

NATIVIDAD MEDICAL CENTER PURCHASE ORDER

ORDER DATE 08-29-2012

DO 9600 0000003448

IMPORTANT

THE ABOVE NUMBER AND SHIP TO DEPARTMENT MUST APPEAR ON ALL SHIPPING LABELS, PACKING SLIPS, TRANSPORT DOCUMENTS, INVOICES AND CORRESPONDENCE.

<p>VENDOR MONTEREY BAY ONCOLOGY A MEDICAL CORPORATION PACIFIC CANCER CARE 5 HARRIS COURT BLDG T STE 201 MONTEREY CA 93940</p>	<p>SHIP TO NATIVIDAD MEDICAL CENTER 1441 CONSTITUTION BLVD SALINAS CA 93906</p>	<p>BILL TO NATIVIDAD MEDICAL CENTER P O BOX 81611 SALINAS CA 93912-1611</p>
<p>VENDOR NUMBER: VC0000000116 DELIVERY DATE: F.O.B.:</p>		

ITEM	QUANTITY	UNIT	COMMODITY CODE	ITEM DESCRIPTION	UNIT PRICE	SALES TAX	EXTENDED PRICE
1	0.0			<p>PURCH DESC: CC: 6844 PER BOARD OF SUPERVISORS 2-7-12 APPROVAL OF THE AGREEMENT (A-12177) WITH MONTEREY BAY ONCOLOGY FOR HEMATOLOGY, ONCOLOGY AND BUSINESS CONSULTING SERVICES AT NATIVIDAD MEDICAL CENTER.</p> <p>ALL SERVICES SHALL BE PROVIDED IN ACCORDANCE WITH TERMS, CONDITIONS, AND EXHIBITS OF THE APPROVED COUNTY OF MONTEREY AGREEMENT.</p> <p>TERM OF THE AGREEMENT 2-1-12 THROUGH 1-31-13 UNLESS SOONER TERMINATED PURSUANT TO THE TERMS OF THE AGREEMENT.</p> <p>THIS PURCHASE ORDER IS VALID 7-1-12 THROUGH 1-31-2013. A NEW PURCHASE ORDER WILL BE ISSUED AFTER THAT TIME TO THE CURRENT AGREEMENT.</p> <p>THE TOTAL OF THIS PURCHASE ORDER IS NOT TO EXCEED \$271,050.</p>	.00	.00	271,050.00
				<p>COMM LINE DESC: NMC Physicians Services</p> <p>451 9600 9142 NMC0001 6606 271050.00</p>			
ORDER TOTAL							271,050.00

THE SHADED ROWS ARE FOR NMC DEPARTMENT USE ONLY

All Vendors are required to review the NMC general terms and conditions which apply to all contracts, purchase orders, and other electronic procurements made with NMC unless otherwise noted. Said terms and conditions can be found on the NMC website at <http://www.Natividad.com>

<p>TAX EXEMPTION INFORMATION: FEDERAL EXCISE TAX EXEMPTION NUMBER 94-6000524</p>	<p>COUNTY BUYER INFORMATION</p> <p>TELEPHONE:</p>
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AUTHORIZED BY NMC
DEPUTIZED PURCHASING AGENT

CONTRACTS/PURCHASING DIVISION
1441 Constitution Blvd, P.O. Box 81611,
Salinas, CA 93912-1611

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	February 7, 2012	AGENDA NO.:
SUBJECT:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Professional Services Agreement with Monterey Bay Oncology Associates to provide Hematology Oncology and Business Consulting Services at NMC in an amount not to exceed \$300,000 for the period February 1, 2012 to January 31, 2013.	
DEPARTMENT:	Natividad Medical Center	

RECOMMENDATION:

It is recommended that the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute the Professional Services Agreement with Monterey Bay Oncology Associates to provide Hematology Oncology and Business Consulting Services at NMC in an amount not to exceed \$300,000 for the period February 1, 2012 to January 31, 2013.

SUMMARY/DISCUSSION:

NMC currently does not provide full service (outpatient and inpatient) hematology oncology services. NMC desires to offer full service hematology oncology services, first by offering outpatient specialty clinic services (including non-chemotherapy infusion services), call coverage, inpatient rounding, consultation (outpatient and inpatient), medical director services and business consulting services, subsequently followed by chemotherapy infusion services (both for outpatients and inpatients).

The agreement is for outpatient specialty clinic services (including non-chemotherapy infusion services), call coverage, inpatient rounding, medical consultation, medical director (including resident education) services and business consulting services. NMC will amend the agreement when it desires to add chemotherapy infusion services

The amount of this agreement for the period February 1, 2012 to January 31, 2013 is \$300,000 and is equal to the compensation times the maximum number of projected outpatient clinic sessions, call coverage days, inpatient rounding hours, medical consultations, medical director services hours, business consulting services hours that will all be provided during the one year period, and the maximum allowable incentive compensation for patient satisfaction. 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 and risk provisions. 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 Board of Trustees.

FINANCING:

The total cost of this Agreement is not to exceed \$300,000, \$125,000 is included in the fiscal year 2012 budget and the remaining balance of \$175,000 will be budgeted for subsequent fiscal years. There is no impact to the General Fund.

Prepared by:
Jeanne-Ann Balza
Management Analyst
December 13, 2011

Harry Weis
Chief Executive Officer

Attachments:
Board Report, Board Order, Original Agreement
Attachments on File with the Clerk of the Board

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

Agreement No. A-12177

Authorize the Purchasing Manager for Natividad)
Medical Center (NMC) to execute the Professional)
Services Agreement with Monterey Bay Oncology)
Associates to provide Hematology Oncology and)
Business Consulting Services at NMC in an amount not)
to exceed \$300,000 for the period February 1, 2012 to)
January 31, 2013.....)

Upon motion of Supervisor Parker, seconded by Supervisor Armenta, and carried by those members present, effective February 7, 2012, the Board hereby;

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute the Professional Services Agreement with Monterey Bay Oncology Associates to provide Hematology Oncology and Business Consulting Services at NMC in an amount not to exceed \$300,000 for the period February 1, 2012 to January 31, 2013.

PASSED AND ADOPTED on this 7th day of February, 2012, by the following vote, to-wit:

AYES: Supervisors Armenta, Supervisor Calcagno, Salinas, Potter and Parker

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 76 for the meeting on February 7, 2012.

Dated: February 9, 2012

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By Christ A. Miel
Deputy

NMC-85-AR0-2011

PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

by and between

NATIVIDAD MEDICAL CENTER ("Hospital")

and

MONTEREY BAY ONCOLOGY, A MEDICAL CORPORATION ("Contractor")

PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT

THIS PROFESSIONAL AND CALL COVERAGE SERVICES AGREEMENT (this "**Agreement**") is entered into as of February 1, 2012, by and between COUNTY OF MONTEREY ("**County**") on behalf of NATIVIDAD MEDICAL CENTER ("**Hospital**"), and MONTEREY BAY ONCOLOGY, A 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**"), consisting of employees and contractors (collectively, "**Group Physicians**") and each, a "**Group Physician**"), each of whom is a physician duly licensed and qualified to practice medicine in the State. Each Group Physician is board certified for the practice of medicine in the specialty of oncology (the "**Specialty**").

C. Hospital must arrange for the provision of professional consultation and treatment of patients who present to the emergency department ("**ED**") and/or 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 (collectively, the "**Non-Clinic Patients**"), and/or who present to Hospital's Clinic (collectively, the "**Clinic Patients**"), without regard to any consideration other than medical condition. The Non-Clinic Patients and the Clinic Patients shall be referred to in this Agreement as a "**Hospital Patient**" or, collectively, as the "**Hospital Patients**."

D. 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.

AGREEMENT

THE PARTIES AGREE AS FOLLOWS:

ARTICLE I. CONTRACTOR'S OBLIGATIONS

1.1 Professional Services.

(a) Contractor shall provide the professional services in the Specialty (the "Professional Services") to Hospital Patients, upon the terms and subject to the conditions set forth in this Agreement.

(b) Contractor shall ensure that one (1) or more of its Group Physicians shall be available on an on-call basis to provide Specialty medical care and treatment to Non-Clinic Patients ("Coverage Services"), upon the terms and conditions set forth in this Agreement.

(c) Group Physicians shall provide timely initial follow-up care for all Hospital patients referred for care by the ED or attending physician. If a Group Physician is the physician on-call at the time of the referral, Group 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 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 Director Services. Contractor shall provide to Hospital those medical director services set forth in Exhibit 1.3 (collectively, the "Director Services").

1.4 Additional Services. Contractor shall provide to Hospital those additional services set forth in Exhibit 1.4 (the "Additional Services"), upon the terms and subject to the conditions set forth in this Agreement. The Professional Services, Teaching Services, Coverage Services, Director Services, Administrative Consulting Services (as defined in Exhibit 2.1) and Additional Services are sometimes referred to collectively in this Agreement as the "Services."

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.

1.6 Availability. Contractor shall ensure that one (1) or more of its Group Physicians 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 Group Physicians' schedule of availability to perform the Services during the following month. Group Physicians shall use their 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 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 1.7**. 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.

1.8 Medical Staff. Each Group Physician shall be a member in good standing in the "active staff" category of Hospital's Medical Staff and have and maintain all clinical privileges at Hospital necessary for the performance of Group Physician's obligations under this Agreement. If, as of the Effective Date (as defined in Section 5.1), any Group Physician 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 the performance of Group Physician's obligations hereunder, such Group 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 such Group 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, Group Physician has been granted privileges to perform the Services. Any Group Physician may obtain and maintain medical staff privileges at any other hospital or health care facility at Group Physician's sole expense.

1.9 Professional Qualifications. Each Group Physician shall have and maintain an unrestricted license to practice medicine in the State. Each Group Physician shall be board certified in the Specialty by the applicable medical specialty board approved by the American Board of Medical Specialties. Each Group Physician shall have and maintain a valid and unrestricted United States Drug Enforcement Administration ("DEA") registration.

