

**AMENDMENT NO. 5
FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN Toyon Associates Inc. AND
THE NATIVIDAD MEDICAL CENTER
FOR
Medicare Appeal Services**

The parties to Professional Services Agreement ("Agreement"), dated September 9, 2003 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Toyon Associates Inc. (Contractor), hereby agree to amend their Agreement (No. A-10757) on the following terms and conditions:

WHEREAS, the County and Contractor wish to amend the Agreement to extend the term end date to allow for existing services to continue.

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

WHEREAS, the County and Contractor amended the Agreement previously on July 1, 2008 via Amendment No. 1, on July 1, 2009 via Amendment No. 2, on March 1, 2010 via Amendment No.3 and on July 1, 2011 via Amendment No. 4.

1. Contractor will continue to provide NMC with the same scope of services as stated in the original Agreement (No. A-10757).
2. Section 2. "PAYMENTS BY COUNTY" shall be amended by removing, "*The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$400,000.*" and replacing it with "*The total amount payable by County to CONTRACTOR under Agreement No. (A-10757) shall not exceed the total sum of \$2,400,000 for the full term of the Agreement and \$500,000 for fiscal year 2012-2013.*"
3. Section 3. "TERM OF AGREEMENT" shall be amended by removing, "*The term of this Agreement is from January 1, 2007 to June 30, 2009 unless sooner terminated pursuant to this Agreement*" and replacing it with "*The term of this Agreement is from January 1, 2007 to June 30, 2013 unless sooner terminated pursuant to this Agreement.*"
4. All other terms and conditions of the Agreement shall continue in full force and effect. Except as provided herein, all remaining terms, conditions and provisions of the Agreement and Amendment Nos. 1, 2, 3 and 4 are unchanged and unaffected by this Amendment and shall continue in full force and effect as set forth in the Agreement.
5. A copy of this Amendment and all previous amendments shall be attached to the original Agreement (No. A-10757).
6. The effective date of this Amendment is July 1, 2012.

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

CONTRACTOR

Signature 1 *Glenn S. Bunting*
Printed Name Glenn S. Bunting

Dated 3/20/2012
Title Vice President

Signature 2 _____
Printed Name _____

Dated _____
Title _____

****INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in and individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement.*

NATIVIDAD MEDICAL CENTER

Signature _____
Purchasing Manager

Dated _____

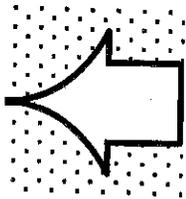
Signature *[Signature]*
NMC - CEO

Dated 4/3/12

Approved as to Legality and Legal Form:
Charles J. McKee, County Counsel

By _____
Stacy Saefta, Deputy
Attorneys for County and NMC

Dated: _____, 2012



MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	June 7, 2011	AGENDA NO.:
SUBJECT:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #4 to the Agreement with Toyon Associates Inc. for Medicare Appeal Services at NMC in an amount not to exceed \$1,900,000 in the aggregate and \$500,000 for the period July 1, 2011 to June 30, 2012.	
DEPARTMENT:	Natividad Medical Center	

RECOMMENDATION:

It is recommended that the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #4 to the Agreement with Toyon Associates Inc. for Medicare Appeal Services at NMC in an amount not to exceed \$1,900,000 in the aggregate and \$500,000 for the period July 1, 2011 to June 30, 2012.

SUMMARY/DISCUSSION:

The Medicare/Medi-Cal Programs have established procedures which providers of healthcare services must follow to pursue appeals of cost report audit adjustments. Toyon Associates, Inc. has the expertise to pursue cost report appeals and/or reopenings on behalf of the hospital. Typical issues in dispute are Disproportionate Share Hospital (DSH) eligible days, Social Security Ratio, DSH General Assistant days for interns and residents, labor and delivery room charges and bad debts. These issues, especially DSH eligible days, represent significant reimbursement. These are comprehensive reports that include the financial information of the hospital and require special training and experience to complete. Toyon Associates has provided these services over the past ten years for NMC and successfully recovered over \$3.6M during Fiscal Years 2007 through 2010.

Toyon Associates, Inc will review and file an appeal within 180 calendar days of the final report date to contest certain issues in dispute. This agreement covers cost reporting for Fiscal Years June 30, 1994 through June 30, 2010. Toyon will evaluate and provide data to the intermediaries to support NMC's position of the disputed issues. The services provided meet all procedural requirements and legal guidelines. Estimated annual reimbursement impact of the intermediary's adjustment is from \$50K to \$1M. Payment for services is based on a contingency of 25% of the additional reimbursement realized by NMC.

The recommended is that the Board of Supervisors authorize the Purchasing Manager for NMC to execute amendment #4 with Toyon Associates Inc. for services rendered per the existing Agreement for Medicare Appeal Services.

OTHER AGENCY INVOLVEMENT:

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

FINANCING:

The cost for this Amendment is \$500,000 and is included in the 2011/2012 Fiscal Year Recommended Budget. This action will not require any additional General Fund subsidy.

