Monterey County
Board of Supervisors

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Board Order

Agreement No.: A-13418
Upon motion of Supervisor Salinas, seconded by Supervisor Alejo and carried by those members present, the Board of Supervisors hereby:

a. Authorized the Deputy Purchasing Agent for Natividad Medical Center (NMC) or his designee to execute an Agreement, with a retroactive start date of January 1, 2017, with UHS Surgical Services, Inc. (UHS), for the provision of Lithotripsy, Cryotherapy and Laser Guided Imagery services, containing non-standard risk terms regarding indemnification, disclaimer of warranties and liability limitation, in the amount of $125,000, for the period of January 1, 2017 through December 31, 2020.
b. Authorized the Deputy Purchasing Agent for NMC or his designee to execute up to three (3) future amendments to the Agreement which do not significantly alter the scope of work and do not cause an increase of more than ten percent ($12,500) of the original cost of the Agreement per each Amendment.

PASSED AND ADOPTED on this 10th day of January 2017, by the following vote, to wit:

AYES: Supervisors Alejo, Phillips, Salinas, Parker and Adams
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 79 for the meeting on January 10, 2017.

Dated: January 20, 2017
File ID: A 16-400

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

By _____ Deputy

Natividad MEDICAL CENTER

COUNTY OF MONTEREY AGREEMENT FOR SERVICES (MORE THAN $100,000)

This Agreement for Services (hereinafter "Agreement") is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter, "the County"), on behalf of **Natividad Medical Center** ("NMC"), a general acute care teaching hospital wholly owned and operated by the County, and **UHS Surgical Services, Inc.** (hereinafter "CONTRACTOR").

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

1. **GENERAL DESCRIPTION OF SERVICES TO BE PROVIDED.** NMC hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of the Agreement. The services are generally described as follows: Provide surgical laser equipment and technicians for guided imagery, lithotripsy, cryotherapy, and other services at NMC, as needed.

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 $125,000.00.

3. **TERM OF AGREEMENT.**

   3.1. The term of this Agreement is from January 1, 2017 through December 31, 2020, 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.

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

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

   Addendum 1: Additional Provisions
   Exhibit A: Scope of Services/Payment Provisions
   Exhibit B: Business Associate Agreement

5. **PERFORMANCE STANDARDS.**

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

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

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

6. **PAYMENT CONDITIONS.**

6.1. Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provide in this paragraph. NMC does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.

6.2. Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety (90) days prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County (NMC) and the CONTRACTOR.

6.3. CONTRACTOR shall not receive reimbursement for travel expenses unless set forth in this Agreement, and then only in accordance with any applicable County policies.

6.4. Invoice amounts shall be billed directly to the ordering department.

6.5. CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. NMC shall certify the invoice, either in the requested amount or in such other amount as NMC approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

7. **TERMINATION.**

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

7.2. NMC may cancel and terminate this Agreement for good cause effective immediately upon written notice to Contractor. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If NMC terminates this Agreement for good cause, NMC may be relieved of the payment of any consideration to Contractor, and NMC may proceed with the work in any manner,

which NMC deems proper. The cost to NMC shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.3 NMC's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for NMC's purchase of the indicated quantity of services, then NMC may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8. INDEMNIFICATION.

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

ZWW 11/22/16
11/17/17

9. INSURANCE.

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

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

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

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

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

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

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

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

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

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

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

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

9.4 Other Requirements:

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

Each liability policy shall provide that NMC shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for CONTRACTOR and additional insured with respect to claims arising from each subcontractor, if any, performing work

under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional insureds with respect to liability arising out of the Contractor's work, including ongoing and completed operations, **and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the Contractor's insurance.** The required endorsement from for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 0I in tandem with CG 20 37 10 01 (2000). The required endorsement from for Automobile Additional Insured Endorsement is ISO Form CA 20 48 02 99.