1.10 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 each Group Physician shall undertake to review, be familiar with and comply with all applicable requirements of such OIG compliance bulletins.

1.11 Performance Standards. Contractor and each Group 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").

1.12 Code of Conduct. Contractor hereby acknowledges receipt of Hospital's Code of Conduct which is attached to this Agreement as **Exhibit 1.12** (the "Code"), and agrees that Contractor and each Group Physician has been given ample opportunity to read, review and understand the Code. With respect to Contractor's and the Group Physicians' business dealings with Hospital and their performance of the Services described in this Agreement, neither Contractor nor any Group 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 each Group 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.

1.13 Continuing Medical Education. Contractor shall ensure that each Group 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.

1.14 Use of Space. Contractor and each Group 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.

1.15 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 any Group 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 any Group 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) any Group Physician becomes the subject of any suit, action or other legal proceeding arising out of Contractor's professional services;

(d) any Group Physician becomes incapacitated or disabled from providing the Services, or voluntarily or involuntarily retires from the practice of medicine;

(e) any Group 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 any Group Physician is charged with or convicted of a criminal offense;

(g) Contractor changes the location of Contractor's office;

(h) any act of nature or any other event occurs which has a material adverse effect on Contractor's or any Group Physician's ability to provide the Services; or

(i) Contractor or any Group Physician is debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program or state equivalent.

1.16 Representations and Warranties by Contractor. Contractor represents and warrants that: (a) no Group Physician's license to practice medicine in any state has ever been suspended, revoked or restricted; (b) neither Contractor nor any Group Physician has ever been reprimanded, sanctioned or disciplined by any licensing board or medical specialty board; (c) neither Contractor nor Group Physician has ever been excluded or suspended from participation in, or sanctioned by, any Federal Health Care Program; (d) no Group Physician has ever been denied membership and/or reappointment to the medical staff of any hospital or health care facility; (e) no Group 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) no Group Physician has ever 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.

1.17 Nondiscrimination. Neither Contractor nor any Group 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.

1.18 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.

1.19 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 Group Physicians 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.

1.20 Coordination with Attending Physicians. Contractor shall ensure that each Group 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.

1.21 Medical Records and Claims.

(a) Contractor shall ensure that each Group 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 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 1.21(b) shall survive the expiration or termination of this Agreement.

1.22 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.

1.23 Response Times. Contractor shall ensure that each Group 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 each Group 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.

1.24 Group Physicians.

(a) Contractor shall employ, contract with, or otherwise engage Group Physicians. Contractor has initially engaged those Group Physicians listed (and identified by NPI number) on **Exhibit 1.24(a)** to provide the Services, which Group Physicians are hereby approved and accepted by Hospital.

(b) Contractor may from time to time engage one (1) or more additional Group Physicians (including locum tenens physicians) to provide the Services under this Agreement, subject to Hospital's prior written approval, which approval may be given, withheld or conditioned by Hospital in its sole discretion. In the event Hospital withholds approval with respect to any additional Group Physician, such Group Physician shall not be entitled to any "fair hearing" or any other hearing or appellate review under any provision of the Medical Staff Bylaws, unless Hospital determines that the withholding of approval is reportable to any state's medical board or other agency responsible for professional licensing, standards or behavior.

(c) Contractor shall ensure that, during the term of this Agreement, any and all Group Physicians (including locum tenens physicians) providing the Services satisfy the professional standards and qualifications set forth in this Article I of this Agreement.

(d) Contractor shall provide prompt written notice to Hospital in the event any Group Physician resigns, is terminated by Contractor, or otherwise ceases to provide the Services.

(e) Contractor shall ensure that the Services are performed only on the Hospital's premises by Group Physicians who have been approved and accepted by Hospital, and have not been removed in accordance with this Agreement.

(f) Contractor shall cause each Group Physician providing the Services to comply with all obligations, prohibitions, covenants and conditions imposed on Contractor pursuant to this Agreement. Contractor shall cause each Group Physician to execute and deliver to Hospital a letter of acknowledgment in the form attached as **Exhibit 1.24(f)** prior to providing any Services under this Agreement.

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 Three Hundred Thousand Dollars (\$300,000.00).

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 Hospital Patients by Contractor or any Group 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.

(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) **Fees and Rates.** Hospital shall have the right to determine, after consultation with Contractor, all rates and charges for NMC Services rendered by Contractor pursuant to this Agreement, including fee-for-service rates.

(c) **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.

(d) **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 any Group Physician for NMC Services rendered by Contractor or any Group Physician pursuant to this Agreement, including any amount received from any Managed Care Organization (as defined below) for NMC Services rendered by Contractor or any Group Physician pursuant to 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 Hospital 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.

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 or Group 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 each Group 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 Group Physician is procured on a "Claims Made" rather than "Occurrence" basis, then Contractor and Group 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).

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 Group Physicians 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, Group Physicians, 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 each Group 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. In the event that Contractor does not purchase the liability insurance set forth in this Section, 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.

3.6 Indemnification.

(a) **Indemnification by Contractor.** Contractor and each Group 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 Group Physicians' 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 Group Physicians' 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 Group Physicians, 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 Group Physician shall be construed to make or render Contractor or any Group Physician the agent, employee or servant of County. Contractor and each Group 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.

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 each Group Physician is and shall at all times be an independent contractor with respect to Hospital in the performance of Contractor's and Group 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 any Group Physician. No Group Physician shall 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 any Group 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 any Group Physician.

4.2 Limitation on Control. Hospital shall neither have nor exercise any control or direction over Contractor's or any Group Physician's professional medical judgment or the methods by which Contractor or any Group Physician performs professional medical services; provided, however, that Contractor and Group Physicians 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 and the Group Physicians shall be entitled to refer patients to any hospital or other health care facility or provider deemed by Contractor or the Group Physicians best qualified to deliver medical services to any particular patient. Nothing in this Agreement or in any other written or oral agreement between Hospital and Contractor or Hospital and the Group Physicians, 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 and Group Physicians' 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, Group 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 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 any Group 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.

**ARTICLE V,
TERM AND TERMINATION**

5.1 **Term.** This Agreement shall become effective on February 1, 2012 (the “Effective Date”), and shall continue until January 31, 2013 (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 any Group Physician where the breach is not cured within thirty (30) calendar days after Hospital gives written notice of the breach to Contractor;

(b) neglect of professional duty by Contractor in a manner that poses an imminent danger to the health or safety of any individual, or violates Hospital’s policies, rules or regulations;

(c) there is a “substantial change” in Contractor which has not received prior written approval or subsequent ratification by Hospital. The retirement, withdrawal, termination, or suspension of one (1) or more Group Physicians of Contractor at any time during the term of this Agreement shall be considered to be a “substantial change” in Contractor only if there is a reduction in hours equivalent to in excess of one full-time Group Physician. Notwithstanding anything in the foregoing to the contrary, the retirement, withdrawal, termination, or suspension of any single Group Physician of Contractor shall not constitute a “substantial change” in Contractor as that term is used herein;

(d) breach by Contractor or any Group Physician of any HIPAA Obligation (as defined in Exhibit 6.3);

(e) 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;

(f) 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;

(g) Contractor is rendered unable to comply with the terms of this Agreement for any reason; or

(h) 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 notifies 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 or any Group 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 any Group 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 any Group Physician;
- (vi) subject Hospital or Contractor, any Group 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.

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 Group Physicians' 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) Neither Contractor nor any Group Physician shall 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) Group Physicians 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 or any Group Physician's possession or under Contractor's or any Group Physician's control.

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 Group Physicians 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 Group Physicians shall comply with all applicable laws, ordinances, codes and regulations of federal, state and local governments (collectively, "Laws") applicable to Contractor and Group Physicians, the provision of the Services, or the obligations of Contractor and Group Physicians under this Agreement, including without limitation laws that require Contractor or any Group 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 Group Physicians shall take actions necessary to ensure that the Hospital and/or Clinic is 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.

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 Group Physicians 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 Group Physicians, or to which Contractor or Group Physicians may gain access in the performance of the Services under this Agreement, or which Contractor or any Group 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 any Group 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 Group Physicians shall protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as Contractor and any Group 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 Contractor and Group Physicians 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 Group Physicians shall return to Hospital all Confidential Information and all copies thereof in Contractor's and Group Physicians' 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 any Group 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 any Group 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 any Group 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 any Group Physician under any governmental program or create an assumption of such disclosure obligations by Hospital. Contractor and Group Physicians 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.
- (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.

- (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.

(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 ensure that no Group Physician accepts 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 no Group Physician accepts 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 a Group 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 New Group Physicians. Each new Group Physician shall agree in writing to be bound by the terms of and conditions of this Agreement.

6.19 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 duties under this Agreement.

6.20 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.

6.21 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:

If to Contractor, addressed to:

MONTEREY BAY ONCOLOGY, A MEDICAL
CORPORATION
5 Harris Court #T2
Monterey, CA 93940

6.22 Participation in Federal Health Care Programs. Contractor hereby represents that neither it nor any Group Physician is debarred, suspended, excluded or otherwise ineligible to participate in any Federal Health Care Program.

6.23 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.

6.24 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.

6.25 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.

6.26 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]

The Parties have executed this Agreement on the date first above written, and signify their agreement with duly authorized signatures.

CONTRACTOR

MONTEREY BAY ONCOLOGY, A
MEDICAL CORPORATION, a California
professional corporation

Date: December 28, 2011

Laura Stampleman, MD
By: Laura Stampleman
Its 1st VICE PRESIDENT

Peyman Haghighat, MD
By: Peyman Haghighat
Its VICE-PRESIDENT

Tax I.D. No. 94-3246234

COUNTY OF MONTEREY

[Signature]
By: [Signature]
Contracts / Purchasing Manager

Purchase Order Number
Date: 9-3, 2012

[Signature]
By: [Signature]
Natividad Medical Center Representative

Date: 1/6, 2012

APPROVED AS TO LEGAL FORM:
CHARLES J. McKEE, County Counsel

[Signature]
Stacy Saetta, Deputy County Counsel

Date: 1/11, 2012

Reviewed as to financial provisions
[Signature]
Auditor-Controller
County of Monterey 1-11-12

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.

