

**AMENDMENT NO. 1
TO PROFESSIONAL SERVICES AGREEMENT
BETWEEN The Camden Group AND
THE NATIVIDAD MEDICAL CENTER
FOR
Development of Integrated Systems of Healthcare Services**

This Amendment No. 1 to Professional Services Agreement (“Agreement”), dated July 1, 2013, is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (“NMC”), and The Camden Group (Contractor), with respect to the following:

RECITALS

WHEREAS, the County and Contractor wish to amend the Agreement to extend the term end date to allow for existing services to continue, and to add additional services requested by County; and

WHEREAS, the County and Contractor wish to amend the Agreement to increase the amount of the Agreement because of the term extension, and the amount payable for services rendered.

AGREEMENT

NOW, THEREFORE, the parties agree to amend the Agreement as follows:

1. The Agreement is hereby amended on its prior terms and conditions as set forth in Exhibit A incorporated herein by this reference, except as specifically set forth below.
2. Exhibit B, attached to this Amendment, is hereby added and incorporated into the Agreement.
3. Section 2 of the Agreement, “PAYMENTS BY NMC” shall be amended by removing, “*The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$179,000.*” and replacing it with “*The total amount payable by County to CONTRACTOR under Agreement No. (A-12386) shall not exceed the total sum of \$800,000 for the full term of the Agreement.*”
4. Section 3 of the Agreement, “TERM OF AGREEMENT” shall be amended by removing, “*The term of this Agreement is from January 1, 2013 to June 30, 2013 unless sooner terminated pursuant to this Agreement*” and replacing it with “*The term of this Agreement is from January 1, 2013 through June 30, 2015 unless sooner terminated pursuant to this Agreement.*”
5. Except as provided herein, all remaining terms, conditions and provisions of the Agreement are unchanged and unaffected by this Amendment and shall continue in full force and effect as set forth in the Agreement.
6. A copy of this Amendment No. 1 shall be attached to the original Agreement (No. A-12386).
7. The effective date of this Amendment is January 1, 2013.

IN WITNESS WHEREOF, the parties hereto are in agreement with this Amendment on the basis set forth in this document and have executed this Amendment on the day and year set forth herein.

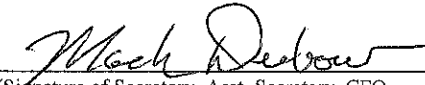
CONTRACTOR

Signature 1 
(Signature of Chair, President, or Vice-President)***

Dated 4/15/13

Printed Name Steven T Valentine

Title PRESIDENT

Signature 2 
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer) ***

Dated 4/15/13

Printed Name MARK DUBOW

Title SENIOR VICE PRESIDENT

***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. 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. 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.

NATIVIDAD MEDICAL CENTER

Signature _____
Purchasing Manager

Dated _____

Signature 
NMC - CEO

Dated 4/13/13

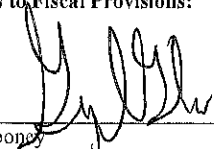
Approved as to Legality and Legal Form:

Charles J. McKee, County Counsel

By 
Stacy Saetta
Deputy Attorney for County and NMC

Dated: 5/3, 2013

Approved as to Fiscal Provisions:

By 
Gary Giboney
Monterey County Auditor/Controller's Office

Dated: 5-2, 2013

Exhibit B

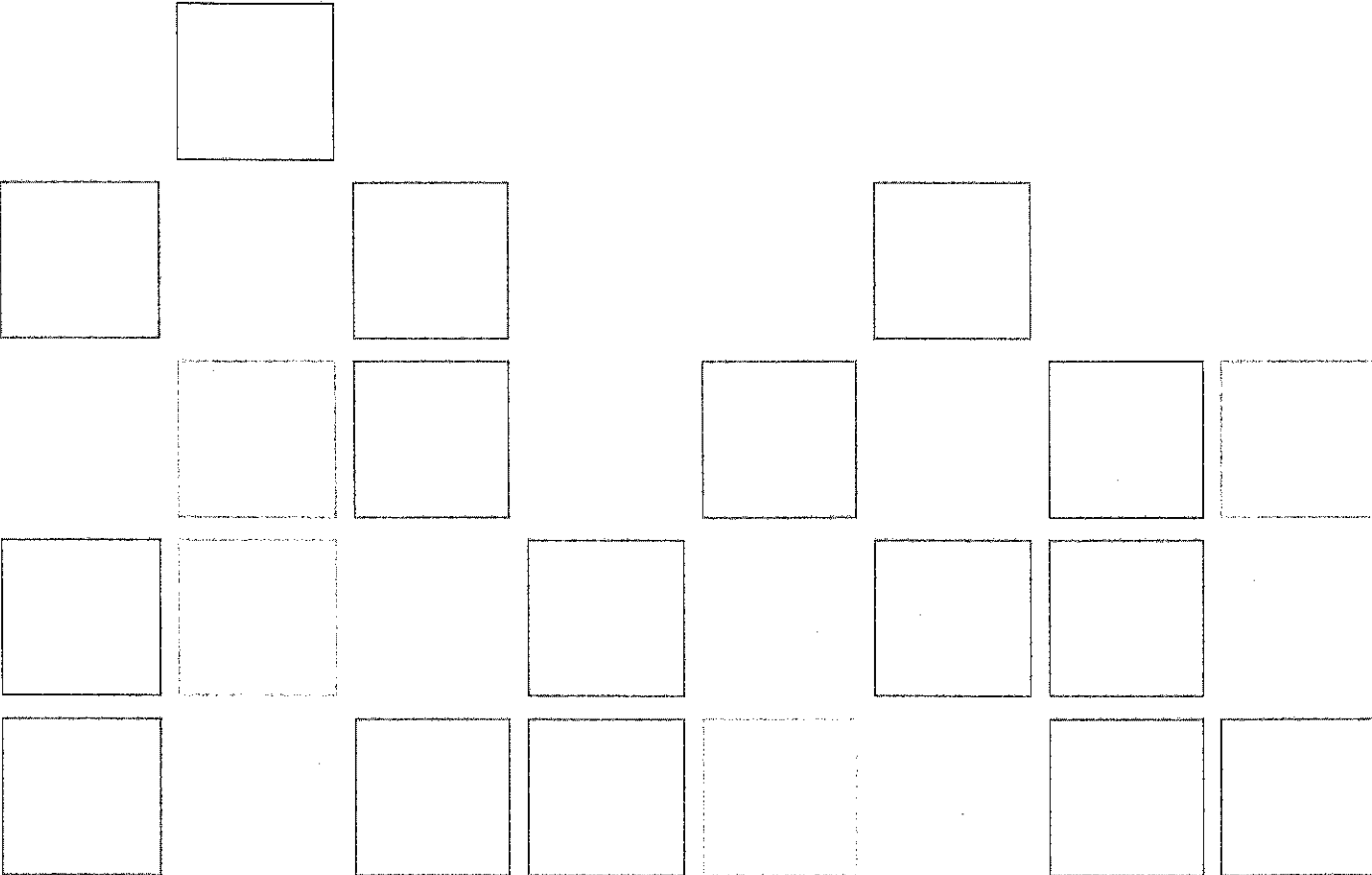


Exhibit B

Scope of Work, Timing, and Fees

The Camden Group will assist with the development of integrated systems of healthcare services. The Camden Group will provide a scope of work for each engagement, approved by Natividad Medical Center, associated with healthcare system development. We charge clients on an hourly basis for the actual time expended on behalf of their project. Our fees reflect the relevant experience and knowledge required to conduct the individual engagements. Our professional fees average between \$300-\$350 per hour, depending on staffing requirements. In the event that engagements are completed in fewer hours than expected, the fees will be reduced accordingly. Should a need or request for additional work arise, we will discuss it with you and obtain approval prior to proceeding. All travel expenses will be paid per the Monterey County Travel Policy.

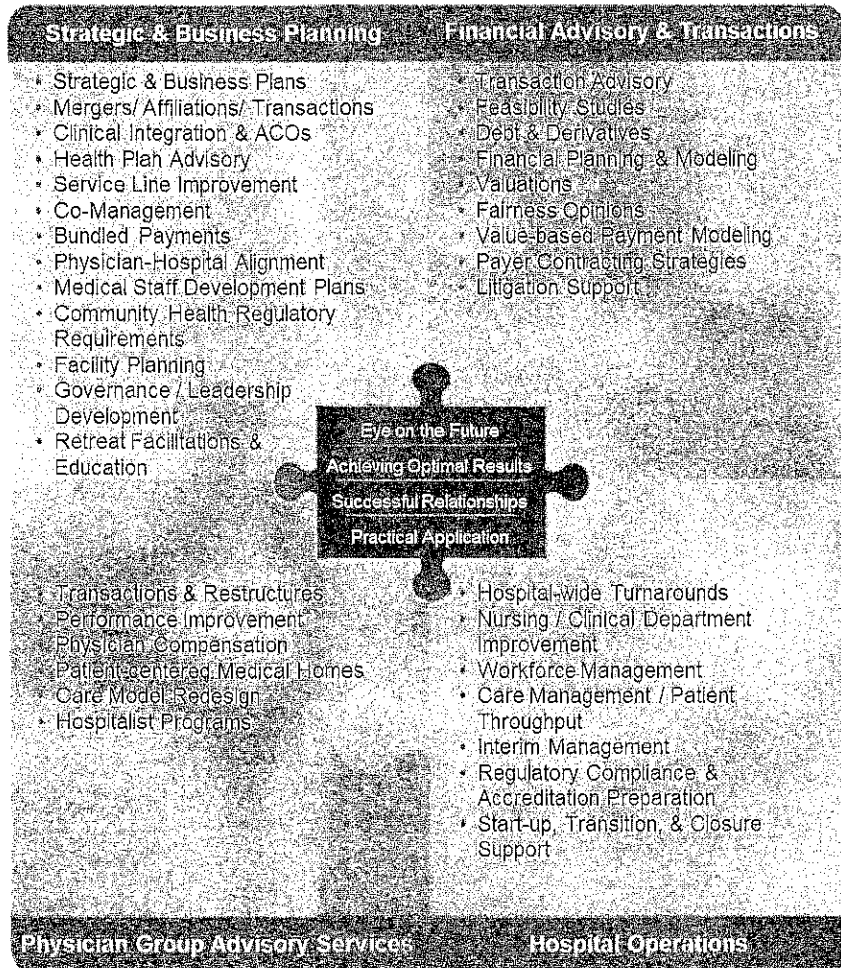
Invoices are submitted monthly based on the work performed and expenses incurred during the previous month, and are payable per the Monterey County Services Agreement.

