

 Natividad MEDICAL CENTER
COUNTY OF MONTEREY AGREEMENT FOR SERVICES
(NOT TO EXCEED \$100,000)

This Agreement (hereinafter "Agreement") is made by and between the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care hospital (hereinafter, "NMC"), and **The Claro Group, LLC** hereinafter "CONTRACTOR (collectively, the County and CONTRACTOR are referred to as the "Parties.").

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

GENERAL DESCRIPTION OF SERVICES TO BE PROVIDED; NMC hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of the Agreement. The services are generally described as follows: **consultation and guidance on compliance matters related to physician agreements.**

1. PAYMENTS BY NMC. NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of **\$100,000.**

2. TERM OF AGREEMENT.

2.1. The term of this Agreement is from **April 25, 2013 through February 28, 2014** unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and NMC and with NMC signing last and CONTRACTOR may not commence work before NMC signs this Agreement.

2.2. ~~NMC reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.~~

3. SCOPE OF SERVICES AND ADDITIONAL PROVISIONS/EXHIBITS. The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A: Scope of Services/Payment Provisions

Exhibit B: Addendum

~~**Exhibit C: Business Associate Agreement**~~

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4. PERFORMANCE STANDARDS.

4.1. ~~CONTRACTOR warrants that CONTRACTOR and Contractor's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of NMC, or immediate family of an employee of NMC.~~

4.2. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as other wise specified in this Agreement. CONTRACTOR

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shall not use NMC premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. PAYMENT CONDITIONS.

- 6.1. Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided herein. NMC (Monterey County) does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.2. ~~Negotiations for rate changes shall be commenced, by CONTRACTOR, prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County (NMC) and the CONTRACTOR.~~
- 6.3. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to NMC. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.
- 6.4. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement.

7. TERMINATION.

- 7.1. During the term of this Agreement, NMC may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination.
- 7.2. ~~NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to Contractor. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to Contractor, and NMC may proceed with the work in any manner, which NMC deems proper. The cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement.~~

8. INDEMNIFICATION

9. INSURANCE.

9.1. Evidence of Coverage:

Prior to commencement of this Agreement, the CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the CONTRACTOR upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to NMC's Contracts/Purchasing Department, unless otherwise directed. The CONTRACTOR shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and NMC has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

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9.2. Qualifying Insurers: All coverage's except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A-VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by NMC's Contracts/Purchasing Director.

9.3. Insurance Coverage Requirements: Without limiting Contractor's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Exemption/Modification (Justification attached; subject to approval).

Business Automobile Liability Insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$500,000 per occurrence.

(Note: any proposed modifications to these business automobile liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance. If CONTRACTOR employs other in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

(Note: any proposed modifications to these workers' compensation insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Exemption/Modification (Justification attached; subject to approval).

Professional Liability Insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services.

If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

(Note: any proposed modifications to these general professional liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Exemption/Modification (Justification attached; subject to approval).

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Handwritten initials: nm, JRS, JHO

9.4. Other Insurance Requirements:

All insurance required by this Agreement shall be with a company acceptable to NMC and issued and executed by an admitted insurer authorized to transact insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that NMC shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insured with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by NMC, CONTRACTOR shall file certificates of insurance with NMC's Contracts/Purchasing Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by NMC, annual certificates to NMC's Contracts/Purchasing Department. If the certificate is not received by the expiration date, NMC shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles NMC, at its sole discretion, to terminate the Agreement immediately.

10. RECORDS AND CONFIDENTIALITY.

- 10.1. Confidentiality, CONTRACTOR and its officers, employees, agents and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from NMC or prepared in connection with the performance of this Agreement, unless NMC specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out Contractor's obligations under this Agreement.

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- 10.2. NMC Records. When this Agreement expires or terminates, CONTRACTOR shall return to NMC any NMC records which CONTRACTOR used or received from NMC to perform services under this Agreement.
- 10.3. Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.4. Access to and Audit of Records. NMC shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of NMC or as part of any audit of NMC, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.
- 10.5. Royalties and Inventions. NMC shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize other to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of NMC.
- 11. NON-DISCRIMINATION.** During the performance of this Agreement, Contractor, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in Contractor's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.
- 12. COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** ~~If this Agreement has been or will be funded with monies received by NMC pursuant to a contract with the state or federal government in which NMC is the grantee, CONTRACTOR will comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, NMC will deliver a copy of said contract to Contractor, at no cost to Contractor.~~
- 13. INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not as an employee of NMC. No offer or obligation of permanent employment with NMC or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from NMC any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold NMC and the County of Monterey harmless from any and all liability, which NMC may incur because of Contractor's failure to pay such taxes.

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14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage per-paid mail to NMC and Contractor's contract administrators at the addresses listed below.

