

interruption. On November 15, 2011 the Board approved Renewal and Amendment No. 2 to the Agreement. The law firm's services continued to be needed in the area of healthcare professional agreements compliance and as NMC readied for changes initiated by healthcare reform. The Agreement was extended to June 30, 2012. The Renewal and Amendment No. 2 increased the maximum liability by \$600,000, for a total not to exceed Agreement amount of \$1,000,000 in the aggregate, and allowed continuation of services and payment for services on the same terms and conditions as the expired Agreement without interruption for the period July 1, 2011 to June 30, 2012.

Amendment No. 3 extended the Agreement to June 30, 2013 without increasing the maximum liability under the Agreement. This Renewal and Amendment No. 4 extends the Agreement an additional two years to June 30, 2015, increasing the maximum liability by \$250,000 per year for a total increase of \$500,000. This will permit Latham to continue to review NMC's agreements for regulatory compliance and to provide legal advice and consultation regarding the impact of healthcare reform on these agreements.

OTHER AGENCY INVOLVEMENT:

County Counsel has reviewed and approved this Renewal and Amendment No. 4 as to legal form and risk provisions. Auditor-Controller has reviewed and approved this Renewal and Amendment No. 4 as to fiscal provisions. The Renewal and Amendment No. 4 has also been reviewed and approved by Natividad Medical Center's Board of Trustees.

FINANCING:

The cost for this Renewal and Amendment No. 4 is \$500,000 over two years. \$250,000 is included in the Fiscal Year 2013/2014 Adopted Budget. Amounts for remaining years of the Agreement will be included in those budgets as appropriate. There is no impact to the General Fund.

Prepared by: Daniel Leon, Chief Financial Officer, 783-2561
Approved by: Harry Weis, Chief Executive Officer, 783-2553

Attachments: Renewal and Amendment No. 4, Original Agreement, Amendment 1, Renewal and Amendment No. 2 and Amendment 3
Attachments on file with the Clerk to the Board's Office