Exhibit B

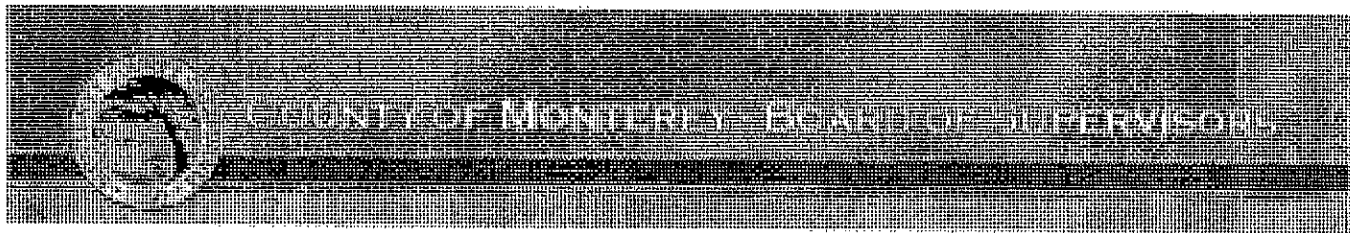
Firm Qualification

For over 40 years, The Camden Group has been providing management and consulting services to the healthcare industry exclusively. We are dedicated to improving and changing the healthcare industry in concert with our clients. With offices across the country, we have assisted more than 2,000 healthcare organizations nationwide. Our multidisciplinary team of industry experts and clinical leaders is nationally recognized for their thought leadership, results-oriented approach, and personalized service. We have extensive, hands-on experience in many facets of healthcare, including hospitals, health systems, medical groups, ACOs, health plans, bundled payment and clinical integration, and nearly one-third of our senior management team have served in clinical leadership roles.

Our relevant and expert advice, together with our practical approaches, proven methodologies, and customized solutions, enable our clients to thrive in a dynamic environment, effectively manage the health of their communities, and improve the healthcare industry overall. Our wide range of capabilities and commitment to our clients' success have made us a respected and trusted leader. Our responsive and collaborative client service has resulted in long-standing relationships with our clients – some for more than 30 years.



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File #: A 12-231 **Name:** The Camden Group
Type: BoS Agreement **Status:** Consent Agenda
File created: 12/19/2012 **In control:** Board of Supervisors
On agenda: 1/8/2013 **Final action:**
Title: Authorize the Purchasing Manager of Natividad Medical Center (NMC) to execute the Agreement with The Camden Group for the development of an NMC Strategic Plan in the amount not to exceed \$179,000 for the period January 1, 2013 to June 30, 2013.
Attachments: [The Camden Group Agreement, Completed Board Order, Revised Board Order](#)
History (0) [Text](#)

Title

Authorize the Purchasing Manager of Natividad Medical Center (NMC) to execute the Agreement with The Camden Group for the development of an NMC Strategic Plan in the amount not to exceed \$179,000 for the period January 1, 2013 to June 30, 2013.

Report

RECOMMENDATION:

It is recommended that the Board of Supervisors:
 Authorize the Purchasing Manager of Natividad Medical Center (NMC) to execute the Agreement with The Camden Group for the development of an NMC Strategic Plan in the amount not to exceed \$179,000 for the period January 1, 2013 to June 30, 2013.

SUMMARY/DISCUSSION:

Five years ago, NMC developed a Strategic Plan: Vision 2012 as an important initiative as part of the successful turnaround of NMC. The plan's Mission, Vision, and Strategic Direction served as the material context behind all governance policy recommendations and all quality, patient satisfaction, and other operational improvements made over this five year period. However, current performance doesn't guarantee future success given the unprecedented changes occurring in healthcare delivery with health care reform and increased competition from the private sector in healthcare both locally and regionally.

The development of a new Strategic Plan that is aligned with this dynamic environment is imperative. The establishment of the Strategic Plan provides opportunities to engage multiple stakeholders focusing on the future vision of NMC. The Agreement outlines a highly interactive six-step process to develop the Strategic Plan. The Camden Group is uniquely qualified to assist NMC in this work. The Camden Group's executive team members are national experts in strategic planning, healthcare reform, delivery system integration and physician alignment. The firm has extensive experience in understanding the California healthcare landscape through working with California hospitals and healthcare systems. Moreover, the firm has significant public safety net health care system experience having worked with twelve California healthcare districts and ten County hospitals. This engagement will be completed no later than June 30, 2013.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Agreement as to legal form and risk provisions. The Auditor-Controller has reviewed and approved this Agreement as to fiscal provisions. This Agreement has also been reviewed and approved by the NMC Board of Trustees.

FINANCING:

The total cost of this Agreement is \$179,000 and is included in the Fiscal Year 2012/2013 Adopted Budget. There is no

impact to the General Fund.
Prepared by: Harry Weis, CEO, 783.2553
Approved by: Harry Weis, CEO, 783.2553

Attachments: Agreement

Attachments on file at the Clerk of the Board



Monterey County

Board Order

168 West Alisal Street,
1st Floor
Salinas, CA 93001
831.755.6066

Agreement No. A-12386

Upon motion of Supervisor Salinas, seconded by Supervisor Potter, and carried by those members present, the Board of Supervisors hereby:

Authorized the Purchasing Manager of Natividad Medical Center (NMC) to execute the Agreement with The Camden Group for the development of an NMC Strategic Plan in the amount not to exceed \$179,000 for the period January 1, 2013 to June 30, 2013.

PASSED AND ADOPTED on this 8th day of January 2013, by the following vote, to wit:

AYES: Supervisors Armenta, 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 January 8, 2013.

Dated: January 10, 2013
File Number: A 12-231

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

By Denise Hancock
Deputy

 **Natividad** MEDICAL CENTER
COUNTY OF MONTEREY AGREEMENT FOR SERVICES
(MORE THAN \$100,000)

This Professional Services Agreement (hereinafter "Agreement") is made by and between Natividad Medical Center ("NMC"), a general acute care teaching hospital wholly owned and operated by the County of Monterey, which is a political subdivision of the State of California and **The Camden Group** (hereinafter "CONTRACTOR").

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

1. **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: **Provide Hospital Strategic Plan Preparation.**
2. **PAYMENTS BY NMC.** NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of **\$179,000.**
3. **TERM OF AGREEMENT.** The term of this Agreement is from **January 1, 2013 to June 30, 2013** 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.
4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A: Proposal to Prepare a Strategic Plan

5. **PERFORMANCE STANDARDS.**
 - 5.1. CONTRACTOR warrants that CONTRACTOR and Contractor's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of NMC, or immediate family of an employee of NMC.
 - 5.2. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
 - 5.3. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use NMC premises, property (including equipment,

instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. PAYMENT CONDITIONS.

- 6.1. Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provide in this paragraph. NMC does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.2. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement; and then only in accordance with any applicable County policies.
- 6.3 Invoice amounts shall be billed directly to the ordering department.
- 6.4 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. NMC shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

7. TERMINATION.

- 7.1. During the term of this Agreement, NMC may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.
- 7.2. NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to Contractor. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to Contractor, and NMC may proceed with the work in any manner, which NMC deems proper. The cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement.
- 7.3 NMC's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for NMC's purchase of the indicated quantity of services, then NMC may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8. INDEMNIFICATION.

8.1 CONTRACTOR shall indemnify, defend, and hold harmless NMC (hereinafter "County"), its officers, agents and employees from any and all claims, liability and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) Occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9. INSURANCE.

9.1 Evidence of Coverage:

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

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

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

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

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

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

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

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

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

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

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

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

9.4 Other Requirements:

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

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

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

10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

Prior to the execution of this Agreement by NMC, CONTRACTOR shall file certificates of insurance with NMC's Contracts/Purchasing Department, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

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

10. RECORDS AND CONFIDENTIALITY.

- 10.1 Confidentiality. CONTRACTOR and its officers, employees, agents and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from NMC or prepared in connection with the performance of this Agreement, unless NMC specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to NMC any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out Contractor's obligations under this Agreement.
- 10.2 NMC Records. When this Agreement expires or terminates, CONTRACTOR shall return to NMC any NMC records which CONTRACTOR used or received from NMC to perform services under this Agreement.
- 10.3 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.4 Access to and Audit of Records. NMC shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess or \$10,000, the

parties to this Agreement may be subject, at the request of NMC or as part of any audit of NMC, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

- 10.5 Royalties and Inventions. NMC shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize other to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of NMC.
11. **NON-DISCRIMINATION**. During the performance of this Agreement, Contractor, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in Contractor's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, full comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.
12. **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT**. If this Agreement has been or will be funded with monies received by NMC pursuant to a contract with the state or federal government in which NMC is the grantee, CONTRACTOR will comply with all the provisions of said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, NMC will deliver a copy of said contract to Contractor, at no cost to Contractor.
13. **INDEPENDENT CONTRACTOR**. In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not as an employee of NMC. No offer or obligation of permanent employment with NMC or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from NMC any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold NMC and the County of Monterey harmless from any and all liability, which NMC may incur because of Contractor's failure to pay such taxes.

This space left blank intentionally

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

FOR NATIVIDAD MEDICAL CENTER:

Sid Cato
Management Analyst, Contracts /Purchasing
Natividad Medical Center 1441
Constitution Blvd. Salinas, CA, 93906
Phone: 831.783.2621
FAX: 831.
Email: catosl@natividad.com

FOR CONTRACTOR:

Name: Steve Valentine
Title: President
Company: The Camden Group
Address 1: 100 N. Sepulveda Blvd. Suite 600
Address 2: El Segundo, CA 90245
Phone: 424.201.3950
FAX: 310.606.5811
Email: svalentine@thecamdengroup.com

15. MISCELLANEOUS PROVISIONS.

- 15.1 Conflict of Interest: CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.
- 15.2 Amendment: This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.
- 15.3 Waiver: Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC and the Contractor. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.4 Contractor: The term "Contractor" as used in this Agreement includes Contractor's officers, agents, and employees acting on Contractor's behalf in the performance of this Agreement.
- 15.5 Disputes: CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.6 Assignment and Subcontracting: The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of NMC. None of the services covered by this Agreement shall be subcontracted without the

prior written approval of NMC. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.


