

**Southern Inyo Healthcare District
Board of Directors
Special Meeting Agenda**

**Monday, May 22, 2017
Board Convenes at 5:00 p.m.**

**Southern Inyo Hospital
Conference Room
501 E Locust St, Lone Pine, Ca 93545**

I. CALL TO ORDER

- A. Pledge of Allegiance
- B. Roll Call
- C. Approval of Agenda

II. PUBLIC COMMENTS ON ITEMS NOT ON THE AGENDA

III. BUSINESS ITEMS

A. Consent Agenda

1. Approval of the following Agreements:

- a. Channelford and SpectraCorp Contracts**
- b. Karen Sheffield Independent Contractor Agreement**

IV. DIRECTOR COMMENTS ON ITEMS NOT ON THE AGENDA

V. ADJOURNMENT

Board of Directors:

Richard Fedchenko
President

Jaqueline Hickman
Secretary

Carma Roper
Treasurer

Mark Lacey
Director

Chuck Carson
Director

NOTICE TO THE PUBLIC

COPIES OF PUBLIC RECORDS

All writings, materials, and information provided to the Board for their consideration relating to any open session agenda item of the meeting are available for public inspection and copying during regular business hours at the Administration Office of the District at 501 E. Locust Street, Lone Pine, California.

COMPLIANCE WITH ADA

This agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. § 12132) and the Ralph M. Brown Act (Cal. Gov't Cod. § 54954.2). Persons requesting a disability related modification or accommodation in order to participate in the meeting should contact the Administrative Office during regular business hours by phone at (760) 876-5501, or in person at the District's Administrative Office at 501 E. Locust St., Lone Pine, California.

Board of Directors:

Richard Fedchenko
President

Jaqueline Hickman
Secretary

Carma Roper
Treasurer

Mark Lacey
Director

Chuck Carson
Director

RURAL HEALTHCARE AGREEMENT

THIS CONSULTING AGREEMENT (the "Agreement") is made and entered into this the ____ day of _____ 2017, between **Channelford Associates, Inc.**, (hereinafter, "Channelford"), a California Corporation, and **Southern Inyo Health Care District** (hereinafter, "Company"). Channelford and Company may be referred to in this Agreement as the "Parties", or individually as a "Party".

WHEREAS, Channelford has expertise in the area of Rural Health Care Program (RHCP) including both the Telecommunications Program and the Health Care Connect Fund (HCF) and is willing to provide consulting services to Company and

WHEREAS, Company and Channelford desire to enter into an agreement defining their rights and obligations in regard to the performance of Channelford's services.

NOW THEREFORE, the Parties hereby mutually agree as follows:

AGREEMENT

1. **Services**: As of the date of this Agreement, Company contracts with Channelford for Rural Health Care subsidy services. Channelford agrees to: (1) provide professional services to collect the information needed from Company for subsidy under applicable state or federal programs; (2) complete any required Rural Health Care applicable forms; (3) act as Company's agent in dealings with Company's telecommunications service providers and the applicable state or federal government agency and; (4) work to obtain the maximum subsidy from available state and federal programs. Channelford makes no guarantee of subsidy from any applicable Rural Health Care Program, and will solely determine which services to submit. In the event that legislative or regulatory changes substantially modify any applicable Rural Health Care Program, the Parties agree to terminate this Agreement. Channelford will provide the Company with copies of any and all documents submitted on Company's behalf.

2. **Compensation**: So long as Channelford shall be performing its duties in compliance with all the terms hereof, Company shall pay to Channelford, and Channelford shall accept from Company, for all of the services to be rendered by Channelford hereunder compensation as follows:

- (a) **Professional Fees**: Company agrees to pay Channelford ten percent (10%) of actual subsidy credits/receipts received by company as set forth on the applicable program's Funding Support Schedule. Each funded circuit generates a separate support schedule from USAC RHCP with a unique FRN (Funding Request Number), and invoiced fees will be described in this manner.

The professional fees will be due and payable upon receipt of the applicable funding from the applicable government agency and are due and payable within sixty (60) days of when the particular funding is received by the company

- (b) If Company fails to make payments on a timely basis, Channelford shall have the right to charge a late fee of 1 ½ % per month on any undisputed balances 90 days in arrears.

3. **Term:** Subject to the provisions for termination set forth below, the term of this Agreement shall begin on the date set forth above and shall continue through the remainder of the fund year associated with that date and the following one (1) funding year: that is the current full or partial year, and the following complete one (1) fund year, since funding cycles overlap. The original term of the contract will terminate on June 30, 2020.

4. **Relationship of the Parties:** The relationship between the Parties shall be one of independent contractor. Channelford shall not be deemed an employee of Company or any related entity or facility, nor shall this Agreement constitute or be construed as a joint venture, partnership, agency or other type of relationship.

5. **Termination:** This Agreement may be terminated by the aggrieved party only as follows:

- a) When a Party is in breach of this Agreement by failing to perform any of its obligations as provided for in this Agreement, and has failed to cure such breach within 30 days of the receipt of written notice of breach from the non-breaching Party
- b) The Parties mutually agree in writing to such termination.
- c) The applicable Rural Health Care program ceases to exist or the applicable program is terminated.
- d) The intent not to renew this contract must be communicated in writing to the other Party within Ninety (90) days prior to the expiration of the original term.
- e) Such provisions of this Agreement that, by their nature, would be expected to survive termination of this Agreement, including, without limitation, Sections 2, 7, 8, and 9 of this Agreement shall survive any termination of this Agreement. If this Agreement is terminated pursuant to this Section 5, after the filing of form 466/466A or 462, the termination fee will be the above agreed upon ten percent (10%) of the funding received unless already paid. All other rights to receive consulting fees shall terminate on the date of termination.