Exhibit 1.3

DIRECTOR SERVICES

Practitioner shall:

1. provide general administration of the day-to-day operations of the Department;
2. advise and assist in the development of protocols and policies for the Department;
3. ensure physician coverage of the Department;
4. schedule, coordinate and supervise the provision of medical and ancillary services within the Department;
5. ensure the maintenance of consistently high quality service, and advise Hospital in the development and implementation of an appropriate quality assurance program with respect to the Department;
6. coordinate and consult with Hospital and medical staff regarding the efficiency and effectiveness of the department, and make recommendations and analyses as needed for Hospital to improve services provided in the Department and reduce costs;
7. develop, review, and provide training programs for Medical Staff and Hospital personnel;
8. prepare such reports and records as may be required by this Agreement, Hospital or the Medical Staff;
9. participate in Hospital and Medical Staff committees upon request by Hospital;
10. participate in continuing medical education, research and teaching activities upon request by Hospital;
11. participate in utilization review programs, as reasonably requested by Hospital;
12. participate in risk management and quality assurance programs, as reasonably requested by Hospital; and
13. assist Hospital management with preparation for, and conduct of, any inspections and on-site surveys of Hospital or the Department conducted by governmental agencies, accrediting organizations, or payors contracting with Hospital.

Exhibit 1.4

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.

Exhibit 1.7

CONTRACTOR'S MONTHLY TIME REPORT

(See attached.)



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: _____

Date:	Direct Care Services		Hospital Administrations and Teaching Services							Other Admin			Non-billable Activities			Total
	Direct Patient Care Services (PR)	In House On-Call Care (PR)	00001	00002	00003	00004	00005	00006	00007	00008	00009	00010	00011	00012	Other Non-Billable Activities (specify)	
1	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
2	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
3	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
4	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
5	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
6	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
7	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
8	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
9	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
10	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
11	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
12	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
13	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															
14	A Hospital & NMC Clinic Time B. Non-Hosp & Non-NMC Clinic Time															

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: _____

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: _____

Definitions & Examples

(PR) = Payroll Category

A. Hospital Based Time: This category includes all time worked at Natividad Medical Center (NMC) hospital or hospital based outpatient clinics (Hospital, NMG, NIDO & Specialty Clinic).

B. Non-Hospital Based Time: This category includes time spent working on behalf of NMC, for which NMC is reimbursing you and/or billing on your behalf. (SNF, prison, Department of Health Clinics, off site practice, etc.)

Activity / Object Code 00001 - Direct Patient Care Services: Use this code when performing duties for those services directly related to patient care that would be billable to a specific patient. Activities include: diagnosis, treatment, therapeutic, rehabilitative, medical, psychiatric, etc., that may occur in a teaching or non-teaching setting.

Activity / Object Code 00002 - Supervision and Training of Nurses, Technicians, etc.: Use this code when performing duties related to the supervision or training of nurses, technicians, etc. in a setting that does not involve any of the approved medical education programs. Activities include: Supervision of nursing staff, technicians, and other hospital staff, review of care related to a specific patient, and hospital or departmental administration involving the supervision of hospital employees. Example: Staff Meetings on Nursing Floors, including specific education with nursing staff but does not include team rounds.

Activity / Object Code 00003 - Utilization Review and Other Committee Meetings: Use this code when performing utilization review, participating on committees, or attending meetings. Activities include: meeting preparation and attendance for hospital, medical staff, tumor boards, peer review, and departmental meetings. Example: Service Director Meetings, Medical Staff Mtgs, Service Improvement Committees.

Activity / Object Code 00004 - Quality Control, Medical Review, and Autopsies: Use this code when performing quality control reviews or quality control investigations, or autopsies. Activities include: Participating individually or as a panel or board member in quality assurance functions, informal and formal investigations, and medical review functions related to quality improvement. Also, autopsies performed at a physician's request, to advance the knowledge base regarding deceased patient conditions. Examples: QRC Committees, Med Usage/Infection Control Committee, Pt Safety/Quality Council.

Activity / Object Code 00005 - Supervision of Interns and Residents: Use this code when performing duties related to the direct supervision of Interns / Residents. Activities include: Providing teaching and guidance during rounds, reviews with Interns / Residents regarding individual patient care, time spent managing, planning, and evaluating work of Interns / Residents. Supervision of Interns/Residents would not include direct patient care.

Activity / Object Code 00006 - Teaching of Interns and Residents: Use this code when performing duties related to the teaching of Interns / Residents. Activities include: Teaching in an approved educational program in a classroom, lecture hall, formal or subject appropriate setting, time sent preparing materials and subject matter for presentation. Example: Teaching in Classroom unit or residency office conference room, morning report, noon conference. This category excludes teaching on patient rounds.

Activity / Object Code 00007 - Teaching and Supervision of Allied Health Professionals: Use this code when performing duties related to the teaching and/or Supervision of Allied Health Professionals. Activities include: Teaching in an approved educational program in a classroom, lecture hall, formal or subject appropriate setting, time sent preparing materials and subject matter for presentation, and supervision of Allied Health Professionals performing procedures related to specific patients.

Activity / Object Code 00008 - Other Administrative: Use this code to include other time spent as appropriate related to other administrative. Activities must be fully described and explained.

Activity / Object Code 00009 - Conferences, Lectures and Training: Use this code when attending conferences and lectures, or similar educational forums including continuing medical education classes. Activities include: travel and attendance either as a presenter or attendee. Attendance at lectures or similar educational forums, including continuing medical education classes and workshops to maintain active licensure status if done during compensation time. Identify CME vs. Conference and Training time.

Activity / Object Code 00010 - Non-Productive Hours: Use this code for paid sick leave, paid vacation, paid family leave, etc.

Activity / Object Code 00011 - Research: Use this code for non-patient related activities which include: Research performed for scientific knowledge, planning, preparation of research materials and reports. Research involving a systematic, extensive study directed at better scientific knowledge of the science and diagnosis, treatment, cure, or prevention of mental or physical disease.

Activity / Object Code 00012 - Other Non-Billable Activities: Use this code for activities that are compensated by Natividad Medical Center, are not related to patient care, and would not ordinarily permit or generate a bill for patient care services, e.g., consulting or medical review that is not chargeable to NMC.

Tracking of On-Call Time:

In House On-Call - Full: Any time during a call shift when the provider is on hospital grounds, including 24 hour in-house OBGYN call shifts. Includes direct patient care during call shifts.

Off-Site Call: Any time when physician is being reimbursed for call time but is not present at hospital.

Exhibit 1.12



MEDICAL STAFF POLICY

Title: Practitioner Code of Conduct	Effective: 05/09 Reviewed/Revised: 08/11
Standard: MSP004-2	Approved: MEC 08/11 BOT 09/11

As a member of the Medical Staff or an Allied Health Professional (AHP) of Natividad Medical Center (NMC) (collectively Practitioners), I acknowledge that the ability of Practitioners and NMC employees to jointly deliver high quality health care depends significantly upon their ability to communicate well, collaborate effectively, and work as a team. I recognize that patients, family members, visitors, colleagues and NMC 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 NMC, Practitioners are leaders in maintaining professional standards of behavior. In keeping with this responsibility to maintain professional standards of behavior at NMC, Practitioners:

1. Facilitate effective patient care by consistent, active, and cooperative participation as members of the NMC health care team.
2. Recognize the individual and independent responsibilities of all other members of the NMC 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, NMC 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. Contribute to the overall educational mission of NMC.
6. Reflect positively upon the reputation of the health care profession, the Medical Staff, and NMC in their language, action, attitude, and behavior.

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 NMC, 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 NMC, 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 NMC 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 NMC 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 NMC 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 NMC with courtesy, respect, and human dignity.
8. Conduct one's practice at NMC in a manner that will facilitate timely commencement of medical/surgical procedures at NMC, 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 NMC owned property.
2. Falsification of medical records, including timekeeping records and other NMC documents.

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 NMC employees should be reported on a NMC Quality Review Report form and submitted pursuant to NMC 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 adversely 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 NMC'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;

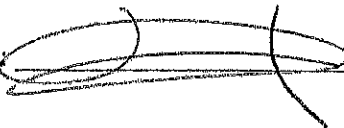
10. Passive behaviors, such as refusing to perform assigned tasks or to answer questions, return phone calls, or pages;
11. Language that is a reasonable adult would consider to be foul, abusive, degrading, demeaning, or threatening, such as crude comments, degrading jokes or comments, yelling or shouting at a person, or threatening violence or retribution;
12. Single incident of egregious behavior, such as an assault or other criminal act.
13. Criticism of NMC staff in front of patients, families, or other staff.

PROCEDURE

1. Any person who functions in any capacity at NMC 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 on a NMC Quality Review Report form.
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.

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: Peyman Haghghat, M.D.

