

AGREEMENT

THIS AGREEMENT, is entered into as of _____, between the COUNTY OF TULARE, referred to as COUNTY, and PSYNERGY PROGRAMS INC d/b/a Nueva Vista., referred to as CONTRACTOR, with reference to the following:

A. CONTRACTOR operates an adult residential treatment service for patients with significant mental illness between the ages of eighteen (18) and Fifty-Nine (59). CONTRACTOR provides a comprehensive program of services and activities. The primary goal is to assist patients to obtain the skills needed to move to a less restrictive, more independent setting.

B. COUNTY wishes to retain the services of CONTRACTOR for the purpose of providing a comprehensive and balanced range of Mental Health services. COUNTY has determined the need among severely and persistently mentally disabled patients for Mental Health services in a closely structured rehabilitation program to improve their basic functioning.

C. CONTRACTOR has the experience and qualifications to provide the services COUNTY requires pertaining to COUNTY'S Mental Health Rehabilitation Program.

D. CONTRACTOR is willing to enter into this Agreement with the COUNTY to provide such services upon the terms and conditions hereinafter set forth.

ACCORDINGLY, IT IS AGREED:

1. **TERM:** This Agreement shall become effective as of April 1, 2006 and shall terminate on June 30, 2007 unless terminated earlier as provided under this Agreement.

2. **SERVICES:** CONTRACTOR shall provide the services as set forth in Exhibit "A," entitled Scope of Services, which Exhibits are made part of this Agreement by reference. In performing such duties, the CONTRACTOR will report to the Assistant Agency Director for Health and Human Services (hereinafter referred to as the "Assistant Agency Director", and or his/her designee. Additional specific details of component services and programs shall be described in component program documents.

3. **PAYMENT FOR SERVICES:** For services rendered, CONTRACTOR shall be paid according to the fee schedule set forth in Exhibit "B," which Exhibit is made part of this Agreement by reference.

TULARE COUNTY AGREEMENT NO: _____

4. COMPLIANCE WITH LAW: CONTRACTOR shall provide services in accordance with all applicable Federal, State, and Local laws, regulations and directives. With respect to CONTRACTOR'S employees, CONTRACTOR shall comply with all laws and regulations pertaining to wages and hours, state and federal income tax, unemployment insurance, Social Security, disability insurance, workers' compensation insurance, and discrimination in employment.

5. INSURANCE: Prior to approval of this Agreement by COUNTY, CONTRACTOR shall file with the Clerk of the Board of Supervisors evidence of the required insurance as set forth in Exhibit "C," which Exhibit is made part of this Agreement by reference.

6. INDEPENDENT CONTRACTOR STATUS:

A. This Agreement is entered into by both parties with the understanding that CONTRACTOR will perform all services required under this Agreement as an independent contractor. Nothing in this Agreement shall be construed to constitute CONTRACTOR or any of its agents, employees or officers as an agent, employee or officer of COUNTY, and CONTRACTOR shall advise everyone it assigns or hires to perform any duty under this Agreement that they are not employees of COUNTY. Subject to any performance criteria contained in this Agreement, CONTRACTOR shall be solely responsible for determining the means and methods of performing the specified services and COUNTY shall have no right to control or exercise any supervision over CONTRACTOR as to how the services will be performed. As CONTRACTOR is not COUNTY'S employee, CONTRACTOR is responsible for paying all required state and federal taxes. In particular, COUNTY will not:

1. Withhold FICA (Social Security) from CONTRACTOR'S payments.
2. Make state or federal unemployment insurance contributions on CONTRACTOR'S behalf.
3. Withhold state or federal income tax from payments to CONTRACTOR.
4. Make disability insurance contributions on behalf of CONTRACTOR.
5. Obtain unemployment compensation insurance on behalf of CONTRACTOR.

B. Notwithstanding this independent contractor relationship, COUNTY shall have the right to monitor and evaluate the performance of CONTRACTOR to assure compliance with this Agreement.