6. This section intentionally left blank.

7. **Confidentiality:** Each Party agrees that all information communicated to it by the other, whether before or after the effective date hereof, was and shall be received in strict confidence and shall be used only for purposes of this Agreement, and that no such information including, without limitation, the provisions of this Agreement, shall be disclosed by a Party to this Agreement or its security holders, partners, directors, officers, employees or agents, without the prior written consent of the other Party, except as may be necessary by reason of legal, accounting or regulatory requirements beyond the reasonable control of a Party. The obligation not to disclose information shall not apply to information which: (a) is or becomes available to the public other than by breach of this Agreement by Channelford; (b) is rightfully received by

Channelford from a third Party without confidentiality limitations; (c) is independently developed by Channelford without use of any confidential information; or (d) is known to Channelford without any restriction as to use or disclosure prior to first receipt of same from Company. Each Party will utilize commercially reasonable efforts to protect the other Party's information, will promptly notify the other Party of any unauthorized use or disclosure of such information; and will destroy such information upon the termination or expiration of this Agreement. The requirements and obligations of this Section shall survive the termination of this Agreement.

8. **Proprietary Rights:** Channelford and Company shall retain all rights to methodology, knowledge, and data belonging to each of them prior to this Agreement and used to perform herein. Company agrees that its proprietary rights do not extend to any ownership, copyright, patent, trade secrecy, or other rights in all works, inventions, improvements, discoveries, processes or other properties made or conceived by Channelford prior to the term of this Agreement, which result from work performed by Channelford for itself or others, or which are derived from works, processes or properties resulting from work performed for Company. Company further agrees that Channelford' confidential and proprietary information that may be used by Channelford in performing work under this Agreement shall remain property of Channelford. Company shall own all right, title, and interest in and to any applications or documents filed by Channelford on behalf of Company.

9. **Notices:** All notices and other communications under this Agreement must be in writing and will be deemed given: (a) when delivered personally; (b) on the fifth business day after being mailed by certified mail, return receipt requested; (c) the next business day after delivery to a recognized overnight courier; or (d) upon transmission and confirmation of receipt by a facsimile operator if sent by facsimile, to the Parties at the following addresses or facsimile numbers (or to such other address or facsimile number as such Party may have specified by notice given to the other Party pursuant to this provision):

If to Company

Richard Fedchenko
(Name/Title)
Southern Inyo Health Care District
(Hospital)
501 East Locust St / PO Box 1009
(Address)
Lone Pine, CA 93545
(City/ST/Zip)

If to Channelford

Stephen Rau, CEO
Channelford Associates, Inc.
2006 Channelford Road
Westlake Village, CA 91361

10. **General Provisions:**
 - a. **Attorneys' Fees and Costs.** In the event that attorneys' fees or other costs are incurred to secure performance of any of the obligations set forth in this Agreement, to establish damages for the breach hereof including collection costs or to obtain any other appropriate relief, whether by way of prosecution or defense, the prevailing Party shall be entitled to recover such reasonable fees and costs incurred therein.

- b. Counterparts. This Agreement may be executed in one or more counterparts (including by facsimile or portable document format (PDF) for the convenience of the Parties hereto, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No signature page to this Agreement evidencing a Party's execution hereof will be deemed to be delivered by such Party to any other Party hereto until such delivering Party has received signature pages from all Parties signatory to this Agreement.
- c. Assignment. Neither Party may assign this Agreement without the other party's express written consent.
- d. Entire Agreement; Amendment. This Agreement, and the attached Letter of Authorization Agreement (LOA), which is hereby made a part of and is incorporated into this Agreement, contains the entire understanding of the Parties relating to the subject matter hereof and supersede all prior written or oral and all contemporaneous oral agreements and understandings relating to the subject matter hereof. This Agreement may be amended, supplemented or modified, and any provision hereof may be waived, only by written instrument making specific reference to this Agreement signed by the Party against whom enforcement is sought. This Agreement shall be binding on, and inure to the benefit of, the Parties hereto and their respective permitted successors and permitted assigns.
- e. Waiver. No delay or omission by either Party to exercise any right hereunder shall impair such right or be construed as a waiver thereof. All remedies provided for in this Agreement shall be cumulative and in addition to, and not in lieu of, any other remedies available to either Party at law, in equity or otherwise.
- f. Severability. If any provision of this Agreement is declared or found to be illegal, unenforceable or void, then each Party shall be relieved of its obligations arising under such provision to the extent such provision is declared or found to be illegal, unenforceable or each provision not so affected shall be enforced to the full extent permitted by law.
- g. Governing Law This Agreement shall not be effective until signed by Channelford at its offices in Westlake Village, CA or by any of its authorized representative. This Agreement shall be considered to have been made in the State of California and shall be interpreted in accordance with the laws and regulations of California, with venue in Inyo County, CA.
- h. Other Documents. Each Party hereto agrees to execute any and all such additional documents and to perform such other acts as may be necessary or expedient to further the purposes of this Agreement.
- i. This section is intentionally left blank.
- j. Construction. No provision or this Agreement shall be construed in favor of or against any Party on the ground that such Party or its counsel drafted the provision. Any remedies provided for herein are not exclusive of any other lawful remedies, which may be available to either Party. This Agreement shall at all times be construed so as to carry out the purposes stated herein.

k. Federal Law, Medicare, & Medicaid. Any provision of this Agreement to the contrary notwithstanding, if, during the Term, Company determines that any of the terms of this Agreement materially violate any provisions of state or federal law which, if enforced, would jeopardize the ability of Company to continue to participate in the Medicare and the Medicaid healthcare programs, or in any other federal or state healthcare programs, or would jeopardize the continued federal tax-exempt status of Company, or any entities which are affiliated with Company, or would result in the imposition of any excise taxes under federal income tax laws or would potentially subject Company to any civil monetary penalties or criminal prosecution, then the Parties agree to immediately endeavor to renegotiate terms which would result in Company being in appropriate legal compliance, in Company's opinion. If the Parties are unable to timely agree on such terms, however, Company may terminate this Agreement by delivering at least a thirty (30) day notice to Channelford.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement as of the date first above written.

SIGNED, this _____ day of _____, 2017

Channelford Associates, Inc.

_____ Authorized Signature	_____ Authorized Signature
_____ Type or Print Name	_____ Type or Print Name
_____ Title	_____ Title
_____ Date	_____ Date
_____ Tax ID	

This agreement allows for the use of an Electronic Signature (E-Signature) by either Party, when executing this agreement.