Signature: 

Date: 12-29-11

Exhibit 1.24(a)

GROUP PHYSICIANS/GROUP PROVIDERS

[List Approved Group Physicians Below]

Group Physician	NPI Number
Laura Stampleman, MD	1528065810
Shezad Aziz, MD	1295732410
Geetha Varma, MD	1740287978
Reyman Haghghat, MD	1558576496

Exhibit 1.24(f)

LETTER OF ACKNOWLEDGEMENT

Gary Gray, DO, CMO
NATIVIDAD MEDICAL CENTER
1441 Constitution Blvd., Bldg. 300
Salinas, California 93906

Ladies and Gentlemen:

I acknowledge that NATIVIDAD MEDICAL CENTER ("*Hospital*") and MONTEREY BAY ONCOLOGY, A MEDICAL CORPORATION ("*Contractor*") have entered into a Professional Services Agreement ("*Agreement*") under which Contractor shall perform specified Services (as defined in the Agreement), and that I have been engaged by Contractor to provide Professional Services as a "*Group Physician*" (as defined in the Agreement). In consideration of Hospital's approval of me as a Group Physician eligible to furnish the Services, I expressly:

1. Acknowledge that I have read the Agreement, and agree to abide by and comply with all of the requirements of the Agreement applicable to Group Physicians;
2. Acknowledge that I have read the Code, and agree to abide by and comply with the Code as they relate to my business relationship with Hospital or any Affiliates, subsidiaries, employees, agents, servants, officers, directors, contractors and suppliers of every kind;
3. Acknowledge that I have no employment, independent contractor or other contractual relationship with Hospital, that my right to practice at Hospital as a Group Physician is derived solely through my employment or contractual relationship with Contractor;
4. Acknowledge that, with regard to all of the foregoing, I will not be entitled to any "fair hearing" or any other hearing or appellate review under any provision of the Medical Staff Bylaws, unless Hospital determines that my removal, or the termination of my right to provide Professional Services, as applicable, is reportable to any state's medical board or other agency responsible for professional licensing, standards or behavior, and hereby waive any right to demand or otherwise initiate any such hearing or appellate review under any provision of the Medical Staff Bylaws.

Sincerely,

Peyman Haghghat, MD
Print Physician Name

Exhibit 2.1

COMPENSATION

1. **Coverage Stipend.** Hospital shall pay to Contractor an amount equal to Three Hundred Fifty Dollars (\$350) per diem for Coverage Services provided pursuant to this Agreement (the “**Stipend Compensation**”).

2. **Clinic Services.** Hospital shall pay to Contractor the amount of one thousand dollars (\$1,000) per Half Day Clinic for those Professional Services provided by Contractor to Clinic Patients (“**Clinic Services**”) under this Agreement (the “**Clinic Compensation**”); provided, however, that Contractor is in compliance with the terms and conditions of this Agreement. For purposes of this Agreement, a “**Half-Day Clinic**” shall mean a minimum of four (4) hours per day in the Clinic providing Clinic Services.

3. **Incentive Compensation for Clinic Services.** In addition to the Clinic Compensation, Contractor shall be eligible for an incentive bonus of up to Ten Thousand Dollars (\$10,000) per Contract Year (the “**Incentive Compensation**”). Such Incentive Compensation shall be based on the aggregate patient satisfaction performance of Clinic Services performed by Contractor during any Contract Year. Hospital shall pay Contractor the Incentive Compensation on a semiannual basis, commencing on the date that is six (6) months from the Effective Date (each such payment occurring on the “**Payment Date**”), and shall be calculated as follows for the six (6) months preceding each Payment Date using Hospital’s Core Measure data and data collected by Professional Research Consultants, Inc. (PRC):

Patient Satisfaction	6 Months Goal		12 months Goal	
	Target Performance	Target Incentive Amount	Maximum Performance	Maximum Incentive Amount
<ul style="list-style-type: none"> • Doctor checked to be sure patient understood everything. 	≥60% Usually/Always	\$2,500	≥60% Usually/Always	\$5,000
<ul style="list-style-type: none"> • Doctor encouraged patient to ask questions. • Doctor talked about specific things patient could do to manage his/her condition. • Doctor was as thorough as patient thought he/she needed. 	≥70% Usually/Always	\$5,000	≥70% Usually/Always	\$10,000

For purposes of this Agreement, “**Contract Year**” shall mean each consecutive twelve (12) month period beginning on the Effective Date during the term of this Agreement.

4. **Non-Clinic Services.**

(a) Hospital shall pay to Contractor for Professional Services provided by Contractor to Non-Clinic Patients (“**Non-Clinic Services**”) an amount equal to ninety-five percent (95%) of the actual reimbursement received by Hospital for such services (the “**Non-Clinic Compensation**”). Hospital shall calculate the Non-Clinic Compensation on a monthly basis and be subject to bi-annual reconciliation in accordance with this Section 3.

(b) **Monthly Advances.** Hospital shall advance to Contractor, each month during the term of this Agreement, an amount equal the estimated amount of the Non-Clinic Compensation payable to Contractor, as determined in good faith by the Hospital (the “**Advance(s)**”).

(c) **Monthly Reconciliation.** Within thirty (30) days after the end of each month during the term of the Agreement (each, a “**Compensation Period**”), Hospital shall compare the aggregate Advances during such Compensation Period to the aggregate Non-Clinic Compensation for such Compensation Period. In the event the aggregate Advances during such Compensation Period exceed the aggregate Non-Clinic Compensation for such Compensation Period, Hospital shall withhold from each of the next Advance(s) otherwise payable to Contractor an amount equal to the difference between the aggregate Advances during such Compensation Period and the aggregate Non-Clinic Compensation for such Compensation Period. In the event the aggregate Non-Clinic Compensation during any such Compensation Period exceeds the aggregate Advances during such Compensation Period, Hospital shall pay to Contractor, in addition to the next Advance payable to Contractor, an amount equal to the difference between the aggregate Non-Clinic Compensation for such Compensation Period and the aggregate Advances during such Compensation Period. Hospital shall conduct the first reconciliation pursuant to this Section 3(c) ninety (90) days after the Effective Date. Hospital shall conduct the last reconciliation pursuant to this Section 3(c) twelve (12) months after the effective date of the termination or expiration of this Agreement.

(d) **Non-Clinic Compensation Reports.** Hospital shall provide Contractor with a monthly report (each, a “**Report**”) that demonstrates the calculation of the Non-Clinic Compensation payable under this Agreement. If Contractor disagrees with any aspect of any such Report, Contractor shall, thirty (30) days after receipt of such Report, prepare and deliver to Hospital a written statement setting forth in reasonable detail Contractor’s objections to the times stated in the Report. If Hospital does not receive such a written statement within such thirty (30) day period, Contractor shall be deemed to have agreed with each and every aspect of such Report.

5. **Non-Clinic Uninsured/MIA Services.** Hospital shall pay to Contractor an amount equal to then-current (as of the date of service), hospital-based, Medicare Physician Fee Schedule for the service or procedure (the “**Uninsured/MIA Compensation**”). The Uninsured/MIA Compensation shall be Contractor’s sole and exclusive compensation for Uninsured/MIA Services (defined below) provided by any Group Physician pursuant to this

Agreement and Contractor shall not seek further compensation from any other source. Contractor shall be paid on the CPT codes submitted and verified by Hospital professional billing office coders.

(a) For purposes of this Agreement, “**Uninsured/MIA Services**” shall mean medically necessary professional medical services that are rendered to patients at Hospital, other than Clinic Patients, who: (i) have been identified by Hospital as patients who are designated as Medically Indigent Adults (“**MIA**”); or (ii) are not insured for medical care by any third-party payor (collectively, the “**Uninsured/MIA Patients**”).

(b) Procedures with the following modifiers will be reimbursed at the Medicare allowable rate using the current established Medicare guidelines for reimbursement when using the modifier:

(i) Procedures that are or could be billed with the modifier 22 (unusual procedural services) will not be considered for additional reimbursement to be paid to Contractor; rather the procedure will be reimbursed at the Medicare allowable and if other modifiers are used, the procedure will be paid at the current established Medicare reimbursement rate applying Medicare guidelines for those modifiers.

(ii) If modifier 52 (reduced services) and/or 53 (discontinued services) is/are needed for billing, the percentage of the Medicare allowable to be paid to Contractor will be determined by the Hospital physician billing manager and the Hospital Chief Medical Officer (CMO).

(iii) Unless a code is specifically designated as an add-on code, the Medicare rules for multiple procedure guidelines shall apply (*i.e.*, the main procedure will be paid at 100% and subsequent procedures will be paid at 50%), consistent with Medicare reimbursement guidelines for modifiers.

(c) The Parties intend that Hospital will pay for Uninsured/MIA Services only if the Uninsured/MIA Patient has no means of paying for those services (*e.g.*, independent wealth, third-party payor, etc.). If it is later determined that an Uninsured/MIA Patient or a third-party payor will pay for the Uninsured/MIA Services the following shall apply:

(i) Hospital shall have the sole and exclusive right to bill, collect and own any and all fees that might be collected for Uninsured/MIA Services provided by any Group Physician pursuant to this Agreement. Contractor hereby grants Hospital the right to retain any and all collections received by Hospital for Contractor’s Uninsured/MIA Services. In the event that Contractor or any Group Physician receives any payment from third-party payors for Uninsured/MIA Services that Contractor or Group Physician furnishes pursuant to this Agreement, Contractor shall promptly turn over such payments to Hospital. Contractor shall designate Hospital as Contractor’s attorney-in-fact for billing for Uninsured/MIA Services provided by Contractor and each Group Physician pursuant to this Agreement.

(ii) For any procedure without an established RVU value and/or not listed procedure (*e.g.*, x stop), Hospital will reimburse Contractor based upon Hospital’s

reimbursement from a payor if Hospital has received payment from a payor. In the event no payment is received from a payor, no reimbursement will be made to Contractor.

(iii) The Parties agree to resolve any and all billing, collection and reimbursement disputes as expeditiously as possible, up to and including the dispute resolution procedure outlined in this Section 4. If a claim is disputed by a payor, Contractor will make every effort to assist the Hospital billing manager to resolve the claim, If the claim is denied by the payor, and no payment is received within twelve (12) months of the service date, the amount of the disputed claim will be adjusted (recouped) from future payments due to Contractor after the twelve (12) month period.

(iv) Hospital will adjust future invoices if Hospital is unable to recover payment for surgery/treatment due to a procedure being classified by a payor as non payable (e.g., it is considered experimental, represents non-covered services, is categorized as medically unnecessary, or is otherwise excluded from coverage), or if Contractor is found to have breached a necessary reimbursement procedure (e.g., scheduling a procedure from its office and not obtaining the authorization for the procedure to be performed at Hospital). No payment will be allowed to Contractor in these circumstances. At its discretion and at its sole cost and expense, Contractor may appeal to the payor any determination that a procedure is non-payable.