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

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

10. RECORDS AND CONFIDENTIALITY.

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

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

10.3 Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

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

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

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

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

13. **INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent CONTRACTOR and not as an employee of NMC. No offer or obligation of permanent employment with NMC or particular County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from NMC any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely

liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of Contractor's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold NMC and the County of Monterey harmless from any and all liability, which NMC may incur because of Contractor's failure to pay such taxes.

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

NATIVIDAD MEDICAL CENTER:

Natividad Medical Center
1441Constitution Blvd
Salinas, CA. 93906
FAX: 831-757-2592

CONTRACTOR:

UHS Surgical Services, Inc.
Attn: General Counsel
6625 W. 78th Street, Suite 300
Minneapolis, MN 55439

15. MISCELLANEOUS PROVISIONS.

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

15.2 Amendment: This Agreement may be amended or modified only by an instrument in writing signed by NMC and the Contractor.

15.3 Waiver: Any waiver of any terms and conditions of this Agreement must be in writing and signed by NMC and the Contractor. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

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

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

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

15.7 Successors and Assigns: This Agreement and the rights, privileges, duties, and obligations of NMC and CONTRACTOR under this Agreement, to the extent assignable or delegable,

shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

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

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

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

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

15.12 Non-exclusive Agreement: This Agreement is non-exclusive and each of NMC and CONTRACTOR expressly reserves the right to contract with other entities for the same or similar services.

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

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

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

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

Signature page to follow

NATIVIDAD MEDICAL CENTER

By: _____
Gary R. Gray, DO, CEO

Date: 1/23/17

APPROVED AS TO LEGAL PROVISIONS

By: _____
Monterey County Deputy County Counsel

Date: 12/5/2016

APPROVED AS TO FISCAL PROVISIONS

By: _____
Monterey County Deputy Auditor/Controller

Date: 12/5/16

CONTRACTOR

UHS Surgical Services, Inc.
Contractor's Business Name*** (see instructions)

_____
Signature of Chair, President, or Vice-President

Todd Nickell, Vice President
Name and Title

Date: 11/15/16

By: _____
(Signature of Secretary, Asst. Secretary, CFO, Treasurer or Asst. Treasurer)

Matt McCabe
VP of Finance & Business Intelligence
Universal Hospital Services, Inc.
Name and Title

Date: 11-15-16

***Instructions:**

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

UHS Surgical Services
$125,000
1/1/17 to 12/31/20

Addendum 1
Additional Provisions

1. Relationship with Contractor Staff

During the duration of this Agreement and for one year after it ends, NMC will not, with respect to any Contractor employee in connection with this Agreement, employ, solicit or entice, directly or indirectly, such person to become employed or retained by NMC or any affiliate of NMC, without the express written consent of Contractor.

2. Equal Opportunity Employer.

Contractor is an Equal Opportunity Employer and complies with Executive Order 11246 and hereby provides notice of its compliance with FAR 52-222-26, 41 C.F.R. 60-1.4, 41 C.F.R. 60-250.5 and 41 C.F.R. 60-741.5, which are hereby incorporated by reference.

3. Excusable Delays/Non-Performance.

Any delay or failure in performance other than non-payment will be excused to the extent caused by an extraordinary event or occurrence beyond the reasonable control of the non-performing party, including without limitation, fires, floods, windstorms, explosions, natural disasters, mechanical breakdowns, power outages, interruptions in telecommunications, material shortages, acts of terrorism, wars and changes in law,. The affected party will give the other party prompt notice of the delay or failure and the reason thereof and will exert commercially reasonable efforts to remove the causes or circumstances of non-performance with reasonable dispatch.

4. DISCLAIMER OF WARRANTIES AND LIABILITY LIMITATION.

CONTRACTOR is not a manufacturer of Equipment and disclaims all warranties. NMC's sole remedy for breach of a manufacturer's warranty is against the manufacturer. In the event of patient injury CONTRACTOR will use commercially reasonable efforts to assign, to the extent assignable, any applicable manufacturer warranty or pass through, to the extent possible, any manufacturer indemnification to NMC.

