



Revolutionizing Patient Care

DEC 31 2012

December 18, 2012

VIA CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Natividad Medical Center  
Attn: CEO  
1441 Constitution Boulevard  
Salinas, CA 93906

RE: Bakersfield Lithotripsy, LLC – County of Monterey Agreement for Professional Services

Dear Sir or Madam:

Natividad Medical Center and Bakersfield Lithotripsy, LLC are parties to a County of Monterey Agreement for Professional Services, dated as of July 1, 2011, (the "Agreement"). Bakersfield Lithotripsy, LLC will assign the Agreement to its affiliate Sierra Surgical Services, LLC effective January 1, 2013.

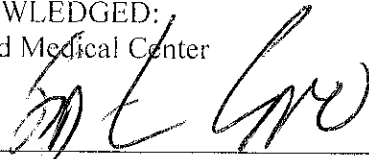
We are making this assignment in order to increase availability to our customers and improve the quality of services provided. Sierra Surgical Services, LLC will assume all obligations under the Agreement. You will not see a negative change in the services provided under the Agreement to the Facility.

Please acknowledge and sign where indicated below and return the document to us via the enclosed stamped, self-addressed envelope or if you would prefer, please fax the signed copy to 520-547-1865.

Sincerely,

Christopher M. Gleason

ACKNOWLEDGED:  
Natividad Medical Center

By:   
Printed Name: Sid L. Castro  
Title: CONTRACTS MANAGER  
Date: 3-3-13



**MONTEREY COUNTY BOARD OF SUPERVISORS**

<b>MEETING:</b>	<b>June 7, 2011</b>	<b>AGENDA NO.:</b>
<b>SUBJECT:</b>	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute an Agreement with Bakersfield Lithotripsy LLC for Lithotripsy and related Services at NMC in an amount not to exceed \$495,000 for the period July 1, 2011 to June 30, 2014.	
<b>DEPARTMENT:</b>	Natividad Medical Center	

**RECOMMENDATION:**

It is recommended the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute an Agreement with Bakersfield Lithotripsy LLC for Lithotripsy and related Services at NMC in an amount not to exceed \$495,000 for the period July 1, 2011 to June 30, 2014.

**SUMMARY/DISCUSSION:**

Bakersfield Lithotripsy provides mobile lithotripsy services for hospital operation room urologic procedures. These services allow NMC to maintain the current revenue stream for the services without the capital expenditure of a permanent lithotripsy on site unit at NMC. Lithotripsy services include treatment using ultrasound shockwaves to breakup kidney stones or other small stone blockages. NMC previously contracted with Medispec LTD for these services. Per Dr. Daniel Millinesa's (NMC's primary Urologist) recommendation, NMC wishes to change to Bakersfield Lithotripsy due to their ability to provide more expansive services meeting higher patient satisfaction outcomes and provide optimal clinical results.

The recommendation is to switch to Bakersfield Lithotripsy services for a period of three (3) years.


**OTHER AGENCY INVOLVEMENT:**

The Agreement/Amendment has been reviewed and approved by County Counsel, the Auditor/Controller's office, and the Natividad Medical Center Board of Trustees' Finance Committee.

**FINANCING:**

The cost for this Agreement/Amendment is \$495,000 and is included in the Fiscal Year 2011/2012 Recommended Budget. Amounts for remaining years of the Agreement will be included in those budgets as appropriate. This action will not require any additional General Fund subsidy.

Prepared by:  
Dee Stokes 755-6242  
Surgical Services Director  
April 29, 2011  
Attachments: Agreement, Board Order

  
\_\_\_\_\_  
Harry Weis  
Chief Executive Officer

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

Agreement No. A-11999

Authorize the Purchasing Manager for Natividad )  
Medical Center (NMC) to execute an Agreement with )  
Bakersfield Lithotripsy LLC for Lithotripsy and related )  
Services at NMC in an amount not to exceed \$495,000 )  
for the period July 1, 2011 to June 30, 2014..... )

Upon motion of Supervisor Salinas, seconded by Supervisor Armenta, and carried by those  
members present, the Board hereby;

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to  
execute an Agreement with Bakersfield Lithotripsy LLC for Lithotripsy and  
related Services at NMC in an amount not to exceed \$495,000 for the period July  
1, 2011 to June 30, 2014

PASSED AND ADOPTED on this 14<sup>th</sup> day of June, 2011, by the following vote, to wit:

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

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby  
certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the  
minutes thereof of Minute Book 75 for the meeting on June 14, 2011.

Dated: June 17, 2011

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

By Christ A. Muel  
Deputy



**Natividad MEDICAL CENTER**  
**COUNTY OF MONTEREY AGREEMENT FOR PROFESSIONAL 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 Bakersfield Lithotripsy LLC (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 Lithotripsy and related services
2. **PAYMENTS BY NMC.** NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$495,000
3. **TERMS OF AGREEMENT** The term of this Agreement is from Jul 1, 2011 to Jun 30, 2014 unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and NMC and with NMC signing last and CONTRACTOR may not commence work before NMC signs this Agreement.
4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

**(Exhibit A: Lithotripsy Services), (Exhibit B: To Be Provided By Facility), (Exhibit C: Fees), (Exhibit D: Additional Provisions).**

**5. PERFORMANCE STANDARDS.**

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

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

## **6. PAYMENT CONDITIONS.**

- 6.1. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to NMC. If not otherwise specified, the CONTRACTOR may submit such invoice periodically or at the completion of services, but in any event, not later than thirty (30) days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within thirty (30) days of receiving the certified invoice.
- 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.

## **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.

8. **INDEMNIFICATION:** CONTRACTOR shall indemnify, defend and hold harmless, NMC and the County of Monterey (hereinafter "County"), its officers, agents and employees from any and all claims, liability, 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 NMC. "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 that 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 other in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

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 Insurance Requirements:

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

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

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance. The required endorsement 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 and 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 an obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold NMC and the County of Monterey harmless from any and all liability, which NMC may incur because of Contractor's failure to pay such taxes.

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

<p><b>FOR NATIVIDAD MEDICAL CENTER:</b> Contracts/Purchasing Manager</p> <p><u>Jim Carr / CONTRACTS</u> Name and Title</p> <hr/> <p>1441 Constitution Blvd. Salinas, CA. 93906 Address</p> <hr/> <p>831.755.4111 Phone</p>	<p><b>FOR CONTRACTOR:</b></p> <p><u>CONTRACT ADMIN</u> <u>STEWART MOORE</u> Name and Title</p> <hr/> <p><u>6339 E. SPEEDWAY Blvd</u> Address</p> <hr/> <p><u>(520) 392-1294</u> <u>IMPERIALMED.NET</u> Phone</p>
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**15. MISCELLANEOUS PROVISIONS.**

- 15.1. Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.
- 15.2. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.
- 15.3. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC and the Contractor. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 15.4. Contractor. The term "Contractor" as used in this Agreement includes Contractor's officers, agents, and employees acting on Contractor's behalf in the performance of this Agreement.