Channelford Associates, Inc.
LETTER OF AGENCY (LOA)

For Processing Of Rural Health Care Applications
Channelford Associates, Inc., 2006 Channelford Road, Westlake Village, CA 91361
Ph: 888-625-1050 Fax: 888-288-2119 email: steve@channelford.com

**Health Care Provider (HCP)
Name:**

Southern Inyo Health Care District

HCP Address:

501 East Locust St

PO Box 1009

Lone Pine, CA 93545

HCP authorizes Channelford Associates, Inc. (Channelford), to represent the HCP as a consultant, and to submit forms for the Rural Health Care Fund's Rural Health Care program (administered by USAC), and to act as the mailing contact person, on HCP's behalf.

HCP will assist Channelford in obtaining copies of all necessary documents necessary to process funding for HCP. Pursuant to this end HCP agrees to the following as it concerns common carriers and equipment providers to Company:

ATTENTION: ("Service Providers") e.g., AT&T, Verizon, CenturyLink, Windstream, Time Warner and other common carriers and all equipment vendors.

HCP hereby authorizes Channelford, its agent, access to our account information (e.g., customer service records, inventory itemization, rates, charges, and copies of billing) in connection with the sales and/or marketing of network services, customer premises equipment (CPE) and enhanced services.

HCP hereby requests and authorizes Service Providers to provide to Channelford any information requested by them pertaining to telecommunications services used by our Company.

Under the terms of this letter, HCP hereby authorizes Channelford to access the information above for the sole purpose of analysis and presentation of findings to HCP. This LOA is solely for information gathering; no modifications, additions, or service terminations are authorized by HCP without our expressed written consent.

HCP hereby requests that this authorization to be applied to all of our existing accounts and any new accounts. This authorization does not preclude HCP from acting on its own behalf if it is deemed necessary. I understand that this authorization will remain effective until modified and/or revoked, in writing, by me or another authorized representative of HCP.

HCP will forward copies of any bid requests for information, or actual bids, to Channelford, as soon as received. (Unless an email request clearly shows Channelford was copied on it).

HCP will immediately notify Channelford of any network changes affecting services submitted to USAC, for credits. This applies for the entire funding year HCP is receiving credits. Fund years run from July 1st, to June 30th. This LOA will remain in place concurrently with the Channelford contract entitled Rural Health Care Agreement dated _____, 2017.

HCP agrees that Channelford will have final authority to determine which services will be submitted for credits, and when those submissions will occur. Channelford has the right to withdraw any Rural Health Care application at any time. HCP's locations must meet the definition of Rural, as posted on the USAC website.

HCP will notify Channelford if and when any of its circuits are independently loaded with any future USAC programs, including USAC's Pilot Program for statewide networks.

HCP certifies that:

1. The Health Care Provider is a not for profit or public entity.
2. The billed entity will maintain complete billing records for the service for five years, and will assist with any audits.
3. Health Care Provider has followed any applicable State or local procurement rules.
4. The telecommunications services that the HCP receives at reduced rates as a result of the HCP's participation in this program, pursuant to 47 U.S.C. Sec. 254 as implemented by the Federal Communications Commission, will be used solely for purposes reasonably related to the provision of Health Care service or instruction that the HCP is legally authorized to provide under the law of the state in which the services are provided and will not be sold, resold, or transferred in consideration for money or any other thing of value.
5. Pursuant to 47 C.F.R. Secs. 54.601 and 54.603, HCP certifies that the HCP or consortium that they are representing satisfies all of the requirements herein and will abide by all of the relevant requirements, including all applicable FCC rules, with respect to Rural Health Care benefits provided under 47 U.S.C. Sec. 254. We understand that any letter from RHCD that erroneously states that funds will be made available for the benefit of the applicant may be subject to rescission.

This LOA will continue until rescinded in writing by HCP.

HCP signing representative certifies that they are authorized to sign this document on behalf of the above-named entity or entities.

Authorized Signature
(HCP Representative)

(Print Name)

Title _____

Date _____

Authorized Signature
Channelford Associates, Inc.

(Print Name)

Title _____

Date _____



THIRD PARTY AUTHORIZATION

Southern Inyo Health Care District

501 East Locust Street

PO Box 1009

Lone Pine, CA 93545

Richard Fedchenko

title _____

phone _____

email address _____

March 8, 2017

Universal Service Administrative Company

2000 L Street NW, Suite 200

Washington, DC 20036

Re: Third Party Authorization for the Rural Healthcare Program

Third Party:

Stephen Rau, Chief Executive Officer

CHANNELFORD Associates, Inc.

5853 Greenview Road

Calabasas, CA 91302

steve@Channelford.com

805-495-3255

Southern Inyo Health Care District, (SIHD), through this third party authorization, authorizes the above **CHANNELFORD Associates, Inc. (CHANNELFORD)** to act on its behalf before the Universal Service Administrative Company (USAC) in matters related to the Rural Health Care Program. **SIHD** authorizes **CHANNELFORD** to prepare and submit Federal Communications Commission (FCC) forms for both of the following:

- [Healthcare Connect Fund (HCF) Program, including FCC Forms 460, 461, 462, and 463, and all required supporting documentation.]
- [Telecommunications and Internet Access Programs, including FCC Forms 465, 466, 466-A, and 467, and all required supporting documentation.]



Individual Applicants:

SIHD hereby issues this third party authorization on behalf of the following HCP(s) participating in the Rural Health Care Program, all of which are owned and operated by the Applicant:

Eligible Locations:

We have listed all the physical locations covered by this Authorization on the attached Addendum A including the location name and HCP number (If Assigned)

As the primary account holder for My Portal (the Rural Health Care Program’s application management system), **SIHD** is responsible for authorizing and managing all of its account holders.¹ By this letter, **SIHD** authorizes **CHANNELFORD** and **CHANNELFORD** designated employee(s) to act as account holders with rights to submit forms and other documentation in My Portal on behalf of **SIHD**. **SIHD** also authorizes **CHANNELFORD** and its designated employee(s) to have access to **SIHD’s** online application information and, on behalf of **SIHD**, to complete, certify, sign, and submit forms associated with applying for and obtaining funding. **SIHD** understands that USAC will continue to include **SIHD** on all correspondence. **SIHD** also authorizes **CHANNELFORD** and its designated employees to respond to inquiries from the RHCProgram concerning processing the forms covered by this TPA.