5. INDEMNIFICATION.

CONTRACTOR shall indemnify, defend, and hold harmless NMC (hereinafter "County"), its officers, agents and employees from any third party claim, liability, loss injury or damage directly resulting from (i) CONTRACTOR's negligent or intentionally wrongful performance of Service under this Agreement by Contractor and/or its agents, employees or sub-contractors, excepting only loss, injury or damage caused by the negligence or willful misconduct of personnel employed by the County; or (ii) manufacturer defects in equipment or supplies provided under this Agreement resulting in patient injury. It is the intent of the parties to this Agreement to provide the broadest possible coverage for the County. The CONTRACTOR shall reimburse the County for all costs, attorneys' fees, expenses and liabilities incurred with respect to any litigation in which the CONTRACTOR is obligated to indemnify, defend and hold harmless the County under this Agreement.

EXHIBIT A
SCOPE OF SERVICES/PAYMENT PROVISIONS
TO THE AGREEMENT
BETWEEN
COUNTY OF MONTEREY
ON BEHALF OF
NATIVIDAD MEDICAL CENTER (NMC)
AND
UHS SURGICAL SERVICES, INC. (CONTRACTOR)

EQUIPMENT/SERVICES CONTRACTOR SERVICES

CONTRACTOR will provide Services, equipment and supplies as described in this Exhibit A.

1.1. During the term of this Agreement, CONTRACTOR will provide to NMC the Equipment and Supplies as set forth in this Exhibit, and such services and personnel (collectively, the "Services") as NMC or its representatives determine is needed on a case by case basis for NMC patients (the "Patients").

1.1.1. CONTRACTOR will provide such upgrades to the Equipment as are provided to CONTRACTOR without charge by the manufacturer.

1.1.2. CONTRACTOR will, at its sole expense, maintain and repair the Equipment in a reasonable and prompt manner. The previous sentence notwithstanding, NMC will be responsible for and will pay such costs and expenses to the extent that the repair or maintenance is due to or arises from the negligent acts or failure to act of NMC and/or its employees, representatives, agents, contractors, or the physicians using the facilities of NMC including, but not limited to, the physicians on NMC's medical staff, (the "Physicians").

1.1.3. CONTRACTOR will provide safety and other appropriate technical training and services to NMC in connection with the use of the Equipment.

1.2. CONTRACTOR will provide duly qualified technicians (the "Technicians") to provide technical support to the Physicians.

1.2.1. CONTRACTOR will ensure that the Technicians are duly qualified, certified and/or licensed in accordance with the laws of each state in which NMC requires the Technicians to provide services under this Agreement, and will provide NMC with copies of such documentation which will include, but not be limited to, the following:

1.2.1.1. Proof of current licensure and appropriate certification in the applicable state in which NMC is providing services (to be made available by CONTRACTOR to NMC prior to the initial provision of any services to NMC and/or Physicians by such Technician);

1.2.1.2. Proof of compliance with applicable immigration laws and maintenance of current I-9 documentation;

1.2.1.3. Proof of Continuing Educational Units, if applicable; and

1.2.1.4. Certification by CONTRACTOR of the satisfactory results of a drug screening test.

1.2.2. CONTRACTOR will cause each Technician to execute a confidentiality statement in form and substance agreed to by both CONTRACTOR and NMC, and will provide a copy of such statement to NMC.

1.2.3. CONTRACTOR will cause each Technician to undergo a pre-employment screening, and will require that each Technician be and remain current with all medically recommended immunizations, including

annual TB tests. CONTRACTOR will provide NMC with documentation that the foregoing has been done to the satisfaction of CONTRACTOR and the examining physicians.

1.2.4. CONTRACTOR will confirm that the Technicians are proficient in the ability to speak, write, and read the English language at a level sufficient for the Technician to (A) communicate with Patients, Physicians and other staff at NMC; and (B) complete required documentation.

1.2.5. CONTRACTOR will use reasonable efforts to ensure that the Technicians professionally, ethically and diligently carry out their responsibilities under this Agreement to best serve the interests of the Patients and NMC.

