overpayments relating to claims with respect to NMC Services furnished by Contractor pursuant to this Agreement. The foregoing is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the Parties' respective indemnification obligations under this Agreement.

(e) **Indemnification for Billing Information.** Contractor hereby agrees to indemnify County, Hospital, its officers, supervisors, trustees, employees and agents, from and against any and all liability, cost, loss, penalty or expense (including, without limitation, attorneys' fees and court costs) incurred by Hospital resulting from negligent acts or negligent omissions of Contractor which result in inaccurate and/or improper billing information furnished by Contractor and relied on by Hospital regarding Professional Services rendered by Contractor to Patients, to the extent such liability, cost, loss, penalty or expense exceeds the amount of payment or reimbursement actually received by Hospital for such services.

2.3 Third Party Payor Arrangements.

(a) Contractor shall cooperate in all reasonable respects necessary to facilitate Hospital's entry into or maintenance of any third party payor arrangements for the provision of services under Federal Health Care Programs or any other public or private health and/or hospital

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care programs, including insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations.

(b) To enable Hospital or the Clinic to participate in any third party payor arrangement, Contractor shall, not more than ten (10) business days following Hospital's request:

(i) Initiate enrollment as a provider (if required by the third party payor), separate from Hospital and Clinic, with any third party payor or intermediate organization (including any independent practice association) (each, a **"Managed Care Organization"**) designated by Hospital for the provision of Professional Services to Hospital patients covered by such Managed Care Organization;

(ii) Complete any documents (e.g., CAQH Universal Provider Datasource form) as may be reasonably necessary or appropriate to effectuate enrollment;

(iii) Enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision of Professional Services to Hospital patients covered by such Managed Care Organization; and/or

(iv) Enter into a written agreement with Hospital regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of Professional Services to Hospital patients covered by such Managed Care Organization.

ARTICLE III.
INSURANCE AND INDEMNITY

3.1 Evidence of Coverage. Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies. This verification of coverage shall be sent to Hospital's Medical Staff Office, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and Hospital has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

3.2 Qualifying Insurers. All coverages except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by Hospital's Contracts/Purchasing Director.

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3.3 Insurance Coverage Requirements. Without limiting Contractor's or Physician's duty to indemnify, Contractor shall maintain in effect throughout the term of this Agreement, at Contractor's sole cost and expense, a policy or policies of insurance with the following minimum limits of liability:

(a) **Professional liability insurance**, covering Contractor and Physician with coverage of not less than One-Million Dollars ($1,000,000) per physician per occurrence and Three-Million Dollars ($3,000,000) per physician in the aggregate; or such other amount(s) of professional liability insurance as may be required by Article 2.2-1 of Hospital's Medical Staff Bylaws from time to time, to cover liability for malpractice and/or errors or omissions made in the course of rendering services under this Agreement. If any professional liability insurance covering Contractor and Physician is procured on a "Claims Made" rather than "Occurrence" basis, then Contractor and Physician shall either continue such coverage or obtain extended reporting coverage (**"Tail Coverage"**), as appropriate, upon the occurrence of any of the following: (i) termination or expiration of this Agreement; (ii) change of coverage if such change shall result in a gap in coverage; or (iii) amendment, reduction or other material change in the then existing professional liability coverage of Contractor if such amendment, reduction or other material change will result in a gap in coverage. Any Tail Coverage shall have liability limits in the amount set forth above and shall in all events continue in existence until the greater of: (a) three (3) years or (b) the longest statute of limitations for professional and general liability for acts committed has expired. All insurance required by this Agreement shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact insurance business in the State.

(b) **Commercial general liability insurance**, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

(c) **Business automobile liability insurance**, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than One Million Dollars ($1,000,000) per occurrence.

☐ Exemption/Modification (Justification attached; subject to approval).

(d) **Workers' Compensation Insurance**, if Contractor employs others in the performance of this Agreement, in accordance with California Labor Code Section 3700 and with Employer's Liability limits not less than One Million Dollars ($1,000,000) each person, One Million Dollars ($1,000,000) each accident and One Million Dollars ($1,000,000) each disease.

☐ Exemption/Modification (Justification attached; subject to approval).

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3.4 Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to Hospital and issued and executed by an admitted insurer authorized to transact insurance business in the State. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three (3) years following the date Contractor and Physician complete their performance of services under this Agreement.

Each liability policy shall provide that Hospital shall be given notice in writing at least thirty (30) days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor, Physician, and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance. The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by Hospital, Contractor shall file certificates of insurance with Hospital's Medical Staff Office, showing that the Contractor has in effect the insurance required by this Agreement. The Contractor shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

Contractor and Physician shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by Hospital, annual certificates to Hospital's Medical Staff Office. If the certificate is not received by the expiration date, Hospital shall notify Contractor and Contractor shall have five (5) calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by Contractor to maintain such insurance is a default of this Agreement, which entitles Hospital, at its sole discretion, to terminate the Agreement immediately.

3.5 Right to Offset Insurance Costs.

(a) In the event that Contractor does not purchase or otherwise have the liability insurance set forth in this Section at any time during the term of this Agreement, and without limiting any rights or remedies of County, County may at its option and within its sole

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discretion provide the liability insurance required by this Section and continue to pay the premiums therefor. If Contractor does not promptly reimburse all such amounts, then County shall have the right to withhold and offset the compensation due to Contractor under this Agreement, in addition to such other rights or privileges as County may have at law or in equity.

(b) The County's option to provide such insurance and to offset the compensation otherwise due to the Contractor shall also apply to the "Tail Coverage" referenced in Section 3.3, including for general liability if during the term of the Agreement such coverage has been written on a claims made basis, which is required to remain effective after the expiration or termination of this Agreement for any reason.

3.6 Indemnification.

(a) **Indemnification by Contractor.** Contractor and Physician shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with Contractor's or Physician's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "Contractor's performance" includes Contractor's and Physician's acts or omissions and the acts or omissions of Contractor's officers, employees, agents and subcontractors.

(b) **Indemnification by County.** County agrees to defend, indemnify, and hold harmless Contractor and Physician, to the extent permitted by applicable law, from and against any and all claims and losses whatsoever accruing or resulting to any person, firm or corporation for damages, injury or death arising out of or connected with any negligent act or omission or willful misconduct of County or any of its agents or employees.

3.7 Indemnification for Timely Payment of Tax Contributions. It is expressly agreed by the Parties hereto that no work, act, commission or omission of Contractor or Physician shall be construed to make or render Contractor or Physician the agent, employee or servant of County. Contractor and Physician agrees to indemnify, defend and hold harmless County and Hospital from and against any and all liability, loss, costs or obligations (including, without limitation, interest, penalties and attorney's fees in defending against the same) against County or Hospital based upon any claim that Contractor has failed to make proper and timely payment of any required tax contributions for itself, its employees, or its purported agents or independent contractors.

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3.8 Hospital Services. Hospital shall retain professional and administrative responsibility for the operation of the Hospital and/or Clinic, as and to the extent required by Title 22, California Code of Regulations, Section 70713. Hospital's retention of such responsibility is not intended and shall not be construed to diminish, limit, alter or otherwise modify in any way the obligations of Contractor under this Agreement, including, without limitation, the obligations under the insurance and indemnification provisions set forth in this Article III.

3.9 Survival of Obligations. The Parties' obligations under this Article III shall survive the expiration or termination of this Agreement for any reason.

ARTICLE IV.
RELATIONSHIP BETWEEN THE PARTIES

4.1 Independent Contractor.

(a) Contractor and Physician is and shall at all times be an independent contractor with respect to Hospital in the performance of Contractor's and Physician's obligations under this Agreement. Nothing in this Agreement shall be construed to create an employer/employee, joint venture, partnership, lease or landlord/tenant relationship between Hospital and Contractor or Hospital and Physician. Physician shall not hold himself or herself out as an officer, agent or employee of Hospital, and shall not incur any contractual or financial obligation on behalf of Hospital without Hospital's prior written consent.