- 15.5. Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 15.6. Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of NMC. None of the services covered by this Agreement shall be subcontracted without the prior written approval of NMC. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 15.7. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of NMC and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 15.8. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.
- 15.9. Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 15.10. Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.
- 15.11. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.
- 15.12. Non-exclusive Agreement. This Agreement is non-exclusive and both NMC and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 15.13. Construction of Agreement . NMC and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 15.14. Counterparts . This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.
- 15.15. Integration. This Agreement, including the exhibits, represents the entire Agreement between NMC and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, Representations, or agreements, either written or oral, between NMC and CONTRACTOR as of the effective date of this Agreement, which is the date that NMC signs the Agreement.
- 15.16. Interpretation of Conflicting Provisions . In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

NATIVIDAD MEDICAL CENTER

By: [Signature]  
NMC Contracts/Purchasing Agent

Date: 4/28/11

By: [Signature]  
Department Head (if applicable)

Date: 3/24/11

By: [Signature]  
Stacy Saetta, Deputy County Counsel

Date: 4/22/11

By: [Signature]  
Auditor/Controller

Date: 4-27-11

CONTRACTOR

Bakersfield Lithotripsy, LLC  
Contractor's Business Name\*\*\*

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

Christopher Gleason  
Name and Title

Date: 3-22-11

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

Jeffrey Gerwin CFO  
Name and Title

Date: 3-22-11

\*\*\*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.

**Exhibit A**  
**Lithotripsy Services**

Lithotripsy Services shall consist of the following:

- Lithotripter and Imaging System
- Radiology Technologist
- Consultation, as needed, with Medical Directors, who are nationally recognized urologists
- Quality Assurance Program/Utilization Review Program –
  1. Sample lithotripsy Treatment Protocol for optimal outcomes
  2. Sample forms to assist in documentation of treatment and outcomes
  3. Patient Education information to help involve the patient in his/her care.
  4. Patient pamphlets regarding lithotripsy upon request.
  5. Quality Management Program that demonstrates Company's commitment to quality care.
  6. Organization and structures with functions designed to be in compliance with the Joint Commission.
  7. Availability of updated outcomes reports and adverse events reports via our secure web site.
  8. Personnel Competency:
    - A. Credentialing requirements for the Facility will be provided at no cost to the Facility nor will Facility charge for credentialing.
    - B. Annual training of technologists in addition to AART continuing education requirements
  9. Infection Control Policies
  10. Concurrent monitoring through utilization of indicator/adverse events occurrence forms.
  11. Comprehensive equipment maintenance program that helps to provide increased reliability and uptime.

**Exhibit B**  
**To be Provided by the Facility**

- Sedation/Anesthesia
- Linens
- Any additional requirement of treating physician
- All personnel (e.g., nurse, nurse-anesthetist, anesthesiologist) other than Company maintenance personnel
- Adequate electricity source
- All other items and services necessary for the provision of lithotripsy other than as set forth on Exhibit A

## Exhibit C Fees

Fees for each Lithotripsy treatment ("Treatment") shall be as follows:

- For each indigent patient and commercial payor, the fee for each Treatment shall be \$2,500 per Treatment.
- Fees for each Medicare Treatment shall be \$2,100 per Treatment.
- Fees for each Medicaid Treatment shall be \$1,200 per Treatment.
- Fees when lithotripsy is not performed ("Non-Treatment") shall be \$500 per Treatment. Examples of when this fee would apply include, but are not limited to:

- (i) The patient is placed on the lithotripter table. The stone cannot be localized or some other contra-indication is found and the lithotripsy procedure is terminated before shockwaves are used.
- (ii) The case is cancelled on the treatment day and no other cases are performed on the treatment day.

- For purposes of this Agreement, a "Treatment" means an actual or attempted procedure or treatment of an individual patient, whether or not the procedure or treatment successfully treats the medical condition for which the treatment is intended. Each successive or additional procedure or treatment of the same patient shall constitute a separate patient Treatment. Treatment of bilateral stones constitutes 1.5 Treatments. Treatment of a stone in the kidney and a distal stone also constitutes 1.5 Treatments.

- For the year beginning on the first anniversary hereof, and as adjusted annually thereafter, all fees then in effect during the preceding year shall be increased by any increase in the CPI factor (each most recent fee multiplied by the most recent CPI factor). The CPI factor shall be defined as follows: US Department of Labor, Bureau of Labor Statistics, Consumer Price Index, CPI-U (Urban), U.S. City Average, Medical Care Services, Not seasonally adjusted, 12 Months Percent Change, as of the most recently available month preceding the date of the adjustment.

on the third United States Postal Services delivery day after deposit in the United States mails or upon delivery if hand-delivered or sent by overnight courier.

Contact For Invoicing:

[Name] Natividad Medical Center, Contracts Manager  
[address] 1441 Constitution Blvd.  
Salinas, CA 93906  
[Phone] 831-755-4223  
[fax] 831-757-2592

QA Contact Information:

[Name] Natividad Medical Center, Contracts Manager  
[address] 1441 Constitution Blvd.  
Salinas, CA 93906  
[Phone] 831-755-4223  
[fax] 831-757-2592

b. Non-solicitation: Non-employment. During the Term of this Agreement and for a period of one year after termination of this Agreement: (i) the Company shall not solicit the employment of or employ any person who is an employee of the Facility, or who was an employee of the Facility during the preceding twelve (12) months; (ii) the Facility shall not solicit the employment of or employ any person who is an employee of the Company (or of the Company's Manager or an affiliate of the Company or the Company's manager) or who was an employee of the Company (or of the Company's Manager or an affiliate of the Company or the Company's manager) during the preceding twelve (12) months. In the event of a breach or threatened breach of this Section 9.b. the non-breaching party shall be entitled to pursue any available legal or equitable relief, including, without limitation, injunction and specific performance, without posting bond or other security. The foregoing remedies are intended to be cumulative and not exclusive. The provisions of this Section 9.b. shall survive termination of this Agreement.