1.2.6. The Technicians will be employed by, or under contract with, CONTRACTOR which will be exclusively responsible for payment to the Technicians of compensation (including any applicable withholds and tax payments), and benefits (if any), for services provided under this Agreement.

1.2.7. CONTRACTOR agrees that the Technicians to be assigned to NMC are subject to the prior approval of NMC.

1.3. CONTRACTOR will provide such other services as are ancillary to, and appropriate for, the provision of the Technicians and Equipment to NMC as are agreed upon by CONTRACTOR and NMC.

2. NMC RESPONSIBILITIES

NMC will have exclusive responsibility for the supervision and control of the Technicians at all times while they are providing Services under this Agreement.

2.1. NMC will cooperate with CONTRACTOR, and will promptly provide to CONTRACTOR any information and documentation that may be requested by any lender or leasing company of CONTRACTOR in connection with the Equipment.

2.2. Upon reasonable notice, NMC will permit CONTRACTOR and/or its representatives to inspect the books and records of NMC as such pertain to the use of the Equipment by NMC under this Agreement.

2.3. NMC agrees that it will be the responsibility of NMC and/or the Physicians to bill the Patients and/or third party payers for the provision of services using the Equipment and the Technicians, and that such billing will at times be in accordance with applicable federal and state laws and regulations.

2.4. NMC will use the Equipment and Supplies solely for the benefit of its Patients or Patients of health organizations and entities that are subsidiaries of or affiliated with NMC (collectively, the "Affiliates"). For purposes of this Agreement, "affiliated with" means a facility or entity that is controlled by NMC.

2.5. NMC will maintain at all times during this Agreement, all licenses and permits which are necessary or appropriate for NMC to operate and provide Services using the Equipment and Supplies.

2.6. NMC will ensure that the medical license of each Physician using the Equipment and Supplies is unrestricted, and that each Physician is duly licensed to practice medicine in the state in which such Physician is providing the service.

2.7. NMC acknowledges and agrees that (i) CONTRACTOR owns, leases and manages medical equipment, including but not limited to, the Equipment; (ii) some equipment which may, but not necessarily, include the Equipment, is leased from or managed on behalf of, companies whose owners may include, but are not limited to, physicians, including the Physicians utilizing the Equipment under this Agreement; (iii) the Fees and other consideration paid under this Agreement by NMC to CONTRACTOR was determined as a result of an arms' length transaction and to the best of the knowledge of the parties, represents fair value for Services in this geographic area in which NMC serves Patients.

2.8. NMC will, as necessary, make proper disclosures to Patients of the relationship between NMC and CONTRACTOR, the availability of other sources of treatment, and the Patient's right to choose other procedures or treatment.

3. TAXES AND CONSUMER PRICING INDEX

Fees are exclusive of taxes and incremental third party costs incurred based on NMC direction. All sales, use, excise or similar taxes and incremental third party costs relating to the Services and Supplies are NMC's sole responsibility. After the initial Term, CONTRACTOR may increase Fees once every 12 months for increases in the Medical Care Services index of the Consumer Price Index - all urban consumers not seasonally adjusted, as set forth by the U.S. Department of Labor, Bureau of Labor Statistics ("CPI"). The increase will not exceed the most recently issued Unadjusted 12 months ended CPI. CONTRACTOR will give NMC at least 30 days prior notice of a change in Fees.

NMC will provide a purchase order ("PO") for Services within 10 calendar days of Board of Supervisors approval of contract.

4. Services & Pricing incorporated in this Exhibit A (attached spreadsheet 4 pages):

5. CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged any other client for the same services performed by the same individuals.

NMC may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by NMC.