Prepared by:

Juan Polanco, Chief Hospital Accountant 755-4236

April 4, 2011

Attachments: Amendments #1, 2, 3, 4, Original 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-10757

Authorize the Purchasing Manager for Natividad)
Medical Center (NMC) to execute Amendment No.)
4 to the Agreement with Toyon Associates Inc. for)
Medicare Appeal Services at NMC in an amount not)
to exceed \$1,900,000 in the aggregate and \$500,000)
for the period July 1, 2011 to June 30, 2012)

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 Amendment No. 4 to the Agreement with Toyon Associates Inc. for medicare appeal services at NMC in an amount not to exceed \$1,900,000 in the aggregate and \$500,000 for the period July 1, 2011 to June 30, 2012.

PASSED AND ADOPTED on this 14th 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 Clint Armenta
Deputy

**RENEWAL AMENDMENT NO. 4
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Toyon Associates Inc AND
THE NATIVIDAD MEDICAL CENTER
FOR
Medicare Appeal Services**

The parties to Professional Service Agreement, dated September 9, 2003 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Toyon Associates Inc (Contractor), hereby agree to renew their Agreement No. (A-10757) on the following terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10757).
2. This Amendment shall become effective on July 1, 2011 and shall continue in full force until June 30, 2012.
3. The total amount payable by County to Contractor under Agreement No. (A-10757) shall not exceed the total sum of 1,900,000 for the full term of the Agreement and \$500,000 for fiscal year 2011-2012.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-10757).

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

CONTRACTOR

Signature *Glenn S. Bunting*

Dated 3/10/2011

Printed Name Glenn S. Bunting

Title Vice President - Appeal Services

NATIVIDAD MEDICAL CENTER

Signature *[Signature]*
Purchasing Manager

Dated 7-19-11

Signature *[Signature]*
NMC - CEO

Dated 3/16/11

Approved as to Legal Form:
Charles J. McKee, County Counsel

By *Stacy Saetta*
Stacy Saetta, Deputy
Attorneys for County and NMC

Reviewed as to fiscal provisions Dated: 3/26, 2011

[Signature]
Auditor-Controller
County of Monterey 3-24-11

BOARD REPORT AUTHORIZATION - ROUTING FORM

Agenda Date	March 16, 2010	Consent	Yes
Contact Person	Sid Cato/Mike McGinnis	Scheduled	
Phone	4223	Noticed	
Department	NMC	Time needed	
Subject	It is recommended that the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #3 to the Agreement with Toyon Associates Inc. for Medicare and Medi-Cal Appeal Services at NMC in an amount not to exceed \$1,400,000 in the aggregate (an increase of \$400,000) and \$800,000 for the period March 1, 2010 to June 30, 2011.		

Yes	No	CHECK LIST
	X	4/5 th Vote Required: Required to transfer appropriations from contingencies; cancel reserves; increase estimated revenues/appropriations; adopt interim (urgency) ordinances; and for other matters (seek direction from County Counsel).
X		Contract: CAO-Risk Management has reviewed and signed the contract.
X		Contract: County Counsel has reviewed and signed the contract.
X		Contract: Auditor-Controller has reviewed and signed the contract.
	X	Budget Amendment: The item includes a budget amendment.

APPROVED BY	Yes	By	Date	Comments
Dept. Finance Manager	<input checked="" type="checkbox"/>	NW	2/16/10	item is okay!
County Council	<input checked="" type="checkbox"/>	SS	2/17/10	
CAO Human Resources				
Information Technology				
Contracts/Purchasing Officer				
CAO Budget Analyst	<input checked="" type="checkbox"/>	SS	2/23/10	

REQUIRED REVIEWERS	CAO Budget Analyst	County Counsel	CAO HR	HRD	Contracts/Purchasing Officer
Contracts over \$100k & Contracts under \$100k with changes	X				X
Budget adjustments	X				
Personnel actions	X		X		
Grant applications	X				
Non-standard computer projects	X			X	
Planning/land use (non-budget issues)		X			
Ordinances		X			
Resolutions declaring emergencies		X			
All other reports	X				

Questions:

Contact Clerk of the Board 755-5066 or consult the Board Report Guidelines

Revised 12/15/2008

MONTEREY COUNTY BOARD OF SUPERVISORS

MEETING:	March 16, 2010	AGENDA NO.:
SUBJECT:	Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #3 to the Agreement with Toyon Associates Inc. for Medicare and Medi-Cal Appeal Services at NMC in an amount not to exceed \$1,400,000 in the aggregate (an increase of \$400,000) and \$800,000 for the period March 1, 2010 to June 30, 2011.	
DEPARTMENT:	Natividad Medical Center	

RECOMMENDATION:

It is recommended that the Board of Supervisors authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment #3 to the Agreement with Toyon Associates Inc. for Medicare and Medi-Cal Appeal Services at NMC in an amount not to exceed \$1,400,000 in the aggregate (an increase of \$400,000) and \$800,000 for the period March 1, 2010 to June 30, 2011.

SUMMARY/DISCUSSION:

The Medicare/Medi-Cal Programs have established procedures which providers of healthcare services must follow to pursue appeals of cost report audit adjustments. Toyon Associates, Inc. has the expertise to pursue cost report appeals and/or reopenings on behalf of NMC. Typical issues in dispute are Disproportionate Share Hospital (DSH) eligible days, Social Security Ratio, DSH General Assistant days for interns and residents, labor and delivery room charges and bad debts. These issues, especially DSH eligible days, represent significant reimbursement. These are comprehensive reports that include all financial information about the hospital and require special training and experience to complete. Toyon Associates has provided these services over the past several years for NMC.