(b) If the Internal Revenue Service (**"IRS"**) or any other governmental agency should inquire about, question or challenge the independent contractor status of Contractor or Physician with respect to County, the Parties hereto mutually agree that: (i) each shall inform the other Party hereto of such inquiry or challenge; and (ii) County and Contractor shall each have the right to participate in any discussion or negotiation occurring with the taxing agency, regardless of who initiated such discussions or negotiations. In the event the taxing agency concludes that an independent contractor relationship does not exist, County may terminate this Agreement effective immediately upon written notice. In the event of such termination, the Parties remain free to negotiate an employer/employee contract with Physician.

4.2 Limitation on Control. Hospital shall neither have nor exercise any control or direction over Contractor's or Physician's professional medical judgment or the methods by which Contractor or Physician performs professional medical services; provided, however, that Contractor and Physician shall be subject to and shall at all times comply with the Protocols and the bylaws, guidelines, policies and rules applicable to other members of the Medical Staff.

4.3 Practice of Medicine. Contractor and Hospital acknowledge that Hospital is neither authorized nor qualified to engage in any activity which may be construed or deemed to constitute the practice of medicine. To the extent that any act or service required of, or reserved to, Hospital in this Agreement is construed or deemed to constitute the practice of medicine, the performance of such act or service by Hospital shall be deemed waived or unenforceable, unless this Agreement can be amended to comply with the law, in which case the Parties shall make such amendment.

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4.4 No Benefit Contributions. Hospital shall have no obligation under this Agreement to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Contractor or any other person employed or retained by Contractor. Notwithstanding the foregoing, if Hospital determines or is advised that it is required by law to compensate or pay applicable taxes for, or provide employee benefits of any kind (including contributions to government mandated, employment-related insurance and similar programs) to, or on behalf of, Contractor or any other person employed or retained by Contractor, Contractor shall reimburse Hospital for any such expenditure within thirty (30) calendar days after being notified of such expenditure.

4.5 Referrals. Contractor and Physician shall be entitled to refer patients to any hospital or other health care facility or provider deemed by Contractor or Physician best qualified to deliver medical services to any particular patient; provided; however, that neither Contractor nor Physician shall refer any Hospital patient to any provider or health care services which either Contractor or Physician knows or should have known is excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program or state equivalent. Nothing in this Agreement or in any other written or oral agreement between Hospital and Contractor or Hospital and Physician, nor any consideration offered or paid in connection with this Agreement, contemplates or requires the admission or referral of any patients or business to Hospital or any Affiliate. In the event that any governmental agency, any court or any other judicial body of competent jurisdiction, as applicable, issues an opinion, ruling or decision that any payment, fee or consideration provided for hereunder is made or given in return for patient referrals, either Party may at its option terminate this Agreement with three (3) days' notice to the other Party. Contractor's rights under this Agreement shall not be dependent in any way on the referral of patients or business to Hospital or any Affiliate by Contractor, Physician or any person employed or retained by Contractor.

4.6 Form 1099 or W-2. If required to do so under applicable law, Hospital shall issue an Internal Revenue Service Form 1099 or Form W-2 to Contractor.

4.7 Contractor Compensation Arrangements. Contractor represents and warrants to Hospital that the compensation paid or to be paid by Contractor to any physician is and will at all times be fair market value for services and items actually provided by such physician, not taking into account the value or volume of referrals or other business generated by such physician for Hospital or any Affiliate. Contractor further represents and warrants to Hospital that Contractor has and will at all times maintain a written agreement with each physician receiving compensation from Contractor.

4.8 Cooperation.

(a) The Parties recognize that, during the term of this Agreement and for an undetermined time period thereafter, certain risk management issues, legal issues, claims or actions may arise that involve or could potentially involve the Parties and their respective employees and agents. The Parties further recognize the importance of cooperating with each other in good faith when such issues, claims or actions arise, to the extent such cooperation does not violate any applicable laws, cause the breach of any duties created by any policies of

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insurance or programs of self-insurance, or otherwise compromise the confidentiality of communications or information regarding the issues, claims or actions. As such, the Parties hereby agree to cooperate in good faith, using their best efforts, to address such risk management and legal issues, claims, or actions.

(b) The Parties further agree that if a controversy, dispute, claim, action or lawsuit (each, an **"Action"**) arises with a third party wherein both the Parties are included as defendants, each Party shall promptly disclose to the other Party in writing the existence and continuing status of the Action and any negotiations relating thereto. Each Party shall make every reasonable attempt to include the other Party in any settlement offer or negotiations. In the event the other Party is not included in the settlement, the settling Party shall immediately disclose to the other Party in writing the acceptance of any settlement and terms relating thereto, if allowed by the settlement agreement.

(c) Contractor shall cooperate with the individual designated by Hospital to have principal responsibility for the administration and operation of the Hospital and/or Clinic. Such cooperation shall include supervision, selection, assignment, and evaluation of personnel; management and direction of equipment maintenance; development of budgets; and oversight of the acquisition of materials, supplies, and equipment.

(d) Contractor shall assist Hospital, as reasonably requested by Hospital, in Hospital's compliance with applicable laws and the standards, requirements, guidelines and recommendations of any governing or advisory body having authority to set standards relating to the operation of Hospital, or any nationally recognized accrediting organization that Hospital designates from time to time.

4.9 Contractor's Performance. County or Hospital, at its option and within its sole discretion, may seek evaluation of contractual performance by requesting input from Hospital's Medical Director/Chief Medical Officer and from other professionals within Hospital.

4.10 Right of Inspection. Upon reasonable prior written notice, Hospital and County officials and their designees may inspect the books and records of Contractor which are necessary to determine that work performed by Contractor or Physician to patients hereunder is in accord with the requirements of this Agreement. Such inspection shall be made in a manner so as not to disrupt the operations of Hospital or Contractor.

4.11 Access to and Audit of Records. Hospital shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the Contractor and its subcontractors related to services provided under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of Ten Thousand Dollars ($10,000), the Parties may be subject, at the request of Hospital or as part of any audit of Hospital, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three (3) years after final payment under the Agreement.

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ARTICLE V.
TERM AND TERMINATION

5.1 Term. This Agreement shall become effective on October 1, 2025 (the **"Effective Date"**), and shall continue until September 30, 2027 (the **"Expiration Date"**), subject to the termination provisions of this Agreement.

5.2 Termination by Hospital. Hospital shall have the right to terminate this Agreement upon the occurrence of any one or more of the following events:

(a) breach of this Agreement by Contractor or Physician where the breach is not cured within thirty (30) calendar days after Hospital gives written notice of the breach to Contractor;

(b) death or permanent disability of Physician;

(c) Physician's voluntary retirement from the practice of medicine;

(d) neglect of professional duty by Contractor or Physician in a manner that poses an imminent danger to the health or safety of any individual, or violates Hospital's policies, rules or regulations;

(e) Physician is unable or reasonably expected to be unable to provide the Services for any reason for a period in excess of thirty (30) consecutive days or sixty (60) days in the aggregate over any three (3) month period;

(f) Physician's clinical privileges or medical staff membership at any hospital are denied, suspended, terminated, restricted, revoked or relinquished for any reason, whether voluntarily or involuntarily, temporarily or permanently, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(g) Physician's license to practice medicine in the State is restricted, suspended or terminated, regardless of the availability of civil or administrative hearing rights or judicial review with respect thereto;

(h) Physician for any reason is not a member in good standing in the "active staff" category of the Medical Staff or does not hold all clinical privileges at Hospital necessary for Physician's performance of the Services or Physician is the subject of one or more investigations, proceedings or peer review or other disciplinary actions by the Medical Staff;

(i) Physician is charged with or convicted of a criminal offense;

(j) Physician's performance of this Agreement, in the sole determination of Hospital, jeopardizes the mental or physical health or well-being of patients of Hospital;

(k) Physician is debarred, suspended, excluded or otherwise ineligible to participate in any state or Federal Health Care Program or state equivalent;

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(l) Physician acts, or causes another person to act, in a manner which conflicts with or violates the Code;

(m) breach by Contractor or Physician of any HIPAA Obligation (as defined in **Exhibit 6.3**);

(n) Contractor makes an assignment for the benefit of creditors, admits in writing the inability to pay its debts as they mature, applies to any court for the appointment of a trustee or receiver over its assets, or upon commencement of any voluntary or involuntary proceedings under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution liquidation or other similar law of any jurisdiction;

(o) the insurance required to be maintained by Contractor under this Agreement is terminated, reduced below the minimum coverage requirements set forth in this Agreement, not renewed or cancelled (whether by action of the insurance company or Contractor) for any reason, and Contractor has not obtained replacement coverage as required by this Agreement prior to the effective date of such termination, reduction, non-renewal or cancellation;

(p) Contractor is rendered unable to comply with the terms of this Agreement for any reason; or

(q) upon a sale of all or substantially all assets comprising Hospital's acute care hospital facility, any change of control in Hospital's organization, or any change in control of its day to day operations, whether through a membership change or by management contract. Hospital shall notify Contractor in writing of such sale or change of control at least thirty (30) days prior to the closing date of any such sale or the effective date of any such change of control.