EXHIBIT A

Surgical Services

Prices that are below Cost!! =	Marked Red
Pricing Exception Form Needed? (Tab 3)	Yes

Facility Name:	Natividad Medical Center
Account Number:	720751
Facility Type:	Acute
Initial Term:	0
Exclusivity Level:	Non-Committed
GPO:	0

*** Must Fill All Fields (6 digit acct #)**

Choose Modalities to Include in this scope

Greenlight XPS	Exclude	Aloka Ultrasound	Include
Greenlight HPS	Exclude	BK Ultrasound	Exclude
Diode Ablation	Exclude	Fusion Biojet System	Exclude
Cyber TM	Exclude	ESWL	Exclude
Holmium High Power	Exclude	ESWL F2	Exclude
Morcellator	Exclude	Cryo Endocare For Prostate	Exclude
Holmium	Include	Cryo Endocare For Renal	Include
Holmium Nd:YAG Dual	Exclude	Cryo Endocare For IR	Include
Nd:YAG (SLT)	Exclude	Cryo Galil For Prostate	Exclude
KTP	Exclude	Cryo Galil For Renal	Exclude
KTP Aura [Surgical]	Exclude	Cryo Galil For CT	Exclude
Diode 980	Exclude	TMR Heart	Exclude
Venous Ablation [Diode For EVLT]	Exclude	SUSA	Exclude
Revolix	Exclude	Opthalmic Diode	Exclude
CO2 Surgical	Exclude	Opthalmic Yag	Exclude
CO2 Omniguide	Exclude	CO2 Cosmetic	Exclude
CO2 Clinicon	Exclude	Erbium Sciton	Exclude
Argon Beam Coagulator	Exclude	GentleLASE	Exclude
Swiss Lithoclast	Exclude	KTP Aura Cosmetic	Exclude
Cyberwand	Exclude	Medlite C6	Exclude
Stone Breaker	Exclude	Vbeam	Exclude
Nerve Monitor (Propep)	Exclude	Miscellaneous	Exclude
Vibrolith	Exclude	Technician Only	Include

All Laser Rentals include: 3 or more "LASER DANGER" signs, 8 pairs of wavelength specific laser safety eyewear, a fully insured trained laser operator, installation and set up, current preventative maintenance verification.

Modality	Price	Description	Item Number
Lasers for BPH			
Surgical Lasers			
Holmium	$ 575.00	Procedure	616 A
	$ 395.00	Standby	616 M
	$ 275.00	MASTER HOLM-REUSABLE 200UM	8013046
	$ 275.00	MASTER HOLM-REUSABLE 272UM	8013055

$	250.00	MASTER HOLM-REUSABLE 365UM	8013056
$	250.00	MASTER HOLM-REUSABLE 550UM	8013057
$	275.00	MASTER HOLM-REUSABLE 1000UM	8013058
$	350.00	MASTER HOLM-SingleUse 200UM	8013059
$	350.00	MSTR HOLM-SingleUse 272,273UM	8013060
$	275.00	MASTER HOLM-SingleUse 365UM	8013061
$	350.00	MASTER HOLM-SingleUse 550UM	8000009
$	495.00	MASTER HOLM-SingleUse 1000UM	8013045
$	240.00	Arthro Fbr Hp SMA Trmdyn M	8011028
$	240.00	Arthro Fbr Hp Trmdyn M	8011027
$	495.00	Arthro Hp Diskatome SUCT&IRRIG	8103031
$	240.00	Arthro Hp Fbr Versalink II M	8011000
$	55.00	Arthro Versatip II 0 Deg M	8012000
$	55.00	Arthro Versatip II 30 Deg M	8012001
$	55.00	Arthro Versatip II 70 Deg M	8012002
$	85.00	Arthro Versatip II Coh 15Deg M	8012003
$	550.00	ArthroTip,Taper 30Deg,12.5(3)	8031275
$	490.00	COH Arthro Infratome 30 Deg S	8013075
$	195.00	TIP, SW, RESP, 0DEG, 12.5CM R	8013005
$	195.00	TIP, SW, RESP, 20DEG, 12.5cm R	8031211
$	195.00	TIP, SW, RESP, 30DEG, 12.5cm	8012004
$	195.00	TIP, SWITCH, 20DEG, 21.5cm (5)	8031276
$	195.00	TIP, SWITCH, 60DEG, 12.5cm (5)	8013044
$	270.00	TIP, SWITCH, 90DEG, 21.5cm (5)	8031239
$	195.00	TIP,SW,SGL USE, 0DEG 9CM,1.5MM	8013039
$	195.00	TIP,SW,SGL USE, MINI SF, 6.5CM	8013041
$	195.00	TIP,SW,SGL USE,90DEG 9CM,1.5MM	8013037
$	195.00	TIP,SW,SNGLE USE, 0DEG 12.5CM	8031238
$	195.00	TIP,SW,SNGLE USE, 20DEG 12.5CM	8013034
$	195.00	TIP,SW,SNGLE USE, 30DEG 12.5CM	8013032
$	240.00	TIP,SW,SNGLE USE, SF 12.5CM	8013053
$	825.00	TIP,SWITCH,90DEG,35cmSFw/IRRIG	8013003
$	950.00	1000um Trimedyne Disposble Fbr	8031306
$	575.00	200um Trimedyne Disposable Fbr	8031303
$	575.00	365um Trimedyne Disposable Fbr	8031304
$	575.00	550um Trimedyne Disposable Fbr	8031305
$	275.00	TRYMDYN FBR, 1000um Reusable	8013052
$	275.00	TRYMDYN FBR, 200um Reusable	8013049
$	250.00	TRYMDYN FBR, 365um Reusable	8013050
$	250.00	TRYMDYN FBR, 550um Reusable	8013051
$	450.00	Trimedyne 25cm S/F HP	8031501
$	795.00	Trimedyne 30cm S/F Fiber HP	8031502
$	275.00	Convgt Odyssey 1000um Reusable	8031S21
$	275.00	Convgt Odyssey 200um Reusable	8031S18
$	275.00	Convgt Odyssey 400um Reusable	8031519
$	275.00	Convgt Odyssey 600um Reusable	8031520