6. **Encounter Submissions.** For Non-Clinic Services and Uninsured/MIA Services, Hospital shall pay to Contractor the Monthly Advances and Uninsured/MIA Compensation, respectively, so long as Contractor submits information relating to its patient encounters as follows:

(a) Group Physicians will complete an encounter charge form at the time a service is provided, or within twenty-four (24) hours of that service.

(b) After a Group Physician completes an encounter charge form, the Physician will keep one copy to submit to Contractor's Practice Manager, and deposit a copy of the encounter charge form in a Hospital charge collection box.

(c) Hospital physician billing staff will pick up encounter charge forms daily (Monday – Friday) from the Hospital charge collection box.

(d) Hospital will check both the diagnosis and the documentation to verify coding on encounter forms for one hundred percent (100%) of encounters. This review will require Group Physicians to dictate patient visit notes into the Hospital dictation system within twenty-four (24) hours of completion of an encounter so that documentation available is for review of the encounter charge form. Any encounter charge form for which there is not an accompanying dictated patient visit note shall not be reviewed by Hospital until the patient visit note is submitted to the Hospital Physician Billing Manager. The sole exception to the dictation requirement shall be when a Group Physician is using CPT code 99024 for post operative visits and is not expecting payment for the visit, in which case the Contractor physician can hand write the visit note.

(e) Hospital will sign off on "clean" coded charges and forward for data entry.

(f) Hospital's Physician Billing Manager will notify Contractor's Practice Manager of disputed coding within five (5) business days of the daily pick-up of the encounter charge form, and will work with Contractor to resolve the dispute so that the claim may be filed within the filing deadlines established by the applicable payor. Hospital's Physician Billing Manager will also notify Contractor's Practice Manager of any encounter charge forms for which there is no correlating dictated note within two (2) business days of the daily pick-up of the encounter charge form.

(g) Contractor's Practice Manager will return corrected charges within five (5) business days of receipt from Hospital's Physician Billing Manger.

(h) For undisputed charges, charges will be entered by Hospital within five (5) business days. Hospital will make every effort during the last week of the month to get as many charges as possible entered into the system for that month's invoice. Contractor will be notified if an issue arises which prevents timely entry of charges. Disputed charges will be entered within five (5) business days of the final date of dispute resolution between Contractor and Hospital, and paid only after entry of the charges following resolution of the dispute.

(i) In the event of a dispute regarding the appropriateness of a code or modifier, or similar technical billing issue, which cannot be resolved informally by the parties, the parties shall jointly designate an independent third party billing expert to review and make a recommendation regarding the issue. The cost of such expert shall be shared equally by the parties, Hospital shall give such recommendation great weight but, as the billing entity, shall have ultimate discretion in resolving such issue.

(j) Charges entered through the last day of the month will be the charges considered for payment for that month's invoice. Charges appearing on a given month's invoice may be for dates of service provided in a different month.

(k) Hospital's Physician Services staff will generate the encounter report necessary to create the invoice. The encounter report will be based on the Hospital information system (currently MediTech) generated date/stamp for all charges entered by the Hospital physician billing staff as of the last day of the prior month, in accordance with Section 6(j) of this Exhibit.

(l) The Hospital Physician Services staff will create and send the following documents to the Contractor's practice manager on or before the twelfth (12th) day of the month: (i) an "Encounter Summary Sheet" detailing worked performed by each individual Group Physician for the previous month, and (ii) a single invoice for all the work performed by all Group Physicians during that month.

(m) Within three (3) business days of receiving it, Contractor's Practice Manager will review the encounter report and invoice, discuss any disputes with the Hospital Physician Billing Manager and/or the Hospital Physician Services, accept and sign off on the invoice and return all documents to the Hospital Physician Services.

(n) Upon receipt of the accepted and signed invoice, the Hospital Physician Services will review the encounter charge forms and invoices, approve them, and initiate routing process to be completed within fifteen (15) days.

(o) Once Contractor approves the monthly invoice and submits it to Hospital, Hospital will have forty-five (45) days to pay the invoice, resulting in a maximum of fifteen (15) days from submission of the invoice by Contractor to Hospital for Hospital to submit a certified invoice to the County Auditor Controller's office for payment; the Auditor Controller shall issue payment within thirty (30) days upon receipt in the Auditor Controller's Office.

7. **Director Services**. Hospital shall pay to Contractor the amount of One Hundred Seventy-Five Dollars (\$175) per hour for those Director Services rendered by Contractor under this Agreement.

8. **Administrative Consulting**. Hospital shall pay to Contractor the amount of One Hundred Seventy-Five Dollars (\$175) per hour for those Administrative Consulting Services rendered by Contractor under this Agreement. For purposes of this Agreement, "**Administrative Consulting Services**" shall mean: (a) assisting Hospital staff in the development and implementation of high quality Specialty services at Hospital; and (b) coordinating and consulting with Hospital staff regarding the efficiency and effectiveness of the Department.

9. **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".

Exhibit 6.3

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (“**Exhibit**”) supplements and is made a part of this Agreement by and between Hospital (“**Covered Entity**” or “**CE**”) and Contractor (“**Business Associate**” or “**BA**”).

- (A) Unless otherwise specified in this Exhibit, all capitalized terms used in this Exhibit shall have the meanings established for purposes of HIPAA or HITECH, as applicable. Specific statutory or regulatory citations used in this Exhibit shall mean such citations as amended and in effect from time to time.
1. “**Compliance Date**” shall mean, with respect to any applicable provision in this Exhibit, the later of the date by which compliance with such provision is required under HITECH and the effective date of this Agreement.
 2. “**Electronic Protected Health Information**” shall mean Protected Health Information that is transmitted or maintained in electronic media.
 3. “**HIPAA**” shall mean the Health Insurance Portability and Accountability Act, 42 U.S.C. §§ 1320d through 1320d-8, as amended from time to time, and all associated existing and future implementing regulations, when effective and as amended from time to time.
 4. “**HITECH**” shall mean Subtitle D of the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009, 42 U.S.C. §§ 17921-17954, as amended from time to time, and all associated existing and future implementing regulations, when effective and as amended from time to time.
 5. “**Protected Health Information**” shall mean the term as defined in 45 C.F.R. § 160.103, and is limited to the Protected Health Information received from, or received or created on behalf of, the CE by BA pursuant to performance of the Services.
 6. “**Privacy Rule**” shall mean the federal privacy regulations issued pursuant to HIPAA, as amended from time to time, codified at 45 C.F.R. Part 164 (Subparts A and E).
 7. “**Security Rule**” shall mean the federal security regulations issued pursuant to HIPAA, as amended from time to time, codified at 45 C.F.R. Part 164 (Subparts A and C).
 8. “**Services**” shall mean the Professional Services, Teaching Services, Coverage Services, Director Services, Administrative Consulting Services and Additional Services, collectively, as defined in the Agreement.

9. **“Unsecured Protected Health Information”** shall mean Protected Health Information that is not rendered unusable, unreadable, or indecipherable to unauthorized individuals through the use of a technology or methodology specified by the Secretary in the regulations or guidance issued pursuant to 42 U.S.C. § 17932(h)(2).

(B) With regard to BA’s use and disclosure of Protected Health Information:

1. BA may use and disclose Protected Health Information as reasonably required or contemplated in connection with the performance of the Services, excluding the use or further disclosure of Protected Health Information in a manner that would violate the requirements of the Privacy Rule, if done by the CE. Notwithstanding the foregoing, BA may use and disclose Protected Health Information for the proper management and administration of BA as provided in 45 C.F.R. § 164.504(e)(4).
2. BA will not use or further disclose Protected Health Information other than as permitted or required by this Exhibit, and in compliance with each applicable requirement of 45 C.F.R. § 164.504(e), or as otherwise Required by Law.
3. BA will implement and use appropriate administrative, physical, and technical safeguards to (1) prevent use or disclosure of Protected Health Information other than as permitted or required by this Exhibit; (2) reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Health Information that BA creates, receives, maintains, or transmits on behalf of the CE; and (3) as of the Compliance Date of 42 U.S.C. § 17931, comply with the Security Rule requirements set forth in 45 C.F.R. §§ 164.308, 164.310, 164.312, and 164.316.
4. BA will, without unreasonable delay, report to the CE (1) any use or disclosure of Protected Health Information not provided for by this Exhibit of which it becomes aware in accordance with 45 C.F.R. § 164.504(e)(2)(ii)(C); and/or (2) any Security Incident affecting Electronic Protected Health Information of which BA becomes aware in accordance with 45 C.F.R. § 164.314(a)(2)(C).
5. BA will, without unreasonable delay, and in any event no later than sixty (60) calendar days after Discovery, notify the CE of any Breach of Unsecured Protected Health Information. The notification shall include, to the extent possible (and subsequently as the information becomes available), the identification of all individuals whose Unsecured Protected Health Information is reasonably believed by BA to have been Breached along with any other available information that is required to be included in the notification to the Individual, the Secretary, and/or the media, all in accordance with the data breach notification requirements set forth in 42 U.S.C. § 17932 and 45 C.F.R. Parts 160 and 164 (Subparts A, D, and E), as of their respective Compliance Dates.