NATIVIDAD MEDICAL CENTER:

Sid Cato
Management Analyst, Contracts
Natividad Medical Center
1441 Constitution Blvd
Salinas, CA. 93906
Phone: 831.783.2620
Facsimile: 831.757.2592
Email: catosl@natividad.com

CONTRACTOR:

Name: John R. Sasaki
Managing Director

The Claro Group, LLC
321 N. Clark St., Suite 1200
Chicago, IL 60654
Phone: 312.893.4600
Facsimile: 213.477.2293
Email: jsasaki@theclarogroup.com

15. MISCELLANEOUS PROVISIONS.

- 15.1. Conflict of Interest. ~~CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.~~
- 15.2. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.
- 15.3. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC and the Contractor. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.4. Contractor. The term "Contractor" as used in this Agreement includes Contractor's officers, agents, and employees acting on Contractor's behalf in the performance of this Agreement.
- 15.5. Disputes. ~~CONTRACTOR shall continue to perform under this Agreement during any dispute.~~
- 15.6. Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of NMC. None of the services covered by this Agreement shall be subcontracted without the prior written approval of NMC. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.7. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of NMC and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.8. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.9. Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10. Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement

- 15.11. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12. Non-exclusive Agreement. This Agreement is non-exclusive and both NMC and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 15.13. Construction of Agreement. NMC and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15. Integration. This Agreement, including the exhibits, represents the entire Agreement between NMC and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, Representations, or agreements, either written or oral, between NMC and CONTRACTOR as of the effective date of this Agreement, which is the date that NMC signs the Agreement.
- 15.16. Interpretation of Conflicting Provisions. ~~In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.~~

NATIVIDAD MEDICAL CENTER

By: 

Sid Cato, NMC Contracts Manager


JMD

Date: 6-6-13

By: [Signature]
Harry Weis, NMC Chief Executive Officer

Date: 5/28/13

APPROVED AS TO LEGAL PROVISIONS

By: [Signature]
Stacy L. Saetta
Deputy County Counsel, Office of the County Counsel

Date: 6/5/13

APPROVED AS TO FISCAL PROVISIONS

By: [Signature]
Gary Giboney
Monterey County Auditor/Controller's Office

Date: 6/5/13

[Signature]
Signature of Chair, President, or Vice-President

JOHN R. SASAKI, MANAGING DIRECTOR
Name and Title

Date: MAY 17, 2013

By: [Signature]
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer) General Council

Douglas H. Deems, General Council
Name and Title

Date: 5/21/13

*****INSTRUCTIONS**

If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

CONTRACTOR

THE CLARD GROUP, LLC
Contractor's Business Name*** (see instructions)

[Handwritten initials]
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**EXHIBIT A TO COUNTY OF MONTEREY AGREEMENT FOR
SERVICES (NTE \$100,000) WITH
THE CLARO GROUP, LLC**

I. SCOPE OF WORK

- A. CONTRACTOR shall assist NMC by providing consultation and guidance on compliance matters related to physician agreement.
- B. CONTRACTOR shall provide guidance and consultation on any further regulatory compliance issues on a mutually agreed basis.

II. PAYMENT PROVISIONS

COUNTY shall pay CONTRACTOR according to Section 5, PAYMENT CONDITIONS, of this agreement. CONTRACTOR shall bill NMC for professional services at the following hourly billing rates for actual hours worked:

Managing Director	\$ 450
Director/Manager	\$ 350
Sr. Consultants	\$ 250
Consultants	\$185

Out-of-pocket expenses are not included in the above billing rates and will be billed in accordance with the requirements of Section III. C., below.

III. ADDITIONAL PROVISIONS

- A. Maximum Liability. The maximum amount to be paid by COUNTY to CONTRACTOR under this agreement shall not exceed one hundred thousand dollars (\$100,000.00). This amount may be amended by written agreement between the parties, subject to approval by the Board of Supervisors. CONTRACTOR shall notify the County Counsel in writing when fifty percent (50%) and seventy-five percent (75%) of the maximum liability has been spent.
- B. CONTRACTOR shall submit an invoice to the COUNTY no later than the 10th of the month following the month of service. Invoices shall be submitted to:

Stacy L. Saetta
Deputy County Counsel
Office of the Monterey County Counsel
168 West Alisal Street, 3rd Floor

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Salinas, CA 93901

C. Reimbursement for Expenses.

1. COUNTY shall reimburse CONTRACTOR for all actual and necessary expenses for the following items:
 - (a) Postage;
 - (b) Actual travel expenses, as more fully described in (2) below;
 - (c) Photocopying;
 - (d) Computerized legal research; and
 - (e) Other expenses when approved in advance.

2. COUNTY will not reimburse CONTRACTOR for any non-attorney staff time or overtime for secretarial, clerical, or word processing costs connected with preparing required status reports, time spent to provide information for a fee audit, or for work not authorized by COUNTY. Travel will be reimbursed as follows: Transportation at actual fare for economy or coach class, meals and lodging not to exceed COUNTY per diem unless authorized in advance.

D. Direction from County Counsel. CONTRACTOR shall report to and receive direction from County Counsel in providing advice under this Agreement. If CONTRACTOR prepares any documents in the performance of services under this Agreement, including but not limited to memoranda, CONTRACTOR shall provide such drafts to County Counsel for review and consultation prior to finalizing any such drafts.

E. Reporting Requirements. CONTRACTOR shall provide COUNTY with such reports as may be requested by COUNTY in connection with the performance of services hereunder.

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**EXHIBIT B TO THE COUNTY OF MONTEREY AGREEMENT FOR SERVICES
WITH THE CLARO GROUP, LLC.**

1. **Section 2.2.** Section 2.2 is hereby amended and restated to read in its entirety as follows:

“**2.2.** NMC reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately. Upon cancellation, NMC shall pay CONTRACTOR any unreimbursed professional fees and out of pocket expenses.”