Toyon Associates, Inc will review and file an appeal within 180 calendar days of the final report date to contest certain issues in dispute. This agreement covers cost reporting for Fiscal Years June 30, 1994 through June 30, 2007. Toyon will evaluate and provide data to the intermediaries to support NMC's position of the disputed issues. The services provided meet all procedural requirements and guidelines. Estimated annual reimbursement impact of the intermediary's adjustment is from \$150K to \$900K. Payment for services is based on a contingency of 25% of the additional reimbursement realized by NMC.

The current agreement with Toyon Associates for \$1,000,000 allowed Natividad Medical Center to allocate \$400,000 for FY2010 to be used in appeal services. As of December 2009 Natividad Medical Center has received over \$1.4M in recoveries on prior years appeals that otherwise might not have been received. For this important service, NMC is contractually obligated to pay \$346K (i.e., the 25% contingency fee described above) to Toyon. This will leave approximately \$54K available for appeal services to be used for the remainder of FY2010. Because Natividad Medical Center anticipates an additional substantial recovery before June 30th, 2010, it is recommended that this contract be increased by an additional \$400K in FY2010 to ensure continuation of these reimbursement recovery services.

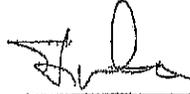
OTHER AGENCY INVOLVEMENT:

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

FINANCING:

The cost for this Amendment is \$400,000 and will not impact the Monterey County General Fund.

Prepared by:
Chuck Vold
Hospital Controller
February 4, 2010
Attachments: Agreement, Amendment #3, 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-- 10757

Authorize the Purchasing Manager for Natividad Medical Center (NMC) to execute)
Amendment No. 3 to the Agreement \$1,400,000 in the aggregate (an increase of)
\$400,000) and \$800,000 for the period March 1, 2010 to June 30, 2011 with Toyon)
Associates Inc. for Medicare and Medi-Cal Appeal Services at NMC in an amount not)
to exceed \$1,400,000 in the aggregate (an increase of \$400,000) and \$800,000 for the)
period March 1, 2010 to June 30, 2011.)

Upon motion of Supervisor Calcagno, seconded by Supervisor Parker, and carried by those members present, the Board hereby:

Authorized the Purchasing Manager for Natividad Medical Center (NMC) to execute Amendment No. 3 to the Agreement \$1,400,000 in the aggregate (an increase of \$400,000) and \$800,000 for the period March 1, 2010 to June 30, 2011 with Toyon Associates Inc. for Medicare and Medi-Cal Appeal Services at NMC in an amount not to exceed \$1,400,000 in the aggregate (an increase of \$400,000) and \$800,000 for the period March 1, 2010 to June 30, 2011.

PASSED AND ADOPTED this 16th day of March, 2010, by the following vote, to wit:

AYES: Supervisors Salinas, Calcagno, Parker, Potter

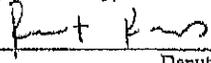
NOES: None

ABSENT: Supervisor Armenta

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 March 16, 2010.

Dated: March 16, 2010

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

By 
Deputy

Original Agreement No or PO# (A-10757)

**RENEWAL AMENDMENT NO. 3
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Toyon Associates Inc. AND
THE NATIVIDAD MEDICAL CENTER
FOR
Medicare Appeal SERVICES**

The parties to Professional Service Agreement, dated September 9, 2003 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Toyon Associates (Contractor), hereby agree to renew their Agreement No. (A-10757) on the following amended terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10757).
2. This Renewal Amendment shall become effective on March 1, 2010 and shall continue in full force until June 30, 2011.
3. The total amount payable by County to Contractor under Agreement No. (A-10757) shall not exceed the total sum of 1,400,000 for the full term of the Agreement and \$800,000 for fiscal year 2009-2010.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-10757).

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

CONTRACTOR

Signature *Tim Guen*
Printed Name TIM GUEN

Dated 1/24/10
Title Executive Vice President

NATIVIDAD MEDICAL CENTER

Signature *[Signature]*
Purchasing Manager

Dated 3/22/10

Signature *[Signature]*
NMC - CEO

Dated 2/3/10

Approved as to Legal Form:
Charles J. McKee, County Counsel

By *[Signature]*
Sruy Sasita, Deputy
Attorneys for County and NMC

Dated: 2/4, 2010

Reviewed as to fiscal provisions
[Signature]
Auditor-Controller
County of Monterey 2-4-10

Original Agreement No or PO# (A-10757)

RENEWAL AMENDMENT NO. 7
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Toyon Associates Inc. MS AND
THE NATIVIDAD MEDICAL CENTER
FOR
Medicare Appeal SERVICES

The parties to Professional Service Agreement, dated September 9, 2003 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Toyon Associates Inc. (Contractor), hereby agree to renew their Agreement No. (A-10757) on the following amended terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10757).
2. This Renewal Amendment shall become effective on July 1, 2009 and shall continue in full force and extending the term date until June 30, 2011.
3. The total amount payable by County to Contractor under Agreement No. (A-10757) shall not exceed the total sum of \$1,000,000 for the full term of the Agreement and \$400,000 for fiscal year 2009-2010.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-10757).