- 15.7 Successors and Assigns: This Agreement and the rights, privileges, duties, and obligations of NMC and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.8 Compliance with Applicable Law: The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.9 Headings: The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10 Time is of the Essence: Time is of the essence in each and all of the provisions of this Agreement
- 15.11 Governing Law: This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12 Non-exclusive Agreement: This Agreement is non-exclusive and each of NMC and CONTRACTOR expressly reserves the right to contract with other entities for the same or similar services.
- 15.13 Construction of Agreement: NMC and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14 Counterparts: This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15 Integration: This Agreement, including the exhibits, represents the entire Agreement between NMC and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations representations, or agreements, either written or oral, between NMC and CONTRACTOR as of the effective date of this Agreement, which is the date that NMC signs the Agreement.
- 15.16 Interpretation of Conflicting Provisions: In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

Signature Page to Follow

NATIVIDAD MEDICAL CENTER


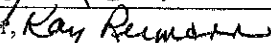
By: 
Sid Cato, NMC Contracts

Date: 1-4-12

By: 
Harry Weis, NMC, CEO

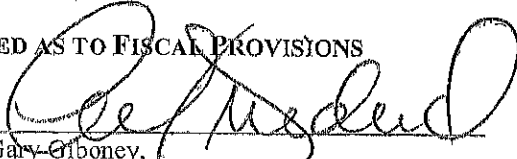
Date: 12/19/12

APPROVED AS TO LEGAL PROVISIONS

By: 
~~Anne Brauer~~, 
Monterey County, Deputy County Counsel

Date: 12/20/12

APPROVED AS TO FISCAL PROVISIONS

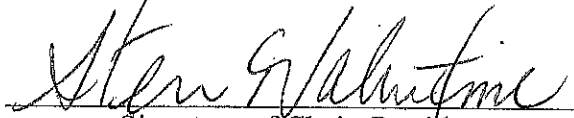
By: 
Gary Giboney,
Monterey County Auditor/Controller's Office

Date: 12/21/12

CONTRACTOR

The Camden Group

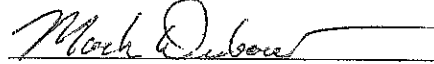
Contractor's Business Name***


Signature of Chair, President,
or Vice-President

Steve Valentine, President

Name and Title

Date: _____

By: 
Signature of Secretary, Asst. Secretary,
CFO, Treasurer or Asst. Treasurer

Mark Dubow, Senior Vice President

Name and Title

Date: 11/30/12

***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).



100 N. Sepulveda Blvd.
Suite 600
El Segundo, CA 90245
Phone 310.320.3990
Fax 310.606.5811

Los Angeles
Chicago
New York
Boston

November 14, 2012

VIA E-MAIL

Mr. Harry Weis
Chief Executive Officer
Natividad Medical Center
1441 Constitution Boulevard
Salinas, CA 93906

Dear Mr. Weis:

The Camden Group is pleased to submit this proposal to assist Natividad Medical Center ("Natividad" or the "Hospital") to prepare its Strategic Plan (Exhibit A to the accompanying County of Monterey Agreement for Services). This proposal is based on a discussion between you and Mr. Steven Valentine of our firm on October 18, 2012, and reflects our understanding of your objectives for this engagement. This proposal outlines our work plan and approach, highlights the relevant experience of our firm and proposed engagement team, provides references for similar engagements, and specifies the estimated timing and professional fees.

We have designed a six-step work plan that integrates the insight of The Camden Group, the implications of local, regional, and national healthcare trends in an era of reform, and the projected impact of the alternative strategic paths available to Natividad. Through the use of personal interviews and interactive work sessions, the planning process will be highly collaborative and inclusive, enabling the Natividad Senior Team, medical staff, Board of Trustees, and other key leadership to identify the core goals and critical success factors for the Strategic Plan. A variety of tools and techniques will be incorporated to move stakeholders outside of their "comfort zone", with the goal of establishing an externally-oriented long-term perspective that stimulates creative thinking for optimally positioning Natividad within a competitive, rapidly evolving market.

Mr. Harry Weis
November 14, 2012
Page 2

Based on our understanding of your needs, we believe The Camden Group is uniquely qualified to assist Natividad with the development of its Strategic Plan and that we would be a strong fit as your partner and advisor in this process.

We appreciate the opportunity to submit this proposal. If you have any questions or comments, please do not hesitate to call Mr. Valentine at 310.320.3990, extension 3950. We look forward to discussing our approach and receiving your feedback at a time that is convenient for you.

Sincerely,

A handwritten signature in cursive script that reads "The Camden Group".

THE CAMDEN GROUP

**THE
CAMDEN
GROUP**

ideas. answers. action.

 **Natividad**
MEDICAL CENTER

**Exhibit A - Scope of Service/Payment Provisions:
Proposal to Prepare a Strategic Plan**

Natividad Medical Center
Salinas, California

November 14, 2012

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Appendices:

- A. Strategic Planning Tools and Techniques
- B. List of District/County Hospital Clients
- C. List of Strategic Advisory Clients

I. Background

I. Background

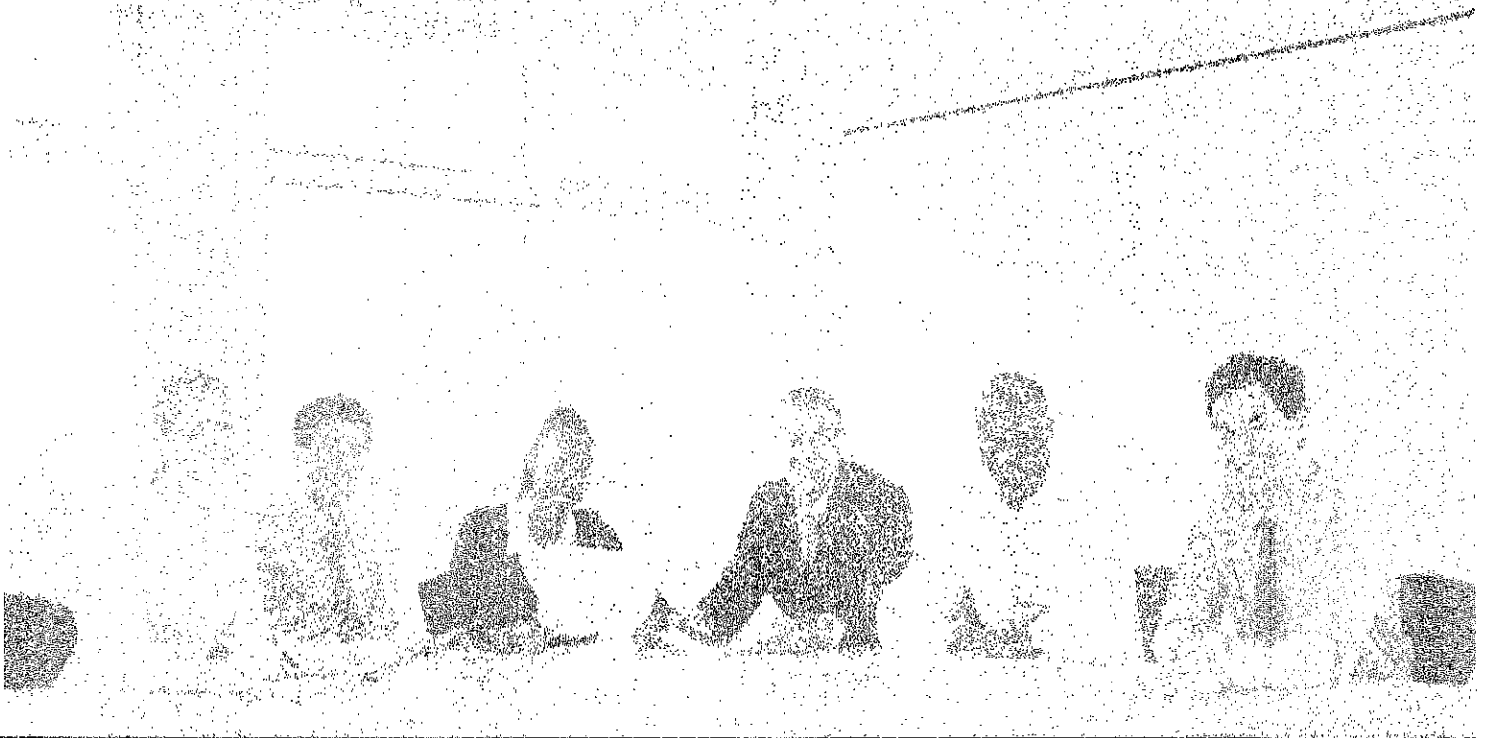
Natividad Medical Center (“Natividad” or the “Hospital”) is a 172-bed acute care hospital owned and operated by Monterey County. As a safety-net hospital, it has been providing healthcare to the residents of Monterey County for over 125 years. Natividad’s operations include several specialty clinics and outpatient primary care clinics operated by the Monterey County Health Department. The Hospital’s medical staff consists of over 235 physicians. Natividad is the only teaching hospital on the Central Coast and has an affiliation with the University of California, San Francisco. The Hospital does not have its own health plan.

In light of the changing marketplace, including increased partnerships/affiliations, competitor activities, focus on population health, and insurance exchange, Natividad’s Senior Team is seeking consulting support for their strategic planning process.

The Camden Group proposes to support Natividad in the development of a shared vision, goals, and strategic alternatives by undertaking a facilitated planning process that will achieve the following objectives:

- Establish a shared understanding among Board of Trustees, medical staff, and the Senior Team specific to the evolving national and local healthcare changes/trends (including population health, insurance exchange, Medicare, and Medi-Cal payment change and loss of General Fund support) and their local implications for Natividad.
- Develop a comprehensive strategic plan that integrates service lines, an internal and external Situation Assessment, national, state, and local healthcare trends, and input from key stakeholders.
- Complete a competitor and partnership assessment inclusive of local area hospitals, community clinics (including Federally Qualified Health Center [“FQHC”]), physician organizations and health plans that reveals pending threats and potential opportunities.
- Develop strategies for enhanced alignment with physicians, and access points based on identification of mutual needs and benefits.
- Determine the financial feasibility of maintaining independence, within the context of the strategic planning process.
- Specify the associated investment required and the projected financial impact of implementing the identified strategies. Using your financial model, we will guide you during the development of assumptions.

II. Approach and Work Plan



II. Approach and Work Plan

Approach

The Camden Group proposes to support Natividad in its strategic planning activities using a highly interactive, six-step process. Throughout the engagement, our orientation will be to stimulate and enable Natividad and its key stakeholders to take a long-term perspective and design the vision, goals and strategies to position the Hospital for continued success.

In order to facilitate collaborative thinking and ensure adoption of strategies identified through this process, we recommend the appointment of a Steering Committee (the “Steering Committee”) composed of eight to ten key leaders from the Senior Team and other key Natividad stakeholders (Board members and physicians) to act as a sounding board and provide input throughout the engagement. Specifically, the Steering Committee will:

- Provide insight into the Hospital’s current state and existing competencies, collaborative potential, financial sustainability, and unmet needs that would make Natividad successful in today’s market.
- Achieve consensus regarding the future state of the local, regional, and national healthcare environment and their implications for the Hospital.
- Challenge assumptions and findings from the Situation Assessment, and collaboratively identify opportunities and barriers regarding the evolution and growth of the organization.
- Be actively engaged in the development and refinement of the strategic alternatives.
- Offer honest feedback and direction on the requirements to successfully execute the strategies.
- Review draft and approve the final Strategic Plan.

Throughout the engagement we will work with the Steering Committee to identify the most effective and efficient structure to achieve the engagement objectives. To best leverage the knowledge and perspective of both the Hospital and The Camden Group, we anticipate that there will be some intensive on-site time to engage in information sharing and brainstorming activities.