2. **Section 4.1.** Section 4.1 is hereby amended and restated to read in its entirety as follows:

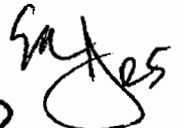
“**4.1.** CONTRACTOR warrants that CONTRACTOR and Contractor’s agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and if applicable, appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of NMC, or immediate family of an employee of NMC.”

3. **New Section 4.3.** Section 4.3 is hereby added to **Section 4. PERFORMANCE STANDARDS:**

“**4.3.** CONTRACTOR is not a public accounting firm; any accounting related services that CONTRACTOR may provide NMC will be in CONTRACTOR’s role as business advisor to NMC. CONTRACTOR does not provide any services relating to auditing of financial statements or attestation procedures and therefore, will not be performing any such services for or on behalf of NMC with respect to any information in conjunction with any services provided under this Agreement. CONTRACTOR’s services are not designed, nor should they be relied upon by NMC or third parties, to identify NMC’s financial statement errors, irregularities, illegal acts or disclosure deficiencies. It is understood and agreed that CONTRACTOR is not providing legal services or a legal opinion to NMC or any other person or entity on any matters encompassed by this Agreement or otherwise. It is further agreed that CONTRACTOR is not providing actuarial services to NMC or any other person or entity relative to any matter encompassed by this Agreement or otherwise.”

4. **New Section 4.4.** Section 4.4 is hereby added to **Section 4. PERFORMANCE STANDARDS:**

“**4.4.** The successful delivery of CONTRACTOR’s services, and the fees charged, are dependent on (i) NMC’s timely and effective completion of its responsibilities, (ii) the accuracy and completeness of any assumptions, and (iii) timely decisions and approvals by NMC’s management. NMC will be responsible for any delays, additional costs, or other liabilities caused by any deficiencies in the assumptions or in carrying out NMC’s responsibilities. *It is NMC’s Management’s ultimate responsibility for compliance and accordingly requires management’s appropriate review and approval of CONTRACTOR’s services and work product.*”

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5. **Section 6.2.** Section 6.2 is hereby amended and restated to read in its entirety as follows:

“6.2. Negotiations for rate changes shall be commenced, by CONTRACTOR, within a reasonable period prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County (NMC) and the CONTRACTOR.”

6. **Section 7.2.** Section 7.2 is hereby amended and restated to read in its entirety as follows:”

“7.2. NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to Contractor. “Good cause” means the failure of CONTRACTOR to materially perform the required services as described herein within the time specified and in the manner provided in this Agreement. If, after CONTRACTOR fails to cure the “good cause” reasons identified in writing by NMC within a reasonable period, and NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to Contractor, and NMC may proceed with the work in any manner, which NMC deems proper. If NMC’s “good cause” termination is not cured by CONTRACTOR, the cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement.”

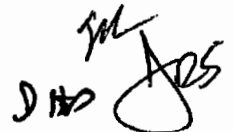
7. **Section 8.** Section 8 is hereby amended and restated to read in its entirety as follows:

“8. INDEMNIFICATION AND DEFENSE.

8.1. General Indemnification. Each party shall indemnify, defend and hold harmless, the other, its governing board, directors, officers, members, shareholders, agents and employees, from and against all claims, liabilities, costs, and losses whatsoever, including damages to property, court costs, and reasonable attorney fees, directly arising from (i) that party’s material breach of this Agreement and/or (ii) acts or omissions of negligence or misconduct in the performance by that party of this Agreement.

8.2. Indemnification for Professional Liability. For liability directly arising from professional and technical services provided under this Agreement, CONTRACTOR shall indemnify, defend and hold harmless County, its governing board, directors, officers and employees from any loss, injury, damage, expense and liability to the extent arising out of the negligence of CONTRACTOR, its employees, sub-consultants or agents; however, this indemnity does not include any third party claims brought against the County which relate to issues, controversies or disputes which pre-existed CONTRACTOR’s involvement.

8.3. County and CONTRACTOR agree that in the event of a third party claim against County which directly arises from the alleged negligence or willful misconduct of CONTRACTOR, each party will pay one-half (1/2) of the costs of defense of any action or proceeding brought with respect to such claim. County and



CONTRACTOR further agree to adjust responsibility for costs of defense based upon ultimate determination of liability as determined by the court or trier of fact.

8.4 Notwithstanding the above and excluding the indemnification obligations contained in paragraphs 8.1 and 8.2 above, each party's liability to the other shall be limited to the available limits of insurance carried by the party that may be applicable to such claims as may arise."

8. **Section 12.** Section 12 is hereby amended and restated to read in its entirety as follows:

"12. COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT. If this Agreement has been or will be funded with monies received by NMC pursuant to a contract with the state or federal government in which NMC is the grantee, CONTRACTOR will comply with all the provisions of said contract as disclosed to CONTRACTOR, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, NMC will deliver a copy of said contract to Contractor, at no cost to Contractor."

9. **Section 15.1.** Section 15.1 is hereby amended and restated to read in its entirety as follows:

"15.1. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement."