SIHD acknowledges and agrees that it is subject to all Rural Health Care Program orders, rules, and requirements promulgated by the FCC, including those set forth in 47 C.F.R. Part 54, Subparts G and H, and that funding decisions will be made by USAC as a result of representations made and information submitted by **SIHD** and **CHANNELFORD** during the application and funding process. **SIHD** accepts all potential liability from any errors, omissions, or misrepresentations on the forms and/or documents being submitted by **CHANNELFORD**.

Unless noted otherwise above, this authorization for all listed HCPs is effective from the date this TPA is signed until June 30, 2022.

Southern Inyo Health Care District

By (signature): _____

Name (print): _____

Title: _____

Date: _____

¹ For the Healthcare Connect Fund Program, the Third Party will have “Tertiary Account Holder” status. For the RHC Telecommunications and Internet Access Programs, the Third Party will have “Secondary Account Holder – full rights” status.

RURAL HEALTH CARE PROGRAM CONSULTING AGREEMENT

THIS CONSULTING AGREEMENT (the "Agreement") is made and entered into this the ____ day of _____ 2017, between **SpectraCorp Technologies Group Inc.**, (hereinafter, "SpectraCorp"), a Texas Corporation, and, **Southern Inyo Health Care District** (hereinafter, "Company"). SpectraCorp and Company may be referred to in this Agreement collectively as the "Parties" or individually as a "Party"

WHEREAS, SpectraCorp has expertise in consulting on various telecommunication matters and is willing to provide consulting services to Company toward those ends; and

WHEREAS, Company and SpectraCorp desire to enter into an agreement defining their rights and obligations in regard to the performance of SpectraCorp's services.

NOW THEREFORE, the Parties hereby mutually agree as follows:

AGREEMENT

1. **Services:** In order to initiate and provide the various services outlined in this Agreement, Company agrees to sign a Letter of Agency (LOA) authorizing SpectraCorp to review and look at the background documents to be used in the various reviews. The LOA, which is attached to this Agreement, must be signed concurrently with this Agreement in order for SpectraCorp to start any actionable work product. The Company also agrees to provide as needed copies of various telecom bills in a timely manner to allow SpectraCorp to do a complete analysis of those bills to complete the analysis for the services outlined below.

As of the date of this Agreement, Company contracts with SpectraCorp to assist Company in the following:

- The Federal Communications Corporation's (FCC's) has a funding program known as the Rural Health Care Program (RHCP) which includes both the Telecommunications Program and the Health Care Connect Fund (HCF) Program. SpectraCorp will prepare the documentation required for the filing of this program. SpectraCorp cannot file for said funding; it is the Company's choice on all such matter to file the required paperwork themselves or to contract with a third party for the filing of funding documentation. In the event legislative or regulatory changes reduce RHCP Funding, the Parties agree to terminate this Agreement.

2. **Compensation:** Compensation will be billed as defined below over the term of the Agreement. Each year is billable based on the monies that are associated with that year. That is, compensation for year 1 will be based on the savings gained in year 1. Compensation for year 2 will be based on the savings gained in year 2. Compensation in year 3 will be based on savings in year 3, etc. As long as SpectraCorp shall perform its duties in compliance with all the terms hereof, Company shall pay to SpectraCorp, and

SpectraCorp shall accept from Company, for all of the services to be rendered by SpectraCorp hereunder compensation as follows:

- A. For Services rendered concerning RHCP Funding, SpectraCorp will receive twenty percent (20%) of all monies actually received by Company. This money will be due and payable within sixty (60) days of when the particular funding is received by the Company.
- B. Should the issuing government entity change the amount of the funding from the amount calculated by SpectraCorp during the filing process, SpectraCorp will adjust its fee accordingly.
- C. If Company fails to *make payments on a timely basis*, SpectraCorp shall have the right to charge a late fee of 1 ½ % per month on any balances 90 days in arrears.

3 Term: Subject to the provisions for termination set forth below, the term of this Agreement shall begin on the date set forth above and shall continue through the remainder of the fund year associated with that date and the following one (1) funding year: that is the current full or partial year, and the following complete one (1) fund year, since funding cycles overlap. The original term of this agreement will end on June 30, 2019. It will then automatically renew for successive individual funding years unless terminated as outlined in Section 5 under Termination.

4. Relationship of the Parties: The relationship between the Parties shall be one of independent contractor. SpectraCorp shall not be deemed an employee of Company or any related entity or facility, nor shall this Agreement constitute or be construed as a joint venture, partnership, agency or other type of relationship.

5. Termination: This Agreement may be terminated by the aggrieved party only as follows:

- a) When a Party is in breach of this Agreement by failing to perform any of its obligations as provided for in this Agreement, and has failed to cure such breach within 30 days of the receipt of written notice of breach from the non-breaching Party.
- b) The Parties mutually agree in writing to such termination to the address and Party defined in Section 8 - Notices.
- c) The applicable program ceases to exist or the applicable program is terminated.
- d) The intent not to renew this contract must be communicated in writing to the other Party within Ninety (90) days prior to the expiration of the original term.
- e) Such provisions of this Agreement that, by their nature, would be expected to survive termination of this Agreement, including, without limitation, Sections 2, 6, 7, and 8 of this Agreement. After the filing has been initiated, the termination fee will be the above agreed upon percentage specified in paragraph 2 (A) of the funding commitment unless already paid and shall include all fees outlined

therein, whether filed, refilled and any subsequent filings during the initial five (5) year period of this Agreement. All other rights to receive consulting fees shall terminate on the date of termination. IT IS AGREED AND ACCEPTED THAT ALL MONIES DUE TO SPECTRACORP HEREUNDER WILL SURVIVE ANY TERMINATION AS PROVIDED HEREIN.