- We recommend the appointment of an Engagement Liaison to facilitate the exchange of information between the Steering Committee members and The Camden Group engagement team. The Engagement Liaison or his/her designee would also oversee the

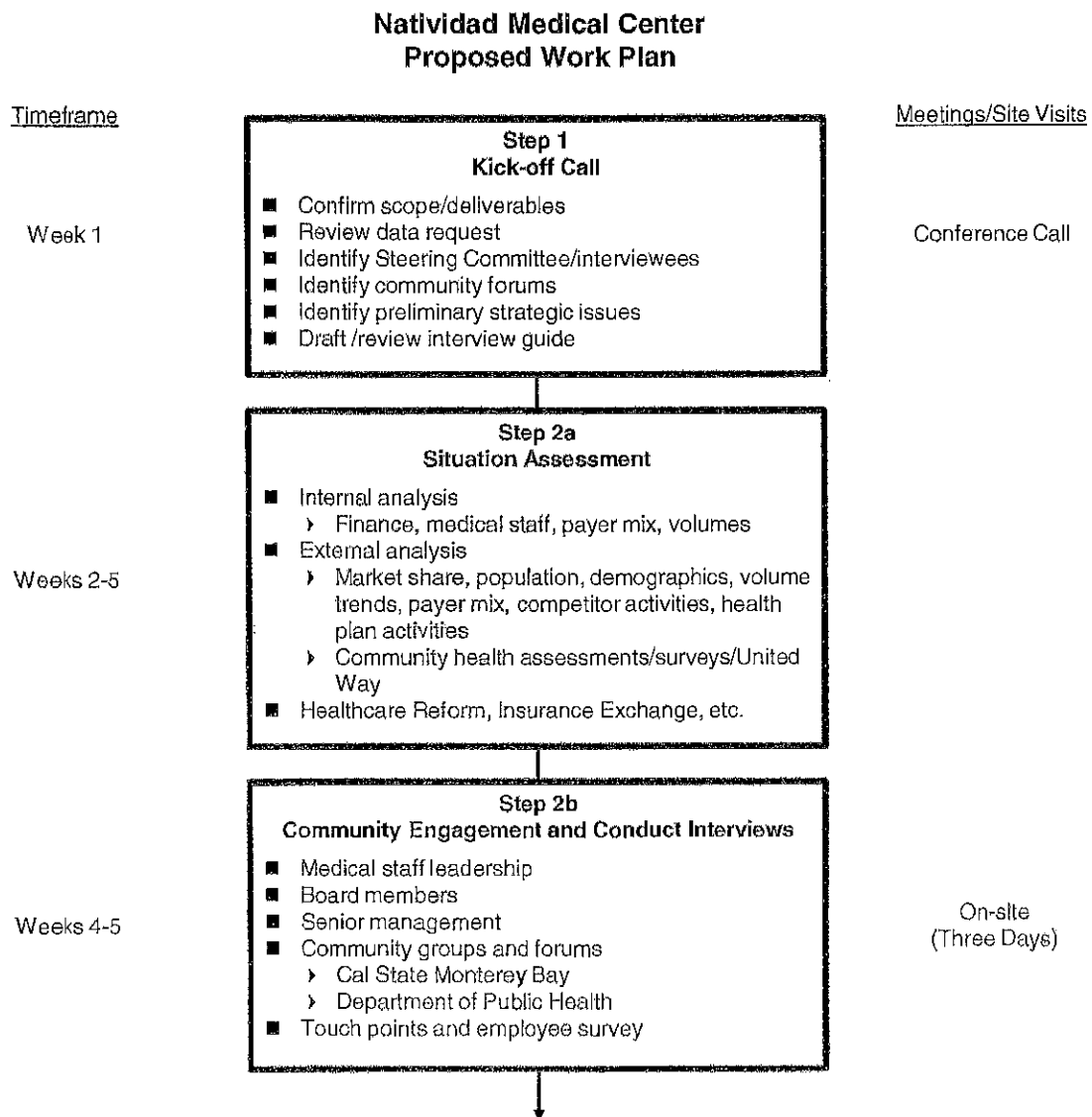
II. Approach and Work Plan

scheduling of interviews, meeting, and conference calls, and will serve as the day-to-day contact with The Camden Group.

- The planning process has been designed to include three meetings with the Steering Committee to infuse creative thinking, enable iteration and refinement, and establish “buy-in” for the final recommendations.
- The Camden Group will conduct, as needed, conference calls with the Engagement Liaison to review materials in advance of Steering Committee meetings.

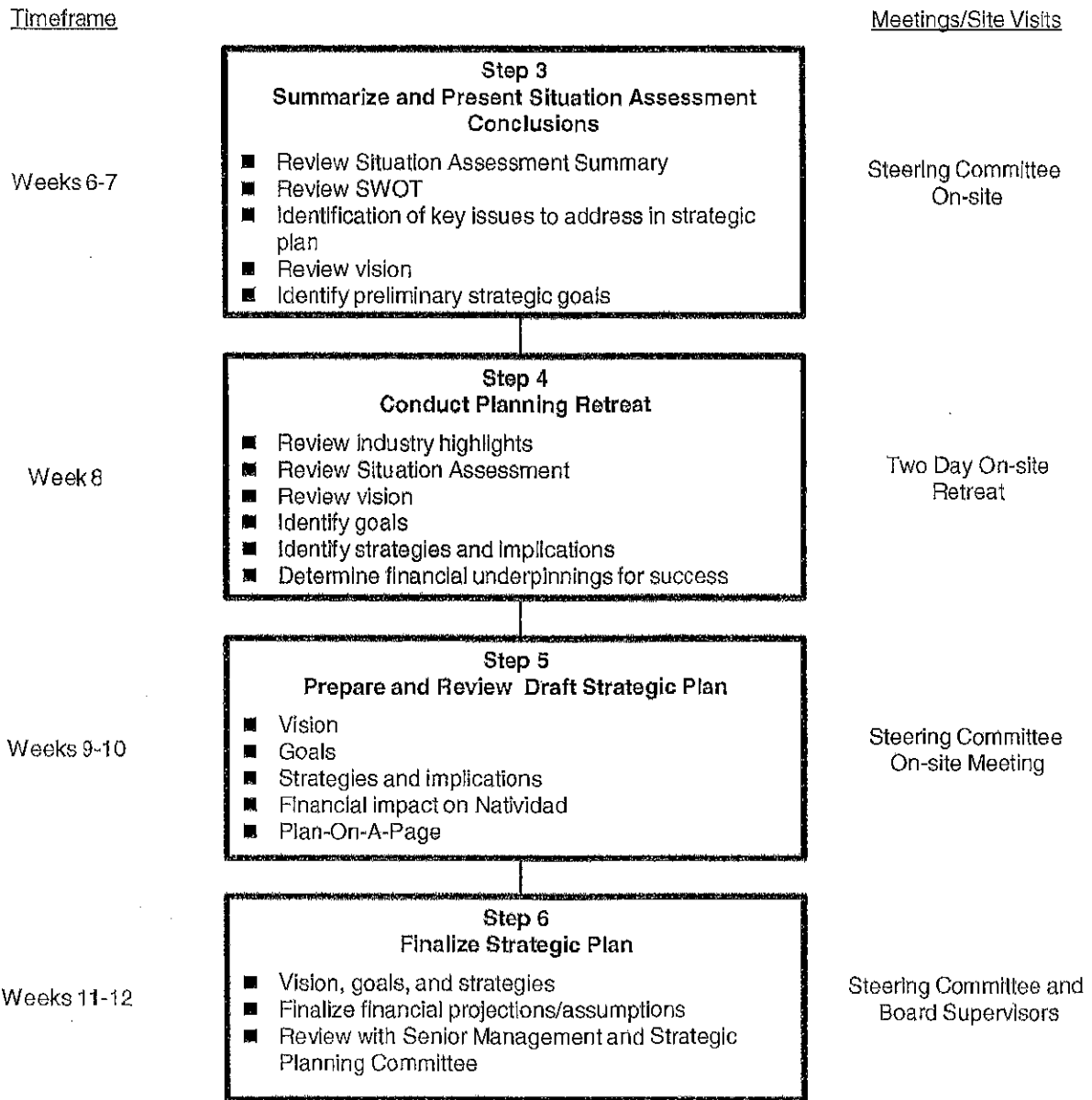
Work Plan

A diagram of the work plan is provided below and on the following page and a detailed step and task outline follows.



II. Approach and Work Plan

Natividad Medical Center Proposed Work Plan



Work Plan Details and Explanation

Step 1: Kick-off Call

- Submit data request and conduct a call with the Engagement Liaison to discuss the items required for the engagement and kick-off the engagement.
 - ▶ Introduce team members, review engagement goals, scope and objectives, key meeting dates, engagement milestones, and deadlines and deliverables

II. Approach and Work Plan

- ▶ Identify/Confirm the composition of the Steering Committee (members of the Board of Trustees, physicians, and members of the Senior Team) and the Steering Committee's role
- ▶ Identify individuals to be interviewed during the engagement
- ▶ Identify community participants/forums
- ▶ Discuss data request and timing of receipt of materials
- ▶ Discuss, on a preliminary basis, the key strategic issues and opportunities to be evaluated through the planning process
- ▶ Review the interview guide to be used in our one-on-one discussions

Step 2a: Situation Assessment

- Conduct internal analysis
 - ▶ Review existing planning documents, quality and performance data, financial performance, volumes trends, service lines, and care delivery models across all facets of the organization (acute care, preventative care, post-acute care, etc.). Our review will include payer mix trends and patient origin/socioeconomic trends.
 - ▶ In addition, The Camden Group will conduct a high level assessment of physician needs, based on recommended population ratios by specialty, and other information gathered during the course of conducting stakeholder interviews during the situation assessment.
- Conduct external analysis
 - ▶ The Camden Group will supplement any market data not already collected by Natividad to ensure a complete assessment of market dynamics including:
 - Population and demographics, including health status
 - Market share overall by inpatient and outpatient service lines (including volume trends)
 - Payer mix and health plan activities (i.e., value-based initiatives underway or planned by area payers)
 - Competitor and/or potential partner activities in the area (including community clinics and FQHCs)
 - The impact of healthcare reform, including national, local, and state healthcare trends
 - Review community health assessments, surveys, and any United Way reports

II. Approach and Work Plan

Step 2b: Community Engagement and Conduct Interviews

- As part of the Situation Assessment, we will conduct interviews and community forums with representatives of key stakeholder groups of Natividad. Interviews will be conducted with selected individuals from the medical staff, Board, and Senior Leadership. We will conduct as many interviews and forums as can be scheduled for two consultants in a consecutive three-day period.
- The Engagement Liaison or his/her designee will have responsibility for scheduling the interviews. Among a broader list of topics, the interviews will provide an opportunity to assess the degree of readiness for regional and national trends (health reform, local economics, market place reactions), as well as interest in and options specific to potential strategies related to population health, insurance exchange, community clinics (including FQHCs), physician-hospital alignment, etc.

Step 3: Summarize and Present Situation Assessment Conclusions

- We will summarize the following: Situation Assessment, strengths, weaknesses, opportunities, and threats (“SWOT”) and key issues to be addressed by the strategic plan.
- We will review the vision and based on the SWOT and a gap analysis, we will identify preliminary strategic goals for Natividad.
- The Camden Group will review this summary with the Steering Committee, at the first on-site meeting.