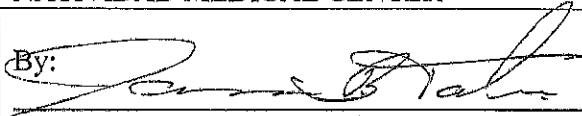
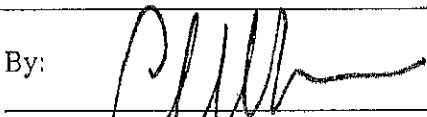
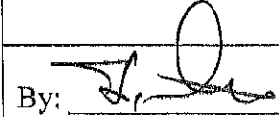
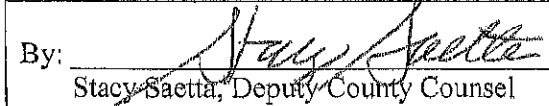

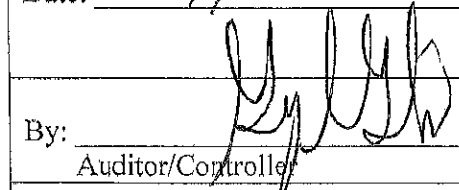
c. Invalidity. If any term or provision of this Agreement or its application to any person or circumstance is invalid or unenforceable, the remainder of this Agreement and the application of the offending term or provision to other persons or circumstances shall not be affected.

d. No Joint Venture. This Agreement shall not be construed as creating a joint venture, partnership or any co-ownership or agency relationship between the parties.

e. Survival. The provisions of Sections 3.c, 3.d, 6, 7, 9.a, 9.b, and 9.c shall survive termination of this Agreement.

*[signatures appear on the following page]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Agreement Effective Date.

NATIVIDAD MEDICAL CENTER	CONTRACTOR
By:  NMC Contracts/Purchasing Agent	Bakersfield Lithotripsy, LLC Contractor's Business Name
Date: <u>4/29/11</u>	By:  Signature of Chair, President, President, or Vice President
By:  Department Head (if applicable)	<u>Christopher Gleason, Manager</u> Name and Title
Date:	Date: <u>4-15-11</u>
By:  Stacy Saetta, Deputy County Counsel	By:  Signature of Secretary, Asst. Secretary, CFO, Treasurer or Assistant Treasurer
Date: <u>4/22/11</u>	<u>Jeffrey Gerwin,</u> CFO Name and Title
By:  Auditor/Controller	Date: <u>4-15-11</u>
Date: <u>4-27-11</u>	



**Exhibit D**  
**Additional Provisions**

1. Frequency of Service; Scheduling. The Company shall initially provide lithotripsy and related services listed on Exhibit A (the "Services") on an as needed basis, which is expected to be one day every other week on a day to be determined by the parties. The Parties may decide to increase the frequency of the Services if demand increases. The Facility and the Company shall coordinate scheduling with the Company in accordance with its policies.

2. Termination. At any time either party may terminate the Natividad Medical Center County of Monterey Agreement for Professional Services (the "Agreement") for any reason whatsoever upon 30 days advance written notice in accordance with the terms of Section 7.1 of the Agreement. In the event of such termination, the amount payable under the agreement shall be reduced in proportion to the services provided prior to the date of termination.

3. Certain Facility Obligations.

a. Facility Services. Facility shall provide, at its expense, all equipment, supplies, and services necessary for the provision of lithotripsy services other than the Services to be provided by the Company, which are set forth on Exhibit B.

b. Licenses and Permits. At all times during the Term, Facility shall maintain all licenses, permits and other certifications required by applicable law for the use of the Equipment and provision of Services at Facility.

c. Patient Records. The Facility shall maintain a patient record for all individuals who receive lithotripsy services at the Facility. Facility shall maintain all books and records related to Services for at least ten (10) years from the date of such treatments. In the event of dissolution of Facility, Facility shall provide notice to the Company regarding continued storage of patient records.

d. Informed Consent. Facility shall ensure that all patients receiving lithotripsy services shall have given their prior, informed, written consent to such treatment in accordance with all applicable law. Facility shall maintain all patient consents in the patient records.

4. Fees.

a. Generally. Facility shall pay the Company a fee for the Services in accordance with the provisions set forth on Exhibit C. The amounts payable by Facility shall not be subject to any abatement or set-off.

b. Late Payments. Should Facility become delinquent in the payment of any sum due the Company, after seven (7) days from the date of written notice to Facility, Company shall not be obligated to continue performance until the delinquency is resolved.

5. Equipment.

a. Equipment, Generally. The Company through its technologist shall maintain dominion and control over the Equipment. Facility is not acquiring any use of or ownership interest of any kind in the Equipment, and title to the Equipment and all tools, spare parts, unused consumable supplies and all other materials and accessories brought to Facility's

# BUSINESS ASSOCIATE AGREEMENT

This Agreement, hereinafter referred to as "Agreement", is made effective **July 1, 2011** by and between the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center, hereinafter referred to as "Covered Entity", and Bakersfield Lithotripsy LLC hereinafter referred to as "Business Associate", (individually, a "Party" and collectively, the "Parties"). This Agreement is entered into in connection with the Parties entering into a County of Monterey Agreement for Personal Services, First Amendment to Personal Services Agreement, and Lithotripsy Services Agreement of even date (collectively, "Service Agreement")

## WITNESSETH:

**WHEREAS**, Sections 261 through 264 of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, known as "the Administrative Simplification provisions," direct the Department of Health and Human Services to develop standards to protect the security, confidentiality and integrity of health information; and

**WHEREAS**, pursuant to the Administrative Simplification provisions, the Secretary of Health and Human Services has issued regulations in 45 CFR Parts 160 and 164 (the "HIPAA Privacy Rule and Security Rule"); and

**WHEREAS**, certain amendments were made to Administrative Simplification provisions in the Health Information Technology for Economic and Clinical Health Act provisions of the American Recovery and Reinvestment Act of 2009 ("HITECH Act"),

**WHEREAS**, the State of California has enacted statutes designed to safeguard patient privacy including, without limitation, the Confidentiality of Medical Information Act ("CMIA"), California Civil Code § 56 *et seq.*, Senate Bill 541, enacted September 30, 2008, and Assembly Bill 211, enacted September 30, 2008; and

**WHEREAS**, the Parties acknowledge that California law may include provisions more stringent and more protective of the confidentiality of health information than the provisions of HIPAA; and

**WHEREAS**, the Parties wish to enter into or have entered into an arrangement whereby Business Associate will provide certain services to Covered Entity, hereby referred to as the "Service Agreement" and, pursuant to such arrangement, Business Associate may be considered a "business associate" of Covered Entity as defined in the HIPAA Privacy Rule and Security Rule and under California law; and

**WHEREAS**, Business Associate may have access to Protected Health Information (as defined below) in fulfilling its responsibilities under such arrangement;

**THEREFORE**, in consideration of the Parties' continuing obligations under the Service Agreement, compliance with the HIPAA Privacy Rule and Security Rule, compliance with the HITECH Act, compliance with California law, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree to the provisions of this Agreement in order to address the requirements of the HIPAA Privacy Rule and Security Rule, the HITECH Act and California law and to protect the interests of both Parties.