7. INDEMNIFICATION: CONTRACTOR shall hold harmless, defend and indemnify COUNTY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including COUNTY property, arising from, or in connection with, the performance by CONTRACTOR or its agents, officers and employees under this Agreement. This indemnification specifically includes any claims that may be made against COUNTY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, any claims made against COUNTY alleging civil rights violations by CONTRACTOR under Government Code section 12920 et seq. (California Fair Employment and Housing Act).

8. TERMINATION: The right to terminate this Agreement under this provision may be exercised without prejudice to any other right or remedy to which the terminating party may be entitled at law or under this Agreement.

A. Without Cause: COUNTY shall have the right to terminate this Agreement without cause by giving 30 days prior written notice of intention to terminate pursuant to this provision, specifying the date of termination.

B. With Cause:

1. This Agreement may be terminated by either party should the other party:
 - (a) be adjudged a bankrupt, or
 - (b) become insolvent or have a receiver appointed, or
 - (c) make a general assignment for the benefit of creditors, or
 - (d) suffer any judgment which remains unsatisfied for 30 days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement, or
 - (e) materially breach this Agreement.
2. For any of the occurrences except item (e), termination may be effected upon written notice by the terminating party specifying the date of the termination. Upon a material breach, the Agreement may be terminated following the failure of the defaulting party to remedy the breach to the satisfaction of the non-defaulting party within 5 days of written notice specifying the breach. If the breach is not remedied within that 5-day period, the non-defaulting party may terminate the agreement on further written notice specifying the date of termination.
3. If the nature of the breach is such that it cannot be cured within a 5 day period, the defaulting party may, submit a written proposal within that period which sets forth a specific means to resolve the default. If the non-defaulting party consents to that proposal in writing, which consent shall not be unreasonably withheld, the defaulting party shall immediately embark on its plan to cure. If the default is not cured within the time agreed, the non-defaulting party may terminate upon written notice specifying the date of termination.

C. Effects of Termination: Termination of this Agreement shall not terminate any obligations to indemnify, to maintain and make available any records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities.

D. Suspension of Performance: Independent of any right to terminate this Agreement, the Agency director, agency director or officer for which CONTRACTOR'S services are to be performed, may immediately suspend performance by CONTRACTOR, in whole or in part, in response to a health, safety or financial emergency, or a failure or refusal by CONTRACTOR to comply with the provisions of this Agreement, until such time as the cause for suspension is resolved, or a notice of termination becomes effective.

9. ENTIRE AGREEMENT REPRESENTED: This Agreement represents the entire agreement between CONTRACTOR and COUNTY as to its subject matter and no prior oral or

written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

10. HEADINGS: Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

11. NOTICES:

A. Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by facsimile transmission or sent by first class mail, postage prepaid and addressed as follows:

COUNTY:

CONTRACT UNIT

TULARE HEALTH & HUMAN SERVICES AGENCY

5957 S. Mooney Boulevard

Visalia, CA 93277

Fax No.: 559-737-4059

Phone No.: 559-737-4686

CONTRACTOR:

PSYNERGY PROGRAMS INC dba Nueva Vista

18225 HALE AVE

MORGAN HILL, CA 95037

Fax No.: _____

Phone No.: 408-465-8280

B. Notice personally delivered is effective when delivered. Notice sent by facsimile transmission is deemed received upon successful transmission. Notice sent by first class mail shall be deemed received on the fifth day after the date of mailing. Either party may change their above address or phone or fax number by giving written notice pursuant to this paragraph.

12. CONSTRUCTION: This Agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any uncertainty.

13. NO THIRD PARTY BENEFICIARIES INTENDED: Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

14. GOVERNING LAW: This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The parties agree that this contract is made in and shall be performed in Tulare County California.

15. WAIVERS: The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.

16. EXHIBITS AND RECITALS: The Recitals and the Exhibits to this Agreement are fully incorporated into and integral parts of this Agreement.

17. CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY: This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties, to be in conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

18. FUTURE ASSURANCES: Each party will execute any additional documents and perform any further acts as may be reasonably required to effect the purposes of this Agreement.

19. ASSURANCES OF NON-DISCRIMINATION: CONTRACTOR shall not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.

20. ASSIGNMENT/SUBCONTRACTING: Unless otherwise provided in this Agreement, COUNTY is relying on the personal skill, expertise, training and experience of CONTRACTOR and CONTRACTOR'S employees and no part of this Agreement may be assigned or subcontracted by CONTRACTOR without the prior written consent of COUNTY.

21. DISPUTE RESOLUTION: If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding mediation before resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties, otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.

22. LICENSE: CONTRACTOR represents that they are licensed to provide intensive mental health services and agrees to notify COUNTY immediately should that status cease or should any action be initiated which may affect that status.

23. RECORDS AND AUDIT: CONTRACTOR shall maintain complete and accurate records with respect to the services rendered and the costs incurred under this Agreement. In

addition, CONTRACTOR shall maintain compete and accurate records with respect to any payments to employees or sub-contractors. All such records shall be prepared in accordance with generally accepted accounting procedures, shall be clearly identified, and shall be kept readily accessible. Upon request, CONTRACTOR shall make such records available within Tulare County to the Auditor of Tulare County and to his agents and representatives, for the purpose of auditing and/or copying such records for a period of five (5) years from the date of final payment under this Agreement.

24. CONFLICT OF INTEREST:

A. CONTRACTOR agrees at all times in performance of this Agreement to comply with the law of the State of California regarding conflicts of interest or appearance of conflicts of interests, including, but not limited to Government Code section 1090 et. seq., and the Political Reform Act, Government Code section 81000 et seq., and regulations promulgated pursuant thereto by the California Fair Political Practices Commission. The statutes, regulations and laws previously referenced include, but are not limited to, prohibitions against any public officer or employee, including CONTRACTOR for this purpose, from the making of any decision on behalf of COUNTY in which such officer, employee, consultant or contractor has a direct or indirect financial interest. A violation can occur if the public officer, employee, consultant or contractor participates in or influences any COUNTY decision which has the potential to confer any pecuniary benefit on CONTRACTOR or any business firm in which CONTRACTOR has an interest, with certain narrow exceptions.

B. CONTRACTOR agrees that if any facts come to its attention which raise any questions as to the applicability of conflicts of interests laws, it will immediately inform the COUNTY designated representative and provide all information needed for resolution of this question.

26. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA):

A. CONTRACTOR shall comply with the Health Insurance Portability and Accountability Act (HIPAA) Business Associate exhibit, attached as Exhibit "D", which Exhibit is made a part of this Agreement by reference.

B. At termination of this Agreement, CONTRACTOR shall, if feasible, return or destroy all protected health information received from, or created or received by, CONTRACTOR on behalf of the COUNTY that CONTRACTOR still maintains in any form, and retain no copies of such information; or, if such return or destruction is not feasible, extend the protections of this Agreement to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information feasible.

C. COUNTY may immediately terminate this Agreement if COUNTY determines that CONTRACTOR has violated a material term of this Agreement.

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THE PARTIES, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

COUNTY OF TULARE

Date _____

By _____
Chairman, Board of Supervisors

ATTEST: C. BRIAN HADDIX
County Administrative Officer/Clerk of the Board
Of Supervisors of the County of Tulare

By _____
Deputy Clerk

PSYNERGY PROGRAMS INC
DBA NUEVA VISTA

Date: 6/21/06

By [Signature]
Title President & CEO

Date: 6/21/06

By [Signature]
Title Chief Financial Officer

Corporations Code section 313 requires that contracts with a corporation shall be signed by the (1) chairman of the Board, the president or any vice-president and (2) the secretary, any assistant, the chief financial officer, or any assistant treasurer; unless the contract is also accompanied by a certified copy of the Board of Directors resolution authorizing the execution of the contract.