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

CONTRACTOR

Signature Tim Toyon
Printed Name Tim Toyon

Dated 3/17/09
Title Executive Vice President

NATIVIDAD MEDICAL CENTER

Signature [Signature]
Purchasing Manager

Dated 4/16/2009

Signature [Signature]
NMC - CEO

Dated 4/7/09

Approved as to Legal Form
Charles J. Marks, County Counsel

By [Signature]
William Litt, Deputy
Attorneys for County and NMC

Dated: 4/13, 2009

Reviewed as to fiscal provisions
[Signature]
Additor-Controller
County of Monterey 4-13-09

(Original Agreement No. (A-10757))

RENEWAL AMENDMENT NO. 2
FOR PROFESSIONAL SERVICE AGREEMENT
BETWEEN Toyon Associates Inc, AND
THE COUNTY OF MONTEREY
FOR
Medicare Appeal SERVICES

The parties to Professional Service Agreement, dated September 9, 2003 between the County of Monterey, on behalf of Natividad Medical Center ("NMC"), and Toyon Associates Inc. (Contractor), hereby agree to renew their Agreement No. (A-10757) on the following amended terms and conditions:

1. Contractor will continue to provide NMC with the same scope of service as stated in the original Agreement No. (A-10757).
2. This Renewal Amendment shall become effective on July 1, 2008 and shall continue in full force and extending the term date until June 30, 2009.
3. The total amount payable by County to Contractor under Agreement No. (A-10757) shall not exceed the total sum of \$400,000 for the full term of the Agreement; and \$90,000 for fiscal year 2008-2009.
4. All other terms and conditions of the Agreement shall continue in full force and effect.
5. A copy of this Amendment shall be attached to the original Agreement No. (A-10757).

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

CONTRACTOR

Signature Tim Toyon
Printed Name Tim Toyon

Dated 2/20/08
Title Executive Vice President

COUNTY OF MONTEREY

Signature _____
Purchasing Manager

Dated _____

Signature [Signature]
NMC - CEO wood

Dated APR 02 2008

Approved as to Legal Form:
Charles J. McKee, County Counsel

By W. Allen Bidwell
W. Allen Bidwell, Deputy
Attorneys for County and NMC

Dated: 02-29-, 2008

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

Agreement No.: A10757

- a. Authorize the Purchasing Manager for Monterey County to execute an Agreement with Toyon Associates Inc, for Medicare Appeal Services at Natividad Medical Center (NMC) in an amount not to exceed \$400,000 for the period of January 1, 2007 through June 30, 2009; and;
- b. Authorize the Purchasing Manager for Monterey County to issue a Purchase Order to Toyon Associates Inc. in an amount not to exceed \$75,000 for services rendered from January 1, 2007 through June 30, 2007.

Upon motion of Supervisor Calcagno, seconded by Supervisor Armenta, and carried by those members present, effective January 9th, 2007 the Board hereby:

- a. Authorizes the Purchasing Manager for Monterey County to execute an Agreement with Toyon Associates Inc, for Medicare Appeal Services at Natividad Medical Center (NMC) in an amount not to exceed \$400,000 for the period of January 1, 2007 through June 30, 2009; and
- b. Authorizes the Purchasing Manager for Monterey County to issue a Purchase Order to Toyon Associates Inc. in an amount not to exceed \$75,000 for services rendered from January 1, 2007 through June 30, 2007.

PASSED AND ADOPTED on this 9th day of January 2007 by the following vote, to-wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Smith and Potter
 NOES: None
 ABSENT: None

I, Lew C. Bauman, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof Minute Book 73, on January 9, 2007.

Dated: January 10, 2007

Lew C. Bauman, Clerk of the Board of Supervisors,
County of Monterey, State of California.

By 
 Darlene Drain, Deputy

COUNTY OF MONTEREY AGREEMENT FOR PROFESSIONAL SERVICES
(MORE THAN \$25,000)*

This Professional Services Agreement ("Agreement") is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter "County") and Toyon Associates, Inc.
(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.** The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in Exhibit A in conformity with the terms of this Agreement. The services are generally described as follows: Provide Medicare Appeal Services

2. **PAYMENTS BY COUNTY.** County shall pay the CONTRACTOR in accordance with the payment provisions set forth in Exhibit A, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of \$ 400,000.00.

3. **TERM OF AGREEMENT.** The term of this Agreement is from January 1, 2007 to June 30, 2009, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and CONTRACTOR may not commence work before County signs this Agreement.

4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

Exhibit A Scope of Services/Payment Provisions consulting Services Agreement

5. **PERFORMANCE STANDARDS.**

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

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

*Approved by County Board of Supervisors on _____

5.03. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. PAYMENT CONDITIONS.

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

6.02. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement.

7. TERMINATION.

7.01. During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02. The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

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

9. INSURANCE.

9.01. 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, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

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

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

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

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

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

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

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

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

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

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

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

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

10. RECORDS AND CONFIDENTIALITY.

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

10.02. County Records. When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.

10.03. Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after 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.

10.04. Access to and Audit of Records. The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05. Royalties and Inventions. County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.

11. **NON-DISCRIMINATION.** During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

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

13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR's failure to pay such taxes.