## **I. DEFINITIONS**

Except as otherwise defined herein, any and all capitalized terms in this Section shall have the definitions set forth in the HIPAA Privacy Rule and Security Rule. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of the HIPAA Privacy Rule and Security Rule, as amended, and the HITECH Act, the HIPAA Privacy Rule and Security Rule and the HITECH Act shall control. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of CMIA or other California law, California law shall control. Where provisions of this Agreement are different than those mandated in the HIPAA Privacy Rule and Security Rule, the HITECH Act and California law, but nonetheless are permitted by the HIPAA Privacy Rule and Security Rule, the HITECH Act and California law, the provisions of this Agreement shall control.

The term "Protected Health Information" means Individually Identifiable Health Information including, without limitation, all information, data, documentation, and materials, including without limitation, demographic, medical and financial information, that relates to the past, present, or future physical or mental health or condition of an individual; the provision of health care to an individual; or the past, present, or future payment for the provision of health care to an individual; and that identifies the Individual or with respect to which there is a reasonable basis to believe the information can be used to identify the Individual. For purposes of this Agreement, the term Protected Health Information refers only to information pertaining to Individuals receiving services pursuant to the Service Agreement.

Business Associate acknowledges and agrees that all Protected Health Information that is created or received by Covered Entity and disclosed or made available in any form, including paper record, oral communication, audio recording, and electronic display by Covered Entity or its operating units to Business Associate or is created or received by Business Associate on Covered Entity's behalf shall be subject to this Agreement.

## **II. CONFIDENTIALITY REQUIREMENTS**

(a) Business Associate agrees:

(i) to access, use, or disclose any Protected Health Information solely: (1) for meeting its obligations as set forth in any agreements between the Parties evidencing their business relationship or (2) as Required by Law, rule or regulation, or by accrediting or credentialing organization to whom Covered Entity is required to disclose such information or as otherwise permitted under this Agreement, the Service Agreement (if consistent with this Agreement, the HIPAA Privacy Rule and Security Rule, and California law), the HIPAA Privacy Rule and Security Rule, or California law and (3) as would be permitted by the HIPAA Privacy Rule and Security Rule and California law if such use or disclosure were made by Covered Entity;

(ii) at termination of this Agreement, the Service Agreement (or any similar documentation of the business relationship of the Parties), or upon request of Covered Entity, whichever occurs first, if feasible, Business Associate will return or destroy all Protected Health Information received from or created or received by Business Associate on behalf of Covered Entity that Business Associate still maintains in any form and retain no copies of such information, or if such return or destruction is not feasible, Business Associate will extend the protections of this Agreement to the information and limit further access, uses, and disclosures to those purposes that make the return or destruction of the information not feasible; and

(iii) to ensure that its agents, including a subcontractor, to whom it provides Protected Health Information received from or created by Business Associate on behalf of Covered Entity, agree to the same restrictions and conditions that apply to Business Associate with respect to such information. In addition, Business Associate agrees to take reasonable steps to ensure that its employees' actions or omissions do not cause Business Associate to breach the terms of this Agreement.

(b) Notwithstanding the prohibitions set forth in this Agreement, Business Associate may use and disclose Protected Health Information as follows:

(i) if necessary, for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that as to any such disclosure, the following requirements are met:

(A) the disclosure is Required by Law; or

(B) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will be held confidentially and accessed, used, or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached, within five calendar days of discovering said breach of confidentiality;

(ii) for data aggregation services, if to be provided by Business Associate for the health care operations of Covered Entity pursuant to any agreements between the Parties evidencing their business relationship. For purposes of this Agreement, data aggregation services means the combining of Protected Health Information by Business Associate with the protected health information received by Business Associate in its capacity as a business associate of another covered entity, to permit data analyses that relate to the health care operations of the respective covered entities.

(c) Business Associate will implement appropriate safeguards to prevent access to, use of, or disclosure of Protected Health Information other than as permitted in this Agreement. The Secretary of Health and Human Services shall have the right to audit Business Associate's records and practices related to use and disclosure of Protected Health Information to ensure Covered Entity's compliance with the terms of the HIPAA Privacy Rule and Security Rule. Business Associate shall report to Covered Entity any access, use, or disclosure of Protected Health Information which is not in compliance with the terms of this Agreement of which it becomes aware within ten business days of discovering such improper access, use, or disclosure. In addition, Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use, disclosure, or access of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

### **III. AVAILABILITY OF PHI**

Business Associate agrees to make available Protected Health Information to the extent and in the manner required by Section 164.524 of the HIPAA Privacy Rule. Business Associate agrees to make Protected Health Information available for amendment and incorporate any amendments to Protected Health Information in accordance with the requirements of Section 164.526 of the HIPAA Privacy Rule. In addition, Business Associate agrees to make Protected Health Information available for purposes of accounting of disclosures, as required by Section 164.528 of the HIPAA Privacy Rule.

### **IV. TERMINATION**

Notwithstanding anything in this Agreement to the contrary, Covered Entity shall have the right to terminate this Agreement and the Service Agreement immediately if Covered Entity determines that Business Associate has violated any material term of this Agreement. If Covered Entity reasonably believes that Business Associate will violate a material term of this Agreement and, where practicable, Covered Entity gives written notice to Business Associate of such belief within a reasonable time after forming such belief, and Business Associate fails to provide adequate written assurances to Covered Entity that it will not breach the cited term of this Agreement within a reasonable period of time given the specific circumstances, but in any event, before the threatened breach is to occur, then Covered Entity shall have the right to terminate this Agreement and the Service Agreement immediately, and seek injunctive and/or declaratory relief in a court of law having jurisdiction over Business Associate.

premises by Company shall remain with the Company at all times. The Company shall, at its expense, maintain the Equipment in good operating condition.

b. Operation of the Equipment. The Company's Equipment shall be operated only for the provision of lithotripsy services by qualified, licensed physicians with the assistance of the Company's technologists. The Equipment shall be operated in accordance with the current manuals for the Equipment, and shall not be used for any purpose other than that for which it was designed.

c. Relocation of Equipment. The Equipment only may be moved from the Facility's premises or relocated within the premises by the Company's technologist.