5.3 Termination by Contractor. Contractor shall have the right to terminate this Agreement upon breach of this Agreement by Hospital where the breach is not cured within thirty (30) calendar days after Contractor gives written notice of the breach to Hospital.

5.4 Termination or Modification in the Event of Government Action.

(a) If the Parties receive notice of any Government Action, the Parties shall attempt to amend this Agreement in order to comply with the Government Action.

(b) If the Parties, acting in good faith, are unable to make the amendments necessary to comply with the Government Action, or, alternatively, if either Party determines in good faith that compliance with the Government Action is impossible or infeasible, this Agreement shall terminate ten (10) calendar days after one Party notices the other of such fact.

(c) For the purposes of this Section, **"Government Action"** shall mean any legislation, regulation, rule or procedure passed, adopted or implemented by any federal, state or local government or legislative body or any private agency, or any notice of a decision, finding, interpretation or action by any governmental or private agency, court or other third party which, in the opinion of counsel to Hospital, because of the arrangement between the Parties pursuant to this Agreement, if or when implemented, would:

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(i) revoke or jeopardize the status of any health facility license granted to Hospital or any Affiliate of Hospital;

(ii) revoke or jeopardize the federal, state or local tax-exempt status of Hospital or any Affiliate of Hospital, or their respective tax-exempt financial obligations;

(iii) prevent Contractor or Physician from being able to access and use the facilities of Hospital or any Affiliate of Hospital;

(iv) constitute a violation of 42 U.S.C. Section 1395nn (commonly referred to as the Stark law) if Contractor or Physician referred patients to Hospital or any Affiliate of Hospital;

(v) prohibit Hospital or any Affiliate of Hospital from billing for services provided to patients referred to by Contractor or Physician;

(vi) subject Hospital or Contractor, Physician, or any Affiliate of Hospital, or any of their respective employees or agents, to civil or criminal prosecution (including any excise tax penalty under Internal Revenue Code Section 4958), on the basis of their participation in executing this Agreement or performing their respective obligations under this Agreement; or

(vii) jeopardize Hospital's full accreditation with any accrediting organization as Hospital designates from time to time.

(d) For the purposes of this Agreement, **"Affiliate"** shall mean any entity which, directly or indirectly, controls, is controlled by, or is under common control with Hospital.

5.5 Termination without Cause. Either Party may terminate this Agreement without cause, expense or penalty, effective sixty (60) calendar days after written notice of termination is given to the other Party.

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5.6 Effect of Termination or Expiration. Upon any termination or expiration of this Agreement:

(a) all rights and obligations of the Parties shall cease except: (i) those rights and obligations that have accrued and remain unsatisfied prior to the termination or expiration of this Agreement; (ii) those rights and obligations which expressly survive termination or expiration of this Agreement; and (iii) Contractor's obligation to continue to provide services to Hospital patients under Contractor's and Physician's care at the time of expiration or termination of this Agreement, until the patient's course of treatment is completed or the patient is transferred to the care of another physician;

(b) upon Hospital's request, Contractor and Physician shall immediately vacate the premises, removing any and all of Contractor's and Physician's personal property, and Hospital may remove and store, at Contractor's expense, any personal property that either Contractor or any Physician has not so removed;

(c) Contractor and Physician shall immediately return to Hospital all of Hospital's property, including Hospital's equipment, supplies, furniture, furnishings and patient records, in Contractor's or Physician's possession or under Contractor's or Physician's control;

(d) Contractor and Physician shall not do anything or cause any other person to do anything that interferes with Hospital's efforts to engage any other person or entity for the provision of the Services, or interferes in any way with any relationship between Hospital and any other person or entity who may be engaged to provide the Services to Hospital;

(e) The expiration or termination of this Agreement shall not entitle Contractor or Physician to the right to a "fair hearing" or any other similar rights or procedures more particularly set forth in the Medical Staff bylaws or otherwise; and

(f) This Section 5.6 shall survive the expiration or termination for any reason of this Agreement.

5.7 Return of Property. Upon any termination or expiration of this Agreement, Contractor shall immediately return to Hospital all of Hospital's property, including Hospital's equipment, supplies, furniture, furnishings and patient records, which is in Contractor's or Physician's possession or under Contractor's or Physician's control.

5.8 Termination or Amendment in Response to Reduction of Government Funding. Notwithstanding any other provision of this Agreement, if Federal, State or local government terminates or reduces its funding to the County for services that are to be provided under this Agreement, County, in its sole and absolute discretion after consultation with the Contractor, may elect to terminate this Agreement by giving written notice of termination to Contractor effective immediately or on such other date as County specifies in the notice. Alternatively, County and Contractor may mutually agree to amend the Agreement in response to a reduction in Federal, State or local funding.

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ARTICLE VI.
GENERAL PROVISIONS

6.1 Amendment. This Agreement may be modified or amended only by mutual written agreement of the Parties. Any such modification or amendment must be in writing, dated and signed by the Parties and attached to this Agreement.

6.2 Assignment. This Agreement is entered into by Hospital in reliance on the professional and administrative skills of Contractor. Contractor shall be solely responsible for providing the Services and otherwise fulfilling the terms of this Agreement, except as specifically set forth in this Agreement. Except for assignment by Hospital to an entity owned, controlled by, or under common control with Hospital, neither Party may assign any interest or obligation under this Agreement without the other Party's prior written consent. Subject to the foregoing, this Agreement shall be binding on and shall inure to the benefit of the Parties and their respective successors and assigns.

6.3 Compliance with HIPAA. Contractor and Physician shall comply with the obligations under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320d et seq.), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and all rules and regulations promulgated thereunder (collectively, **"HIPAA,"** the obligations collectively referred to herein as **"HIPAA Obligations"**), as set forth in **Exhibit 6.3**. The HIPAA Obligations shall survive the expiration or termination of this Agreement for any reason.

6.4 Compliance with Laws and Accreditation. Contractor and Physician shall comply with all applicable laws, ordinances, codes and regulations of federal, state and local governments (collectively, **"Laws"**) applicable to Contractor and Physician, the provision of the Services, or the obligations of Contractor and Physician under this Agreement, including without limitation laws that require Contractor or Physician to disclose any economic interest or relationship with Hospital, the Emergency Medical Treatment and Active Labor Act and the rules and regulations thereunder (**"EMTALA"**), and California Health and Safety Code Section 1317 and the rules and regulations thereunder (**"Health and Safety Code §1317"**). Contractor shall perform and handle all patient transfers and reports in accordance with applicable Laws, including EMTALA, and Health and Safety Code §1317. Contractor and Physician shall take actions necessary to ensure that the Hospital and/or Clinic are operated in accordance with: all requirements of a nationally recognized accrediting organization that Hospital designates from time to time, all applicable licensing requirements, and all other relevant requirements promulgated by any federal, state or local agency.