6. **Confidentiality.** Each Party agrees that all information communicated to it by the other, whether before or after the effective date hereof, was and shall be received in strict confidence and shall be used only for purposes of this Agreement, and that no such information including, without limitation, the provisions of this Agreement, shall be disclosed by a Party to this Agreement or its security holders, partners, directors, officers, employees or agents, without the prior written consent of the other Party, except as may be necessary by reason of legal, accounting or regulatory requirements beyond the reasonable control of a Party. The obligation not to disclose information shall not apply to information which: (a) is or becomes available to the public other than by breach of this Agreement by SpectraCorp; (b) is rightfully received by SpectraCorp from a third Party without confidentiality limitations; (c) is independently developed by SpectraCorp without use of any confidential information; or (d) is known to SpectraCorp without any restriction as to use or disclosure prior to first receipt of same from Company. Each Party will utilize commercially reasonable efforts to protect the other Party's information, will promptly notify the other Party of any unauthorized use or disclosure of such information; and will destroy such information upon the termination or expiration of this Agreement. The requirements and obligations of this Section shall survive the termination of this Agreement.

7. **Proprietary Rights.** SpectraCorp and Company shall retain all rights to methodology, knowledge, and data belonging to each of them prior to this Agreement and used to perform herein. Company agrees that its proprietary rights do not extend to any ownership, copyright, patent, trade secrecy, or other rights in all works, inventions, improvements, discoveries, processes or other properties made or conceived by SpectraCorp prior to the term of this Agreement, which result from work performed by SpectraCorp for itself or others, or which are derived from works, processes or properties resulting from work performed for Company. Company further agrees that SpectraCorp's confidential and proprietary information that may be used by SpectraCorp in performing work under this Agreement shall remain property of SpectraCorp. Company shall own all right, title, and interest in and to any applications or documents filed by Spectracorp on behalf of Company.

8 **Notices.** All notices and other communications under this Agreement must be in writing and will be deemed given: (a) when delivered personally; (b) on the fifth business day after being mailed by certified mail, return receipt requested; (c) the next business day after delivery to a recognized overnight courier; or (d) upon transmission and confirmation of receipt by a facsimile operator if sent by facsimile, to the Parties at the following addresses or facsimile numbers (or to such other address or facsimile number as such Party may have specified by notice given to the other Party pursuant to this provision):

If to Company

Richard Fedchenko
Sotuhern Inyo Health Care District
501 East Locust St / PO Box 1009
Lone Pine, CA 93545

If to SpectraCorp

Paul Hale, CEO
SpectraCorp Technologies Group, Inc.
8131 LBJ Freeway, Suite 360
Dallas, TX 75251

9. **General Provisions:**

a. **Attorneys' Fees and Costs.** In the event that attorneys' fees or other costs are incurred to secure performance of any of the obligations set forth in this Agreement, to establish damages for the breach hereof including collection costs or to obtain any other appropriate relief, whether by way of prosecution or defense, the prevailing Party shall be entitled to recover such reasonable fees and costs incurred therein.

b. **Counterparts.** This Agreement may be executed in one or more counterparts (including by facsimile or portable document format (PDF) for the convenience of the Parties hereto, each of which will be deemed an original, but all of which together will constitute one and the same instrument. No signature page to this Agreement evidencing a Party's execution hereof will be deemed to be delivered by such Party to any other Party hereto until such delivering Party has received signature pages from all Parties signatory to this Agreement.

c. **Assignment.** Neither Party may assign this Agreement without the other party's express written consent.

d. **Entire Agreement; Amendment.** This Agreement, the attached Letter of Authorization (LOA), which is hereby made a part of and is incorporated into this Agreement, contains the entire understanding of the Parties relating to the subject matter hereof and supersede all prior written or oral and all contemporaneous oral agreements and understandings relating to the subject matter hereof. This Agreement may be amended, supplemented or modified, and any provision hereof may be waived, only by written instrument making specific reference to this Agreement signed by the Party against whom enforcement is sought. This Agreement shall be binding on, and inure to the benefit of, the Parties hereto and their respective permitted successors and permitted assigns.

e. **Waiver.** No delay or omission by either Party to exercise any right hereunder shall impair such right or be construed as a waiver thereof. All remedies provided for in this Agreement shall be cumulative and in addition to, and not in lieu of, any other remedies available to either Party at law, in equity or otherwise.

f. **Severability.** If any provision of this Agreement is declared or found to be illegal, unenforceable or void, then each Party shall be relieved of its obligations arising under such provision to the extent such provision is declared or found to be illegal, unenforceable or void. Each provision not so affected shall be enforced to the fullest extent permitted by law.

g. **Governing Law.** Jurisdiction in California. This Agreement shall not be effective until signed by SpectraCorp at its offices in Dallas, TX or by any of its authorized representative. This Agreement shall be considered to have been made in the State of California and shall be interpreted in accordance with the laws and regulations of California, with venue in Inyo County, CA.

h. **Other Documents.** Each Party hereto agrees to execute any and all such additional documents and to perform such other acts as may be necessary or expedient to further the purposes of this Agreement.

i. This section is intentionally left blank.

j. **Construction.** No provision of this Agreement shall be construed in favor of or against any Party on the ground that such Party or its counsel drafted the provision. Any remedies provided for herein are not exclusive of any other lawful remedies, which may be available to either Party. This Agreement shall at all times be construed so as to carry out the purposes stated herein.

k. **Federal Law, Medicare, & Medicaid** Any provision of this Agreement to the contrary notwithstanding, if, during the Term, Company determines that any of the terms of this Agreement materially violate any provisions of state or federal law which, if enforced, would jeopardize the ability of Company to continue to participate in the Medicare and the Medicaid healthcare programs, or in any other federal or state healthcare programs, or would jeopardize the continued federal tax-exempt status of Company, or any entities which are affiliated with Company, or would result in the imposition of any excise taxes under federal income tax laws or would potentially subject Company to any civil monetary penalties or criminal prosecution, then the Parties agree to immediately endeavor to renegotiate terms which would result in Company being in appropriate legal compliance, in Company's opinion. If the Parties are unable to timely agree on such terms, however, Company may terminate this Agreement by delivering at least a thirty (30) day notice to SpectraCorp.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement as of the date first above written.