Approved as to Form
County Counsel

By [Signature]
Deputy
()

Dated 05/22/06

EXHIBIT A

SCOPE OF SERVICES

SERVICES TO BE PROVIDED BY CONTRACTOR

Staffing: Many residents suffer from institutionalized behaviors that compound their level of mental distress. These behaviors are addressed by CONTRACTOR'S staff that routinely support positive behaviors and provide frequent one-to-one interventions to manage these behaviors. CONTRACTOR will provide awake staff 24/7 to patients with on-call access to clinical staff.

Assessment and Level of Care: Every patient will receive a thorough assessment. Each patient will receive a Medical Assessment, Mental Health Intake Assessment and Functional Capabilities Assessment prior to completing their Needs and Services Plan. Lastly, a level of care assessment will be incorporated into CONTRACTOR'S intake procedures to assure that the placement is appropriate for CONTRACTOR'S facility. The levels of care will be consistent with the criteria established by the American Association of Community Psychiatrists (AACP) Level of Care Utilization System for Psychiatric and Addiction Services (LOCUS).

Basic Services: Patients will be provided with clean, comfortable, functional, and non-institutional living quarters as well as attractive living areas.

Staff will be provided 24/7 in order to help with difficult situations or other disruptions in the patient's lives that could lead to acute hospitalization, loss of housing, or loss of employment.

Morning Program: CONTRACTOR will provide a morning program, which will feature activities and workshops 5 days a week in order to help clients improve mental health and functioning. The program will focus on the development of activities of daily living, social skills, coping strategies, accessing community resources, health education multi-cultural awareness, money management and recreational activities.

Physical Health: CONTRACTOR will provide a program that will assist in providing sound nutritional, physical activity and knowledge of health lifestyles helps to alleviate mental distress and facilitate recover and stability. Patients will be encouraged to adopt a low-fat, low-Sugar, and minimal caffeine life-style. Support, for tobacco cessation will also be available and follow a stage-change approach.

Family members will be invited and encouraged to attend any of CONTRACTOR'S recreational activities.

Mutual Support: CONTRACTOR will provide peer counseling and leadership to allow patients to take a proactive role in their environment as well as in the lives of each other. A resident council will be established to allow the patient as a whole to give voice to their

opinions and ideas of the program and their needs. Patients will be encouraged and linked to the local Self-Help Center in nearby Gilroy. Wi-Fi Internet will be available to all patients to increase their access to on-line self-help resources, education and support.

Family Support: Education and support will be provided through recreational activities, family support groups and facilitating linkages with NAMI. Monthly contributions will be made, to family newsletters and family members will be encouraged to participate in frequent family events.

Description of Specialized Program Services

If the county submits an application for an individual meeting the following criteria, Psynergy Programs will make every reasonable effort to provide a specialized client-centered treatment plan. In the event that a patient's needs cannot be met initially, Psynergy will work to tailor its services, which may require additional cost to the County. All treatment will be goal-directed and benefit the individual's movement towards recovery.

Patients to be served: Those experiencing mental distress with co-existing conditions, disorders, and cultural needs. Specifically:

A. Patients who have severe psychiatric conditions that require additional temporary assistance in monitoring medical issues or, that need continued support and education to manage chronic medical conditions and

B. Patients with co-occurring disorders such as substance abuse or developmental delays that require linkage to community resources and may need various behavioral supports including frequent one-to-one attention and prompting to maintain a community placement.