6.5 Compliance with Medicare Rules. To the extent required by law or regulation, Contractor shall make available, upon written request from Hospital, the Secretary of Health and Human Services, the Comptroller General of the United States, or any other duly authorized agent or representative, a copy of this Agreement and Contractor's books, documents and records. Contractor shall preserve and make available such books, documents and records for a period of ten (10) years after the end of the term of this Agreement, or the length of time required by state or federal law. If Contractor is requested to disclose books, documents or records pursuant to this Section for any purpose, Contractor shall notify Hospital of the nature and scope

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of such request, and Contractor shall make available, upon written request of Hospital, all such books, documents or records. Contractor shall indemnify and hold harmless Hospital if any amount of reimbursement is denied or disallowed because of Contractor's failure to comply with the obligations set forth in this Section. Such indemnity shall include, but not be limited to, the amount of reimbursement denied, plus any interest, penalties and legal costs. This Section shall survive the expiration or termination for any reason of this Agreement.

If Contractor carries out any of the duties of the contract through a subcontract, with a value or cost of Ten Thousand Dollars ($10,000) or more over a twelve (12) month period, with a related organization, such subcontract shall contain a clause to the effect that until the expiration of ten (10) years after the furnishing of such Services pursuant to such subcontract, the related organization shall make available, upon written request by the Secretary, or upon request by the Comptroller General, or any of their duly authorized representatives, the subcontract and books, documents and records of such organization that are necessary to verify the nature and extent of such costs.

6.6 Confidential Information.

(a) During the term of this Agreement, Contractor and Physician may have access to and become acquainted with Trade Secrets and Confidential Information of Hospital. **"Trade Secrets"** includes information and data relating to payor contracts and accounts, clients, patients, patient groups, patient lists, billing practices and procedures, business techniques and methods, strategic plans, operations and related data. **"Confidential Information"** includes Trade Secrets and any information related to the past, current or proposed operations, business or strategic plans, financial statements or reports, technology or services of Hospital or any Affiliate that Hospital discloses or otherwise makes available in any manner to Contractor or Physician, or to which Contractor or Physician may gain access in the performance of the Services under this Agreement, or which Contractor or Physician knows or has reason to know is confidential information of Hospital or any Affiliate; whether such information is disclosed orally, visually or in writing, and whether or not bearing any legend or marking indicating that such information or data is confidential. By way of example, but not limitation, Confidential Information includes any and all know-how, processes, manuals, confidential reports, procedures and methods of Hospital, any Hospital patient's individually identifiable health information (as defined under HIPAA), and any information, records and proceedings of Hospital and/or Medical Staff committees, peer review bodies, quality committees and other committees or bodies charged with the evaluation and improvement of the quality of care. Confidential Information also includes proprietary or confidential information of any third party that may be in Hospital's or any Affiliate's possession.

(b) Confidential Information shall be and remain the sole property of Hospital, and shall, as applicable, be proprietary information protected under the Uniform Trade Secrets Act. Neither Contractor nor Physician shall use any Confidential Information for any purpose not expressly permitted by this Agreement, or disclose any Confidential Information to any person or entity, without the prior written consent of Hospital. Contractor and Physician shall protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Contractor and Physician protects his, her, or its own confidential or proprietary information of a similar nature and with no less than reasonable care. All documents that

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Contractor and Physician prepare, or Confidential Information that might be given to Contractor in the course of providing Services under this Agreement, are the exclusive property of Hospital, and, without the prior written consent of Hospital, shall not be removed from Hospital's premises.

(c) Contractor and Physician shall return to Hospital all Confidential Information and all copies thereof in Contractor's and Physician's possession or control, and permanently erase all electronic copies of such Confidential Information, promptly upon the written request of Hospital, or the termination or expiration of this Agreement. Neither Contractor nor Physician shall copy, duplicate or reproduce any Confidential Information without the prior written consent of Hospital.

(d) This Section shall survive the expiration or termination of this Agreement.

6.7 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

6.8 Disclosure of Interests. Contractor or Physician shall provide to Hospital, as requested by Hospital from time to time, information sufficient to disclose any ownership, investment or compensation interest or arrangement of Contractor, or any of Contractor's or Physician's immediate family members, in any entity providing "designated health services" (as such term is defined in the Stark Law (42 U.S.C. Section 1395nn) and its regulations) or any other health care services. This Section shall not impose on Hospital any disclosure or reporting requirements or obligations imposed on Contractor or Physician under any governmental program or create an assumption of such disclosure obligations by Hospital. Contractor and Physician shall have the sole responsibility to fulfill any such federal and/or state reporting requirements or obligations.

6.9 Dispute Resolution. In the event of any dispute, controversy, claim or disagreement arising out of or related to this Agreement or the acts or omissions of the Parties with respect to this Agreement (each, a **"Dispute"**), the Parties shall resolve such Dispute as follows:

(a) **Meet and Confer.** The Parties shall, as soon as reasonably practicable, but in no case more than ten (10) days after one Party gives written notice of a Dispute to the other Party (the **"Dispute Notice"**), meet and confer in good faith regarding such Dispute at such time and place as mutually agreed upon by the Parties (the **"Meet and Confer"**). The obligation to conduct a Meet and Confer pursuant to this Section does not obligate either Party to agree to any compromise or resolution of the Dispute that such Party does not determine, in its sole and absolute discretion, to be a satisfactory resolution of the Dispute. The Meet and Confer shall be considered a settlement negotiation for the purpose of all applicable Laws protecting statements, disclosures or conduct in such context, and any offer in compromise or other statements or conduct made at or in connection with any Meet and Confer shall be protected under such Laws.

(b) **Arbitration.** If any Dispute is not resolved to the mutual satisfaction of the Parties within ten (10) business days after delivery of the Dispute Notice (or such other

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period as may be mutually agreed upon by the Parties in writing), the Parties shall submit such Dispute to arbitration conducted by Judicial Arbitration and Mediation Services, Inc. (**"JAMS"**), or other arbitration and/or mediation services company as agreed to by the Parties, in accordance with the following rules and procedures:

(i) Each Party may commence arbitration by giving written notice to the other Party demanding arbitration (the **"Arbitration Notice"**). The Arbitration Notice shall specify the Dispute, the particular claims and/or causes of actions alleged by the Party demanding arbitration, and the factual and legal basis in support of such claims and/or causes of action.

(ii) The arbitration shall be conducted in the County in which the Hospital is located and in accordance with the commercial arbitration rules and procedures of JAMS (or other arbitration company as mutually agreed to by the Parties) to the extent such rules and procedures are not inconsistent with the provisions set forth in this Section. In the event of a conflict between any rules and/or procedures of JAMS (or other arbitration company as mutually agreed to by the Parties) and the rules and/or procedures set forth in this Section, the rules and/or procedures set forth in this Section shall govern.

(iii) The arbitration shall be conducted before a single impartial retired member of the JAMS panel of arbitrators (or panel of arbitrators from such other arbitration company as mutually agreed to by the Parties) covering the County in which the Hospital is located (the **"Panel"**). The Parties shall use their good faith efforts to agree upon a mutually acceptable arbitrator within thirty (30) days after delivery of the Arbitration Notice. If the Parties are unable to agree upon a mutually acceptable arbitrator within such time period, then each Party shall select one arbitrator from the Panel, and those arbitrators shall select a single impartial arbitrator from the Panel to serve as arbitrator of the Dispute.

(iv) The Parties expressly waive any right to any and all discovery in connection with the arbitration; provided, however, that each Party shall have the right to conduct no more than two (2) depositions and submit one set of interrogatories with a maximum of forty (40) questions, including subparts of such questions.

(v) The arbitration hearing shall commence within thirty (30) days after appointment of the arbitrator. The substantive internal law (and not the conflict of laws) of the State shall be applied by the arbitrator to the resolution of the Dispute, and the Evidence Code of the State shall apply to all testimony and documents submitted to the arbitrator. The arbitrator shall have no authority to amend or

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modify the limitation on the discovery rights of the Parties or any of the other rules and/or procedures set forth in this Section. As soon as reasonably practicable, but not later than thirty (30) days after the arbitration hearing is completed, the arbitrator shall arrive at a final decision, which shall be reduced to writing, signed by the arbitrator and mailed to each of the Parties and their respective legal counsel.