6. Limitation of Liability. The time for Company to perform any obligation under this Agreement shall be extended by the period of delay resulting from acts of God, fire, war, embargoes, labor disputes, delays of carriers or suppliers, compliance with any governmental requirement, or any other cause or factor beyond the Company's control. Neither party shall be liable to the other for any incidental, consequential, or punitive damages. THE COMPANY IS PROVIDING NO WARRANTY OF ANY KIND REGARDING CLINICAL EFFECTIVENESS RELATED TO THE EQUIPMENT, EITHER EXPRESS OR IMPLIED.

7. Access to Records. If the Company should be deemed to be a subcontractor subject to the disclosure requirements of 42 U.S.C. §1395x(v)(1)(I), anything herein to the contrary notwithstanding, until the expiration of four (4) years after the furnishing of services pursuant to this Agreement, upon written request of the Facility, the Company shall make available to the Secretary of the Department of Health and Human Services, or to the Comptroller General, or any duly authorized representatives, this Agreement and books, documents and records of the Company that are necessary to certify the nature and extent of any costs incurred by the Facility or the Company. If the Company carries out any of the duties of this Agreement through a subcontractor with a value or cost of \$10,000.00 or more over a twelve-month period with a related organization, such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available upon written request, to the Comptroller General or any of their duly authorized representatives, the subcontract and the books, documents and records of such organization that are necessary to verify the nature and extent of such costs. This clause is included because of the possible application of Section 1861(v)(1)(L) of the Social Security Act; if that section should be found inapplicable to this Agreement under the terms of Section 1861(v)(1)(L), then this paragraph 10 shall be deemed not to be part of this Agreement and shall be null and void.

8. Under Arrangements. For all services provided by the Company to the Facility hereunder, the Company shall accept all amounts paid by Facility to the Company as payment in full and the Company shall not seek payment from any patient for services provided hereunder.

9. Miscellaneous

a. Notice. Any notice required under this Agreement shall be hand-delivered, sent by recognized overnight courier, or sent by registered or certified mail, postage prepaid and return receipt requested, to the address listed on the first page of this Agreement or such other address as a party may specify in writing in accordance with this subsection. Notices shall be deemed delivered

In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement will remain in full force and effect. In addition, in the event a Party believes in good faith that any provision of this Agreement fails to comply with the then-current requirements of the HIPAA Privacy Rule and Security Rule, HITECH Act or California law, such Party shall notify the other Party in writing. For a period of up to thirty days, the Parties shall attempt in good faith to address such concern and amend the terms of this Agreement, if necessary to bring it into compliance. If, at the conclusion of such thirty-day period, a Party believes in good faith that the Agreement still fails to comply with the HIPAA Privacy Rule and Security Rule, HITECH Act or California law, then either Party has the right to terminate this Agreement and the Service Agreement upon written notice to the other Party. Neither Party may terminate this Agreement without simultaneously terminating the Service Agreement, unless the Parties mutually agree in writing to modify this Agreement or immediately replace it with a new Business Associate Agreement that fully complies with the HIPAA Privacy Rule and Security Rule and California law.

Business Associate acknowledges that Natividad Medical Center (NMC) has established a Corporate Compliance Program, and under this program NMC has developed a Code of Conduct Manual to provide guidance in the ethical and legal performance of our professional services. Business Associate further agrees to abide by all principles stated in the Code of Conduct while conducting business with Natividad Medical Center. A copy of the Code of Conduct & Principles of Compliance is available upon request.

This Business Associate Agreement, Service Agreement constitute the entire agreement between the parties with respect to the subject matter hereof. This Business Associate Agreement shall inure to the benefit of and shall be binding upon the parties hereto, their successors, and permitted assigns. No waiver of any obligation under this Business Associate Agreement shall be effective unless set forth in writing and signed by the party against whom the waiver is to be effective. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and which together shall constitute one and the same instrument. Signature by facsimile shall be a valid signature.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first written above.

**COVERED ENTITY:**

By: [Signature]

Title: CEO

Date: 2/24/11

**BUSINESS ASSOCIATE:**

By: [Signature]

Title: Designated Signer

Date: 3.22.11

V. **ADDITIONAL OBLIGATIONS OF BUSINESS ASSOCIATE REGARDING ELECTRONIC PROTECTED HEALTH INFORMATION AND ELECTRONIC HEALTH RECORDS**

Business Associate shall take steps to safeguard the electronic protected health information that it receives from Covered Entity, including, without limitation:

- (a) implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information in accordance with 45 C.F.R. § 164.302, *et seq.*;
- (b) obtaining from its agents (including subcontractors) to whom it provides electronic protected health information (if such disclosure is permitted hereunder), written agreement to implement reasonable and appropriate safeguards to protect such information; and
- (c) reporting to Covered Entity in writing any security incident of which it becomes aware.

VI. **COVERED ENTITY'S OBLIGATIONS**

- (a) Covered Entity shall provide Business Associate with any changes in, or revocation of, and permission by, an Individual to use or disclose PHI, if they may affect Business Associate's permitted or required uses and disclosures of Protected Health Information.
- (b) Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information.

VII. **MISCELLANEOUS**

Except as expressly stated herein, in the HIPAA Privacy Rule and Security Rule, or under California law, the Parties to this Agreement do not intend to create any rights in any third parties. The obligations of Business Associate under this Section shall survive the expiration, termination, or cancellation of this Agreement, the Service Agreement and/or the business relationship of the Parties, and shall continue to bind Business Associate, its agents, employees, contractors, successors, and assigns as set forth herein.

This Agreement may be amended or modified only in a writing signed by the Parties. No Party may assign its respective rights and obligations under this Agreement without the prior written consent of the other Party. None of the provisions of this Agreement are intended to create, nor will they be deemed to create any relationship between the Parties other than that of independent parties contracting with each other solely for the purposes of effecting the provisions of this Agreement and any other agreements between the Parties evidencing their business relationship. This Agreement will be governed by the Administrative Simplification Provisions, HITECH Act, and the laws of the State of California. No change, waiver or discharge of any liability or obligation hereunder on any one or more occasions shall be deemed a waiver of performance of any continuing or other obligation, or shall prohibit enforcement of any obligation, on any other occasion.

The Parties agree that, in the event that any documentation of the Parties, pursuant to which Business Associate provides services to Covered Entity contains provisions relating to the use or disclosure of Protected Health Information which are more restrictive than the provisions of this Agreement, the provisions of the more restrictive documentation will control. The provisions of this Agreement are intended to establish the minimum requirements regarding Business Associate's use and disclosure of Protected Health Information.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
03/24/2011

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).