Step 4: Conduct Planning Retreat

- We will facilitate a two-day planning retreat with the Steering Committee that will deal with the strategic and business implications of the analysis conducted to this point, including industry and market trends, healthcare reform, the economy, and other elements that impact the strategic direction and priorities of the organization.
 - ▶ We will review the findings of the analysis conducted through the Situation Assessment
 - ▶ We will validate the Mission and Vision
 - We will conduct a Vision-by-DesignSM exercise to identify the characteristics of the
 - System and its physician partners in a highly successful future state
 - The participants will then identify the initiatives Natividad took to create a “bridge” between the current state (2012) and the future
 - A description of Vision-by-DesignSM is provided in Appendix A

II. Approach and Work Plan

- Other exercises (described in Appendix A) may also be used as deemed appropriate during the retreat
- ▶ Based on the Vision, we will validate and/or modify the preliminary strategic goals identified in the preceding step
- ▶ We will facilitate an interactive discussion to specify preliminary strategies and associated critical success factors
- ▶ We will lead the discussion to determine the economic/financial underpinnings for Natividad's long-term financial success

Step 5: Prepare and Review Draft Strategic Plan

- We will use the outcomes of the two-day retreat, in addition to prior analysis (including the situation assessment) to draft the Hospital's vision, goals and strategies. High-level financial projections will also be prepared, assuming successful execution of prioritized strategies. The Camden Group will provide guidance and assumptions to Natividad and Natividad will prepare the financial projections, using their existing framework/models. The draft strategic plan will be presented to the Steering Committee for feedback at the second on-site meeting.
- Our plan will include:
 - ▶ Vision
 - ▶ Goals
 - ▶ Strategic priority
 - ▶ Timing

Step 6: Finalize Strategic Plan

- Based on feedback received in the prior step, we will revise the strategic plan, and related high-level financial projections. Once revised, we will present the final plan to the Steering Committee and Board during the same trip.

Deliverables

- Comprehensive Situation Assessment that includes internal and external considerations
- Written Strategic Plan containing:
 - ▶ Confirmation or restatement of the Mission and Vision
 - ▶ Strategic goals and prioritization of strategies

II. Approach and Work Plan

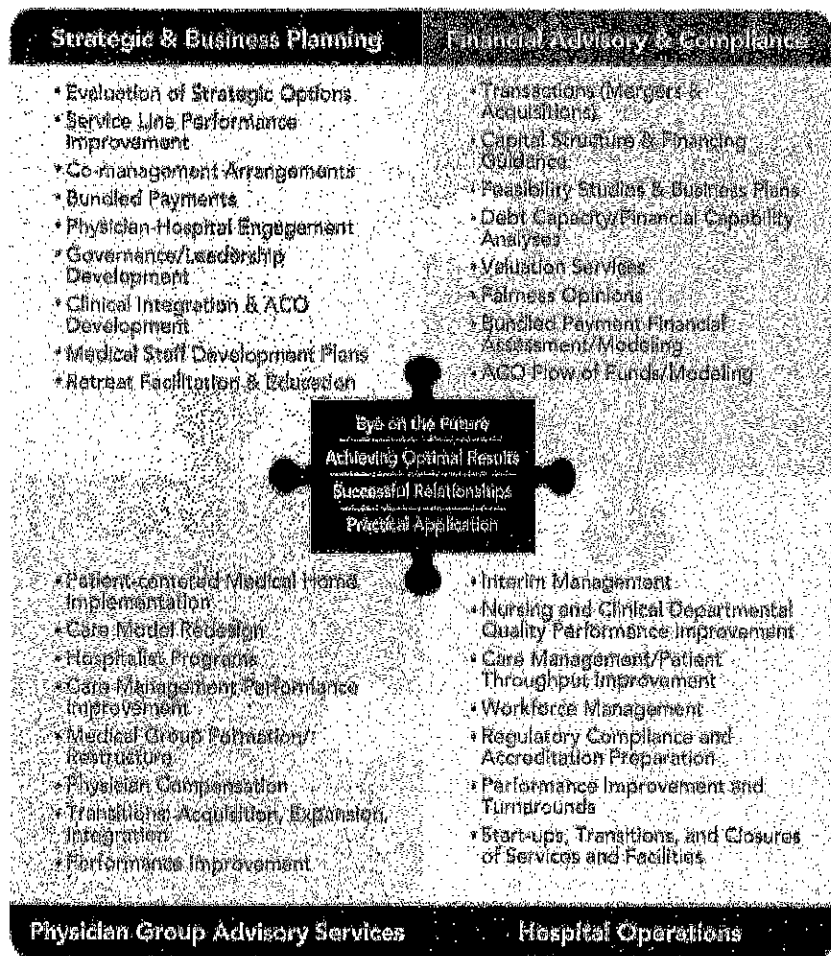
- ▶ Critical success factors and market risks
- ▶ High level financial projections assuming successful execution of prioritized strategies (projections will be prepared by Natividad; The Camden Group will provide assistance and guidance regarding key assumptions)
- High-level summary report for the Medical Staff Development Plan
- Administration of on-site interviews and meetings, specifically:
 - ▶ One-on-one on-site interviews with selected members of the Board, medical staff, and senior management (two days on-site)
 - ▶ Community forums (one day on-site)
 - ▶ Facilitation of up to three Steering Committee meetings and the Planning Retreat
- Presentation to the Board

III. Firm Qualifications

III. Firm Qualifications

For over 40 years, The Camden Group has been providing management and consulting services to the healthcare industry exclusively. We are dedicated to improving and changing the healthcare industry – one client at a time. With offices across the country, we have assisted more than 1,000 healthcare organizations nationwide. Our multidisciplinary team of industry experts and clinical leaders is nationally recognized for their thought leadership, results-oriented approach, and personalized service. We have extensive, hands-on experience in many facets of healthcare, including hospitals, health systems, medical groups, ACOs, bundled payment, clinical integration, and health plans, and more than one third of our senior management team have served in physician and nurse leadership roles.

Our relevant and expert advice, together with our practical approaches, proven methodologies, and customized solutions, enable our clients to thrive in a dynamic environment, effectively manage the health of their communities, and improve the healthcare industry overall. Our wide range of capabilities and commitment to our clients' success have made us a respected and trusted leader. Our responsive and collaborative client service has resulted in long-standing relationships with our clients – some for more than 30 years.



For more information and access to our Thought Leadership Resource Library, please visit our website at www.thecamdengroup.com.

III. Firm Qualifications

Reasons to Select The Camden Group

- The Camden Group is uniquely qualified to assist with the development of the Hospital's strategic plan. Based on our understanding of your needs, we are a strong fit to be your partner and advisor in this process.
- We have a proven, financially-driven, market-based strategic planning process that has been effective for over 40 years creating actionable strategies for our clients. **We understand the value of engaging the Hospital's stakeholders**, and have developed a strategic planning process that **engages Board members, the management team, and medical staff**.
- Our senior executives are forward-thinking **national experts** in strategic planning, healthcare reform, integration, and physician alignment.
- **We demonstrate thought leadership on future trends** in healthcare and their implications as evidenced by our extensive publishing and speaking on behalf of The Governance Institute, American College of Healthcare Executives, Society for Healthcare Strategy and Market Development, Healthcare Financial Management Association, VHA, Medical Group Management Association, state hospital associations, and other professional organizations.
- **Expertise in enhancing physician-hospital relationships.** Our parent company, HealthCare Partners Medical Group is the largest privately owned, independent medical group in the USA. Our staff are on the front lines of developing and implementing many alignment models including: medical foundations, outpatient clinics, ACOs, provider-owned health plans, joint ventures, and co-management structures across the country.
- **We know the California healthcare landscape better than any other consulting company.** We have worked with over 12 healthcare districts' and ten County facilities. We speak at the HASC, CAPG, ACHD, and HCNCC annual conferences on issues relating to hospitals, public entities, physician alignment, healthcare reform, etc.
- We have worked in the Salina's market and we are familiar with the healthcare needs of the area.

Thought Leadership on Future Trends and National Perspective

The Camden Group is recognized as a national thought leader in interpreting the implications of healthcare reform and other industry and societal trends. We are frequently asked to speak at national forums and events, and are continuously published and quoted in prominent

III. Firm Qualifications

publications and journals. With offices in Los Angeles, Chicago, New York, and Boston area, and on the basis of our work experience in 47 states, we have a thorough understanding of the healthcare industry nationwide and at the state and local level. We will bring to the Hospital lessons learned through our experience across the country.

District and County Hospital Engagement References

The following references were selected for use as each one shares one or more of the following areas of interest to Natividad: strategic planning including consideration of the implications of industry trends and preparation for the future state of healthcare, managing population health, addressing physician-hospital alignment, consideration of potential strategic partners and/or competitors and maintaining financial stability.

Doctors Medical Center

San Pablo, California



The Camden Group was engaged to develop a strategic plan for Doctors Medical Center (“DMC” or the “Medical Center”), a safety net hospital in San Pablo, California, to best meet the healthcare needs of residents of the West Contra Costa Healthcare District (the “District”) while maintaining financial stability in the future. Faced with negative cash flow, operating losses, and continued cuts to Medi-Cal and other state and federal funding sources, the Medical Center needed to develop and implement a sustainable strategic plan that identified a viable model for care delivery – with supporting facility, medical staff, and corporate structure plans – based on its then current situation and anticipated changes in its local healthcare environment. The Camden Group prepared a four-year strategic plan for DMC that included a situation assessment, identification of key issues, identification and prioritization of strategic opportunities, and projected impact of strategic alternatives. We reviewed key financial assumptions and identified potential funding sources in consideration with major strategic initiatives.

Ms. Dawn Gideon
Chief Executive Officer
510.970.5107

III. Firm Qualifications

County of San Luis Obispo

San Luis Obispo, California

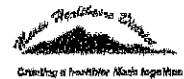


The Camden Group was retained by the County of San Luis Obispo (the “County”) as they made decision regarding the closure, continuation and re-design of their medical, public health and other social services related to health and well-being. A major component of the engagement initially was assessing their physician relationships for providing services in their clinic system and identifying an appropriate physician model. In the end, the County made the decision to transfer the clinics to a local federally qualified health center to administer. After the closure of the acute care facility we assisted the County with evaluating new uses of the space which included medical, quasi-medical, public health, social services, and other needs of residents in the “safety net.”

Ms. Gail Wilcox
Assistant County Administrator
805.781.5021

Marin Healthcare District

Greenbrae, California



The Camden Group was engaged by the Marin Healthcare District (the “MHD”) in 2007 to facilitate the separation of Marin General Hospital from the Sutter Health System. The Camden Group served the executive team through the transition of control to the MHD. During this engagement we managed the following: vendor agreements, managed care contracts, developed the strategic direction for the Hospital, developed the range of clinical services, completed a medical staff development plan, prepared the team for a successful JCAHO survey two months after transfer, and recruited and hired the permanent executive team. The Camden Group’s Financial Feasibility Study enabled the MHD to attract \$60 million in interim financing to complete the transaction. Ms. Blair Contratto served as on-site COO and led The Camden Group’s team of five staff; additionally, Ms. Rebecca Bales was the interim CFO.

Mr. Lee Domanico
Chief Executive Officer
415.925.7100

III. Firm Qualifications

Martin Luther King Jr. Community Hospital

Los Angeles, California

Martin Luther King Jr. Community Hospital

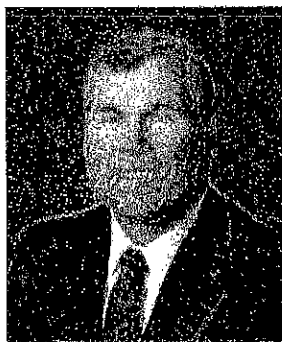
In 2007, the Martin Luther King, Jr. County Hospital (“MLK”) was closed after losing their ability to bill CMS patients. A new nonprofit board was created in 2010 to re-open the hospital in early 2014 as a private nonprofit hospital with an alliance with the University of California, Los Angeles (“UCLA”). The Camden Group was engaged in January 2012 to provide a portion of the pre-opening executive team including the CFO, CNO and Director of Development, CMO, VP of Ancillary Services, and overall Engagement Manager. Currently we are working the County of Los Angeles, the MLK Board, UCLA, and other stakeholders to open the new hospital. This engagement involves in-depth market-based analysis, the development of a new care delivery system, master planning for facility and resource utilization, and the management of a very specific service area population, which include patients with chronic diseases and mental health disorders.