(vi) Any Party may apply to a court of competent jurisdiction for entry and enforcement of judgment based on the arbitration award. The award of the arbitrator shall be final and binding upon the Parties without appeal or review except as permitted by the Arbitration Act of the State.

(vii) The fees and costs of JAMS (or other arbitration company as mutually agreed to by the Parties) and the arbitrator, including any costs and expenses incurred by the arbitrator in connection with the arbitration, shall be borne equally by the Parties, unless otherwise agreed to by the Parties.

(viii) Except as set forth in Section 6.9(b)(vii), each Party shall be responsible for the costs and expenses incurred by such Party in connection with the arbitration, including its own attorneys' fees and costs; provided, however, that the arbitrator shall require one Party to pay the costs and expenses of the prevailing Party, including attorneys' fees and costs and the fees and costs of experts and consultants, incurred in connection with the arbitration if the arbitrator determines that the claims and/or position of a Party were frivolous and without reasonable foundation.

(c) **Waiver of Injunctive or Similar Relief.** The Parties hereby waive the right to seek specific performance or any other form of injunctive or equitable relief or remedy arising out of any Dispute, except that such remedies may be utilized for purposes of enforcing this Section and sections governing Confidential Information, Compliance with HIPAA, Compliance with Laws and Accreditation and Compliance with Medicare Rules of this Agreement. Except as expressly provided herein, upon any determination by a court or by an arbitrator that a Party has breached this Agreement or improperly terminated this Agreement, the other Party shall accept monetary damages, if any, as full and complete relief and remedy, to the exclusion of specific performance or any other form of injunctive or equitable relief or remedy.

(d) **Injunctive or Similar Relief.** Notwithstanding anything to the contrary in this Section, the Parties reserve the right to seek specific performance or any other form of injunctive relief or remedy in any state or federal court located within the County in which the Hospital is located for purposes of enforcing this Section and sections governing Confidential Information, Compliance with HIPAA, Compliance with Laws and Accreditation and Compliance with Medicare Rules of this Agreement. Contractor hereby consents to the jurisdiction of any such court and to venue therein, waives any and all rights under the Laws of

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any other state to object to jurisdiction within the State, and consents to the service of process in any such action or proceeding, in addition to any other manner permitted by applicable Law, by compliance with the notices provision of this Agreement. The non-prevailing Party in any such action or proceeding shall pay to the prevailing Party reasonable fees and costs incurred in such action or proceeding, including attorneys' fees and costs and the fees and costs of experts and consultants. The prevailing Party shall be the Party who is entitled to recover its costs of suit (as determined by the court of competent jurisdiction), whether or not the action or proceeding proceeds to final judgment or award.

(e) **Survival.** This Section shall survive the expiration or termination of this Agreement.

6.10 Entire Agreement. This Agreement is the entire understanding and agreement of the Parties regarding its subject matter, and supersedes any prior oral or written agreements, representations, understandings or discussions between the Parties. No other understanding between the Parties shall be binding on them unless set forth in writing, signed and attached to this Agreement.

6.11 Exhibits. The attached exhibits, together with all documents incorporated by reference in the exhibits, form an integral part of this Agreement and are incorporated by reference into this Agreement, wherever reference is made to them to the same extent as if they were set out in full at the point at which such reference is made.

6.12 Force Majeure. Neither Party shall be liable for nonperformance or defective or late performance of any of its obligations under this Agreement to the extent and for such periods of time as such nonperformance, defective performance or late performance is due to reasons outside such Party's control, including acts of God, war (declared or undeclared), terrorism, action of any governmental authority, civil disturbances, riots, revolutions, vandalism, accidents, fire, floods, explosions, sabotage, nuclear incidents, lightning, weather, earthquakes, storms, sinkholes, epidemics, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, information systems interruptions or failures, breakdown of machinery or strikes (or similar nonperformance, defective performance or late performance of employees, suppliers or subcontractors); provided, however, that in any such event, each Party shall use its good faith efforts to perform its duties and obligations under this Agreement.

6.13 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State.

6.14 Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

6.15 Litigation Consultation. Contractor shall ensure that Physician does not accept consulting assignments or otherwise contract, agree, or enter into any arrangement to provide expert testimony or evaluation on behalf of a plaintiff in connection with any claim against Hospital or any Affiliate named, or expected to be named as a defendant. Contractor shall ensure that Physician does not accept similar consulting assignments if (a) the defendants or anticipated defendants include a member of the medical staff of Hospital or any Affiliate, and (b) the matter

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relates to events that occurred at Hospital or any Affiliate; provided, however, the provisions of this Section shall not apply to situations in which Physician served as a treating physician.

6.16 Master List. The Parties acknowledge and agree that this Agreement, together with any other contracts between Hospital and Contractor, will be included on the master list of physician contracts maintained by Hospital.

6.17 Meaning of Certain Words. Wherever the context may require, any pronouns used in this Agreement shall include the corresponding masculine, feminine, or neuter forms, and the singular form of nouns shall include the plural and vice versa. Unless otherwise specified: (i) "days" shall be considered "calendar days;" (ii) "months" shall be considered "calendar months;" and (iii) "including" means "including, without limitation" in this Agreement and its exhibits and attachments.

6.18 No Conflicting Obligations. Contractor represents and warrants that the execution and delivery of this Agreement and the performance of its obligations hereunder do not and will not: (a) present a conflict of interest or materially interfere with the performance of Contractor's duties under any other agreement or arrangement; or (b) violate, conflict with, or result in a breach of any provision of, or constitute a default (or an event which, with notice and/or lapse of time, would constitute a default) under, terminate, accelerate the performance required by, or result in a right of termination or acceleration under any of the terms, conditions or provisions of any other agreement, indebtedness, note, bond, indenture, security or pledge agreement, license, franchise, permit, or other instrument or obligation to which Contractor is a party or by which Contractor is bound. Contractor shall immediately inform Hospital of any other agreements to which Contractor is a party that may present a conflict of interest or materially interfere with performance of Contractor's or Physician's duties under this Agreement.

6.19 No Third Party Beneficiary Rights. The Parties do not intend to confer and this Agreement shall not be construed to confer any rights or benefits to any person, firm, group, corporation or entity other than the Parties.

6.20 Notices. All notices or communications required or permitted under this Agreement shall be given in writing and delivered personally or sent by United States registered or certified mail with postage prepaid and return receipt requested or by overnight delivery service (e.g., Federal Express, DHL). Notice shall be deemed given when sent, if sent as specified in this Section, or otherwise deemed given when received. In each case, notice shall be delivered or sent to:

If to Hospital, addressed to:

NATIVIDAD MEDICAL CENTER
1441 Constitution Blvd., Bldg. 300
Salinas, California 93906
Attention: Physician Services

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If to Contractor, addressed to:

ADVANCED GASTROENTEROLOGY OF MONTEREY
COUNTY MEDICAL CORPORATION
3151 Ocean Terrace Lane
Marina, CA 93933
Attention: Mumtaz G. Tabbaa, M.D.

6.21 Participation in Federal Health Care Programs. Contractor hereby represents that neither it nor Physician is debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program.

6.22 Representations. Each Party represents with respect to itself that: (a) no representation or promise not expressly contained in this Agreement has been made by any other Party or by any Parties' agents, employees, representatives or attorneys; (b) this Agreement is not being entered into on the basis of, or in reliance on, any promise or representation, expressed or implied, other than such as are set forth expressly in this Agreement; and (c) Party has been represented by legal counsel of Party's own choice or has elected not to be represented by legal counsel in this matter.

6.23 Severability. If any provision of this Agreement is determined to be illegal or unenforceable, that provision shall be severed from this Agreement, and such severance shall have no effect upon the enforceability of the remainder of this Agreement.

6.24 Statutes and Regulations. Any reference in this Agreement to any statute, regulation, ruling, or administrative order or decree shall include, and be a reference to any successor statute, regulation, ruling, or administrative order or decree.

6.25 Waiver. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a Party must be in writing to be effective, and shall apply solely to the specific instance expressly stated.