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

FOR COUNTY:	FOR CONTRACTOR:
Name and Title	<i>Thomas P. Kerscht, President</i>
Address	<i>1800 Sutter St., Suite 600 Concord, CA 94520-2546</i>
Phone	<i>(925) 685-9312</i>

15. **MISCELLANEOUS PROVISIONS.**

15.01: **Conflict of Interest.** CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement which would directly or indirectly conflict in any manner

or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

15.02. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.

15.03. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

15.04. Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

15.05. Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute.

15.06. Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

15.07. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

15.08. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

15.09. Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

15.10. Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.

15.11. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

15.12. Non-exclusive Agreement. This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

15.13. Construction of Agreement. The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

15.14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

15.15. Authority. Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

15.16. Integration. This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.

15.17. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

This space is left blank, intentionally.

Form 3960769518

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY

CONTRACTOR

By: Lina Escalado for Mike Ross
Purchasing Manager

Date: 1/30/07

By: _____
Department Head (if applicable)

Date: _____

By: _____
Board of Supervisors (if applicable)

Date: _____

Approved as to Form:

By: W. Allen Bidwell
Deputy County Counsel

Date: 11-29-2006

Approved as to Fiscal Provisions

By: [Signature]
Auditor/Controller

Date: 11/29/06

RISK MANAGEMENT

COUNTY OF MONTEREY

Approved as to INDEMNITY/
LIABILITY PROVISIONS
INSURANCE LANGUAGE

By: [Signature]

Date: 12/17/06

Texas Associates, Inc
Contractor's Business Name*

By: Thomas P. Knight
(Signature of Chair, President, or
Vice-President)*

Thomas P. Knight, Incident
Name and Title
Date: 11/9/06

By: Jahanna M. Knight
(Signature of Secretary, Asst. Secretary, CFO, or
Asst. Treasurer)*

Jahanna M. Knight, Secretary
Name and Title

Date: 11/9/06

County Board of Supervisors' Agreement Number: _____

*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 names of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.

¹Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9.

Medicare Appeal Service Agreement

This agreement dated January 1, 2007 is made by and between Natividad Medical Center ("Hospital") and Toyon Associates, Inc., ("Toyon") a California corporation.

1. Scope of Service. On behalf of the Hospital, Toyon will pursue Medicare cost report appeals and reopenings for FYE 6/30/94 through 6/30/07. The services include, but are not limited to the following.

1. Review audit adjustments and determine items that should be appealed. Issues to be pursued include but are not limited to crossover bad debts, settlement data, GME, IMB, DSH, and cost disallowances.
2. File appeal letters with relevant supporting information.
3. File cost report reopening requests if appropriate.
4. Research appeal issues, obtain documentation, and develop strategies for pursuit of the individual items.
5. Prepare position papers.
6. Develop and present proposed resolutions.
7. Attempt to resolve appeal issues with the Intermediary.
8. Represent the Hospital at PRRB hearings as needed.
9. Review any revised cost reports issued as a result of appeal settlements or appeal decisions to determine their adequacy.
10. Keep the Hospital informed as to the status of cases under appeal and provide recommendations regarding issues that arise.

2. Periods Covered. This agreement covers all Medicare cost reporting periods from FYE 6/30/94 through FYE 6/30/07.

3. Hospital's Responsibility. It is the Hospital's responsibility to grant access to its general accounting and patient accounting records, as well as its patient data base and other documents that may be needed for the pursuit of Medicare appeals. The Hospital is also responsible for the authorization of data requests to the Medicare and Medi-Cal Programs.

4. **Compensation.** Compensation to Toyon for the services set forth in this agreement will be calculated as 25% of the reimbursement received by the Hospital as a result of Toyon's efforts in pursuing Medicare appeals/reopenings. This percentage covers all fees and expenses. Payment is due to Toyon within thirty (30) days from the Medical Center's receipt of additional reimbursement or from the date that additional reimbursement is applied against existing liabilities.

5. **Proprietary Information.** Hospital agrees that at all times both during the term of the Agreement and after its termination, it will keep in confidence and trust any information of a confidential or secret nature applicable to the business of Toyon or learned by it during the term of this Agreement ("Proprietary Information").

6. **Assignment.** This Agreement shall be binding upon and inure to the benefit of both parties and their successors, trustees, and trustees-in-bankruptcy. The Agreement may not be assigned, pledged, or hypothecated by either party without the prior written consent of the other party.

7. **Amendments.** This Agreement contains the entire Agreement between the parties and may not be modified or amended orally, but only by written agreement, executed by both parties.

8. **Arbitration.** Any dispute arising out of or relating to this Agreement shall be arbitrated at the request of either party. Any arbitration shall be in Northern California before a single arbitrator under the Commercial Arbitration Rules of the American Arbitration Association.

9. **Access to Books and Records.** Until the expiration of four years after furnishing the services provided under this contract, Toyon will make available to the Secretary, U.S. Department of Health and Human Services, and the U.S. Comptroller General, and their representatives, this contract and all books, documents, and records necessary to certify the nature and extent of the costs of those services.

10. **HIPAA Compliance**

Hospital acknowledges that this engagement involves the obtaining of detailed patient information. This information may be submitted to Medicare and Medicaid Intermediaries and/or their authorized contractors.