Ms. Melayne Yocum
Chief Executive Officer
424.206.9406

IV. Engagement Staffing

IV. Engagement Staffing

We have assigned experienced team members who have worked on county/district hospitals throughout California. Mr. Valentine will be the engagement executive and Ms. Rebecca Bales will provide technical advisory assistance. Ms. Surabhi Swaroop will guide the strategic planning process and develop the strategic plan. Brief biographies, including experience and areas of expertise, are provided below. Other consultants will be available as necessary.



Steven T. Valentine, MPA

President

Mr. Valentine is president of The Camden Group, a national healthcare management consulting company with offices in California, Illinois, New York, and Massachusetts. With more than 35 years of healthcare consulting experience, he has considerable expertise in the areas of strategic planning, business transactions, mergers, hospital-physician relationships, and financial analysis. Mr. Valentine was the issue editor and an early pioneer on hospital turnarounds (topics in *HealthCare Financing: Financially Troubled Hospitals*). He is a nationally recognized author and speaker on healthcare issues. Mr. Valentine is often quoted in *Payers and Providers*, *Modern Healthcare*, *Los Angeles Times*, and *HealthLeaders*, as well as other publications. Mr. Valentine is frequently invited to present his assessment of the industry trends and its future outlook.

Mr. Valentine has directed numerous strategic planning and merger engagements for a wide variety of healthcare organizations. He is a recognized facilitator of hospital board, medical staff, and management retreats. He is on the editorial board of two publications and a panel expert on another. He was on the Board (1996 – 2012) and Chaired the Audit Committee of HealthCare Partners, Ltd., an MSO with approximately \$2.2 billion in revenue. Additionally, Mr. Valentine serves on the Program Advisory Board at the USC School of Policy, Planning and Development, served on the Executive Committee and chaired the Finance Committee of Partners in Care Foundation, serves on the Advisory Boards of Alliance HealthCare Services, Inc. and Gerson Lehrman Group's Council of Healthcare Advisors. Prior to joining The Camden Group, he was an engagement executive in Ernst & Young's Health Care Business Advisory Group. His previous experience included senior positions at Amherst Associates, Pacific Health Resources, National Medical Enterprises, and the Health Systems Agency of San Diego and Imperial Counties. He was selected by *California Medicine* as one of California's top 100 most influential people in the healthcare field, and he also received a similar honor for Los Angeles

IV. Engagement Staffing

County from the Los Angeles Business Journal. He was honored with the USC Health Services Administration Alumni Association Distinguished Graduate Award.

Mr. Valentine earned his bachelor's degree from San Diego State University. He received his master's in public administration and was certified in health services administration from the University of Southern California. He also completed the Ernst & Young Management program with the Kellogg School at Northwestern University.



Rebecca B. Bales, MPA, ASA

Ms. Bales is a senior vice president at The Camden Group specializing in hospital operations and transactions. She is responsible for the hospital operations division of The Camden Group which focuses on hospital turnarounds, interim management, labor management, and operations improvement. Most of her clients are tax-exempt organizations or public hospitals that are developing or dissolving new services, entities, or relationships.

Over the past seven years she has led engagements for five public hospitals and counties that were implementing public-private partnerships or financial turnarounds. In three of these engagements, she served as interim chief financial officer during their transitions.

She is an Accredited Senior Appraiser in the American Society of Appraisers and a member of the Institute of Business Appraisers and the National Association of Certified Valuation Analysts. She has taught the graduate course in Health Care Finance in the Health Services Administration Program at the University of Southern California. She has also given lectures at the Health Care Compliance Association National Institute on "Fair Market Value in Compliance Arrangements" in 2004, and for the California Hospital Association on "Fair Market Value in Physician Compensation" regarding Stark II in the Fall of 2004.

Prior to joining The Camden Group, Ms. Bales served as chief financial officer for Good Samaritan Hospital, an independent nonprofit hospital in Los Angeles, California. Other positions held include senior manager with KPMG (Peat Marwick's National Health Care Strategy Practice), chief financial officer at the University of Arizona Medical Center, and assistant administrator at Cedars-Sinai Medical Center.

Ms. Bales holds a bachelor's degree from Purdue University and a master's degree in health services administration from the University of Southern California.

IV. Engagement Staffing



Surabhi Swaroop, MBA

Ms. Swaroop is a manager with The Camden Group with more than ten years of experience in healthcare. She has assisted numerous hospitals and ambulatory care entities in their strategic planning and physician-hospital alignment initiatives with a particular focus on developing the business case for and financial models specific to the formation of joint ventures, strategic alliances, and acquisitions.

Prior to joining The Camden Group, Ms. Swaroop held a manager position with ECG Management Consultants in San Diego, California where she lead strategic planning, operational enhancement, and financial engagements on behalf of hospitals, physician practices, medical groups, and academic medical centers. Prior to ECG, she was vice president, finance for Alliance Oncology, a subsidiary of Alliance Healthcare Services, Inc., based in Newport Beach, California. While working with that organization, she was a key member of the team that completed three acquisitions and eight joint ventures.

Before joining Alliance Oncology, Ms. Swaroop was a manager at BearingPoint, Inc. in Los Angeles, California and was an associate chief financial officer at University of Southern California University Hospital in Los Angeles, California. She has also held accounting and auditor positions.

Ms. Swaroop holds a master of business administration degree with a concentration in finance from the University of Southern California, Marshall School of Business in Los Angeles, California. She received her bachelor's degree from the University of Calgary in Calgary, Alberta, Canada.

V. Timing and Fees

V. Timing and Fees

We are prepared to begin this engagement immediately upon approval of the work plan. We anticipate completing this engagement within twelve weeks assuming no major complications with scheduling interviews and meetings. Our fees reflect the relevant experience and knowledge required to conduct the engagement. Our all-inclusive price for this engagement based upon the work plan outlined will be no greater than \$ 179,000. Any additional work beyond the scope outlined in this proposal will be charged at our customary hourly rates. Should a need or request for additional work arise, we will discuss it with you and obtain approval prior to proceeding. Invoices are submitted monthly based on the work performed and expenses incurred during the previous month, and are payable per the Monterey County Services Agreement. Services may be discontinued in the event payment is not received within thirty (30) days of the invoice date.

Our estimate of fees by Step, coverage hourly rate and estimated hours are noted below:

| Step | Price Range |
|--|---------------------|
| Step 1: Kick-off Call | \$8,000 - \$10,000 |
| Step 2a: Situation Assessment and | \$37,000 - \$43,000 |
| Step 2b: Community Engagement and Conduct Interviews | |
| Step 3: Summarize and Present Situation Assessment Conclusions | \$30,000 - \$35,000 |
| Step 4: Conduct Planning Retreat | \$22,000 - \$25,000 |
| Step 5: Prepare and Review Draft Strategic Plan | \$42,000 - \$45,000 |
| Step 6: Finalize Strategic Plan | \$19,000 - \$21,000 |

- Average hour rate: \$300
- Hours: 470 - 530



VI. Acceptance

VI. Acceptance

We appreciate the opportunity to submit this proposal and look forward to the prospect of working with you. If our work plan and terms in this proposal is acceptable as written, please sign below and return it to our office to the attention of Mr. Valentine. If you have any questions or comments, please do not hesitate to call Mr. Valentine at 310.320.3990, extension 3950.

The Camden Group

THE CAMDEN GROUP

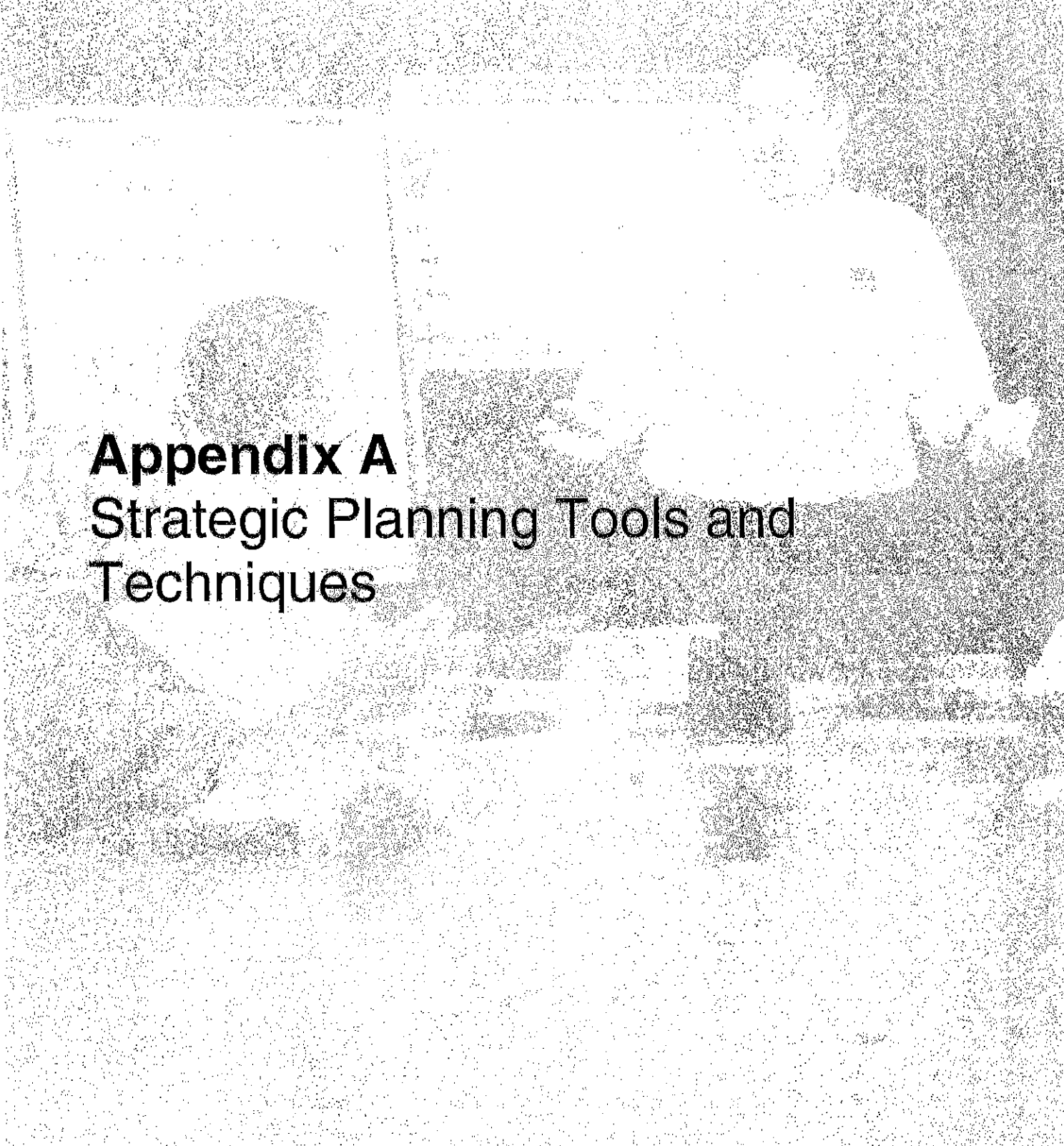
ACCEPTED:

Signature

Printed Name

Title

Date



Appendix A

Strategic Planning Tools and Techniques

Appendix A

Strategic Planning Tools and Techniques

The Camden Group retreat facilitators **utilize a broad array of tools and techniques to stimulate creative thinking, and assist a group to develop consensus and prioritize the concepts discussed and ideas generated.** Where appropriate, we utilize team building exercises. As we work with our clients in the design of the retreat we jointly select the tools that will achieve the desired objectives for the session. Several of the tools frequently utilized are described below.