<b>PRODUCER</b> Marsh USA Inc 2325 E. Camelback Road Suite 600 Phoenix, AZ 85016	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): E-MAIL: ADDRESS: PRODUCER CUSTOMER ID #:	FAX (A/C, No):
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURED</b> Bakersfield Lithotripsy, LLC 6395 E. Speedway Blvd, Suite 2010 Tucson, AZ 85710	<b>INSURER A:</b> Columbia Casualty Company <b>INSURER B:</b> Travelers Indemnity Co Of CT <b>INSURER C:</b> Farmington Casualty Company <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>	<b>NAIC #</b> 31127 26882 41483

**COVERAGES**      **CERTIFICATE NUMBER:** LCS-001288597-03      **REVISION NUMBER:** 4

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 SUBR INSR (W/D)	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JEOT <input type="checkbox"/> LOC		HMA2097805804-2	08/01/2010	08/01/2011	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (EA occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 3,000,000 PRODUCTS - COMP/OP AGG \$ 3,000,000
B	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		8105128M341	08/01/2010	08/01/2011	COMBINED SINGLE LIMIT (EA accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$ \$
A	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input checked="" type="checkbox"/> CLAIMS-MADE DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$		HMC3011717345-2	08/01/2010	08/01/2011	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 Retention \$ 10,000 \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input checked="" type="checkbox"/> N <input type="checkbox"/> N/A	N/A	HAGRUB5128M341	08/01/2010	08/01/2011	<input checked="" type="checkbox"/> TWO STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Professional Liab-\$10,000 Ded Retro Date: 10/21/1987		HMA2097805804-2	08/01/2010	08/01/2011	Each Claim 2,000,000 Aggregate 8,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 The County of Monterey, Its Officers, Agents and Employees are Additional Insured where required by written contract as per the attached blanket additional insured endorsements.

<b>CERTIFICATE HOLDER</b> Natividad Medical Center Attn: Contracts Management 1441 Constitution Blvd Salinas, CA 93905	<b>CANCELLATION</b> 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 of Marsh USA Inc. Janet K Mitchell <i>Janet K Mitchell</i>
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**BLANKET ADDITIONAL INSURED ENDORSEMENT HEALTHCARE FACILITIES GENERAL  
LIABILITY COVERAGE**

This endorsement modifies insurance provided under:

Commercial General Liability Coverage Form Occurrence G-145567-A  
Commercial General Liability Coverage Form Claims -Made G-145566-A  
Healthcare Liability Policy Common Conditions (G-144102-A)

**A. SECTION II—WHO IS AN INSURED** of the Commercial General Liability Coverage Form is amended to include as an "Additional Insured" anyone whom you are required to add as an additional insured on this policy under a written contract or agreement or an oral contract or agreement where a certificate of insurance showing that person or organization as an additional insured has been issued; but the written or oral contract or agreement must be:

1. currently in effect or becoming effective during the term of this policy; or
2. executed prior to the "bodily injury," "property damage" or "personal injury and advertising injury."

**B. SECTION V – DEFINITIONS** is amended to add the following new definition:

"Additional Insured" means:

1. A state or political subdivision subject to the following provisions:
  - (1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:
    - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
    - (b) The construction, erection, or removal of elevators; or
    - (c) The ownership, maintenance, or use of any elevators covered by this insurance.
  - (2) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

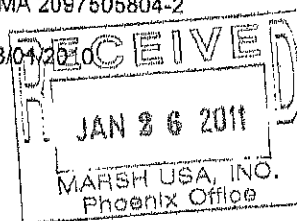
This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality.

2. Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:
  - (1) Their financial control of you; or
  - (2) Premises they own, maintain or control while you lease or occupy these premises.

GSL6484XX (6-10)  
Page 1  
Columbia Casualty Company  
Insured Name: NextMed Holdings, LLC

Policy No: HMA 2097505804-2  
Endorsement No: 9  
Effective Date: 08/04/2010

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This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such "additional insured".

3. A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

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

4. A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such "additional insured".

5. An owner or other interest from whom land has been leased by you but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

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

6. A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability as co-owner of such premises.

7. Any person or organization from whom you lease equipment. Such person or organization are insureds only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organization's status as an insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

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

This insurance does not apply:

- (1) To any "occurrence" which takes place after the equipment lease expires; or
- (2) To "bodily injury" or "property damage" arising out of the sole negligence of such "additional insured".

Any insurance provided to an "additional insured" designated under paragraphs 1. through 7. above does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard".

- C. As respects the coverage provided under this endorsement, **HEALTH CARE LIABILITY POLICY COMMON CONDITIONS**, Condition X. **Other Insurance or Risk Transfer Arrangements** is deleted and replaced with the following:



**Other Insurance-Excess Insurance**

This insurance is excess over:

Any other valid and collectible insurance available to the "additional insured" whether primary, excess, contingent or on any other basis unless a contract or agreement specifically requires that this insurance be either primary or primary and noncontributing. Where required by contract or agreement, we will consider any other insurance maintained by the "Additional Insured" for injury or damage covered by this endorsement to be excess and noncontributing with this insurance.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **BUSINESS AUTO EXTENSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESS AUTO COVERAGE FORM**

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

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

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

### **PROVISIONS**

#### **A. BROAD FORM NAMED INSURED**

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

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

#### **B. BLANKET ADDITIONAL INSURED**

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

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

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

#### **C. EMPLOYEE HIRED AUTO**

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

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

charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

**4. No Benefit To Bailee – Physical Damage Coverages**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

**5. Other Insurance**

a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own.
- (2) Primary while it is connected to a covered "auto" you own.

b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Liability Coverage is primary for any liability assumed under an "insured contract".

d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

**6. Premium Audit**

a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed

for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

**7. Policy Period, Coverage Territory**

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- a. The United States of America;
- b. The territories and possessions of the United States of America;
- c. Puerto Rico;
- d. Canada; and
- e. Anywhere in the world if:

(1) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less; and

(2) The "Insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico, or Canada or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

**8. Two Or More Coverage Forms Or Policies Issued By Us**

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to

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

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

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

Bakersfield Lithotripsy, LLC

8 6 0 9 7 7 2 7 2

Vendor/Payee's address (number and street)

APT no.

Private Mailbox no.

Vendor/Payee's daytime telephone no.

6339 E. Speedway Blvd. Suite 201

( 520 ) 323-8732

City

State

ZIP Code

Tucson

AZ

85710

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.

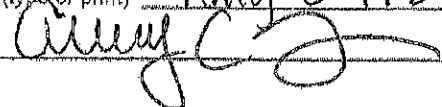
**CERTIFICATE:** Please complete and sign below.

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)

Amy C. Fritton CONTROLLER

Vendor/Payee's signature



Date

3/23/11

## Request for Taxpayer Identification Number and Certification

Give form to the requester. Do not send to the IRS.

Print or type  
 See Specific Instructions on page 2.