For purposes of the federal HIPAA compliance regulations (45 CFR Sections 160 and 164), Toyon Associates is acting as a Business Associate (BA). Under these regulations the Hospital is a Covered Entity (CE). The detailed patient databases are considered protected health information (PHI) for HIPAA compliance purposes. As a BA, Toyon Associates, Inc. agrees to the following obligations and activities:

- (a) Toyon Associates (TA) agrees to not use or disclose PHI other than as permitted or required by this agreement or as required by law. (b) TA agrees to use appropriate safeguards

to prevent the use or disclosure of PHI other than provided by this agreement, or as required by law. (c) TA agrees to mitigate, to the extent practicable, any harmful effect of any use of disclosure that is known to us in violation to the terms of this Agreement. (d) TA agrees to report to CE any use or disclosure of the PHI not provided for by this agreement of which we become aware of. (e) TA agrees to ensure that any agent, including a subcontractor, to whom it provides PHI received from, or created or received by TA on behalf of CE agrees to the same restrictions and conditions that apply through this Agreement with respect to such information. (f) TA agrees to provide access, at the request of CE, and in the time and manner Agreed upon, to PHI in a Designated Record Set, to CE or, as directed by CE, to an Individual in order to meet the requirements under 45 CFR 164.524. (g) TA agrees to make any amendment to PHI in a Designated Record Set that the CE directs or agrees to pursuant to 45 CFR 164.526 at the request of CE or an Individual, and in the time and manner agreed to. (h) TA agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, or created or received by TA on behalf of, CE available to the Secretary, in a time and manner agreed to or designated by the Secretary, for purposes of the Secretary determining CE's compliance with the Privacy Rule. (i) TA agrees to document such disclosures of PHI and information related to such disclosures as would be required for CE to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528. (j) TA agrees to provide CE or an Individual, in time and manner agreed to, information collected in accordance with Section (i) above of this Agreement, to permit CE to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR 164.528.

11. Term. This agreement is effective as of July 1, 2003 and will remain in effect until all appeal and reopening activity for FYE 6/30/94 through FYE 6/30/07 is complete and there are no outstanding issues. As individual cases are completed, Toyon will so notify the Hospital.

12. Entire Agreement. Each party acknowledges that it has read this Agreement, understands it, and agrees to be bound by its terms. Each party further acknowledges that this agreement is the complete and exclusive statement of the Agreement between the parties, which supersedes all prior correspondence, understandings, and all other agreements, oral or written, between the parties relating to the subject matter of the Agreement.

13. Governing Law. This Agreement shall be governed by, and construed under, the laws of the State of California.

14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original. All such counterparts together shall constitute one and the same instrument.

15. Facsimile Signatures. Facsimile signatures shall be deemed as valid as original signatures.

NATIVIDAD MEDICAL CENTER
1441 Constitution Blvd.
Salinas, CA 93906

TOYON ASSOCIATES, INC.,
140 Gregory Lane #280
Pleasant Hill, CA 94523

By: _____

Name: _____

Title: _____

Date: _____

By: Tim Yuen

Name: Tim Yuen

Title: Executive Vice President

Date: 1/1/07

BUSINESS ASSOCIATE AGREEMENT

This Agreement, hereinafter referred to as "Agreement", is made effective July 1, 2009 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 Toyon Associates Inc. hereinafter referred to as "Business Associate", (individually, a "Party" and collectively, the "Parties").

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 modifying 45 CFR Parts 160 and 164 (the "HIPAA Privacy Rule"); and

WHEREAS, the State of California has enacted statutes designed to safeguard patient privacy including, without limitation, the Confidentiality of Medical Information Act ("CMLA"), 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 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, 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 California law and to protect the interests of both Parties.

L. 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. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of the HIPAA Privacy Rule, as amended, the HIPAA Privacy Rule shall control. In the event of an inconsistency between the provisions of this Agreement and mandatory provisions of CMLA or other California law, California law shall control. Where provisions of this Agreement are different than those mandated in the HIPAA Privacy Rule and California law, but nonetheless are permitted by the HIPAA Privacy Rule 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, demographics,

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.

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 applicable 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 California law), the HIPAA Privacy Rule, or California law and (3) as would be permitted by the HIPAA Privacy 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, agrees 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.

(e) 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. 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 five calendar 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.

V. MISCELLANEOUS

Except as expressly stated herein, in the HIPAA Privacy 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 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.

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 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 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 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.