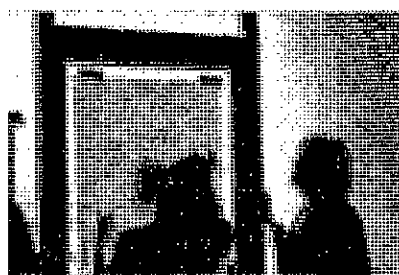
Competitor Role Play Exercise

In this exercise Committee members are divided into groups. Each group is assigned to act as the management team of one of the Hospital's principal competitors. Typically, other hospitals, ambulatory care centers and occasionally physician organizations are selected as competitors. In this new role they work to identify the strategies the competitor would use to draw patients, physicians and other key resources away from the Hospital. The teams are encouraged to be creative and aggressive and apply any technique that is legal. Each of the teams "reports out" to the larger group the approach they would take in the role of the competitor. Following the presentations the participants return to their Committee role and they assess the implications of the potential competitor actions for the Hospital.

Through this process the Committee members develop an understanding of their Hospital's vulnerabilities. Further, this new perspective enables them to identify corrective actions for those vulnerabilities and ways to prepare for and/or co-opt the expected actions of the competition.

Vision by Designsm Exercise

Utilizing The Camden Group's Vision by Designsm process, the participants will identify the characteristics of the organization/service line in a **highly successful state at a date five years into the future** (i.e., nationally recognized premier program, continuum of care provided and service line focal points, target markets served, physician alignment techniques applied, ventures with other providers and/or vendors, adoption of clinical and information technology).



Appendix A

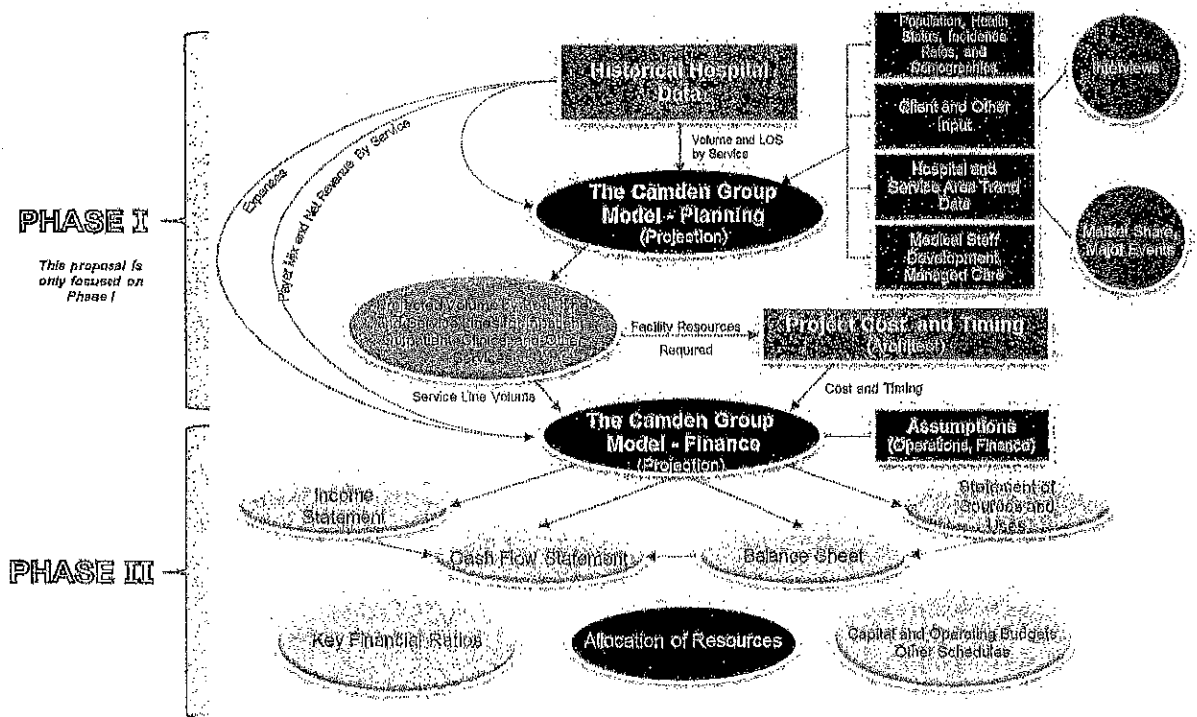
Strategic Planning Tools and Techniques

Committee) to conceive of the future state characteristics. This ensures that each Committee member's perspectives and ideas are brought to light and avoids biases that might otherwise be imposed by individuals that tend to dominate discussion.

By focusing first on describing a successful future state, the process encourages innovative thinking and reduces the extent to which historical factors and perspectives restrain thinking (i.e., "we haven't been successful with action 'A' in the past", "the physicians in specialty 'B' won't support this concept", "we don't have sufficient resources to enable this to work").

DecisionPoint™

The following schematic describes a proprietary process we call "DecisionPoint™," and represents our approach to market assessment and utilization projections (Phase I) and developing financial projections (Phase II) in support of a master facilities plan.



Appendix B

List of District/County Hospital Clients in California

Appendix B

List of District/County Hospital Clients in California

The following represents a comprehensive list of District/County hospital organizations in California that have partnered with The Camden Group for a variety of advisory services and support.

- Beach Cities Health District (Redondo Beach)
- Camarillo Health Care District (Camarillo)
- Doctors Medical Center (San Pablo)
- El Camino Hospital District (Mountain View)
- Eden Township Healthcare District (Castro Valley)
- Desert Healthcare District (Palm Springs)
- Doctors Medical Center (San Pablo)
- Fallbrook Healthcare District (Fallbrook)
- Grossmont Healthcare District (La Mesa)
- Hemet District Hospital (Hemet)
- Healdsburg District Hospital (Healdsburg)
- Kern Medical Center (Bakersfield)
- Lompoc Healthcare District (Lompoc)
- Los Angeles County Health Services (Los Angeles)
- Kaweah Delta Healthcare District (Visalia)
- Marin Healthcare District (Marin)
- Martin Luther King Jr. Hospital (Los Angeles)
- North Kern – South Tulare Hospital District (Delano)
- Petaluma Health Care District (Petaluma)
- San Bernardino County (San Bernardino)
- San Joaquin General Hospital (Stockton)
- Sequoia Healthcare District (Redwood City)

Appendix B

List of District/County Hospital Clients in California

- Sierra View District Hospital (Porterville)
- Sonoma Valley Healthcare District (Sonoma)
- Southern Mono Healthcare District/Mammoth Hospital (Mammoth Lakes)
- Tri-City Healthcare District (Oceanside)
- Tulare District Hospital (Tulare)



Appendix C

List of Strategic Advisory Clients in California

Appendix C

List of Strategic Advisory Clients in California

The following represents a comprehensive list of organizations that have partnered with The Camden Group for strategic advisory services and support in California.

- Adventist Health System – West, Roseville
- Alameda Hospital, Alameda
- Alliance Imaging, Inc., Anaheim
- AltaMed Health Services Corp., City of Industry
- Anaheim Memorial Medical Center, Anaheim
- Beverly Hospital, Bellflower
- Carmelite Sisters of the Most Sacred Heart of Los Angeles, Alhambra
- Catholic Healthcare West, Burlingame
- Cedars-Sinai Medical Foundation, Los Angeles
- City of Hope National Medical Center, Duarte
- Community Memorial Hospital, Ventura
- County of Kern, Bakersfield
- Daughters of Charity Health System, Los Angeles
- Downey Regional Medical Center, Downey
- Eisenhower Memorial Hospital, Rancho Mirage
- El Camino Hospital, Mountain View
- Fallbrook Healthcare District, Fallbrook
- Glendale Adventist Medical Center, Glendale
- Glendale Memorial Hospital, Glendale
- Healthcare Partners Medical Group, Torrance
- Henry Mayo Newhall Memorial Hospital, Valencia
- Hi-Desert Medical Center, Joshua Tree
- Hoag Memorial Hospital, Newport Beach

Appendix C

List of Strategic Advisory Clients in California

- Huntington Memorial Hospital, Pasadena
- John Muir Health, Walnut Creek
- Kaiser Permanente, (Metro Los Angeles), Los Angeles
- Little Company of Mary Hospital, Torrance
- Long Beach Memorial Medical Center, Long Beach
- Memorial Care, Long Beach
- Mercy Hospitals of Bakersfield, Bakersfield
- Mercy Medical Center, Redding
- Providence Medical Institute, Torrance
- Motion Picture and Television Fund Hospital, Woodland Hills
- Northridge Hospital Medical Center, Northridge
- PacifiCare, Cypress
- Plymouth Health, Sherman Oaks
- Presbyterian Intercommunity Hospital, Whittier
- Queen of the Valley Hospital, Napa
- Redlands Community Hospital, Redland
- Riverside Community Hospital, Riverside
- San Gabriel Valley Hospital, San Gabriel
- Santa Teresita, Inc., Duarte
- Scripps Health, La Jolla
- Sequoia Healthcare District, Redwood City
- Sharp Healthcare, San Diego
- Simi Valley Hospital, Simi Valley
- St. Helena Hospital, St. Helena
- St. John's Regional Medical Center, Oxnard

Appendix C

List of Strategic Advisory Clients in California

- St. Joseph Health System, Orange
- St. Mary Medical Center, Long Beach
- Stanford Hospital and Clinics, Stanford
- Sutter Health, Sacramento
- United Healthcare, Cypress
- UC Irvine Medical Center, Irvine
- Valley Presbyterian Hospital, Van Nuys
- White Memorial Medical Center, Los Angeles



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/8/2013

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 Willis Insurance Services of California, Inc. c/o 26 Century Blvd. P.O. Box 305191 Nashville, TN 37230-5191 | CONTACT NAME: PHONE (A/C, No, Ext): (877) 945-7378 | | FAX (A/C, No): (888) 467-2378 |
| | E-MAIL ADDRESS: | | |
| INSURED HealthCare Partners, LLC DNH Medical Management, Inc. dba The Camden Group 19191 S. Vermont Avenue #200 Torrance, CA 90602 | INSURER(S) AFFORDING COVERAGE | | NAIC # |
| | INSURER A: Wausau Underwriters Insurance Company | | 26042 |
| | INSURER B: Continental Casualty Company | | 20443 |
| | INSURER C: Travelers Casualty and Surety Company | | 19038 |
| | INSURER D: | | |
| | INSURER E: | | |