Name (as shown on your income tax return)  
**Bakersfield Lithotripsy, LLC**

Business name, if different from above

Check appropriate box:  Individual/Sole proprietor  Corporation  Partnership  Other **LLC**  Exempt from backup withholding

Address (number, street, and apt. or suite no.)  
**6339 E. Speedway Blvd, Suite 201**

City, state, and ZIP code  
**Tucson, AZ 85710**

Requester's name and address (optional)

List account number(s) here (optional)

### Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									
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or									
Employer identification number									
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8	6	0	9	7	7	2	7	2	

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

### Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here      Signature of U.S. person **Nicol Bramer**      Date **12-3-07**

### Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

**U.S. person.** Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding,
- or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or

- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

**Foreign person.** If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

**Nonresident alien who becomes a resident alien.** Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
5/5/2014

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).

<b>PRODUCER</b> Crest Insurance Group, LLC 5285 East Williams Circle Suite 4500 Tucson AZ 85711	<b>CONTACT NAME:</b> Lisa Hanson <b>PHONE (A/C, No, Ext):</b> 520-881-5760 <b>FAX (A/C, No):</b> 520-325-3757 <b>E-MAIL ADDRESS:</b> lhanson@crestins.com	
	<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: Wausau Underwriters Insurance Compa INSURER B: Columbia Casualty Company INSURER C: INSURER D: INSURER E: INSURER F:	<b>NAIC #</b> 26042 31127
<b>INSURED</b> NextMed Holdings LLC 6339 E Speedway Blvd, Suite 201 Tucson AZ 85710	<b>70NEXTHOL</b>	

**COVERAGES**                      **CERTIFICATE NUMBER: 998893568**                      **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 SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR 10000 GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC		HMA4032074206	8/1/2013	8/1/2014	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$500,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COM/OP AGG \$1,000,000 \$
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS		ASJZ91457458023	8/1/2013	8/1/2014	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input type="checkbox"/> RETENTION \$		HMC4032074223	8/1/2013	8/1/2014	EACH OCCURRENCE \$10,000,000 AGGREGATE \$10,000,000 \$
A	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below		WCCZ91457458013	8/1/2013	8/1/2014	<input checked="" type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
A	<b>Professional Liab - \$10,000 Ded</b> Retro Date: 10/21/1997		YVJZ91457458033	8/1/2013	8/1/2014	Each Claim \$2,000,000 Aggregate \$6,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Certificate holder and others are additional Insured (General Liability) when required in a written contract or agreement. Coverage is Primary & Non-Contributory (General Liability). This form is subject to all policy forms, terms, endorsements, conditions definitions, & exclusions.

### CERTIFICATE HOLDER

### CANCELLATION

Natividad Medical Center Attn: Contracts Manager 1441 Constitution Blvd Salinas CA 93906	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE <i>Cody Ritchie</i>
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**BLANKET ADDITIONAL INSURED ENDORSEMENT HEALTHCARE FACILITIES GENERAL LIABILITY COVERAGE**

This endorsement modifies insurance provided under:

Commercial General Liability Coverage Form Occurrence G-145567-A  
Commercial General Liability Coverage Form Claims -Made G-145566-A  
Healthcare Liability Policy Common Conditions (G-144102-A)

**A. SECTION II—WHO IS AN INSURED** of the Commercial General Liability Coverage Form is amended to include as an "Additional Insured" anyone whom you are required to add as an additional insured on this policy under a written contract or agreement or an oral contract or agreement where a certificate of insurance showing that person or organization as an additional insured has been issued; but the written or oral contract or agreement must be:

1. currently in effect or becoming effective during the term of this policy; or
2. executed prior to the "bodily injury," "property damage" or "personal injury and advertising injury."

**B. SECTION V – DEFINITIONS** is amended to add the following new definition:

"Additional Insured" means:

1. A state or political subdivision subject to the following provisions:
  - (1) This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:
    - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
    - (b) The construction, erection, or removal of elevators; or
    - (c) The ownership, maintenance, or use of any elevators covered by this insurance.
  - (2) This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

This insurance does not apply to "bodily injury," "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality.

2. Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:
  - (1) Their financial control of you; or
  - (2) Premises they own, maintain or control while you lease or occupy these premises.

GSL6484XX (6-10)

Page 1

Columbia Casualty Company

Insured Name: NextMed Holdings, LLC

Policy No: HMA 4032074206-0

Endorsement No: 7

Effective Date: 08/01/2013



This insurance does not apply to structural alterations, new construction and demolition operations performed by or for such "additional insured".

3. A manager or lessor of premises but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the premises leased to you and subject to the following additional exclusions:

This insurance does not apply to:

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

4. A mortgagee, assignee or receiver but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by or for such "additional insured".

5. An owner or other interest from whom land has been leased by you but only with respect to liability arising out of the ownership, maintenance or use of that specific part of the land leased to you and subject to the following additional exclusions:

This insurance does not apply to:

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

6. A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability as co-owner of such premises.

7. Any person or organization from whom you lease equipment. Such person or organization are insureds only with respect to their liability arising out of the maintenance, operation or use by you of equipment leased to you by such person or organization. A person's or organization's status as an insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

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

This insurance does not apply:

- (1) To any "occurrence" which takes place after the equipment lease expires; or
- (2) To "bodily injury" or "property damage" arising out of the sole negligence of such "additional insured".

Any insurance provided to an "additional insured" designated under paragraphs 1. through 7. above does not apply to "bodily injury" or "property damage" included within the "products-completed operations hazard".

- C. As respects the coverage provided under this endorsement, **HEALTH CARE LIABILITY POLICY COMMON CONDITIONS**, Condition X. **Other Insurance or Risk Transfer Arrangements** is deleted and replaced with the following:



- **Other Insurance-Excess Insurance**

This insurance is excess over:

Any other valid and collectible insurance available to the "additional insured" whether primary, excess, contingent or on any other basis unless a contract or agreement specifically requires that this insurance be either primary or primary and noncontributing. Where required by contract or agreement, we will consider any other insurance maintained by the "Additional Insured" for injury or damage covered by this endorsement to be excess and noncontributing with this insurance.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

# 2014 Withholding Exemption Certificate

590

The payee completes this form and submits it to the withholding agent.

Withholding Agent (Type or print)

Name

NATIVIDAD MEDICAL CENTER

Payee

Name

Sierra Surgical Services, LLC

SSN or ITIN  EIN  CA Corp no.  CA SOS No. for

36-4749282

Address (apt./ste., room, PO Box, or P.M.B. no.)

6339 E Speedway Blvd Ste 201

City (if you have a foreign address, see Instructions.)