Population A

Scope of Services: Additional professional staffing to, assist with the development of Restricted Health Care Plans will be hired. Special health education topics will be incorporated into the Morning Program. This set of services will be directed by the Program Director. Staff will be responsible for providing linkage to community resources, care coordination with primary medicine and mental health case managers, and monitoring of health conditions. Chronic illness management will be reframed with recovery principles for clients to improve self-care and wellness. All health education will be predicated on cognitive assessments performed by an occupational therapist to ensure that residents can actually achieve self-efficacy. Cultural considerations related to the resident's progress will also be noticed, and appropriate modifications made to support these needs will be made. Basic reports will be made available to care providers that detail the resident's current medical condition and progress. Special focus will be made to help diabetics in particular maintain the least restrictive placement possible. Consultation with a nutritionist will be available to clients that continue to have dietary compliance issues that complicate their health. Lastly, staff will assist with special medication and monitoring (insulin, finger sticks, etc.) when necessary, but always with the goal of self-monitoring and efficacy.

Population B

Scope of Services: Additional professional staffing to assist with the behavioral focus of this specialized service will be hired. New health education topics will be incorporated into the Morning Program. This set of services will be directed by the Program Director. Staff will be responsible for providing linkage to community resources, care coordination with mental health case managers, and vocational and regional center resources. Staff will be trained in motivation, interviewing techniques and methods to support stage-wise behavior changes for these individuals. Recovery principles will be further incorporated into the assessment and monitoring of the clients residential experience. All health education will be predicated on cognitive assessments performed by an occupational therapist to ensure that residents can actually achieve self-efficacy. Special focus will be made to help young adults in particular maintain their sobriety in the least restrictive placement possible. Consultation with licensed staff will be available to clients that continue to have behavioral compliance- issues that threaten their community placement.

EXHIBIT "B"
Compensation
FISCAL YEAR 2006/2007

Maximum Compensation Rates

The maximum compensation to be paid to the CONTRACTOR during the period of 4/1/06-6/30/06 will not exceed **ONE HUNDRED FIFTY THOUSAND DOLLARS (\$150,000.00)**

The maximum compensation to be paid to the CONTRACTOR during the period of 7/1/06-6/30/07 shall not exceed **FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00)**

General Program Rates

General community services and supports for individuals living in a residential setting experiencing mental distress. Includes case management, brokerage, collateral services and up to eight (8) psychiatric visits per year.

Day Rate (1st 90 days) is \$90 per client.

Day Rate (91st day-D/C) is \$60 per client day.

Specialized Program Rates

Clients who have psychiatric conditions that require additional temporary assistance in monitoring medical issues or that need continued support and education to manage chronic medical conditions.

Date Rate is \$90 per client day.

Clients with co-occurring disorders such as substance abuse or developmental delays that require linkage to community resources and may need various behavioral supports including frequent one-to-one attention and prompting to maintain a community placement.

Day Rate is \$120 per client day.

Fee for Service Rates

Case Management Services	\$50/hour
Transportation Services (plus mileage)	\$50/hour
Therapy	\$85/hour

Psychiatric Services	\$250/hour
Expert Testimony ½ day	\$1000/1/2 day
Expert Testimony full day	\$2000/full day

EXHIBIT "C"

INSURANCE REQUIREMENTS

CONTRACTOR shall provide and maintain insurance for the duration of this Agreement against claims for injuries to persons and damage to property, which may arise from, or in connection with, performance under the Agreement by the CONTRACTOR, his agents, representatives, employees or subcontractors, if applicable.

A. Minimum Scope & Limits of Insurance

1. Coverage at least as broad as Commercial General Liability Insurance of \$1,000,000 combined single limit per occurrence. If the annual aggregate applies it must be no less than \$2,000,000.
2. Comprehensive Automobile Liability Insurance (if applicable) of \$1,000,000 per occurrence.
3. Workers' Compensation and Employer's Liability Insurance as required by law.
4. Professional Errors and Omissions Insurance of \$1,000,000.