SIGNED, this _____ day of _____, 2017

SpectraCorp Technologies Group, Inc

Authorized Signature

Type or Print Name

Title

Date

Tax ID

Authorized Signature

Paul Hale
Type or Print Name

CEO
Title

Date

**SpectraCorp Technologies Group, Inc.
LETTER OF AUTHORIZATION (LOA)**

SpectraCorp Technologies Group, Inc., 8131 LBJ Freeway, Suite 360, Dallas TX 75251
Ph: 972-671-1700 Fax: 972-671-1701 email: pdwyer@spectracorp.com

Company

Company Name:

Southern Inyo Health Care District

Company Address:

501 East Locust St

PO Box 1009

Lone Pine, CA 93545

Agent and Consulting Declaration

Company authorizes **SpectraCorp Technologies Group, Inc.** ("SpectraCorp"), to represent the Company location(s) as its agent and consultant, to assemble the necessary information required to perform the work tasks defined in the associated agreement, "Rural Health Care Program Consulting Agreement".

Authorization for Document Review, Analysis and Submission

Company will assist SpectraCorp in obtaining copies of all documents necessary to process funding for Company. Pursuant to this end Company agrees to the following as it concerns common carriers and equipment providers to Company:

ATTENTION: ("Service Providers") i.e. concerned Local Operating Companies, AT&T, Verizon, CenturyLink, Embarq, Windstream, and other common carriers and all equipment vendors.

Company hereby authorizes SpectraCorp, its agent, access to our account information (i.e., customer service records, inventory itemization, rates, charges, and copies of billing) in connection with the sales and/or marketing of network services, customer premises equipment (CPE) and enhanced services.

Company hereby requests and authorizes Service Providers to provide to SpectraCorp any information requested by them pertaining to telecommunications services used by our Company.

Under the terms of this letter, Company hereby authorizes SpectraCorp to access the information above for the sole purpose of analysis and presentation of findings to our Company. This LOA is solely for information gathering; no modifications, additions, or service terminations are authorized by our Company without our expressed written consent.

Company hereby requests that this authorization to be applied to all of our existing accounts and any new accounts. This authorization does not preclude Company from acting on its own behalf if it is deemed necessary. I understand that this authorization will remain effective until modified and/or revoked, in writing, by me or another authorized representative of the Company.

Company will permit, where possible, SpectraCorp access to Monthly online billing to monitor billing on behalf of the Company. SpectraCorp will audit Companies account to verify billing as it relates to the funding being applied for.

Company will immediately notify SpectraCorp of any changes affecting services submitted to SpectraCorp for auditing and analysis.

Company agrees that based on its expertise SpectraCorp will have final authority to determine which services can be submitted for funding credits, and will specify the timing of those submissions. SpectraCorp has the right to withdraw any information from submittal if SpectraCorp thinks it is not eligible.

Company certifies that the submitted locations must meet the Eligibility Guidelines as posted on the associated website concerning the funding being applied for.

Company signing representative certifies that they are authorized to sign this document on behalf of the above-named entity or entities.

Authorized Signature
(COMPANY Representative)

Title _____

Date _____

Authorized Signature
SpectraCorp Technologies Group, Inc.

Title _____

Date _____

**INDEPENDENT CONTRACTOR AGREEMENT
(CONSULTING SERVICES)**

This Independent Contractor Agreement (this "**Agreement**"), is made and entered into as of _____, 20__ (the "**Effective Date**"), by and between Southern Inyo Healthcare District (SIHD), a local healthcare district organized under the California Health and Safety Code ("SIHD") and Karen Sheffield DBA K. Sheffield Medical Coding & Consulting ("**Contractor**").

RECITALS

WHEREAS, SIHD operates a healthcare system located in Lone Pine, California and is in need of consulting services related to Medical Coding;

WHEREAS, Contractor is duly qualified, experienced and available to furnish such services needed by SIHD; and

WHEREAS, the parties hereto do desire to enter into an agreement under which Contractor shall provide such services described herein to SIHD.

NOW, THEREFORE, in consideration of the recitals above, and the mutual covenants and conditions contained herein, SIHD and Contractor agree as follows:

I. SERVICES

Contractor agrees to perform the services described in **Exhibit "A"** attached hereto (the "**Services**"), and such other services which are incidental and related to with the Services which may be requested by SIHD from time to time. Such services shall be provided at the times set forth in **Exhibit "A"** or as reasonably requested by SIHD, from time to time.

II. REPRESENTATIONS, WARRANTIES AND COVENANTS OF CONTRACTOR

Contractor represents, warrants and covenants to SIHD as follows:

A. Contractor shall provide the Services in accordance with the methods and standards of practice for such Services in the industry, and shall at all times faithfully, industriously, and to the best of Contractor's ability, experience and talent, perform all Services that may be required of and from Contractor pursuant to the express and implicit terms of this Agreement. Contractor represents that it has the special skill and professional competence, expertise and experience to undertake the obligations imposed by this Agreement. Contractor agrees that he will devote such time as is necessary to perform the Services under this Agreement. Contractor must give notice of any limitation, termination, suspension or lapse of necessary credentials, licensure or certification during the Term of this Agreement.