[*signature page follows*]

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The Parties have executed this Agreement on the date first above written, and signify their agreement with duly authorized signatures.

CONTRACTOR

ADVANCED GASTROENTEROLOGY OF MONTEREY COUNTY MEDICAL CORPORATION, a California professional corporation

By: _____ Date: 8/26/25

Its Sole Shareholder

NATIVIDAD MEDICAL CENTER

_____ Date: _____

Deputy Purchasing Agent

APPROVED AS TO LEGAL PROVISIONS:

DocuSigned by:
Stacy Saetta
C0ECE1B99F444A9...

Date: 8/26/2025 | 5:00 PM PDT

Stacy Saetta, Deputy County Counsel

APPROVED AS TO FISCAL PROVISIONS:

DocuSigned by:
Patricia Ruiz
E79EF64E57454F6...

Date: 8/27/2025 | 12:04 PM PDT

Deputy Auditor/Controller

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Exhibit 1.2

TEACHING SERVICES TO BE PROVIDED BY CONTRACTOR

Contractor, through Physician, shall:

1. supervise patient care in a constructive and supportive way;

2. demonstrate effective interviewing, physical examination, procedures, use of diagnostic and therapeutic interventions, and medical records documentation;

3. create a professional role model; and

4. evaluate resident performance in a meaningful, objective fashion.

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Exhibit 1.3

ADDITIONAL SERVICES TO BE PROVIDED BY CONTRACTOR

Contractor, through Physician, shall:

1. provide teaching, educational or training services, as reasonably requested by Hospital;

2. participate in utilization review programs, as reasonably requested by Hospital;

3. participate in risk management, quality assurance and peer review programs, as reasonably requested by Hospital;

4. accept third party insured patients and referrals of patients which are made by members of the Medical Staff, subject only to the limitations of scheduling and Contractor's professional qualifications;

5. assist Hospital in monitoring and reviewing the clinical performance of health care professionals who provide services to Hospital's patients; including reviewing incident reports and patient satisfaction studies relevant to the Specialty, and assisting Hospital in implementing any necessary corrective actions to address any issues identified during the course of such review;

6. assist in monitoring the performance of those professionals who are not meeting Hospital quality and/or performance standards, including, without limitation, direct observation of the provision of care by such professionals, and in disciplining any professionals who continue poor performance, recognizing that the Hospital Board of Directors is ultimately responsible for maintaining the standards of care provided to patients;

7. assist Hospital management with all preparation for, and conduct of, any inspections and on-site surveys of Hospital or Clinic conducted by governmental agencies or accrediting organizations;

8. cooperate with Hospital in all litigation matters affecting Contractor or Hospital, consistent with advice from Contractor's legal counsel;

9. cooperate and comply with Hospital's policies and procedures which are pertinent to patient relations, quality assurance, scheduling, billing, collections and other administrative matters and cooperate with Hospital's efforts to bill and collect fees for services rendered to Hospital's patients. All business transactions related to the Services provided by Contractor, such as enrollment, verification and billings, shall be conducted by and in the name of Hospital; and

10. assist Hospital in developing, implementing and monitoring a program by which quality measures are reportable to Hospital with respect to the Specialty.

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Exhibit 1.6

CONTRACTOR'S MONTHLY TIME REPORT

(See attached.)

Natividad MEDICAL CENTER

Accurately document all time in quarter hour (.25 hour) increments. Do not exceed 24 hours in a single day.
Directions and examples are located on back of timesheet.

Name:
Employee #:
Dept Name:
Cost Center:
Period Ending:

			Direct			Hospital Administrations and Teaching Services							Other Admin		Non-billable Activities				Total
			00001			00002	00003	00004	00005	00006	00007	00008	00009		00010		00011	00012	
			Direct Patient Care Services												Non-Productive Hrs				
			Sched. (P) OP Care (PR)	In House On-Call (PR)	Off-Site Call (PR)	Supervision & Training of Nurses & Techs, etc.	Utilization Review and Other Committee Meetings	Quality Control, Medical Review, Autopsy	Supervision of Interns and Residents	Teaching of Interns & Residents	Teaching & Supervision of Allied Hlth Professionals	Other Administrative (specify)	CME (PR)	Conferences and Training (PR)	Paid Time Off (Sick/ Vacation) (PR)	Holiday (PR)	Research	Other Non-Billable Activities (specify)	TOTAL HOURS
1	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
2	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
3	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
4	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
5	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
6	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
7	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
8	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
9	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
10	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
11	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
12	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
13	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	
14	Date:	A Hospital & NMC Clinic Time																	
		B. Non-Hosp & Non-NMC Clinic Time																	

SIGN IN BLUE INK

I certify that the above information is a true and accurate statement of the hours and locations indicated.

Provider: _____

Telephone Number: _____ Date: _____

SIGN IN BLUE INK

I certify that the hours and types of service shown below are correct and that the employee performed satisfactorily, meeting all requirements.

Service Director: _____

Telephone Number: _____ Date: _____

REV. 4/20/2011

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Exhibit 1.11

CODE

Natividad
Inspiring healthy lives.

MEDICAL STAFF POLICY

Title: Practitioner Code of Conduct	**Number:** MSP004-2 BOT Approval: 1/2023
Standard: Medical Staff (MS)	MEC Approval: 12/22 Responsible: Medical Staff Services Manager

As a member of the Medical Staff or an Advanced Practice Professional (APP) of Natividad (collectively Practitioners), you must acknowledge that the ability of Practitioners and Natividad employees to jointly deliver high quality health care depends significantly upon their ability to communicate well, collaborate effectively, and work as a team, recognizing that patients, family members, visitors, colleagues and Natividad staff members must be treated in a dignified and respectful manner at all times.

POLICY

In keeping with the accepted standards of the health care profession as evidenced by the Hippocratic Oath, the Code of Ethics of the American Medical Association (AMA) and other professional societies, and the values of Natividad, Practitioners are leaders in maintaining professional standards of behavior. In keeping with this responsibility to maintain professional standards of behavior at Natividad, Practitioners:

1. Facilitate effective patient care by consistent, active, and cooperative participation as members of the Natividad health care team.

2. Recognize the individual and independent responsibilities of all other members of the Natividad health care team and their right to independently advocate on behalf of the patient.

3. Maintain respect for the dignity and sensitivities of patients and families, as well as colleagues, Natividad employees, and all other health care professionals.

4. Participate in the Medical Staff quality assessment and peer review activities, and in organizational performance improvement activities.

5. Reflect positively upon the reputation of the health care profession, the Medical Staff, and Natividad in their language, action, attitude, and behavior.

6. Commit and contribute to the overall educational mission of Natividad and promote an effective, inclusive, equitable and supportive clinical learning environment.

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Behaviors of Practitioners which do not meet the professional behavior standards established in this Code of Conduct (Code) shall be referred to as Disruptive or Unprofessional Behavior.

Disruptive or Unprofessional Behavior by Practitioners exhibited on the premises of Natividad, whether or not the Practitioner is on duty or functioning in his/her professional capacity, are subject to this Code.

EXAMPLES OF PROFESSIONAL BEHAVIOR

Practitioners are expected to exhibit professional behavior at Natividad, consistent with this Code, as follows:

1. Be consistently available with cooperative and timely responsiveness to appropriate requests from physicians, nurses, and all other members of the Natividad health care team in patient care and other professional responsibilities.

2. Provide for and communicate alternate coverage arrangements to assure the continuity and quality of care.

3. Demonstrate language, action, attitude, and behavior which consistently convey to patients, families, colleagues, and all other members of the Natividad health care team a sense of compassion and respect for human dignity.

4. Understand and accept individual cultural differences.

5. Maintain appropriate, timely, and legible medical record entries which enable all Natividad professionals to understand and effectively participate in a cohesive plan of management to assure continuity, quality, and efficiency of care and effective post- discharge planning and follow-up.

6. Respect the right of patients, families, or other designated surrogates to participate in an informed manner in decisions pertaining to patient care.