COVERAGES **CERTIFICATE NUMBER:** **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.

| INSR LTR | TYPE OF INSURANCE | ADDL INSR | SUBR WVD | POLICY NUMBER | POLICY EFF (MM/DD/YYYY) | POLICY EXP (MM/DD/YYYY) | LIMITS |
|----------|---|-----------|----------|--------------------|-------------------------|-------------------------|---|
| A | <input checked="" type="checkbox"/> GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR | X | | TBJZ91451068013 | 1/1/2013 | 1/1/2014 | EACH OCCURRENCE \$ 1,000,000 |
| | <input type="checkbox"/> GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC | | | | | | DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/OP AGG \$ 2,000,000 |
| A | <input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS | | | ASJZ91451068023 | 1/1/2013 | 1/1/2014 | COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 |
| | <input type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE | | | | | | BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (PER ACCIDENT) \$ \$ |
| B | <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$ | | | L5085665930 | 1/1/2013 | 1/1/2014 | EACH OCCURRENCE \$ 4,000,000 |
| | <input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | | | | | | AGGREGATE \$ 4,000,000 \$ |
| C | <input type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below | N/A | | TROUB-4251B330-12 | 11/12/2012 | 11/12/2013 | <input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER |
| | <input checked="" type="checkbox"/> Workers Compensation | | | | | | E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000 |
| C | Workers Compensation | | | TC2JUB-4251B329-12 | 11/12/2012 | 11/12/2013 | See Attached |

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 Insureds with respect to General Liability as required by written contract.
General Liability policy shall be Primary and Non-contributory with any other insurance in force for or which may be purchased by Additional Insureds.

| | |
|---|---|
| CERTIFICATE HOLDER County of Monterey Contracts/Purchasing Department 168 W. Alisal St. 3rd Floor Salinas, CA 93901 | 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  |

ADDITIONAL COVERAGE SCHEDULE

| COVERAGE | LIMITS |
|--|--|
| POLICY TYPE: Workers Compensation CARRIER: Travelers Casualty and Surety Company POLICY TERM: 11/12/2012-11/12/2013 POLICY NUMBER: TC2JUB-4251B329-12 | Statutory E.L. Each Accident \$1,000,000 E.L. Disease - Policy Limit \$1,000,000 E.L. Disease - Each Employee \$1,000,000 |

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

| Name Of Additional Insured Person(s) Or Organization(s) |
|--|
| The County of Monterey, it's officers, agents and employees RE: Natividad Medical Center (The County of Monterey) |
| Information required to complete this Schedule, if not shown above, will be shown in the Declarations. |

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, 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.

This endorsement is executed by the

Premium \$

Effective Date 01/01/2013 Expiration Date 01/01/2014

For attachment to Policy No. TBJ-Z91-451068-013

Audit Basis

Issued To Healthcare Partners LLC

Countersigned by

.....
Authorized Representative

Issued

Sales Office and No.

End. Serial No.

Policy Number TBJ-Z91-451068-012
 Issued by WAUSAU UNDERWRITERS INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Broad Additional Insured and Waiver of Subrogation – Scheduled Person or Organization

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of the acts or omissions of you or those acting on your behalf:

1. In the performance of your ongoing operations; or
2. In connection with premises owned by you

That person or organization shall be referred to as the additional insured.

B. WAIVER OF SUBROGATION

For any additional insured that obtains insured status on this policy through paragraph A., above, we waive any right of recovery we may have against the additional insured because of payments we make for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies.

C. EXCLUSIONS

This insurance does not apply to:

1. Any premises or equipment leased to you.
2. Any construction, renovation, demolition or installation operations performed by or on behalf of you, or those operating on your behalf.

D. OTHER INSURANCE

The insurance provided by this endorsement applies only to coverages and limits of insurance required by written agreement, but in no event exceeds either the scope of coverage or the limits of insurance available within this policy.

This insurance shall be excess over any other insurance available to the additional insured, whether such insurance is on an excess, contingent or primary basis, unless the written agreement with you requires that the insurance provided for the additional insured be primary concurrent or primary non-contributory, in comparison to the additional insured's own policy or policies.

To the extent that the additional insured has the right to pursue any other insurance carrier for coverage, including a defense, we shall share that right with the additional insured.

Schedule:

EILEEN MCNUTT, AS TRUSTEE OF THE P.L. AND EILEEN MCNUTT SURVIVOR TRUST

EILEEN MCNUTT, AS TRUSTEE OF THE P.L. AND EILEEN MCNUTT MARITAL TRUST

Policy Number: ASJ-Z91-451068-023
Issued by: Wausau Underwriters Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED - NONCONTRIBUTING

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIERS COVERGE FORM
TRUCKERS COVERAGE FORM

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

This endorsement identifies person(s) or organization(s) who are "insureds" under the Who Is An Insured Provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage form.

Schedule

Name of Person(s) or Organizations(s):

The County of Monterey, it's officers, agents and employees

Regarding Designated Contract or Project:

Natividad Medical Center (The County of Monterey)

Each person or organization shown in the Schedule of this endorsement is an "insured" for Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured Provision contained in Section II of the Coverage Form.

The following is added to the **Other Insurance Condition:**

If you have agreed in a written agreement that this policy will be primary and without right of contribution from any insurance in force for an Additional Insured for liability arising out of your operations, and the agreement was executed prior to the "bodily injury" or "property damage", then this insurance will be primary and we will not seek contribution from such insurance.

Endorsement number 3

for policy number ASJ-Z91-451068-022

Named Insured HEALTHCARE PARTNERS, LLC

This endorsement is effective 11/26/2012 and will terminate with the policy. It is issued by the company designated in the Declaration. All other provisions of the policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Change Endorsement

PREMIUM ADJUSTMENT

THE FOLLOWING FORM(S) AND/OR ENDORSEMENT(S) ARE ADDED WITH THE EFFECTIVE DATE OF 11/26/2012:

DESIGNATED INSURED - NONCONTRIBUTING, AC 84 23 08 11

YEAR

20

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 dba: The Camden Group

Vendor/Payee's Social security number
 SDS, no. California corp. no. FEIN

Note:
Failure to furnish your identification number will make this certificate void.

DNH Medical Management, Inc.

953263067

Vendor/Payee's address (number and street)

APT no.

Private Mailbox no.

Vendor/Payee's daytime telephone no.

100 N. Sepulveda Ste. 600

(310) 320-3990

City

State

ZIP Code

El Segundo CA 90245

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.

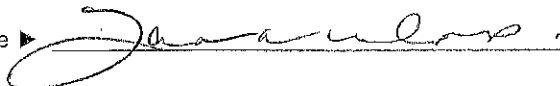
CERTIFICATE: Please complete and sign below.

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)

Lana Williams, Accounting Director

Vendor/Payee's signature



Date

11-29-12

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 99901 Email: mcyss@co.monterey.ca.us Phone: (831) 755-4996 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. | | | | | | | | | | |
| RETURN TO: | | | | | | | | | | | | |
| 2 | VENDOR'S LEGAL NAME (as shown on your income tax return) DNH Medical Management, Inc <small>BUSINESS NAME / DBA (if different from line 1)</small> The Camden Group <small>MAILING ADDRESS</small> 100 N. Sepulveda Blvd Suite 600 <small>ADDITIONAL MAILING ADDRESS</small> <small>CITY, STATE, ZIP CODE</small> El Segundo, CA 90245 | SELECT NAME TO BE MADE PAYABLE TO <input type="checkbox"/> Legal Name <input checked="" type="checkbox"/> Alias/DBA <input type="checkbox"/> Both <small>PHONE NUMBER</small> (310) 320-3990 <small>FAX NUMBER</small> (310) 606-5811 <small>E-MAIL ADDRESS</small> kpleto@thecamdengroup.com <small>REMIT-TO ADDRESS</small> 100 N. Sepulveda Blvd Suite 600 <small>REMIT-TO CITY, STATE, ZIP CODE</small> El Segundo, CA 90245 | | | | | | | | | | |
| NAME AND ADDRESS | | | | | | | | | | | | |
| 3 | FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN): <input type="checkbox"/> C CORPORATION <input type="checkbox"/> TRUST/ESTATE <input checked="" type="checkbox"/> S CORPORATION <input 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 type="checkbox"/> Partnership SOCIAL SECURITY NUMBER (SSN): <input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR | <table border="1" style="width:100%; border-collapse: collapse; text-align:center;"> <tr> <td style="width:33px;">9</td> <td style="width:33px;">5</td> <td style="width:33px;">-</td> <td style="width:33px;">3</td> <td style="width:33px;">2</td> <td style="width:33px;">6</td> <td style="width:33px;">3</td> <td style="width:33px;">0</td> <td style="width:33px;">6</td> <td style="width:33px;">7</td> </tr> </table> For Tax ID entry instructions, please see next page NOTE: Payment will not be processed without an accompanying taxpayer I.D. number. | 9 | 5 | - | 3 | 2 | 6 | 3 | 0 | 6 | 7 |
| 9 | 5 | - | 3 | 2 | 6 | 3 | 0 | 6 | 7 | | | |
| TAX ID AND BUSINESS ENTITY TYPE | | | | | | | | | | | | |
| 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) | | | | | | | | | | | |
| PAYMENT TYPE & ACTIVITY | | | | | | | | | | | | |
| 5 | CALIFORNIA STATE WITHHOLDING STATUS (CA withholding information on next page): <input checked="" type="checkbox"/> California Resident <input type="checkbox"/> California Form 590 (Withholding Exemption Certificate) attached <input type="checkbox"/> California Non-Resident <input type="checkbox"/> Waiver of State withholding from California Franchise Tax Board attached <input 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. | | | | | | | | | | |
| VENDOR RESIDENCY STATUS FOR CA TAX PURPOSES | | | | | | | | | | | | |
| 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. <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:50%;"><small>Authorized Representative's Name (Type or Print)</small> Kristina Pleto</td> <td style="width:50%;"><small>Title</small> Staff Accountant</td> </tr> <tr> <td><small>Signature</small> <i>Kristina Pleto</i></td> <td><small>Date</small> 11/30/2012</td> </tr> <tr> <td></td> <td><small>Phone Number</small> (310) 320-3990</td> </tr> </table> | | <small>Authorized Representative's Name (Type or Print)</small> Kristina Pleto | <small>Title</small> Staff Accountant | <small>Signature</small> <i>Kristina Pleto</i> | <small>Date</small> 11/30/2012 | | <small>Phone Number</small> (310) 320-3990 | | | | |
| <small>Authorized Representative's Name (Type or Print)</small> Kristina Pleto | <small>Title</small> Staff Accountant | | | | | | | | | | | |
| <small>Signature</small> <i>Kristina Pleto</i> | <small>Date</small> 11/30/2012 | | | | | | | | | | | |
| | <small>Phone Number</small> (310) 320-3990 | | | | | | | | | | | |
| CERTIFYING SIGNATURE | | | | | | | | | | | | |