10. **Section 15.5.** Section 15.5 is hereby amended and restated to read in its entirety as follows:

"15.5 Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute so long as NMC timely pays for such services."

11. **Section 15.16.** Section 15.16 is hereby amended and restated to read in its entirety as follows:

" 15.16. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control unless an attachment or exhibit indicates otherwise."

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BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement"), effective April 25, 2013 ("Effective Date"), is entered into by and among the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, an acute care teaching hospital owned and operated by the County ("Covered Entity") and The Claro Group, LLC ("Business Associate") (each a "Party" and collectively the "Parties").

Business Associate provides certain services for Covered Entity ("Services") that involve the use and disclosure of Protected Health Information that is created or received by Business Associate from or on behalf of Covered Entity ("PHI"). The Parties are committed to complying with the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E as amended from time to time (the "Privacy Rule"), and with the Security Standards, 45 C.F.R. Part 160 and Part 164, Subpart C as amended from time to time (the "Security Rule"), under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations ("HITECH"). Business Associate acknowledges that, pursuant to HITECH, 45 C.F.R. §§ 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), 164.316 (policies and procedures and documentation requirements) and 164.502 *et. seq.* apply to Business Associate in the same manner that such sections apply to Covered Entity. The additional requirements of Title XIII of HITECH contained in Public Law 111-005 that relate to privacy and security and that are made applicable with respect to covered entities shall also be applicable to Business Associate. The Parties are also committed to complying with the California Confidentiality of Medical Information Act, Ca. Civil Code §§ 56 *et seq.* ("CMIA"), where applicable. Business Associate acknowledges that the CMIA prohibits Business Associate from further disclosing the PHI it receives from Covered Entity where such disclosure would be violative of the CMIA. If applicable, the Parties are also committed to complying with applicable requirements of the Red Flag Rules issued pursuant to the Fair and Accurate Credit Transactions Act of 2003 ("Red Flag Rules"). This Agreement sets forth the terms and conditions pursuant to which PHI, and, when applicable, Electronic Protected Health Information ("EPHI"), shall be handled.

The Parties agree as follows:

1. DEFINITIONS

All capitalized terms used in this Agreement but not otherwise defined shall have the meaning set forth in the Privacy Rule, Security Rule and HITECH.

2. PERMITTED USES AND DISCLOSURES OF PHI

2.1 Unless otherwise limited herein, Business Associate may:

(a) use or disclose PHI to perform functions, activities or Services for, or on behalf of, Covered Entity as requested by Covered Entity from time to time, provided that such use or disclosure would not violate the Privacy or Security Rules or the standards for Business Associate Agreements set forth in 45 C.F.R. § 164.504(e), exceed the minimum necessary to accomplish the intended purpose of such use or disclosure, violate the additional requirements of HITECH contained in Public Law 111-005 that relate to privacy and security, or violate the CMIA;

(b) disclose PHI for the purposes authorized by this Agreement only: (i) to its employees, subcontractors and agents; (ii) as directed by this Agreement; or (iii) as otherwise permitted by the terms of this Agreement;

(c) use PHI in its possession to provide Data Aggregation Services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B);

(d) use PHI in its possession for proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate as permitted by 45 C.F.R. § 164.504(e)(4)(i);

(e) disclose the PHI in its possession to third parties for the proper management and administration of Business Associate to the extent and in the manner permitted under 45 C.F.R. § 164.504(e)(4)(ii); provided that disclosures are Required by Law , or Business Associate obtains reasonable assurances from the persons to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached;

(f) use PHI to report violations of law to appropriate Federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1);

(g) de-identify any PHI obtained by Business Associate under this Agreement for further use or disclosure only to the extent such de-identification is pursuant to this Agreement, and use such de-identified data in accordance with 45 C.F.R. § 164.502(d)(1).

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

3.1 **Responsibilities of Business Associate.** With regard to its use and/or disclosure of PHI, Business Associate shall:

(a) use and/or disclose the PHI only as permitted or required by this Agreement or as otherwise Required by Law;

(b) report to the privacy officer of Covered Entity, in writing, (i) any use and/or disclosure of the PHI that is not permitted or required by this Agreement of which Business Associate becomes aware, and (ii) any Breach of Unsecured PHI as specified by HITECH, within five (5) business days of Business Associate's determination of the occurrence of such unauthorized use and/or disclosure. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure. The notification of any Breach of Unsecured PHI shall include, to the extent possible, the identification of each individual whose Unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used or disclosed during the Breach.

(c) use commercially reasonable safeguards to maintain the security of the PHI and to prevent use and/or disclosure of such PHI other than as provided herein;

(d) obtain and maintain an agreement with all of its subcontractors and agents that receive, use, or have access to, PHI pursuant to which agreement such subcontractors and agents agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate pursuant to this Agreement;

(e) upon twenty (20) business days' prior written request, make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the use and/or

disclosure of PHI to the Secretary for purposes of determining Covered Entity's compliance with the Privacy Rule;

(f) document disclosures of PHI and information related to such disclosure and, within twenty (20) business days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528, as well as provide an accounting of disclosures, as required by HITECH. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within two (2) business days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

(g) subject to Section 4.4 below, return to Covered Entity within twenty-one (21) business days of the termination of this Agreement, the PHI in its possession and retain no copies, including backup copies;