7. Treat patients and all persons functioning in any capacity within Natividad with courtesy, respect, and human dignity.

8. Conduct one's practice at Natividad in a manner that will facilitate timely commencement of medical/surgical procedures at Natividad, including but not limited to, timely arrival at the hospital, pre-ordering all needed special equipment and/or supplies, and timely notification of required staff.

EXAMPLES OF DISRUPTIVE OR UNPROFESSIONAL BEHAVIOR

Disruptive or Unprofessional Behavior, as characterized in this Code, includes but is not limited to:

1. Misappropriation or unauthorized removal or possession of Natividad owned property.

2. Falsification of medical records, including timekeeping records and other Natividad documents.

3. Working under the influence of alcohol or illegal drugs.

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4. Working under the influence of prescription or over-the-counter medications when use of such medications significantly affects the practitioner's level of cognitive functioning.

5. Possession, distribution, purchase, sale, transfer, transport, or use of illegal drugs in the workplace.

6. Possession of dangerous or unauthorized materials such as explosives, firearms, or other weapons in the workplace.

7. Writing derogatory and/or accusatory notes in the medical record which are not necessary for the provision of quality patient care services. Concerns regarding the performance of other Practitioners or Natividad employees should generate an Occurrence Report in Verge and submit pursuant to Natividad policy and should not be entered into the patient's medical record.

8. Harassment

    a. Harassment is verbal or physical contact that denigrates or shows hostility or aversion toward an individual based on race, religion, color, national origin, ancestry, age, disability, marital status, gender, sexual orientation, or any other basis protected by federal, state, or local law or ordinance, and that:

        1. Has the purpose or effect of creating an intimidating, hostile, or offensive working environment, or;

        2. Has the purpose or effect of unreasonably interfering with an individual's work performance, or;

        3. Otherwise aversely affects an individual's employment opportunity.

    b. Harassing conduct includes, but is not limited to:

        1. Epithets, slurs, negative stereotyping, threatening, intimidating, or hostile acts that relate to race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation.

        2. Written material or illustrations that denigrate or show hostility or aversion toward an individual or group because of race, religion, color, national origin, ancestry, age, disability, marital status, gender, or sexual orientation, and is placed on walls; bulletin boards, or elsewhere on Natividad's premises or circulated in the workplace.

9. Physical behavior that is harassing, intimidating, or threatening, from the viewpoint of the recipient, including touching, obscene or intimidating gestures, or throwing of objects.

10. Passive behaviors, such as refusing to perform assigned tasks or to answer questions, return phone calls, or pages.

11. Language that is a reasonable adult would consider to be foul, abusive, degrading, demeaning, or threatening, such as crude comments, degrading jokes or comments, yelling, or shouting at a person, or threatening violence or retribution.

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12. Single incident of egregious behavior, such as an assault or other criminal act.

13. Criticism of Natividad staff in front of patients, families, or other staff.

PROCEDURE

1. Any person who functions in any capacity at Natividad who observes Practitioner language, action, attitude, or behavior which may be unprofessional, harassing, or disruptive to the provision of quality patient care services should document the incident via an Occurrence Report in Verge.

2. Identified incidents involving Practitioners shall be reviewed pursuant to the current Road Map for Handling Reports of Disruptive or Unprofessional Behavior or the County Sexual Harassment Policy, as determined by the nature of the behavior and the person who exhibits it.

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MEDICAL STAFF POLICY

Title: Practitioner Code of Conduct	**Effective:** 05/09 **Reviewed/Revised:** 12/22
Standard: MSP004-2	**Approved: MEC** 12/22 **BOT** 1/23

I acknowledge that I have received and read this Practitioner Code of Conduct. I acknowledge that hospitals are required to define and address disruptive and inappropriate conduct to comply with The Joint Commission standards for accreditation. I agree to adhere to the guidelines in this Code and conduct myself in a professional manner. I further understand that failure to behave in a professional fashion may result in disciplinary actions set forth in the RoadMap for Handling Reports of Disruptive or Unprofessional Behavior or as determined by the Medical Executive Committee pursuant to the Medical Staff Bylaws.

Printed name: Mumtaz Tabbaa, MD

Signature: _____ Date: 8/26/25

Exhibit 1.11-1

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Exhibit 2.1

COMPENSATION

1. **Professional Services.** Hospital shall pay to Contractor the amount of Two Hundred Sixty Dollars ($260) per hour for those Professional Services provided to Patients (the **"Professional Services"**) rendered by Contractor under this Agreement; provided, however, that Contractor is in compliance with the terms and conditions of this Agreement.

2. **Coverage Services Compensation.** Hospital shall pay to Contractor an amount equal to One Thousand Two Hundred Dollars ($1,200) per day for Coverage Services provided pursuant to this Agreement ("Coverage Stipend"); provided, however, that Contractor is in compliance with the terms and conditions of this Agreement.

3. **Response Payments.** Hospital shall pay to Contractor, in addition to the Coverage Stipend, an amount equal to Two Hundred Ten Dollars ($210) per hour for each hour that Contractor is required to be physically present to provide professional consultation or treatment in the ED pursuant to this Agreement (the **"Response Payments"**).

4. **Professional Liability Reimbursement**. In the event that Contractor does not purchase the professional liability insurance set forth in Article III of the Agreement, Hospital will deduct Two Hundred Thirty-Nine Dollars and Forty-One Cents ($239.41) per month from Contractor's invoice to compensate for Hospital's payment of professional liability insurance premiums on behalf of Contractor's Group Physician. This rate represents the then-current rate and is subject to change.

5. **Timing.** Hospital shall pay the compensation due for Services performed by Contractor after Contractor's submission of the monthly invoice of preceding month's activity and time report in accordance with this Agreement; provided, however, that if Contractor does not submit an invoice and time sheet within sixty (60) days of the end of the month during which Services were performed, Hospital shall not be obligated to pay Contractor for Services performed during that month. The County of Monterey Standard Payment Terms for contracts/PSAs and paying invoices is "30 days after receipt of the certified invoice in the Auditor-Controller's Office".

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Exhibit 6.3

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement"), effective October 1, 2025 ("Effective Date"), is entered into by and among the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center ("Covered Entity") and Advanced Gastroenterology of Monterey County Medical Corporation ("Business Associate") (each a "Party" and collectively the "Parties").

Business Associate provides certain services for Covered Entity ("Services") that involve the use and disclosure of Protected Health Information that is created or received by Business Associate from or on behalf of Covered Entity ("PHI"). The Parties are committed to complying with the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E as amended from time to time (the "Privacy Rule"), and with the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C as amended from time to time (the "Security Rule"), under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations ("HITECH"). Business Associate acknowledges that, pursuant to HITECH, 45 C.F.R. §§ 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), 164.316 (policies and procedures and documentation requirements) and 164.502 *et. seq.* apply to Business Associate in the same manner that such sections apply to Covered Entity. The additional requirements of Title XIII of HITECH contained in Public Law 111-005 that relate to privacy and security and that are made applicable with respect to covered entities shall also be applicable to Business Associate. The Parties are also committed to complying with the California Confidentiality of Medical Information Act, Ca. Civil Code §§ 56 *et seq.* ("CMIA"), where applicable. Business Associate acknowledges that the CMIA prohibits Business Associate from further disclosing the PHI it receives from Covered Entity where such disclosure would be violative of the CMIA. The Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 ("Red Flag Rules"). This Agreement sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information ("EPHI"), shall be handled. The Parties further acknowledge that state statutes or other laws or precedents may impose data breach notification or information security obligations, and it is their further intention that each shall comply with such laws as well as HITECH and HIPAA in the collection, handling, storage, and disclosure of personal data of patients or other personal identifying information exchanged or stored in connection with their relationship.

The Parties agree as follows:

1. DEFINITIONS

All capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in the Privacy Rule, Security Rule and HITECH.