6. BA will ensure that any subcontractors or agents to whom BA provides Protected Health Information agree to the same restrictions and conditions that apply to BA with respect to such Protected Health Information. To the extent that BA provides Electronic Protected Health Information to a subcontractor or agent, it will require the subcontractor or agent to implement reasonable and appropriate safeguards to protect the Electronic Protected Health Information consistent with the requirements of this Exhibit.
7. BA will, to the extent that Protected Health Information in BA's possession constitutes a Designated Record Set, make available such Protected Health Information in accordance with 45 C.F.R. § 164.524.
8. In the event that BA, in connection with the Services, uses or maintains an Electronic Health Record of Protected Health Information of or about an Individual, BA will provide an electronic copy of such Protected Health Information in accordance with 42 U.S.C. § 17935(e) as of its Compliance Date.
9. BA will, to the extent that Protected Health Information in BA's possession constitutes a Designated Record Set, make available such Protected Health Information for amendment and incorporate any amendments to such information as directed by the CE, all in accordance with 45 C.F.R. § 164.526.
10. BA will document and make available the information required to provide an accounting of disclosures of Protected Health Information, in accordance with 45 C.F.R. § 164.528.
11. In the event that BA, in connection with the Services, uses or maintains an Electronic Health Record of Protected Health Information of or about an Individual, BA will make an accounting of disclosures of such Protected Health Information in accordance with the requirements for accounting of disclosures made through an Electronic Health Record in 42 U.S.C. § 17935(c), as of its Compliance Date.
12. BA will make its internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary for purposes of determining the CE's compliance with the Privacy Rule.
13. BA will, as of the Compliance Date of 42 U.S.C. § 17935(b), limit any request, use, or disclosure by BA of Protected Health Information, to the extent practicable, to the Limited Data Set of such Protected Health Information (as defined in 45 C.F.R. § 164.514(e)(2)), or, if the request, use, or disclosure by BA of Protected Health Information, not in a Limited Data Set, is necessary for BA's performance of the Services, BA will limit the amount of such Protected Health Information requested, used, or disclosed by BA to the minimum necessary to accomplish the intended purpose of such request, use, or disclosure, respectively; provided, however, that the requirements set forth above in this subsection (13) shall be superseded and replaced by the requirements of the "minimum

necessary” regulations or guidance to be issued by the Secretary (pursuant to 42 U.S.C. § 17935(b)(1)(B)) on and after its Compliance Date.

14. BA will not directly or indirectly receive remuneration in exchange for any Protected Health Information as prohibited by 42 U.S.C. § 17935(d) as of its Compliance Date.
 15. BA will not make or cause to be made any communication about a product or service that is prohibited by 42 U.S.C. § 17936(a) as of its Compliance Date.
 16. BA will not make or cause to be made any written fundraising communication that is prohibited by 42 U.S.C. § 17936(b) as of its Compliance Date.
- (C) In addition to any other obligation set forth in this Agreement, including this Exhibit, the CE agrees that it will: (1) not make any disclosure of Protected Health Information to BA if such disclosure would violate HIPAA, HITECH, or any applicable federal or state law or regulation; (2) not request BA to use or make any disclosure of Protected Health Information in any manner that would not be permissible under HIPAA, HITECH, or any applicable federal or state law or regulation if such use or disclosure were done by the CE; and (3) limit any disclosure of Protected Health Information to BA, to the extent practicable, to the Limited Data Set of such Protected Health Information, or, if the disclosure of Protected Health Information that is not in a Limited Data Set is necessary for BA’s performance of the Services, to limit the disclosure of such Protected Health Information to the minimum necessary to accomplish the intended purpose of such disclosure, provided, however, that the requirements set forth above in this part (3) shall be superseded and replaced by the requirements of the “minimum necessary” regulations or guidance to be issued by the Secretary (pursuant to 42 U.S.C. § 17935(b)(1)(B)) on and after its Compliance Date.
- (D) If either the CE or BA knows of either a violation of a material term of this Exhibit by the other party or a pattern of activity or practice of the other party that constitutes a material breach or violation of this Exhibit, the non-breaching party will provide written notice of the breach or violation to the other party that specifies the nature of the breach or violation. In the event that the breaching party does not cure the breach or end the violation on or before thirty (30) days after receipt of the written notice, the non-breaching party may do the following:
- (i) if feasible, terminate this Agreement; or
 - (ii) if termination of this Agreement is infeasible, report the issue to the Secretary.
- (E) BA will, at termination of this Agreement, if feasible, return or destroy all Protected Health Information that BA still maintains in any form and retain no copies of Protected Health Information or, if such return or destruction is not feasible (such as in the event that the retention of Protected Health Information is required for archival purposes to evidence the Services), BA may retain such Protected Health Information and shall thereupon extend the protections of this Exhibit to such Protected Health Information and

limit further uses and disclosures to those purposes that make the return or destruction of such Protected Health Information infeasible.

- (F) Any other provision of this Agreement that is directly contradictory to one or more terms of this Exhibit shall be superseded by the terms of this Exhibit to the extent and only to the extent of the contradiction and only for the purpose of the CE's and BA's compliance with HIPAA and HITECH. The terms of this Exhibit, to the extent they are unclear, shall be construed to allow for compliance by the CE and BA with HIPAA and HITECH.
- (G) **Indemnification.** Each party, CE and BA, will indemnify, hold harmless and defend the other party to this Exhibit from and against any and all claims, losses, liabilities, costs, and other expenses incurred as a result or arising directly or indirectly out of or in connection with (a) any misrepresentation, active or passive negligence, breach of warranty or non-fulfillment of any undertaking on the part of the party under this Exhibit; and (b) any claims, demands, awards, judgments, actions and proceedings made by any person or organization, arising out of or in any way connected with the party's performance under this Exhibit.

In addition, the CE agrees to compensate BA for any time and expenses that BA may incur in responding to requests for documents or information under HIPAA, HITECH, or any regulations promulgated under HIPAA or HITECH.

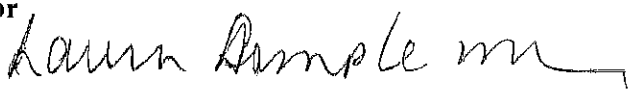
Nothing contained in this Exhibit is intended to confer upon any person (other than the parties hereto) any rights, benefits, or remedies of any kind or character whatsoever, whether in contract, statute, tort (such as negligence), or otherwise, and no person shall be deemed a third party beneficiary under or by reason of this Exhibit.

Hospital

Signature:  _____

Date: 1/6/12

Contractor

Signature:  _____

Date: 12-29-11

Signature:  _____

Date: 12-29-11



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
04/28/2012

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Insurance Services West, Inc. Fresno CA Office 5260 North Palm Avenue Suite 400 Fresno CA 93704 USA	CONTACT NAME: _____	
	PHONE (A/C, No, Ext): (559) 449-7200	FAX (A/C, No.): (559) 439-0863
E-MAIL ADDRESS: _____		
INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Monterey Bay Oncology DBA: Pacific Cancer Care 5 Harris Court, Bldg T, 2nd Floor Monterey CA 93940 USA	INSURER A: Hartford Casualty Insurance Co	29424
	INSURER B: Amco Ins Co	19100
	INSURER C: Employers Compensation Insurance Company	11512
	INSURER D: Norcal Mutual Insurance Company	33200
	INSURER E:	
	INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 570046021486 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. **Limits shown are as requested**

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC		57SEWKI7282 Package (BOR)	04/01/2012	04/01/2013	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$300,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$2,000,000 GENERAL AGGREGATE \$4,000,000 PRODUCTS - COMP/OP AGG \$4,000,000 Hired & Non-Owned Au \$2,000,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS					COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION		CAA7862001691 Commerical Umbrella (BOR)	01/01/2012	01/01/2013	EACH OCCURRENCE \$1,000,000 AGGREGATE \$1,000,000
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N <input checked="" type="checkbox"/> Y <input type="checkbox"/> N/A	E1GL49024000 Work Comp	04/01/2012	04/01/2013	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000
D	Medical Mal		615627 Monterey Bay Oncology (B	01/01/2012	01/01/2013	Med Prof Each Claim \$1,000,000 Med Prof Agg \$3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 The County of Monterey, Its Officers, Agents and Employees are included as Additional Insured but only as their interest appears per contract.

CERTIFICATE HOLDER County of Monterey Contracts/Purchasing Division 168 West Alisal Street 3rd Floor Salinas CA 93901 USA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>Aon Risk Insurance Services West, Inc</i>
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Holder Identifier :

Certificate No : 570046021486

BUSINESS LIABILITY COVERAGE FORM

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.

f. Products-Completed Operations Hazard

Included with the "products-completed operations hazard".

g. Business Liability Exclusions

Excluded under Business Liability Coverage.

C. WHO IS AN INSURED

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. Employees And Volunteer Workers

Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily Injury" or "personal and advertising injury":

(a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

(b) To the spouse, child, parent, brother or sister of that co-"employee" or that "volunteer worker" as a consequence of Paragraph (1)(a) above;

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

If you are not in the business of providing professional health care services, Paragraph (d) does not apply to any nurse, emergency medical technician or paramedic employed by you to provide such services.

(2) "Property damage" to property:

(a) Owned, occupied or used by,

BUSINESS LIABILITY COVERAGE FORM

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Real Estate Manager

Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Temporary Custodians Of Your Property

Any person or organization having proper temporary custody of your property if you die, but only:

- (1) With respect to liability arising out of the maintenance or use of that property; and
- (2) Until your legal representative has been appointed.

d. Legal Representative If You Die

Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.

e. Unnamed Subsidiary

Any subsidiary and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of this Coverage Part.

The insurance afforded herein for any subsidiary not shown in the Declarations as a named insured does not apply to injury or damage with respect to which an insured under this insurance is also an insured under another policy or would be an insured under such policy but for its termination or upon the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization

Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage under this provision does not apply to:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. Operator Of Mobile Equipment

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person driving the equipment; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Operator of Nonowned Watercraft

With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

- a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or
- b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written

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contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit.

A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

However, no such person or organization is an additional insured under this provision if such person or organization is included as an additional insured by an endorsement issued by us and made a part of this Coverage Part, including all persons or organizations added as additional insureds under the specific additional insured coverage grants in Section F. - Optional Additional Insured Coverages.

a. Vendors

Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- (1) The insurance afforded to the vendor is subject to the following additional exclusions:

This insurance does not apply to:

- (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
- (b) Any express warranty unauthorized by you;
- (c) Any physical or chemical change in the product made intentionally by the vendor;
- (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Subparagraphs (d) or (f); or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

- (1) Any person or organization from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person or organization.