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

COVERED ENTITY:

BUSINESS ASSOCIATE:

By: _____

By: Tommy Green

Title: _____

Title: Executive Vice President

Date: _____

Date: 3/16/09



CERTIFICATE OF LIABILITY INSURANCE

OP ID: GH

DATE (MM/DD/YYYY)

11/30/11

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

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

PRODUCER Direct-Link Holding Group, LLC 1820 Galindo St #220 Concord, CA 94520 Gail Hodges		877-303-0052 925-363-0053	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: PRODUCER CUSTOMER ID #: TOYAN-1	FAX (A/C, No):
INSURED Toyon Associates, Inc. 1800 Sutter St. 6th Floor Concord, CA 94520		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A : CNA		
		INSURER B : Philadelphia Insurance		
		INSURER C :		
		INSURER D :		
		INSURER E :		
		INSURER F :		

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

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

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WYD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY	X		4031148743	01/01/12	01/01/13	EACH OCCURRENCE \$ 2,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 10,000
							PERSONAL & ADV INJURY \$ 2,000,000
							GENERAL AGGREGATE \$ 4,000,000
							PRODUCTS - COMP/OP AGG \$ 4,000,000
A	AUTOMOBILE LIABILITY			4031148743	01/01/12	01/01/13	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> SCHEDULED AUTOS						PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> HIRED AUTOS						\$
A	<input checked="" type="checkbox"/> NON-OWNED AUTOS	\$					
A	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR			4031150539	01/01/12	01/01/13	EACH OCCURRENCE \$ 3,000,000
	EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$ 3,000,000
	DEDUCTIBLE						\$
	RETENTION \$						\$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y/N	N/A	4031148760	01/10/12	01/10/13	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Professional			PHSD473854	01/01/12	01/01/13	Occ 5,000,000 Agg 5,000,000

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

NAGIVIDAD MEDICAL CENTER AND THE COUNTY OF MONTEREY, ITS OFFICERS AND EMPLOYEES ARE HEREBY ADDED AS ADDITIONAL INSURED SB-146932-D WITH RESPECTS TO LIABILITY ARISING OUT OF THE NAMED INSURED'S OPERATIONS. COVERGE IS PRIMARY AND NON CONTRIBUTORY PER SB-146932-D 07/09 ATTACHED. CERTIFICATE HOLDER IS GRANTED A 30 DAY NOTICE OF CANCELLATION WITH (CON'T)

CERTIFICATE HOLDER**CANCELLATION**

NATIVID Natividad Medical Center Brenda P. O. Box 81611 Salinas, CA 93913	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 Gail Hodges

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – LIABILITY EXTENSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

Coverage afforded under this extension of coverage endorsement does not apply to any person or organization covered as an additional insured on any other endorsement now or hereafter attached to this Policy.

1. ADDITIONAL INSURED – BLANKET VENDORS

WHO IS AN INSURED is amended to include as an additional insured any person or organization (referred to below as vendor) with whom you agreed, because of a written contract or agreement to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:
 - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - b. Any express warranty unauthorized by you;
 - c. Any physical or chemical change in the product made intentionally by the vendor;
 - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
 - e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
 - h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omission or those of its

employees or anyone else acting on its behalf. However, this exclusion does not apply to:

- (1) The exceptions contained in Subparagraphs d. or f.; or
 - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
 3. This provision 2. does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Policy.
 4. This provision 2. does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of the Policy or by endorsement.

2. MISCELLANEOUS ADDITIONAL INSUREDS

WHO IS AN INSURED is amended to include as an insured any person or organization (called additional insured) described in paragraphs 2.a. through 2.h. below whom you are required to add as an additional insured on this policy under a written contract or agreement but the written contract or agreement must be:

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

Only the following persons or organizations are additional insureds under this endorsement and coverage provided to such additional insureds is limited as provided herein:

a. Additional Insured – Your Work

That person or organization for whom you do work is an additional insured solely for liability due to your negligence specifically resulting

- (2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.

g. Co-owner of Insured Premises

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.

h. Lessor of Equipment

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 written 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," "property damage" or "personal and advertising injury" arising out of the sole negligence of such additional insured.

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

3. The following is added to Paragraph H. of the BUSINESSOWNERS COMMON POLICY CONDITIONS:

H. Other Insurance

4. This insurance is excess over any other insurance naming the additional insured as an insured whether primary, excess, contingent or on any other basis unless a written contract or written agreement specifically requires that this insurance be either primary or primary and noncontributing.

4. LEGAL LIABILITY - DAMAGE TO PREMISES

- A. Under B. Exclusions, 1. Applicable to Business Liability Coverage, Exclusion k.

Damage To Property, is replaced by the following:

k. Damage To Property

"Property damage" to:

1. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
2. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
3. Property loaned to you;
4. Personal property in the care, custody or control of the insured;
5. That particular part of any real property on which you or any contractors or subcontractors working directly or indirectly in your behalf are performing operations, if the "property damage" arises out of those operations; or
6. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph 2 of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs 1, 3, and 4, of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises:

- (1) rented to you;
- (2) temporarily occupied by you with the permission of the owner, or
- (3) to the contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to Damage To Premises Rented To You as described in Section D - Liability and Medical Expenses Limits of Insurance.

YEAR

Withholding Exemption Certificate

CALIFORNIA FORM

2011

(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.)

590

File this form with your withholding agent.
(Please type or print)

Withholding agent's name

Vendor/Payee's name

TOYON ASSOCIATES INC.

Vendor/Payee's Social security number
 SOS. no. California corp. no. FEINNote:
Failure to furnish your
identification number will
make this certificate void.

94-2706313

Vendor/Payee's address (number and street)

1800 SUTTER ST., #600

APT. no.

Private Mailbox no.

Vendor/Payee's daytime telephone no.