(h) disclose to its subcontractors, agents or other third parties, and request from Covered Entity, only the minimum PHI necessary to perform or fulfill a specific function required or permitted hereunder;

(i) if all or any portion of the PHI is maintained in a Designated Record Set:

(i) upon twenty (20) business days' prior written request from Covered Entity, provide access to the PHI in a Designated Record Set to Covered Entity; and

(ii) upon twenty (20) business days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526;

(j) maintain policies and procedures to detect and prevent identity theft in connection with the provision of the Services, to the extent required to comply with the Red Flag Rules; and

(k) notify the Covered Entity within five (5) business days of the Business Associate's receipt of any request or subpoena for PHI unless Business Associate is legally unable to comply with this provision (e.g., receipt of warrant and accompanying subpoena from the Secretary requiring immediate turnover of records). To the extent that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall reasonably cooperate with the Covered Entity in such challenge; however, any costs of challenging the validity of such request shall be borne solely by the Covered Entity.

The Business Associate acknowledges that, as between the Business Associate and the Covered Entity, all PHI shall be and remain the sole property of the Covered Entity.

3.2 Additional Responsibilities of Business Associate with Respect to EPHI. In the event that Business Associate has access to EPHI, in addition to the other requirements set forth in this Agreement relating to PHI, Business Associate shall:

(a) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of EPHI that Business Associate creates, receives, maintains, or transmits on behalf of Covered Entity as required by 45 C.F.R. Part 164, Subpart C;

(b) ensure that any subcontractor or agent to whom Business Associate provides any EPHI agrees in writing to implement reasonable and appropriate safeguards to protect such EPHI; and

(c) report to the privacy officer of Covered Entity, in writing, any Security Incident involving EPHI of which Business Associate becomes aware within five (5) business days of Business Associate's discovery of such Security Incident. For purposes of this Section, a Security Incident shall mean (consistent with the definition set forth at 45 C.F.R. § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure.

3.3 Responsibilities of Covered Entity. Covered Entity shall, with respect to Business Associate:

(a) not transmit or otherwise deliver to Business Associate Unsecured PHI. Any Secured PHI, as defined by the HITECH Act and guidance issued by the Secretary, transmitted or otherwise delivered by Covered Entity to Business Associate shall be secure consistent with a technology standard that is developed, designated, or endorsed in guidance issued by the Secretary. However, it is Business Associate's sole responsibility to maintain the security of such PHI once it is in Business Associate's possession, custody, or control.

(b) provide Business Associate a copy of Covered Entity's notice of privacy practices ("Notice") currently in use;

(c) notify Business Associate of any limitations in the Notice pursuant to 45 C.F.R. § 164.520, to the extent that such limitations may affect Business Associate's use or disclosure of PHI;

(d) notify Business Associate of any changes to the Notice that Covered Entity provides to individuals pursuant to 45 C.F.R. § 164.520, to the extent that such changes may affect Business Associate's use or disclosure of PHI;

(e) notify Business Associate of any changes in, or withdrawal of, the consent or authorization of an individual regarding the use or disclosure of PHI provided to Covered Entity pursuant to 45 C.F.R. § 164.506 or § 164.508, to the extent that such changes may affect Business Associate's use or disclosure of PHI; and

(f) notify Business Associate, in writing and in a timely manner, of any restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4. TERMS AND TERMINATION

4.1 Term. This Agreement shall become effective on the Effective Date and shall continue in effect unless terminated as provided in this Article 4. Certain provisions and requirements of this Agreement shall survive its expiration or other termination as set forth in Section 5.1 herein.

4.2 Termination. Either Covered Entity or Business Associate may terminate this Agreement and any related agreements if the terminating Party determines in good faith that the terminated Party has breached a material term of this Agreement; provided, however, that no Party may terminate this Agreement if the breaching Party cures such breach to the reasonable satisfaction of the terminating Party within thirty (30) business days after the breaching Party's receipt of written notice of such breach.

4.3 Automatic Termination. This Agreement shall automatically terminate without any further action of the Parties upon the termination or expiration of Business Associate's provision of Services to Covered Entity.

4.4 Effect of Termination. Upon termination or expiration of this Agreement for any reason, Business Associate shall return all PHI pursuant to 45 C.F.R. § 164.504(c)(2)(ii)(I) if, and to the extent that, it is feasible to do so. Prior to doing so, Business Associate shall recover any PHI in the possession of its subcontractors or agents. To the extent it is not feasible for Business Associate to return or destroy any portion of the PHI, Business Associate shall provide Covered Entity a statement that Business Associate has determined that it is infeasible to return or destroy all or some portion of the PHI in its possession or in possession of its subcontractors or agents. Business Associate shall extend any and all protections, limitations and restrictions contained in this Agreement to any PHI retained after the termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed.

5. MISCELLANEOUS

5.1 Survival. The respective rights and obligations of Business Associate and Covered Entity under the provisions of Sections 4.4, 5.1, 5.6, and 5.7, and Section 2.1 (solely with respect to PHI that Business Associate retains in accordance with Section 4.4 because it is not feasible to return or destroy such PHI), shall survive termination of this Agreement until such time as the PHI is returned to Covered Entity or destroyed. In addition, Section 3.1(i) shall survive termination of this Agreement, provided that Covered Entity determines that the PHI being retained pursuant to Section 4.4 constitutes a Designated Record Set.