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2. PERMITTED USES AND DISCLOSURES OF PHI

2.1 Unless otherwise limited herein, Business Associate may:

(a) use or disclose PHI to perform functions, activities or Services for, or on behalf of, Covered Entity as requested by Covered Entity from time to time, provided that such use or disclosure would not violate the Privacy or Security Rules or the standards for Business Associate Agreements set forth in 45 C.F.R. § 164.504(e), exceed the minimum necessary to accomplish the intended purpose of such use or disclosure, violate the additional requirements of HITECH contained in Public Law 111-005 that relate to privacy and security, or violate the CMIA;

(b) disclose PHI for the purposes authorized by this Agreement only: (i) to its employees, subcontractors and agents; (ii) as directed by this Agreement; or (iii) as otherwise permitted by the terms of this Agreement;

(c) use PHI in its possession to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

(d) use PHI in its possession for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) disclose the PHI in its possession to third parties for the proper management and administration of Business Associate to the extent and in the manner permitted under 45 C.F.R. § 164.504(e)(4)(ii); provided that disclosures are Required by Law , or Business Associate obtains reasonable assurances from the persons to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached;

(f) use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1);

(g) de-identify any PHI obtained by Business Associate under this Agreement for further use or disclosure only to the extent such de-identification is pursuant to this Agreement, and use such de-identified data in accordance with 45 C.F.R. § 164.502(d)(1).

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

3.1 Responsibilities of Business Associate. With regard to its use and/or disclosure of PHI, Business Associate shall:

(a) use and/or disclose the PHI only as permitted or required by this Agreement or as otherwise Required by Law;

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(b) report to the privacy officer of Covered Entity, in writing, (i) any use and/or disclosure of the PHI that is not permitted or required by this Agreement of which Business Associate becomes aware, and (ii) any Breach of unsecured PHI as specified by HITECH, within two (2) days of Business Associate's determination of the occurrence of such unauthorized use and/or disclosure. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure. The notification of any Breach of unsecured PHI shall include, to the extent possible, the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used or disclosed during the Breach.

(c) use commercially reasonable safeguards to maintain the security of the PHI and to prevent use and/or disclosure of such PHI other than as provided herein;

(d) obtain and maintain an agreement with all of its subcontractors and agents that receive, use, or have access to, PHI pursuant to which agreement such subcontractors and agents agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate pursuant to this Agreement;

(e) make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the use and/or disclosure of PHI to the Secretary for purposes of determining Covered Entity or Business Associate's compliance with the Privacy Rule;

(f) document disclosures of PHI and information related to such disclosure and, within ten (10) days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528, as well as provide an accounting of disclosures, as required by HITECH, directly to an individual provided that the individual has made a request directly to Business Associate for such an accounting. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within two (2) days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) subject to Section 4.4 below, return to Covered Entity within twenty-one (21) days of the termination of this Agreement, the PHI in its possession and retain no copies, including backup copies;

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(h) disclose to its subcontractors, agents or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) if all or any portion of the PHI is maintained in a Designated Record Set:

(i) upon ten (10) days' prior written request from Covered Entity, provide access to the PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, the individual to whom such PHI relates or his or her authorized representative to meet a request by such individual under 45 C.F.R. § 164.524; and

(ii) upon ten (10) days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526;

(j) maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules;

(k) notify the Covered Entity within five (5) days of the Business Associate's receipt of any request or subpoena for PHI. To the extent that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge;

(l) maintain a formal security program materially in accordance with all applicable data security and privacy laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security

The Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

3.2 Additional Responsibilities of Business Associate with Respect to EPHI. In the event that Business Associate has access to EPHI, in addition to the other requirements set forth in this Agreement relating to PHI, Business Associate shall:

(a) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity as required by 45 C.F.R. Part 164, Subpart C;

(b) ensure that any subcontractor or agent to whom Business Associate provides any EPHI agrees in writing to implement reasonable and appropriate safeguards to protect such EPHI; and

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(c) report to the privacy officer of Covered Entity, in writing, any Security Incident involving EPHI of which Business Associate becomes aware within two (2) days of Business Associate's discovery of such Security Incident. For purposes of this Section, a Security Incident shall mean (consistent with the definition set forth at 45 C.F.R. § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure.

3.3 Responsibilities of Covered Entity. Covered Entity shall, with respect to Business Associate:

(a) provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(b) notify Business Associate of any limitations in the Notice pursuant to 45 C.F.R.
§ 164.520, to the extent that such limitations may affect Business Associate's use or disclosure of PHI;

(c) notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's use or disclosure of PHI;

(d) notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the use or disclosure of PHI provided to Covered Entity pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

(e) notify Business Associate, in writing and in a timely manner, of any restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4. TERMS AND TERMINATION

4.1 Term. This Agreement shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Article 4. Certain provisions and requirements of this Agreement shall survive its expiration or other termination as set forth in Section 5.1 herein.

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4.2 Termination. Either Covered Entity or Business Associate may terminate this Agreement and any related agreements if the terminating Party determines in good faith that the terminated Party has breached a material term of this Agreement; provided, however, that no Party may terminate this Agreement if the breaching Party cures such breach to the reasonable satisfaction of the terminating Party within thirty (30) days after the breaching Party's receipt of written notice of such breach.

4.3 Automatic Termination. This Agreement shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

4.4 Effect of Termination. Upon termination or expiration of this Agreement for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. § 164.504(e)(2)(ii)(I) if, and to the extent that, it is feasible to do so. Prior to doing so, Business Associate shall recover any PHI in the possession of its subcontractors or agents. To the extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall provide Covered Entity a statement that Business Associate has determined that it is infeasible to return or destroy all or some portion of the PHI in its possession or in possession of its subcontractors or agents. Business Associate shall extend any and all protections, limitations and restrictions contained in this Agreement to any PHI retained after the termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed.

5. MISCELLANEOUS

5.1 Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 4.4, 5.1, 5.6, and 5.7, and Section 2.1 (solely with respect to PHI that Business Associate retains in accordance with Section 4.4 because it is not feasible to return or destroy such PHI), shall survive termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this Agreement, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

5.2 Amendments; Waiver. This Agreement may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of the HIPAA, HITECH or Red Flag Rules is materially amended in a manner that changes the obligations of Business Associates or Covered Entities, the Parties agree to negotiate in good faith appropriate amendment(s) to this Agreement to give effect to the revised obligations. Further, no provision of this Agreement shall be waived, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

5.3 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

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5.4 Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

ADVANCED GASTROENTEROLOGY OF
MONTEREY COUNTY MEDICAL CORPORATION
3151 Ocean Terrace Lane
Marina, CA 93933
Attention: Mumtaz G. Tabbaa, M.D.

If to Covered Entity, to:

NATIVIDAD MEDICAL CENTER
1441 Constitution Blvd., Bldg. 300
Salinas, California 93906
Attention: Compliance Officer
Phone: 831.755.4111
Fax: 831.755.6297

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

5.5 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

5.6 Choice of Law; Interpretation. This Agreement shall be governed by the laws of the State of California; as provided, however, that any ambiguities in this Agreement shall be resolved in a manner that allows Business Associate to comply with the Privacy Rule, and, if applicable, the Security Rule and the CMIA.

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5.7 Indemnification. Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter County), its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including the County's reasonable cost of providing notification of and of mitigating any acquisition, access, use or disclosure of PHI in a manner not permitted by this BAA, arising out of, or in connection with, performance of this BAA by Contractor and/or its agents, members, employees, or sub-contractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this BAA to provide the broadest possible indemnification for the County. Contractor shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred by the County with respect to any investigation, enforcement proceeding or litigation in which Contractor is obligated to indemnify, defend, and hold harmless the County under this BAA. This provision is in addition to and independent of any indemnification provision in any related or other agreement between the Covered Entity and the Business Associate.

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IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf as of the Effective Date.

ADVANCED GASTROENTEROLOGY OF MONTEREY COUNTY MEDICAL CORPORATION

By: _____

Print Name: Mumtaz Tabbaa

Print Title: MD

Date: 8/26/25

COUNTY OF MONTEREY, ON BEHALF OF *NATIVIDAD MEDICAL CENTER*

By: _____

Print Name: Dr. Charles R. Harris

Print Title: Chief Executive Officer

Date: _____