- B. Contractor is not bound by any agreement or arrangement which would preclude or prohibit Contractor from entering into this Agreement, or from fully performing the Services required under this Agreement.
- C. Contractor's authorization to perform Services, if any, in the State of California, or in any other jurisdiction, has never been denied, suspended, revoked, terminated, or relinquished under threat of disciplinary action, or restricted in any way.
- D. Contractor has never been convicted of an offense related to health care, debarred, excluded or otherwise rendered ineligible to participate in any state or federal program, whether such program is health care related or otherwise, or listed by any state or federal agency as being so suspended, debarred, excluded or otherwise ineligible to participate in any such program. None of Contractor's agents or employees have been suspended, debarred, excluded or otherwise ineligible to participate in any state or federal program. Contractor shall screen all of its current and prospective employees, contractors, officers and directors, and agents ("**Screened Persons**"), against (a) the United States Department of Health and Human Services /Office of Inspector General List of Excluded Individuals/Entities, (b) the General Services Administration's List of Parties Excluded from Federal Programs and (c) any applicable state healthcare exclusion list (collectively, the "**Exclusion Lists**") to ensure that none of the Screened Persons are currently excluded, debarred, suspended, or otherwise ineligible to participate in Federal healthcare programs or in Federal procurement or non-procurement programs, or have been convicted of a criminal offense that falls within the ambit of 42 U.S.C. § 1320a-7(a), but have not yet been excluded, debarred, suspended, or otherwise declared ineligible (each, an "**Ineligible Person**"). If at any time during the term of this Agreement any Screened Person becomes an Ineligible Person or proposed to be an Ineligible Person, Contractor shall immediately notify SIHD of the same.
- E. Contractor does not have the authority to enter into or execute any agreement on behalf of SIHD, to incur any liability, indebtedness or financial obligation of any kind or nature in the name of or on behalf of SIHD, or to otherwise bind SIHD in any manner, except with prior written approval of the CRO/ Administrator of SIHD. Contractor will not hold him/her/itself out as having any such authority.
- F. Contractor is engaged in an independent calling and has complied with all local, state, and federal laws regarding business permits and licenses (including California medical licensing laws) that may be required to carry out the independent calling and to perform the Services under this Agreement.
- G. Contractor shall, during the Term of this Agreement, provide prompt and professional medical attention to patients. Such treatment shall be consistent with the facilities, personnel and equipment available and in conformity with the prevailing professional standard of care in SIHD's community.

III. TERM

- A. Term: The term of this Agreement (the “**Term**”) shall commence on the Effective Date and shall continue until terminated as provided herein.
- B. Termination of Agreement: Either party may terminate this Agreement at any time by giving notice to the other of such termination and specifying the effective date thereof. Contractor shall provide not less than ninety (90) days’ advance notice and SIHD shall provide not less than thirty (30) days’ advance notice before the effective date of such termination. Notwithstanding anything in this Agreement to the contrary, SIHD may terminate this Agreement immediately by notice to Contractor should Contractor default in the performance of its obligations under this Agreement.
- C. Termination for Legal Necessity. If, as a result of changes in applicable federal or state laws, regulations, interpretations, or enforcement policies, the engagement of Contractor by SIHD could jeopardize: (i) the licensure of either party; (ii) the participation of either party in, or payment or reimbursement from, Medicare, Medicaid or other reimbursement or payment programs; (iii) either party’s full accreditation by any State or nationally recognized accrediting organization; or (iv) the tax exempt status of SIHD or the status of any financing obligation of SIHD that is exempt from taxation or interest income, as applicable, or the SIHD’s ability to seek or obtain tax exempt financing; SIHD may terminate the this Agreement. In such event, SIHD shall use its good faith, commercial efforts to find an acceptable alternative arrangement for continuation of Contractor’s engagement by SIHD.
- D. Effect of Termination: Upon of termination of this Agreement, neither party shall have any further rights or obligations hereunder except for: (1) those rights and obligations which survive the termination, as provided herein; (2) those rights and obligations accruing prior to the effective date of termination; and (3) those rights and obligations arising as a result of any default under this Agreement. The right to terminate this Agreement, with or without cause, 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.

IV. COMPENSATION

- A. Compensation to Contractor from SIHD for the Services performed pursuant to this Agreement shall be \$34.00 [per hour], payable within 30 business days from receipt of an invoice that complies with SIHD’s requirements. The invoice shall describe in detail the dates that Services were provided and the nature of the Services provided. In the event Contractor submits a non-conforming invoice as determined by SIHD, Contractor will issue a new, corrected invoice to SIHD for payment. SIHD shall have the right to audit all invoices and records related to SIHD’s account with Contractor. Contractor shall provide copies of all requested invoices and supportive documentation within ten (10) days of request by SIHD. Unacceptable invoices, and invoices that are not true and correct, may, at SIHD’s option, be adjusted and paid as adjusted or returned to Contractor for correction and resubmission. No interest, carrying charges or other penalty will be incurred or paid on any disputed or adjusted invoice

- B. SIHD will reimburse Contractor for actual, reasonable, and agreed upon expenses incurred by Contractor as a result of Services rendered under this Agreement, including but not limited to travel expenses, copying costs, postage and related expenses. These expenses must have the prior written approval of SIHD. Reimbursable expenses do not include Contractor's "overhead" expenses. Reimbursement pursuant to this Section shall be payable within thirty (30) business of receipt of an invoice, with supporting documentation, that complies with SIHD's requirements.
- C. Notwithstanding anything in this Agreement to the contrary, no compensation or reimbursement shall be payable to Contractor for any Services for which Contractor has not submitted such documentation as reasonably required by SIHD, including without limitation, the IRS Form W-9 "Request for Taxpayer Identification Number and Certification".

V. COMPLIANCE WITH LAWS

- A. Contractor agrees that all Services provided pursuant to this Agreement shall be performed in compliance with all applicable standards set forth by SIHD, or as established by the laws, rules and regulations of any federal, state or local agency, department, commission, association or other pertinent governing, accrediting, or advisory body (including TJC and/ or DNV), having authority to set standards for health care facilities.
- B. To the extent Contractor uses any office space, equipment, or any other SIHD assets in providing the Services, Contractor shall not use the hospital buildings, its supplies, or its equipment, or the time of any non-physician employee, for any other purpose not expressly set forth in this Agreement or for any purpose unrelated to the provision of Services hereunder.
- C. In the performance of the Services, Contractor shall abide by all laws, rules and regulations and all standards specified by Det Norske Veritas, DNV Healthcare ("**DNV**"), The Joint Commission ("**TJC**"), and/or any comparable deemed status organization and all applicable industry standards. As part of the foregoing, Contractor shall comply with all regulations set forth in Title 22, Division 5 of the California Code of Regulations, the Emergency Medical Treatment and Active Labor Act, and the Health Insurance Portability and Accountability Act ("**HIPAA**").