5.2 Amendments; Waiver. This Agreement may not be modified or amended, except in a writing duly signed by authorized representatives of the Parties. To the extent that any relevant provision of the HIPAA, HITECH or Red Flag Rules is materially amended in a manner that changes the obligations of Business Associates or Covered Entities, the Parties agree to negotiate in good faith appropriate amendment(s) to this Agreement to give effect to the revised obligations. Further, no provision of this Agreement shall be waived, except in a writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

5.3 No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than the Parties and the respective successors or assigns of the Parties, any rights, remedies, obligations, or liabilities whatsoever.

5.4 Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below, and/or via facsimile to the facsimile telephone numbers listed below.

If to Business Associate, to:

The Claro Group
777 South Figueroa St, Ste 4050
Los Angeles, CA 90017
Attn: Doug Deems
Tel: (213)784-3080
Fax: (213) 452-6556

If to Covered Entity, to:

Natividad Medical Center
1441 Constitution Blvd.
Salinas, CA. 93906
Attn: Sid Cato, Management Analyst/Contracts
Tel: (831) 783-2620.
Fax: (831) 757-2592

Each Party named above may change its address and that of its representative for notice by the giving of notice thereof in the manner hereinabove provided. Such notice is effective upon receipt of notice, but receipt is deemed to occur on next business day if notice is sent by FedEx or other overnight delivery service.

5.5 Counterparts; Facsimiles. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies hereof shall be deemed to be originals.

5.6 Choice of Law; Interpretation. This Agreement shall be governed by the laws of the State of California; as provided, however, that any ambiguities in this Agreement shall be resolved in a manner that allows Business Associate to comply with the Privacy Rule, and, if applicable, the Security Rule and the CMIA.

5.7 LIMITATION OF LIABILITY. NO PARTY SHALL BE LIABLE TO ANY OTHER PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES OF ANY KIND OR NATURE, WHETHER SUCH LIABILITY IS ASSERTED ON THE BASIS OF CONTRACT, TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), OR OTHERWISE, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES.

5.8 Indemnification. Each party ("Indemnifying Party") shall indemnify, defend, and hold harmless the other party ("Indemnified Party") and the Indemnified Party's employees, officers, directors and subcontractors from and against any judgments, penalties, expenses, damages, or other losses incurred by the Indemnified Party based on third-party claims (including claims brought by a duly authorized regulatory authority) arising from or based upon a material breach of this Agreement or intentional misconduct resulting from the performance of the Indemnifying Party's duties under this Agreement.

IN WITNESS WHEREOF, each of the undersigned has caused this Agreement to be duly executed in its name and on its behalf as of the Effective Date.

[BUSINESS ASSOCIATE] THE CLAZO GROUP LLC

By: [Signature]

Print Name: JOHN R SASAKI

Print Title: MANAGING DIRECTOR

Date: 8/26/2013

[COVERED ENTITY]

By: [Signature]

Print Name: ANDREA ROSENBERG

Print Title: ASSISTANT ADMINISTRATOR

Date: 8/28/13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS:

1. WHO IS AN INSURED (SECTION II) is amended to include as an insured any person or organization (called hereafter "additional insured") whom you have agreed in a written contract, executed prior to loss, to name as additional insured, but only with respect to liability arising out of "your work" or your ongoing operations for that additional insured performed by you or for you.
 2. With respect to the insurance afforded to Additional Insureds the following conditions apply:
 - a. Limits of Insurance - The following limits of liability apply:
 1. The limits which you agreed to provide; or
 2. The limits shown on the declarations, whichever is less.
 - b. This insurance is excess over any valid and collectible insurance unless you have agreed
- in a written contract for this insurance to apply on a primary or contributory basis.
3. This insurance does not apply:
 - a. on any basis to any person or organization for whom you have purchased an Owners and Contractors Protective policy.
 - b. to "bodily injury," "property damage," "personal injury," or "advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:
 1. The preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; and
 2. Supervisory, inspection or engineering services.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
OTHER INSURANCE – ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

COMMERCIAL GENERAL LIABILITY CONDITIONS
(Section IV), Paragraph 4. (Other Insurance), is amended as follows:

1. The following is added to Paragraph a. **Primary Insurance**:

However, if you specifically agree in a written contract or written agreement that the insurance provided to an additional insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such additional insured which covers such additional insured as a named insured, and we will not share with that other insurance, provided that:

- a. The "bodily injury" or "property damage" for which coverage is sought occurs; and

- b. The "personal injury" or "advertising injury" for which coverage is sought arises out of an offense committed

subsequent to the signing and execution of that contract or agreement by you.