	$	775.00	ACMI 270um Holm SINGLE USE Fib	8031515	
	$	400.00	Biolitec 15deg, Infratome	8013073	
	$	400.00	Biolitec 30 Disp Infratome	8031215	
	$	275.00	LP 365um ERCP Holm Fbr	8031451	
	$	995.00	Lumenis SlimGI 365um ERCP Holm	8031450	
	$	350.00	MedFiber 200 S/U Rnd Tip Fbr	8013070	
	$	275.00	MedFiber 365 S/U Rnd Tip Fbr	8013072	
	$	800.00	Persys Accordion Stone Device	8031491	
	$	100.00	Shoulder Procedure	618	
Specialized Equipment					
Aloka Ultrasound	$	900.00	Procedure	661	A
	$	595.00	Standby	661	M
	$	1,350.00	Aloka Alpha 6 4 Way Lap Probe	664	
	$	995.00	Aloka Alpha 6 2way Lap Probe	663	
	$	1,350.00	Aloka Alpha 6 Abdominal Probe	665	
	$	895.00	Aloka Alpha 6 Finger Probe	666	
	$	695.00	Aloka Alpha 6 Prost/Biosp Prob	662	
	$	1,350.00	Aloka Alpha 6 Rob Drop In Prob	667	
	$	695.00	Aloka Alpha 6 T Probe Narrow V	668	
	$	1,350.00	Aloka Alpha7 T-Probe Wide View	710	
	$	1,350.00	Aloka Neuro BurrHole Probe 6/7	703	
	$	1,350.00	Aloka Neuro Probe UST-987-7.5	704	
Cryo Endocare For Renal	$	2,100.00	Procedure	651	A
	$	1,680.00	Standby	651	M
	$	4,950.00	Renal Kit (incl. any two of the below Probes)	8031512	
	$	2,500.00	add'l CryoProbe, Renal, 1.7mm, RS-17	8031512	
	$	2,500.00	add'l CryoProbe, Renal, 2.4mm, RS-24	8031513	
	$	2,500.00	add'l CryoProbe, Renal, 2.4mm,RS-24L	8031514	
	$	2,500.00	add'l CryoProbe, Renal,1.7mm, RS-17L	8031505	
	$	2,500.00	add'l Renal Cryo Probe R1.7	8010137	
	$	2,500.00	add'l Renal Cryo Probe R1.7L	8010143	
	$	2,500.00	add'l Renal Cryo Probe R2.4	8010138	
	$	2,500.00	add'l Renal Cryo Probe R2.4-Long	8010139	
	$	2,500.00	add'l Renal Cryo Probe R3.8 Angeled	8010140	
	$	2,500.00	add'l Renal Cryo Probe R3.8 Long	8010141	
	$	230.00	TempProbeLngDirectAcessCryo54F	8010144	
	$	495.00	CryoArgon Tank6000PsiMedGrad S	652	
	$	495.00	CryoHelium Tank6000PsiMedGrd S	653	
	$	700.00	Fast Trac 1mm Access Set	8010142	
	$	1,000.00	Civco Stepper Unit	711	
Cryo Endocare For IR	$	2,100.00	Procedure	654	A
	$	1,680.00	Standby	654	M