B. Specific Provisions of the Certificate

1. The Certificate of Insurance for General Liability, Comprehensive Automobile Liability Insurance and Professional Errors and Omissions Insurance have to meet the following requirements:
 - a. *Name the COUNTY, Its officers, agents, employees and volunteers, individually and collectively, as additional insureds.*
 - b. *State that such Insurance for additional insureds shall apply as primary insurance and any other insurance maintained by COUNTY shall be excess.*
 - c. *Provide that coverage shall not be suspended, voided, canceled, reduced In coverage, or otherwise materially changed except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the County.*
2. The Certificate of Insurance for Workers Compensation, should include the following:
 - a. *Waiver of Subrogation. Contractor waives all rights against the County and its agents, officers, and employees for recovery of damages to the extent these damages are covered by the workers compensation and employers liability.*

C. Deductibles and Self-Insured Retentions

The COUNTY Risk Manager must approve any deductible or self-insured retention that exceeds \$100,000.

D. Acceptability of Insurance

Insurance must be placed with insurers with a current rating given by A.M. Best and Company of no less than A (-) from a company admitted to do business in California, any waiver of these standards are subject to approval by the County Risk Manager or County Risk Manager's designee.

E. Verification of Coverage

Prior to approval of this Agreement by the COUNTY, the CONTRACTOR shall file with the submitting department, certificates of insurance with original endorsements effecting coverage in a form acceptable to the COUNTY. The COUNTY reserves the right to require certified copies of all required insurance policies at any time.

Client#: 54453

PSYNEPRO

ACORD™ CERTIFICATE OF LIABILITY INSURANCEDATE (MM/DD/YYYY)
12/29/05

PRODUCER

USI of Southern California
Lic# 0351162 *** 818-251-3000
P O Box 4367
Woodland Hills, CA 91367

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

Psynergy Programs, Inc.
1624 20th Street
San Francisco, CA 94107

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: Firemans Fund Insurance

INSURER B:

INSURER C:

INSURER D:

INSURER E:

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR ADD'L LTR	INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR no deductible GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	MZG80843992	06/08/05	06/08/06	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000
A		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	MZG80843992	06/08/05	06/08/06	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below.				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A		OTHER Prof Liab	MZG80843992	06/08/05	06/08/06	\$1,000,000/\$3,000,000
A		Abuse or Molest.	MZG80843992	06/08/05	06/08/06	Included in GL Limits No Deductible Applies

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Full Named Insured to read:

Name Printed on DEC Page: Psynergy Programs, Inc.

Doing Business As: DBA Psynergy Programs

(See Attached Descriptions)

CERTIFICATE HOLDER

County of Tulare
Purchasing Department
221 South Mooney Blvd., Room 3
Visalia, CA 93291-4593

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Marcelo R. Richards

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

DESCRIPTIONS (Continued from Page 1)

SUBJECT TO ALL TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS OF POLICY CONTRACT.

30 Day Notice of Cancellation Applies Except 10 Day Notice for Nonpayment of Premium

Cert holder is named as additional insured as respects to the business operations of the named insured at the following location(s):

Loc# 1 - 18225 Hale Avenue; Morgan Hill, CA

Exhibit "D"
HIPAA REQUIREMENT

The Health insurance Portability and Accountability Act of 1996 (HIPAA)

A. Definitions: Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Rule.

1. *Business Associate.* "Business Associate" shall mean CONTRACTOR.
2. *Covered Entity.* "Covered Entity" shall mean COUNTY.
3. *Individual.* "Individual" shall have the same meaning as the term "individual" in 45 CFR 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
4. *Privacy Rule.* "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
5. *Protected Health Information.* "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 CFR 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
6. *Required By Law.* "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR 164.501.
7. *Secretary.* "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