2. The first Subparagraph (2) of Paragraph b. **Excess Insurance** regarding any other primary insurance available to you is deleted.
3. The following is added to Paragraph b. **Excess Insurance**, as an additional subparagraph under Subparagraph (1):

That is available to the insured when the insured is added as an additional insured under any other policy, including any umbrella or excess policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

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| <p>A. BROAD FORM NAMED INSURED</p> <p>B. BLANKET ADDITIONAL INSURED</p> <p>C. EMPLOYEE HIRED AUTO</p> <p>D. EMPLOYEES AS INSURED</p> <p>E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS</p> <p>F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS</p> <p>G. WAIVER OF DEDUCTIBLE – GLASS</p> | <p>H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT</p> <p>I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT</p> <p>J. PERSONAL EFFECTS</p> <p>K. AIRBAGS</p> <p>L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS</p> <p>M. BLANKET WAIVER OF SUBROGATION</p> <p>N. UNINTENTIONAL ERRORS OR OMISSIONS</p> |
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PROVISIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II – LIABILITY COVERAGE**:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. 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.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A.1., **Who Is An Insured**, of **SECTION II – LIABILITY COVERAGE**:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and

executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Liability Coverage, but only for damages to which this insurance applies and only to the extent that person or organization qualifies as an "insured" under the **Who Is An Insured** provision contained in Section II.

C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph A.1., **Who Is An Insured**, of **SECTION II – LIABILITY COVERAGE**:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES

For a covered "auto" licensed or principally garaged in, or "garage operations" conducted in, Illinois, this endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
 BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
 GARAGE COVERAGE FORM
 MOTOR CARRIER COVERAGE FORM
 TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement:

A. Changes In Liability Coverage

1. Paragraph 1.b.(3) of the *Who Is An Insured* provision in the Business Auto, Motor Carrier and Truckers Coverage Forms and Paragraph 3.a.(2)(c) of the *Who Is An Insured* provision in the Garage Coverage Form do not apply.
2. Our **Limit Of Insurance** applies except that we will apply the limit shown in the Declarations to first provide the separate limits required by the Illinois Safety Responsibility Law as follows:
 - a. \$20,000 for "bodily injury" to any one person caused by any one "accident",
 - b. \$40,000 for "bodily injury" to two or more persons caused by any one "accident", and
 - c. \$15,000 for "property damage" caused by any one "accident".

This provision will not change our total **Limit Of Insurance**.

B. Changes In Physical Damage Coverage

The **Limit Of Insurance** provision with respect to repair or replacement resulting in better than like kind or quality is replaced by the following, and supersedes any provision to the contrary:

We may deduct for betterment if:

1. The deductions reflect a measurable decrease in market value attributable to the

poorer condition of, or prior damage to, the vehicle.

2. The deductions are for prior wear and tear, missing parts and rust damage that is reflective of the general overall condition of the vehicle considering its age. In this event, deductions may not exceed \$500.

C. Changes In Conditions

The **Other Insurance** condition in the Business Auto Coverage Form, and the **Other Insurance - Primary And Excess Insurance Provisions** in the Truckers and Motor Carriers Coverage Forms, is changed by the addition of the following:

Liability Coverage provided by this Coverage Form for any "auto" you do not own is primary if:

1. The "auto" is owned or held for sale or lease by a new or used vehicle dealership;
2. The "auto" is operated by an "Insured" with the permission of the dealership described in Paragraph 1, while your "auto" is being repaired or evaluated; and
3. The **Limit of Insurance** for Liability Coverage under this policy is at least:
 - a. \$100,000 for "bodily injury" to any one person caused by any one "accident",
 - b. \$300,000 for "bodily injury" to two or more persons caused by any one "accident", and
 - c. \$50,000 for "property damage" caused by any one "accident".

YEAR

2014

Withholding Exemption Certificate

CALIFORNIA FORM

590

(This form can only be used to certify exemption from nonresident withholding under California R&TC Section 18662. This form cannot be used for exemption from wage withholding.)

File this form with your withholding agent. (Please type or print)		Withholding agent's name	
Vendor/Payee's name		Vendor/Payee's <input type="checkbox"/> Social security number <input type="checkbox"/> SOS. no. <input type="checkbox"/> California corp. no. <input checked="" type="checkbox"/> FEIN	
The Claro Group, LLC		7 2 - 1 6 0 6 5 3 1	
Vendor/Payee's address (number and street)		APT no. Private Mailbox no. Vendor/Payee's daytime telephone no.	
321 N Clark St		1 2 0 0 (312) 546-3400	
City	State	ZIP Code	
Chicago	IL	60654	

I certify that for the reasons checked below, the entity or individual named on this form is exempt from the California income tax withholding requirement on payment(s) made to the entity or individual. Read the following carefully and check the box that applies to the vendor/payee:

Individuals — Certification of Residency:

I am a resident of California and I reside at the address shown above. If I become a nonresident at any time, I will promptly inform the withholding agent. See instructions for Form 590, General Information D, for the definition of a resident.

Corporations:

The above-named corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State to do business in California. The corporation will withhold on payments of California source income to nonresidents when required. If this corporation ceases to have a permanent place of business in California or ceases to be qualified to do business in California, I will promptly inform the withholding agent. See instructions for Form 590, General Information E, for the definition of permanent place of business.

Partnerships:

The above-named partnership has a permanent place of business in California at the address shown above or is registered with the California Secretary of State, and is subject to the laws of California. The partnership will file a California tax return and will withhold on foreign and domestic nonresident partners when required. If the partnership ceases to do any of the above, I will promptly inform the withholding agent. **Note:** For withholding purposes, a Limited Liability Partnership is treated like any other partnership.