TUCSON

State ZIP Code

AZ 85710

### Exemption Reason

Check only one reason box below that applies to the payee.

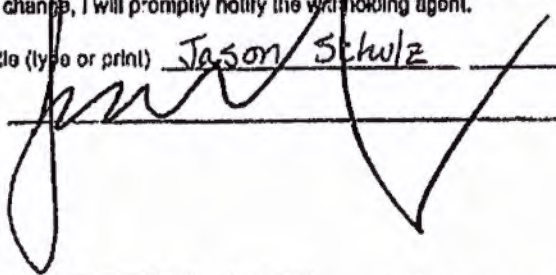
By checking the appropriate box below, the Payee certifies the reason for the exemption from the California income tax withholding requirements on payment(s) made to the entity or individual.

- 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 notify the withholding agent. See Instructions for General Information D, Definitions.
- Corporations:**  
The corporation has a permanent place of business in California at the address shown above or is qualified through the California Secretary of State (SOS) to do business in California. The corporation will file a California tax return. If this corporation ceases to have a permanent place of business in California or ceases to do any of the above, I will promptly notify the withholding agent. See Instructions for General Information D, Definitions.
- Partnerships or limited liability companies (LLCs):**  
The partnership or LLC has a permanent place of business in California at the address shown above or is registered with the California SOS, and is subject to the laws of California. The partnership or LLC will file a California tax return. If the partnership or LLC ceases to do any of the above, I will promptly inform the withholding agent. For withholding purposes, a limited liability partnership (LLP) is treated like any other partnership.
- Tax-Exempt Entities:**  
The entity is exempt from tax under California Revenue and Taxation Code (R&TC) Section 23701 \_\_\_\_\_ (insert letter) or Internal Revenue Code Section 501(c) \_\_\_\_\_ (insert number). If this entity ceases to be exempt from tax, I will promptly notify the withholding agent. Individuals cannot be tax-exempt entities.
- Insurance Companies, Individual Retirement Arrangements (IRAs), or Qualified Pension/Profit Sharing Plans:**  
The entity is an insurance company, IRA, or a federally qualified pension or profit-sharing plan.
- California Trusts:**  
At least one trustee and one noncontingent beneficiary of the above-named trust is a California resident. The trust will file a California fiduciary tax return. If the trustee or noncontingent beneficiary becomes a nonresident at any time, I will promptly notify the withholding agent.
- Estate — Certification of Residency of Deceased Person:**  
I am the executor of the above-named person's estate or trust. The decedent was a California resident at the time of death. The estate will file a California fiduciary tax return.
- Nonmilitary Spouse of a Military Servicemember:**  
I am a nonmilitary spouse of a military servicemember and I meet the Military Spouse Residency Relief Act (MSRRA) requirements. See Instructions for General Information E, MSRRA.

### CERTIFICATE OF PAYEE: Payee must complete and sign below.

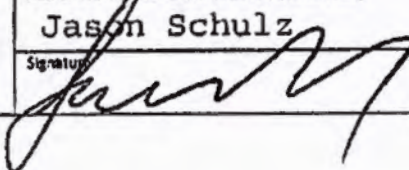
Under penalties of perjury, I hereby certify that the information provided in this document is, to the best of my knowledge, true and correct. If conditions change, I will promptly notify the withholding agent.

Payee's name and title (Type or print) Jason Schwiz Telephone (520) 323-8732

Payee's signature  Date 5/22/14

**COUNTY OF MONTEREY - VENDOR DATA RECORD** (Rev. 8-2012)

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

<b>1</b>	NetVid Medical Center Contracts Department 1441 Constitution Blvd Salinas, CA 93908  EMAIL TO: <a href="mailto:cs1c1@netvid.com">cs1c1@netvid.com</a>  PHONE: 831.783.2620 FAX: 831.797.2992	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.
<b>2</b>	VENDOR'S LEGAL NAME (as shown on your income tax return) <b>Sierra Surgical Services, LLC</b>  BUSINESS NAME / ODA (if different from line 2)  MAILING ADDRESS <b>6339 East Speedway Boulevard, Suite 201</b>  ADDITIONAL MAILING ADDRESS  CITY, STATE, ZIP CODE <b>Tucson, Arizona 85710</b>	SELECT NAME TO BE MADE PAYABLE TO <input type="checkbox"/> Legal Name <input type="checkbox"/> Alias/DBA <input type="checkbox"/> Both  PHONE NUMBER                      FAX NUMBER <b>(520) 323-8732                      (520) 547-1865</b>  EMAIL ADDRESS  REMIT-TO ADDRESS <b>6339 East Speedway Boulevard, Suite 201</b>  REMIT-TO CITY, STATE, ZIP CODE <b>Tucson, Arizona 85710</b>
<b>3</b>	FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN): <b>3 6 - 4 7 4 9 2 8 2</b>  <input type="checkbox"/> C CORPORATION <input type="checkbox"/> TRUST/ESTATE <input type="checkbox"/> S CORPORATION <input checked="" type="checkbox"/> LIMITED LIABILITY COMPANY (LLC) <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> C Corporation <input type="checkbox"/> EXEMPT PAYEE (e.g., government, non-profit) <input type="checkbox"/> S Corporation <input type="checkbox"/> OTHER: ▶ <input checked="" type="checkbox"/> Partnership  SOCIAL SECURITY NUMBER (SSN): <input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR	For Tax ID entry instructions, please see next page  NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.
<b>4</b>	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 checked="" type="checkbox"/> SERVICES (MEDICAL) <input type="checkbox"/> LEGAL SETTLEMENT <input type="checkbox"/> GRANTS <input 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)	
<b>5</b>	CALIFORNIA STATE WITHHOLDING STATUS (CA withholding information on next page):  <input type="checkbox"/> California Resident <input type="checkbox"/> California Form 590 (Withholding Exemption Certificate) attached  <input checked="" type="checkbox"/> California Non-Resident <input type="checkbox"/> Waiver of State withholding from California Franchise Tax Board attached <input checked="" type="checkbox"/> California Form 590 (Withholding Exemption Certificate) attached <input type="checkbox"/> All services for payments issued are performed OUTSIDE of California <input type="checkbox"/> No Services are being rendered, only goods are being provided for payment	CA Form 590 required if your address above in section 2 is a non-CA address  CA NON-RESIDENTS: 7% will be withheld from payment unless one of the lower four boxes on left is checked.
<b>6</b>	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. Authorized Representative's Name (Type or Print) <b>Jason Schulz</b>  Signature: 	
CERTIFYING SIGNATURE	Title <b>CFO</b>  Date <b>5/22/14</b>	Phone Number <b>(520) 323-8732</b>