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- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

c. Lessors Of Land Or Premises

- (1) Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) Any "occurrence" which takes place after you cease to lease that land or be a tenant in that premises; or
 - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

- (1) Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In connection with your premises; or
 - (b) In the performance of your ongoing operations performed by you or on your behalf.
- (2) With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

 - (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
 - (b) Supervisory, inspection, architectural or engineering activities.

e. Permits Issued By State Or Political Subdivisions

- (1) Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:
 - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
 - (b) "Bodily Injury" or "property damage" included within the "products-completed operations hazard".

f. Any Other Party

- (1) Any other person or organization who is not an insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:
 - (a) In the performance of your ongoing operations;
 - (b) In connection with your premises owned by or rented to you; or
 - (c) In connection with "your work" and included within the "products-completed operations hazard", but only if
 - (i) The written contract or written agreement requires you to provide such coverage to such additional insured; and
 - (ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".
- (2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

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- (a) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (b) Supervisory, inspection, architectural or engineering activities.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

1. The Most We Will Pay

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. Aggregate Limits

The most we will pay for:

- a. Damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" is the Products-Completed Operations Aggregate Limit shown in the Declarations.
- b. Damages because of all other "bodily injury", "property damage" or "personal and advertising injury", including medical expenses, is the General Aggregate Limit shown in the Declarations.

This General Aggregate Limit applies separately to each of your "locations" owned by or rented to you.

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway or right-of-way of a railroad.

This General Aggregate limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire, lightning or explosion.

3. Each Occurrence Limit

Subject to 2.a. or 2.b. above, whichever applies, the most we will pay for the sum of all damages because of all "bodily injury", "property damage" and medical expenses arising out of any one "occurrence" is the Liability and Medical Expenses Limit shown in the Declarations.

The most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses Limit shown in the Declarations.

4. Personal And Advertising Injury Limit

Subject to 2.b. above, the most we will pay for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization is the Personal and Advertising Injury Limit shown in the Declarations.

5. Damage To Premises Rented To You Limit

The Damage To Premises Rented To You Limit is the most we will pay under Business Liability Coverage for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or explosion, while rented to you or temporarily occupied by you with permission of the owner.

In the case of damage by fire, lightning or explosion, the Damage to Premises Rented To You Limit applies to all damage proximately caused by the same event, whether such damage results from fire, lightning or explosion or any combination of these.

6. How Limits Apply To Additional Insureds

The most we will pay on behalf of a person or organization who is an additional insured under this Coverage Part is the lesser of:

- a. The limits of insurance specified in a written contract, written agreement or permit issued by a state or political subdivision; or
- b. The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to the Limits of Insurance shown in the Declarations and described in this Section.

If more than one limit of insurance under this policy and any endorsements attached thereto applies to any claim or "suit", the most we will pay under this policy and the endorsements is the single highest limit of liability of all coverages applicable to such claim or "suit". However, this paragraph does not apply to the Medical Expenses limit set forth in Paragraph 3. above.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

a. Notice Of Occurrence Or Offense

You or any additional insured must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

b. Notice Of Claim

If a claim is made or "suit" is brought against any insured, you or any additional insured must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You or any additional insured must see to it that we receive a written notice of the claim or "suit" as soon as practicable.

c. Assistance And Cooperation Of The Insured

You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation, settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.

d. Obligations At The Insured's Own Cost

No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

e. Additional Insured's Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership;
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

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This Paragraph f. applies separately to you and any additional insured.

3. Financial Responsibility Laws

- a. When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, the insurance provided by the policy for "bodily injury" liability and "property damage" liability will comply with the provisions of the law to the extent of the coverage and limits of insurance required by that law.
- b. With respect to "mobile equipment" to which this insurance applies, we will provide any liability, uninsured motorists, underinsured motorists, no-fault or other coverage required by any motor vehicle law. We will provide the required limits for those coverages.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this insurance or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

5. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom a claim is made or "suit" is brought.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

- (1) The statements in the Declarations are accurate and complete;
- (2) Those statements are based upon representations you made to us; and

- (3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business at the inception date of this Coverage Part, we shall not deny any coverage under this Coverage Part because of such failure.

7. Other Insurance

If other valid and collectible insurance is available for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section A. – Coverages.

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion k. of Section A. – Coverages.

(6) When You Are Added As An Additional Insured To Other Insurance

That is other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

That is other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this Coverage Part:

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract, written agreement or permit that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under this Coverage Part to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

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F. OPTIONAL ADDITIONAL INSURED COVERAGES

If listed or shown as applicable in the Declarations, one or more of the following Optional Additional Insured Coverages also apply. When any of these Optional Additional Insured Coverages apply, Paragraph 6. (Additional Insureds When Required by Written Contract, Written Agreement or Permit) of Section C., Who Is An Insured, does not apply to the person or organization shown in the Declarations. These coverages are subject to the terms and conditions applicable to Business Liability Coverage in this policy, except as provided below:

1. Additional Insured - Designated Person Or Organization

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- a. In the performance of your ongoing operations; or
- b. In connection with your premises owned by or rented to you.

2. Additional Insured - Managers Or Lessors Of Premises

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Designated Person Or Organization; but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional Insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

3. Additional Insured - Grantor Of Franchise

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Grantor Of Franchise, but only with respect to their liability as grantor of franchise to you.

4. Additional Insured - Lessor Of Leased Equipment

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Lessor of Leased Equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after you cease to lease that equipment.

5. Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured - Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you and shown in the Declarations.

b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) Any "occurrence" that takes place after you cease to lease that land; or
- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

6. Additional Insured - State Or Political Subdivision - Permits

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the state or political subdivision shown in the Declarations as an Additional

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Insured – State Or Political Subdivision - Permits, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

- b. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included in the "product-completed operations" hazard.

7. Additional Insured – Vendors

- a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) (referred to below as vendor) shown in the Declarations as an Additional Insured - Vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

- b. The insurance afforded to the vendor is subject to the following additional exclusions:

- (1) This insurance does not apply to:
 - (a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - (b) Any express warranty unauthorized by you;
 - (c) Any physical or chemical change in the product made intentionally by the vendor;
 - (d) Repackaging, unless unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

- (e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

- (f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;

- (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (i) The exceptions contained in Subparagraphs (d) or (f); or

- (ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

- (2) This insurance does not apply to any insured person or organization from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

8. Additional Insured – Controlling Interest

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Controlling Interest, but only with respect to their liability arising out of:

- a. Their financial control of you; or
- b. Premises they own, maintain or control while you lease or occupy these premises.

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This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

9. Additional Insured – Owners, Lessees Or Contractors – Scheduled Person Or Organization

a. WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or organization(s) shown in the Declarations as an Additional Insured – Owner, Lessees Or Contractors, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (1) In the performance of your ongoing operations for the additional insured(s); or
- (2) In connection with "your work" performed for that additional insured and included within the "products-completed operations hazard", but only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

b. With respect to the insurance afforded to these additional insureds, this insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- (1) The preparing, approving, or failure to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs or drawings and specifications; or
- (2) Supervisory, inspection, architectural or engineering activities.

10. Additional Insured – Co-Owner Of Insured Premises

WHO IS AN INSURED under Section C. is amended to include as an additional insured the person(s) or Organization(s) shown in the Declarations as an Additional Insured – Co-Owner Of Insured Premises, but only with respect to their liability as co-owner of the premises shown in the Declarations.

The limits of insurance that apply to additional insureds are described in Section D. – Limits Of Insurance.

How this insurance applies when other insurance is available to an additional insured is described in the Other Insurance Condition in Section E. – Liability And Medical Expenses General Conditions.

G. LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. "Advertisement" means the widespread public dissemination of information or images that has the purpose of inducing the sale of goods, products or services through:

- a. (1) Radio;
- (2) Television;
- (3) Billboard;
- (4) Magazine;
- (5) Newspaper;

b. The Internet, but only that part of a web site that is about goods, products or services for the purposes of inducing the sale of goods, products or services; or

c. Any other publication that is given widespread public distribution.

However, "advertisement" does not include:

- a. The design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
- b. An interactive conversation between or among persons through a computer network.

2. "Advertising idea" means any idea for an "advertisement".

3. "Asbestos hazard" means an exposure or threat of exposure to the actual or alleged properties of asbestos and includes the mere presence of asbestos in any form.

4. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But "auto" does not include "mobile equipment".

5. "Bodily injury" means physical:

- a. Injury;
- b. Sickness; or
- c. Disease

sustained by a person and, if arising out of the above, mental anguish or death at any time.

6. "Coverage territory" means:



CERTIFICATE OF INSURANCE		Issue Date: 12/21/2011
Effective Date: 01/01/2012		A Claims-Made Professional Liability Policy
First Named Insured: Los Palos Oncology & Hematology 505 East Romie Lane #A Salinas, CA 93901		IMPORTANT NOTICE: This document demonstrates coverage in force on the Effective Date listed. It is issued as a matter of information and does not confer rights to any recipient. This document is not binding, is not part of the Policy described below, and does not change or extend the coverage provided by that Policy.
Protected Party: Gestha N Varma MD		
Specialty: INT01 Oncology/Hematology		
Policy Number: 0564572	Policy Period: From: 01/01/2012 To: 01/01/2013	Retroactive Date: 09/15/2004
The Protected Party above is: <input checked="" type="checkbox"/> A Named Insured <input type="checkbox"/> A Locum Tenens <input type="checkbox"/> An Additional Protected Party		Agency and Address: O'Brien Insurance Services, Inc. 6 Hamilton Landing, Suite 170 Novato, CA 94949 (800) 553-9293
LIMITS OF LIABILITY		
Claim Limit:	\$2,000,000	
Aggregate Limit:	\$5,000,000	

- I. Locum Tenens and Additional Protected Parties share Limits of Liability with the applicable Named Insured.
- II. Individuals who occupy a "slot" share Limits of Liability with all others who occupy the same "slot" during the Policy Period.
- III. Photocopies of this document are deemed as valid as the original.
- IV. The policy, including endorsements, determines the coverage provided. Some claims may not be covered by the terms of the policy, or may be subject to restrictions such as lower Limits of Liability.
- V. If the policy, or coverage for any person, is canceled for any reason or if the terms of the policy are changed, we will notify the First Named Insured only. Coverage is not in effect unless and until all payments are received when due.