B. Obligations and Activities of CONTRACTOR

1. CONTRACTOR agrees to not use or disclose Protected Health Information other than as permitted or required by the Agreement or as Required By Law.
2. CONTRACTOR agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.
3. CONTRACTOR agrees to mitigate, to the extent practicable, any harmful effect that is known to CONTRACTOR of a use or disclosure of Protected Health Information by CONTRACTOR in violation of the requirements of this Agreement.
4. CONTRACTOR agrees to report to COUNTY any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware.
5. CONTRACTOR agrees to ensure that any agent, including a subcontractor, to whom it provides Protected Health Information received from, or created or received by CONTRACTOR on behalf of COUNTY agrees to the same restrictions and conditions that apply through this Agreement to CONTRACTOR with respect to such information. CONTRACTOR agrees to provide access, at the request of COUNTY, and in the time and manner requested by COUNTY, to Protected Health Information in a Designated Record Set, to COUNTY or, as directed by COUNTY, to an Individual in order to meet the requirements under 45 CFR 164.524

6. CONTRATOR agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the COUNTY directs or agrees to pursuant to 45 CFR 164.526 at the request of COUNTY or an Individual, and in the time and manner requested by COUNTY
7. CONTRACTOR agrees to make internal practices, books, and records, including policies and procedures and Protected Health Information, relating to the use and disclosure of Protected Health Information received from, or created or received by CONTRACTOR on behalf of, COUNTY to the COUNTY, in a time and manner requested by COUNTY for purposes of determining CONTRACTOR's and/or COUNTY's compliance with the Privacy Rule.
8. CONTRACTOR agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for COUNTY to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528
9. CONTRACTOR shall provide to COUNTY or an individual, in time and manner designated by COUNTY, information collected in accordance with Title 45, CFR, Section 164.528, to permit the Department to respond to a request by the individual for an accounting of disclosures of PHI in accordance with Title 45, CFR, Section 164.528

C. General Use and Disclosure Provisions: Except as otherwise limited in this Agreement, Business Associate may use or disclose Protected Health Information on behalf of, or to provide services to, COUNTY, if such use or disclosure of Protected Health Information would not violate the Privacy Rule if done by COUNTY or the minimum necessary policies and procedures of the COUNTY.

D. Specific Use and Disclosure

1. Except as otherwise limited in this Agreement, CONTRACTOR may use Protected Health Information for the proper management and administration of the CONTRACTOR or to carry out the legal responsibilities of the CONTRACTOR.
2. Except as otherwise limited in this Agreement, CONTRACTOR may disclose Protected Health Information for the proper management and administration of the CONTRACTOR, provided that disclosures are Required By Law, or CONTRACTOR obtains reasonable assurances from the person 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 CONTRACTOR of any instances of which it is aware in which the confidentiality of the information has been breached.
3. Except as otherwise limited in this Agreement, CONTRACTOR may use Protected Health Information to provide Data Aggregation services to COUNTY as permitted by 42 CFR 164.504(e)(2)(i)(B)

4. CONTRACTOR may use Protected Health Information to report violations of law to appropriate Federal and State authorities consistent with § 164.502(j)(1)

E. Obligations of COUNTY

1. COUNTY shall notify CONTRACTOR of any limitation(s) in its notice of privacy practices of COUNTY in accordance with 45 CFR 164.520, to the extent that such limitation may affect CONTRACTOR's use or disclosure of Protected Health Information.
2. COUNTY shall notify CONTRACTOR of any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, to the extent that such changes may affect CONTRACTOR's use or disclosure of Protected Health Information
3. COUNTY shall notify CONTRACTOR of any restrictions to the use or disclosure of Protected Health Information that COUNTY has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect CONTRACTOR's use or disclosure of Protected Health Information.

F. Permissible Requests by COUNTY: Except as otherwise provided herein, COUNTY shall not request CONTRACTOR to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by COUNTY

G. Miscellaneous

1. *Regulatory References.* A reference in this Agreement to a section in the Privacy Rule means the section as in effect or as amended.
2. *Amendment.* The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for COUNTY to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act of 1996, Pub L. No. 104-191.
3. *Survival.* The respective rights and obligations of CONTRACTOR under this Exhibit shall survive the termination of this Agreement.
4. *Interpretation.* Any ambiguity in this Agreement shall be resolved to permit COUNTY to comply with the Privacy Rule.