Limited Liability Companies (LLC):

The above-named LLC has a permanent place of business in California at the address shown above or is registered with the California Secretary of State, and is subject to the laws of California. The LLC will file a California tax return and will withhold on foreign and domestic nonresident members when required. If the LLC ceases to do any of the above, I will promptly inform the withholding agent.

Tax-Exempt Entities:

The above-named entity is exempt from tax under California or federal law. The tax-exempt entity will withhold on payments of California source income to nonresidents when required. If this entity ceases to be exempt from tax, I will promptly inform the withholding agent.

Insurance Companies, IRAs, or Qualified Pension/Profit Sharing Plans:

The above-named entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.

California Irrevocable Trusts:

At least one trustee of the above-named irrevocable trust is a California resident. The trust will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required. If the trustee becomes a nonresident at any time, I will promptly inform the withholding agent.

Estates — Certification of Residency of Deceased Person:

I am the executor of the above-named person's estate. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return and will withhold on foreign and domestic nonresident beneficiaries when required.

CERTIFICATE: Please complete and sign below.

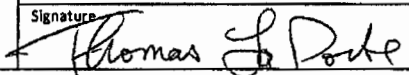
Under penalties of perjury, I hereby certify that the information provided herein is, to the best of my knowledge, true and correct. If conditions change, I will promptly inform the withholding agent.

Vendor/Payee's name and title (type or print) Thomas La Porte

Vendor/Payee's signature  Date 04/11/2014

COUNTY OF MONTEREY - VENDOR DATA RECORD (Rev. 3-2012)

Required when doing business with the County of Monterey - No IRS W-9 form needed (Foreign vendors should submit IRS W-8)

1	COUNTY OF MONTEREY Contracts/Purchasing 168 W. Alisal Street 3 rd Floor Salinas, CA 93901 Email: mcvss@co.monterey.ca.us Phone: (831) 755-4990 Fax: (831) 755-4969	PURPOSE: Information contained in this form will be used by the County of Monterey to prepare information returns (Form 1099) and for withholding on payments to nonresident vendors. Prompt return of this fully completed form will prevent delays when processing payments. See Privacy Statement and California Non-Resident Withholding Information on next page.
2	VENDOR'S LEGAL NAME (as shown on your income tax return) The Claro Group, LLC BUSINESS NAME / DBA (if different from line 1) MAILING ADDRESS 321 N Clark St ADDITIONAL MAILING ADDRESS Ste 1200 CITY, STATE, ZIP CODE Chicago, IL 60654	SELECT NAME TO BE MADE PAYABLE TO <input checked="" type="checkbox"/> Legal Name <input type="checkbox"/> Alias/DBA <input type="checkbox"/> Both PHONE NUMBER FAX NUMBER (312) 546-3400 (312) 554-8085 E-MAIL ADDRESS tlaporte@theclargroup.com REMIT-TO ADDRESS 321 N Clark St. Ste 1200 REMIT-TO CITY, STATE, ZIP CODE Chicago, IL 60654
3	FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN): <input type="checkbox"/> C CORPORATION <input type="checkbox"/> TRUST/ESTATE <input type="checkbox"/> S CORPORATION <input checked="" type="checkbox"/> LIMITED LIABILITY COMPANY (LLC) <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> C Corporation <input type="checkbox"/> EXEMPT PAYEE (e.g., government, non-profit) <input type="checkbox"/> S Corporation <input type="checkbox"/> OTHER: ▶ <input checked="" type="checkbox"/> Partnership	For Tax ID entry instructions, please see next page NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.
4	PLEASE CHECK ALL BOXES THAT ARE APPLICABLE TO THE CATEGORY OF PAYMENT: <input type="checkbox"/> SUPPLIES/EQUIPMENT <input type="checkbox"/> ATTORNEY SERVICES <input type="checkbox"/> INTEREST <input type="checkbox"/> SERVICES (MEDICAL) <input type="checkbox"/> LEGAL SETTLEMENT <input type="checkbox"/> GRANTS <input checked="" type="checkbox"/> SERVICES (NON-MEDICAL) <input type="checkbox"/> RENT/LEASE <input type="checkbox"/> OTHER: ▶ Are you a former employee of the County of Monterey? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Are you a Certified Green Business? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (See information regarding green certification on next page)	
5	CALIFORNIA STATE WITHHOLDING STATUS (CA withholding information on next page): <input type="checkbox"/> California Resident <input type="checkbox"/> California Form 590 (Withholding Exemption Certificate) attached <input checked="" type="checkbox"/> California Non-Resident <input type="checkbox"/> Waiver of State withholding from California Franchise Tax Board attached <input checked="" type="checkbox"/> California Form 590 (Withholding Exemption Certificate) attached <input type="checkbox"/> All services for payments issued are performed OUTSIDE of California <input type="checkbox"/> No Services are being rendered, only goods are being provided for payment	CA Form 590 required if your address above in section 2 is a non-CA address CA NON-RESIDENTS: 7% will be withheld from payment unless one of the lower four boxes on left is checked.
6	I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the County of Monterey.	
CERTIFYING SIGNATURE	Authorized Representative's Name (Type or Print) Thomas La Porte Signature 	Title Chief Administrative Officer Date 04/11/2014 Phone Number (312) 546-3414