California Evidence of Liability Insurance
1-800-641-3000

GEICO GENERAL INSURANCE COMPANY
PO BOX 509090 SAN DIEGO, CA 92150-9090

NAIC Code: 35882

Policy Number

0213657000

Effective Date

03-07-12

Expiration Date

09-07-12

Year Make
2001 ACURA

Model
3.2TL

Vehicle ID No.
19UUA56811A009214

Insured:

SHEHZAD AND SHAZIA S AZIZ
27844 CROWNE POINT DR
SALINAS, CA 93908-1598

The coverage provided by this policy meets the minimum requirements of sections 16556 & 16500.5 of the California Vehicle Code, minimum liability limits prescribed by law

Evidence of Insurance

Here are your Evidence of Liability Insurance Cards. One card must be carried in the proper insured vehicle. Proof of insurance is required to register or renew the registration of your vehicle. A law enforcement officer can ask you to prove that you have liability insurance meeting the basic requirements of California law. A violation of these requirements can result in a fine of up to:

- \$1,000 for the first time
- \$2,000 for additional times

Also, a judge can have your vehicle impounded. False proof of insurance may result in a fine up to \$750 and 30 days in prison.

Due to space limitations on the ID card, only the Named Insured and the Co-Insured are listed. For a full list of drivers covered under this policy, please reference the Drivers section of your Declarations Page, which is included with your insurance packet.

If you would like additional ID cards you can go online to geico.com or call us at 1-800-841-3000.

What to do at the time of an accident.

- Do not admit fault.
- Do not reveal the limits of your liability coverage to anyone.
- Exchange contact information; get year, make, model, plate number, insurance carrier and policy number of all involved. Also, identify witnesses and collect contact information.
- Contact the police or 911 if applicable.
- Contact GEICO by calling 1-800-841-3000 or visit geico.com to report the accident.

U-4-CA (11-09)



CERTIFICATE OF INSURANCE		Issue Date: 12/21/2011
Effective Date: 01/01/2012		A Claims-Made Professional Liability Policy
First Named Insured: Los Palos Oncology & Hematology 505 East Romie Lane WA Salinas, CA 93901		IMPORTANT NOTICE: This document demonstrates coverage in force on the Effective Date listed. It is issued as a matter of information and does not confer rights to any recipient. This document is not binding, is not part of the Policy described below, and does not change or extend the coverage provided by that Policy.
Protected Party: Shehzad Aziz MD		
Specialty: INT01 Oncology/Hematology		
Policy Number: 0584572	Policy Period: From: 01/01/2012 To: 01/01/2013	Retroactive Date: 12/01/1998
The Protected Party above is: <input checked="" type="checkbox"/> A Named Insured <input type="checkbox"/> A Locum Tenens <input type="checkbox"/> An Additional Protected Party		Agency and Address: O'Brien Insurance Services, Inc. 6 Hamilton Landing, Suite 170 Novato, CA 94949 (800) 553-9293
LIMITS OF LIABILITY		
Claim Limit:	\$2,000,000	
Aggregate Limit:	\$6,000,000	

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State Farm Mutual Automobile Insurance Company
 900 Old River Road, Bakersfield, CA 93311-9501
 INSURED STAMPLEMAN, PAUL

MUTL
VOL

POLICY NUMBER D30 4622-F15-051 EFFECTIVE
 YR 2011 MAKE TOYOTA MAR 02 2012 TO JUN 13 2012
 MODEL PRIUS VIN JTOKR3DUXB0325539
 AGENT PETE ALEXANDER 2848-146
 PHONE (831)724-0836 NAIC 25178
 COVERAGE PROVIDED BY THE POLICY MEETS THE MINIMUM LIABILITY LIMITS
 PRESCRIBED BY LAW
 COVERAGES A C D 0250 U U U
 SEE REVERSE SIDE FOR AN EXPLANATION.



IF YOU HAVE AN ACCIDENT - NOTIFY THE POLICE IMMEDIATELY

1. Write down names, addresses, telephone numbers, and license numbers of persons involved and of witnesses. Also, write down the license plate number and state of each vehicle involved.
2. Do not admit fault. Do not discuss the accident with anyone except State Farm or police.
3. Notify your agent promptly or log on to statefarm.com to initiate the claim filing process.

EXAMINE POLICY EXCLUSIONS CAREFULLY. THIS FORM DOES NOT CONSTITUTE ANY PART OF YOUR INSURANCE POLICY.

HOW TO IDENTIFY YOUR COVERAGE
 See policy for full name and definition

- | | | | | | |
|---|------------------|----|--|----|------------------------------|
| A | Liability | H | Emergency Road Service | U | Uninsured Motor Vehicle |
| C | Medical Payments | L | Physical Damage | UI | Uninsured Motor Vehicle - PD |
| D | Comprehensive | BI | Car Rental and Travel Expenses | Z | Loss of Earnings |
| E | Collision | S | Death, Dismemberment and Loss of Sight | | |



CERTIFICATE OF INSURANCE		Issue Date: 12/21/2011
Effective Date: 01/01/2012		A Claims-Made Professional Liability Policy
First Named Insured: Los Palos Oncology & Hematology 505 East Romie Lane #A Salinas, CA 93901		IMPORTANT NOTICE: This document demonstrates coverage in force on the Effective Date listed. It is issued as a matter of information and does not confer rights to any recipient. This document is not binding, is not part of the Policy described below, and does not change or extend the coverage provided by that Policy.
Protected Party: Laura Stampelman MD		
Specialty: INT01 Oncology/Hematology		
Policy Number:	Policy Period:	Retroactive Date:
0564572	From: 01/01/2012 To: 01/01/2013	07/29/1987
The Protected Party above is: <input checked="" type="checkbox"/> A Named Insured <input type="checkbox"/> A Locum Tenens <input type="checkbox"/> An Additional Protected Party		Agency and Address: O'Brien Insurance Services, Inc. 6 Hamilton Landing, Suite 170 Novato, CA 94949 (800) 553-9293
LIMITS OF LIABILITY		
Claim Limit:	\$2,000,000	
Aggregate Limit:	\$5,000,000	

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CALIFORNIA EVIDENCE OF LIABILITY INSURANCE



POLICY INFORMATION

Policy Number
A02-268-678887-70 2 6

Policy Effective Date
03/13/2012

Policy Expiration Date
03/13/2013

VEHICLE INFORMATION

Year
2004

Make
TOYOTA

Model
4RUNNER

Vehicle Identification Number
JTEJU14R140022357

CONTACT US

To report a claim
1-800-2CLAIMS
11-800-225-2467

Customer Service
1-800-225-8285

Residual Services
1-800-426-9898

Name of Insured
PEYMAN HAGHIGHAT
ANNE-CECILE HAGHIGHAT
24A RANCHO PESTA RD
CARMEL VALLEY CA 93924-9434

Next Effective Date
03/13/2012

Next Expiration Date
03/13/2013

Company Name
LIBERTY MUTUAL FIRE INSURANCE CO.

Policy Number
23035

Print 510 12-09

SEE IMPORTANT MESSAGE ON REVERSE SIDE



CERTIFICATE OF INSURANCE		Issue Date: 12/21/2011
Effective Date: 01/01/2012		A Claims-Made Professional Liability Policy
First Named Insured: Los Palos Oncology & Hematology 505 East Romie Lane #A Salinas, CA 93901		IMPORTANT NOTICE: This document demonstrates coverage in force on the Effective Date listed. It is issued as a matter of information and does not confer rights to any recipient. This document is not binding, is not part of the Policy described below, and does not change or extend the coverage provided by that Policy.
Protected Party: Feyman Haghighat MD		
Specialty: ONC01 Oncology/Hematology		
Policy Number:	Policy Period:	Retroactive Date:
0564572	From: 01/01/2012 To: 01/01/2013	12/01/2006
The Protected Party above is: <input checked="" type="checkbox"/> A Named Insured <input type="checkbox"/> A Locum Tenens <input type="checkbox"/> An Additional Protected Party		Agency and Address: O'Brien Insurance Services, Inc. 6 Hamilton Landing, Suite 170 Novato, CA 94949 (800) 553-9293
LIMITS OF LIABILITY		
Claim Limit:	\$2,000,000	
Aggregate Limit:	\$5,000,000	

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GEICO
geico.com

California Evidence of Liability Insurance
1-800-841-3000

GOVERNMENT EMPLOYEES INSURANCE COMPANY
P.O. Box 509090 • San Diego, CA 92150-9090

NAIC Code: 22063

Policy Number
2005-01-86-98

Effective Date
05-21-12

Expiration Date
11-21-12

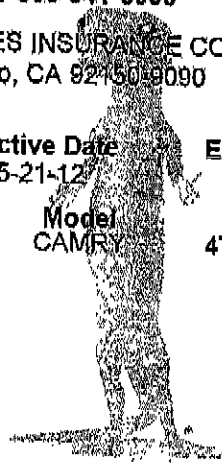
Year Make
2011 TOYOTA

Model
CAMRY

Vehicle ID No.
4T1BB3EK4BU127873

Insured:

Rama R Varma
Geetha N Varma
498 Via Sorrento
Morgan Hill CA 95037-5742



The coverage provided by this policy meets the minimum requirements of sections 16056 & 16500.5 of the California Vehicle Code, minimum liability limits prescribed by law.