(925) 685-9312

City

CONCORD

State

CA

ZIP Code

94520-2546

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)

KAREN E. JOHNS, CONTROLLER

Vendor/Payee's signature

Karen E. Johns

Date

3/10/11

VENDOR DATA RECORD
(Required in lieu of IRS W-9 when doing business with the County of Monterey)

<p align="center">1</p> <p>RETURN</p> <p>TO:</p>	<p>COUNTY OF MONTEREY Contracts/Purchasing 168 W. Alisal Street 3rd Floor Salinas, CA 93901</p> <p>Phone: (831) 755-4990 Fax: (831) 755-4969</p>	<p>PURPOSE: Information contained in this form will be used by County 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.</p> <p>See Privacy Statement and Residency Information on reverse side.</p>							
<p align="center">2</p> <p>VENDOR ACTIVITY</p>	<p align="center">CHECK THE BOX WHICH DESCRIBES YOUR PRIMARY BUSINESS</p> <p><input type="checkbox"/> EQUIPMENT & SUPPLIES <input type="checkbox"/> SERVICES - NON-MEDICAL <input type="checkbox"/> SERVICES - MEDICAL <input type="checkbox"/> RENT/LEASES</p> <p><input type="checkbox"/> ATTORNEY FEES <input type="checkbox"/> LEGAL SETTLEMENT <input type="checkbox"/> PRIZES & AWARDS <input checked="" type="checkbox"/> OTHER <u>CONSULTANT</u></p>								
<p align="center">3</p> <p>NAME AND ADDRESS</p>	<p>VENDOR'S LEGAL NAME (as shown on your income tax return) <u>TOYON ASSOCIATES INC.</u></p>	<p>PHONE NUMBER <u>925-685-9312</u></p>	<p>FAX NUMBER <u>925-687-9013</u></p>						
	<p>BUSINESS NAME / DBA (if different from line 1)</p>	<p>E-MAIL ADDRESS <u>karen.johns@toyonassociates.com</u></p>							
	<p>MAILING ADDRESS <u>1800 SUTTER ST., #600</u></p>	<p>REMIT-TO ADDRESS <u>same</u></p>							
	<p>CITY, STATE, ZIP CODE <u>CONCORD, CA 94520</u></p>	<p>REMIT-TO CITY, STATE, ZIP CODE <u>same</u></p>							
<p align="center">4</p> <p>VENDOR ENTITY TYPE</p>	<p>ENTER FEDERAL EMPLOYER IDENTIFICATION NUMBER (FEIN): <u>94-2706313</u></p> <p><input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION</p> <p><input type="checkbox"/> ESTATE OR TRUST <input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.)</p> <p><input type="checkbox"/> LIMITED LIABILITY COMPANY (LLC) <input type="checkbox"/> LEGAL (e.g., attorney services)</p> <p><input type="checkbox"/> EXEMPT (nonprofit)</p> <p><input type="checkbox"/> ALL OTHERS</p>		<p>NOTE: Payment will not be processed without an accompanying taxpayer I.D. number.</p>						
<p>CHECK ONE BOX ONLY</p>	<p><input type="checkbox"/> C CORPORATION</p> <p><input checked="" type="checkbox"/> S CORPORATION</p> <p>ENTER SOCIAL SECURITY NUMBER (SSN): _____</p> <p><input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR</p> <p><input type="checkbox"/> PREVIOUS COUNTY EMPLOYEE</p> <p><input type="checkbox"/> OTHER (SSN required by authority of California Revenue and Tax Code Section 18646)</p>								
<p align="center">5</p> <p>VENDOR RESIDENCY STATUS FOR TAX PURPOSES</p>	<p><input checked="" type="checkbox"/> California Resident - Qualified to do business in CA or have a permanent place of business in CA.</p> <p><input type="checkbox"/> California Nonresident (see reverse side) - Payments to CA nonresidents may be subject to state taxes.</p> <p><input type="checkbox"/> Waiver of state tax withholding from California Franchise Tax Board attached.</p> <p><input type="checkbox"/> All services for payments issued are performed OUTSIDE of California.</p>								
<p align="center">6</p> <p>CERTIFYING SIGNATURE</p>	<p>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.</p> <table border="1"> <tr> <td data-bbox="245 1839 902 1923"> <p>Authorized Representative's Name (Type or Print) <u>KAREN JOHNS</u></p> </td> <td colspan="2" data-bbox="902 1839 1555 1923"> <p>Title <u>CONTROLLER</u></p> </td> </tr> <tr> <td data-bbox="245 1923 902 2009"> <p>Signature <u>Karen Johns</u></p> </td> <td data-bbox="902 1923 1243 2009"> <p>Date <u>3/19/12</u></p> </td> <td data-bbox="1243 1923 1555 2009"> <p>Telephone <u>925-685-9312</u></p> </td> </tr> </table>			<p>Authorized Representative's Name (Type or Print) <u>KAREN JOHNS</u></p>	<p>Title <u>CONTROLLER</u></p>		<p>Signature <u>Karen Johns</u></p>	<p>Date <u>3/19/12</u></p>	<p>Telephone <u>925-685-9312</u></p>
<p>Authorized Representative's Name (Type or Print) <u>KAREN JOHNS</u></p>	<p>Title <u>CONTROLLER</u></p>								
<p>Signature <u>Karen Johns</u></p>	<p>Date <u>3/19/12</u></p>	<p>Telephone <u>925-685-9312</u></p>							