	$	2,500.00	CryoProbe, IR 1.7mm, PCS-17	8031504
	$	2,500.00	CryoProbe, IR 1.7mm, PCS-17L	8031510
	$	2,500.00	CryoProbe, IR 2.4mm, PCS-24	8340046
	$	2,500.00	CryoProbe, IR 2.4mm, PCS-24L	8031511
	$	495.00	CryoArgon Tank6000PsiMedGrad S	652
	$	495.00	CryoHelium Tank6000PsiMedGrd S	653
	$	1,695.00	Endocare CVA2400RA Right Angle	8012029
Technician Only	$	195.00	per hour, 2 hour minimum	462

Fees

Cancel less than 24 hours		50%	Cancelled in less than 24 hours of case start time	453
Cancellation upon arrival		70%	Cancelled upon arrival at facility or after setup	454
Emergency Fee	$	50.00	Cases scheduled within 24 hours of Scheduled start time	459
Afterhours Fee	$	50.00	Cases starting after 5:00pm	456
Weekends/Holidays	$	50.00	Cases scheduled on weekends or on a holiday	457
Extended Hours Fee	$	50.00	Cases lasting more than two (2) hours of Scheduled start time (per Hour Fee)	458
Delivery	$	100.00	Facilities 100 miles from local office	460
Fuel Charge	$	25.00	One time charge per technician on first case of the day	461

EXHIBIT B

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement"), effective January 1, 2017 ("Effective Date"), is entered into by and among the County of Monterey, a political subdivision of the State of California, on behalf of Natividad Medical Center ("Covered Entity") and UHS Surgical Services, Inc. ("Business Associate") (each a "Party" and collectively the "Parties").

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

The Parties agree as follows:

1. DEFINITIONS

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

2. PERMITTED USES AND DISCLOSURES OF PHI

2.1 Unless otherwise limited herein, Business Associate may:

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

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

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

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

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

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

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

3. RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PHI

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

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

(b) report to the privacy officer of Covered Entity, in writing, (i) any use and/or disclosure of the PHI that is not permitted or required by this Agreement of which Business Associate becomes aware, and (ii) any Breach of unsecured PHI as specified by HITECH, within two (2) days of Business Associate's determination of the occurrence of such unauthorized use and/or disclosure. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure. The notification of any Breach of unsecured PHI shall include, to the extent possible, the identification of each individual whose unsecured PHI has been, or is reasonably believed by the Business Associate to have been, accessed, acquired, used or disclosed during the Breach.

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

(d) obtain and maintain an agreement with all of its subcontractors and agents that receive, use, or have access to, PHI pursuant to which agreement such subcontractors and agents

agree to adhere to the same restrictions and conditions on the use and/or disclosure of PHI that apply to Business Associate pursuant to this Agreement;

(e) make available all internal practices, records, books, agreements, policies and procedures and PHI relating to the use and/or disclosure of PHI to the Secretary for purposes of determining Covered Entity or Business Associate's compliance with the Privacy Rule;

(f) document disclosures of PHI and information related to such disclosure and, within ten (10) days of receiving a written request from Covered Entity, provide to Covered Entity such information as is requested by Covered Entity to permit Covered Entity to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with 45 C.F.R. § 164.528, as well as provide an accounting of disclosures, as required by HITECH, directly to an individual provided that the individual has made a request directly to Business Associate for such an accounting. At a minimum, the Business Associate shall provide the Covered Entity with the following information: (i) the date of the disclosure, (ii) the name of the entity or person who received the PHI, and if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of such disclosure which includes an explanation of the basis for such disclosure. In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall, within two (2) days, forward such request to the Covered Entity. The Business Associate shall implement an appropriate recordkeeping process to enable it to comply with the requirements of this Section;

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

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

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

(i) upon ten (10) days' prior written request from Covered Entity, provide access to the PHI in a Designated Record Set to Covered Entity or, as directed by Covered Entity, the individual to whom such PHI relates or his or her authorized representative to meet a request by such individual under 45 C.F.R. § 164.524; and

(ii) upon ten (10) days' prior written request from Covered Entity, make any amendment(s) to the PHI that Covered Entity directs pursuant to 45 C.F.R. § 164.526;

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

(k) notify the Covered Entity within five (5) days of the Business Associate's receipt of any request or subpoena for PHI. To the extent that the Covered Entity decides to assume responsibility for challenging the validity of such request, the Business Associate shall cooperate fully with the Covered Entity in such challenge;

(l) maintain a formal security program materially in accordance with all applicable data security and privacy laws and industry standards designed to ensure the security and integrity of the Covered Entity's data and protect against threats or hazards to such security

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

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

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

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

(c) report to the privacy officer of Covered Entity, in writing, any Security Incident involving EPHI of which Business Associate becomes aware within two (2) days of Business Associate's discovery of such Security Incident. For purposes of this Section, a Security Incident shall mean (consistent with the definition set forth at 45 C.F.R. § 164.304), the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with systems operations in an information system. In such event, the Business Associate shall, in consultation with the Covered Entity, mitigate, to the extent practicable, any harmful effect that is known to the Business Associate of such improper use or disclosure.

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

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

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

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

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

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

4. TERMS AND TERMINATION

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

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

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

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

5. MISCELLANEOUS

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

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

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

5.4 Notices. Any notices to be given hereunder to a Party shall be made via U.S. Mail or express courier to such Party's address given below.

If to Business Associate, to:

UHS Surgical Services, Inc.
Attn: General Counsel
6625 W. 78th Street, Suite 300
Minneapolis, MN 55439

If to Covered Entity, to:

Natividad Medical Center
Attn: Contracts Division
1441 Constitution Blvd.
Salinas CA 93906

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

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

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

5.7 Indemnification. Contractor shall indemnify, defend, and hold harmless the County of Monterey (hereinafter County), its officers, agents, and employees from any claim, liability, loss, injury, cost, expense, penalty or damage, including the County's reasonable cost of providing notification of and of mitigating any acquisition, access, use or disclosure of PHI in a manner not permitted by this BAA, arising out of, or in connection with, performance of this BAA by Contractor and/or its agents, members, employees, or sub-contractors, excepting only loss, injury, cost, expense, penalty or damage caused by the negligence or willful misconduct of personnel employed by the County. It is the intent of the parties to this BAA to provide the broadest possible indemnification for the County. Contractor shall reimburse the County for all costs, attorneys' fees, expenses, and liabilities incurred by the County with respect to any investigation, enforcement proceeding or litigation in which Contractor is obligated to indemnify, defend, and hold harmless the County under this BAA. This provision is in addition to and independent of any indemnification provision in any related or other agreement between the Covered Entity and the Business Associate.

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

UHS SURGICAL SERVICES, INC.

By: Todd M Nickell

Print Name: Todd M Nickell

Print Title: Vice President, Finance

Date: 11/16/16

COUNTY OF MONTEREY, ON BEHALF OF NATIVIDAD MEDICAL CENTER

By: [illegible]

Print Name: [illegible]

Print Title: CEO

Date: 1/23/17