VI. INDEPENDENT CONTRACTOR STATUS

- A. In the performance of the Services, Contractor shall be, and is an independent contractor and is not an agent, employee, partner or other representative of SIHD. Contractor agrees that while providing the Services under this Agreement, Contractor will not be entitled to any of the rights or benefits afforded to SIHD's employees, including disability or unemployment insurance, workers' compensation, medical insurance through any SIHD plan, vacation or sick leave, automobile benefits, retirement benefits or any other employment benefit.
- B. Contractor is responsible for paying, when due, all income and other taxes incurred as a result of the compensation paid by SIHD to Contractor for providing the Services under this Agreement. Contractor agrees to indemnify SIHD for any

claim, costs, losses, fees, penalties, interest or damages suffered by SIHD resulting from Contractor's failure to comply with this Section VI.B. The provisions set forth in this Section VI.B. shall survive any termination of this Agreement.

- C. SIHD is not responsible for the compensation or instruction of Contractor's employees or assistants, and any such employees or assistants remain the sole responsibility of Contractor.

VII. RECORDS, REPORTS AND DOCUMENTS

- A. Contractor shall record, report and document promptly and maintain all information pertaining to his performance of the Services under this Agreement in accordance with SIHD's instructions and/or most current policies and rules applicable to independent contractors. Contractor agrees that all such records, reports and documents prepared and submitted to SIHD by Contractor shall be the exclusive property of SIHD, including all records of Contractor's billing and receipts relating to the Services performed under this Agreement.
- B. Consistent with SIHD's procedures and policies, Contractor shall prepare complete, timely and accurate medical and other records (collectively "**Records**") with respect to the services and treatment rendered to any patient by Contractor. Notwithstanding the forgoing, Records shall be the property of SIHD and SIHD shall be responsible for the maintenance of Records. A patient's treating physician shall have access to Records upon SIHD's receipt of a reasonable request.

VIII. CONFIDENTIALITY

- A. Contractor recognizes and acknowledges that, by virtue of entering into this Agreement and providing Services to SIHD hereunder, Contractor may have access to certain information of SIHD and/or its manager, Healthcare Conglomerate Associates, LLC ("**HCCA**") that is confidential and constitutes valuable, special and unique property of SIHD and/or HCCA. Contractor agrees that Contractor will not at any time, (either during or subsequent to the Term of this Agreement), disclose to others, use, copy, or permit to be copied, without SIHD's or HCCA's express prior written consent, except in connection with his performance of the Services required herein, any confidential or proprietary information from SIHD or HCCA, including, without limitation, information which concerns SIHD's patients, costs or treatment methods developed by SIHD and which is not otherwise available to the general public.
- B. Contractor shall not disclose to any third party, except where permitted or required by law, or where such disclosure is expressly approved by SIHD in writing, any patient or medical record information regarding SIHD's patients. Contractor shall comply with all federal and state laws and regulations, and all bylaws, rules, regulations and policies of SIHD regarding the confidentiality of such information. The parties agree to comply with all applicable requirements of HIPAA and the regulations promulgated thereunder. In addition, concurrently with the execution of this Agreement, Contractor shall execute the Business Associate Agreement attached hereto as **Exhibit "B"** and incorporated by reference herein. The provisions set forth herein shall survive the expiration or earlier termination of this Agreement, regardless of the cause of such termination.

- C. Contractor shall not, during the Term and for a period of twenty-four (24) months thereafter, directly or indirectly, take any action that constitutes, results or may reasonably be expected to result in (a) soliciting, inducing or encouraging any physician employee, or contractor affiliated with SIHD in the twelve (12) month period immediately preceding any such act or other person employed by SIHD or HCCA in the twelve (12) month period immediately preceding any such act, to curtail or terminate such person's affiliation or employment, or taking any action that results in, or might reasonably be expected to result in any employee or physician ceasing to perform services for SIHD or HCCA; or (b) criticizing, denigrating or disparaging SIHD, HCCA, and/or their respective affiliates, employees, contractors, officers and directors.
- D. To Contractor's knowledge: (i) the Services to be provided under this Agreement do not exceed that which is reasonable and necessary for the legitimate business of SIHD. Contractor represents that none of its Services hereunder will involve the counselling or promotion of a business arrangement or other activity that violates any state or federal law.
- E. After the end of the Term, Contractor agrees that Contractor will not use trade secrets or other unfair business practices to divert or attempt to divert from SIHD any business or customers with whom Contractor dealt during the Term, or about whom Contractor had access to Confidential Information by virtue of this Agreement.
- F. During the term of this Agreement and at all times thereafter, Contractor shall not make any disparaging statements about SIHD, HCCA or their respective directors, officers, and employees, including statements that will call into question the ethics, morality, quality of clinical services, or business judgment of SIHD, HCCA or their respective directors, officers or employees. This requirement is not intended to: interfere with the ability of any party to engage in honest differences of opinion with respect to patient diagnosis/treatment; basic program development that are debated in appropriate forums; to respond to any appropriate requests for information from any state, local or federal governmental body; or to exercise the parties' rights or obligations to report misconduct under applicable federal or state law.
- G. The confidentiality provisions in this Section VIII shall survive any termination of this Agreement.

IX. INDEMNIFICATION AND INSURANCE

- A. Contractor shall secure and maintain at all times during the term of this Agreement, at Contractor's sole expense, personal automobile liability insurance covering Contractor and any vehicle which Contractor will bring onto SIHD's property, with a carrier licensed to do business in the State of California and having at least an "A" BEST rating. Such coverage shall be primary and non-contributory and procured at the minimum statutory limits promulgated by the State of California, but in any event no less than \$100,000 for bodily injury per person; \$300,000 for bodily injury per accident; and \$25,000 for property damage.

- B. As respects all acts or omissions which do not arise directly out of the performance of the Services, including but not limited to those acts or omissions normally covered by automobile liability insurance, Contractor agrees to indemnify, defend (at SIHD's option), and hold harmless SIHD, its officers, agents, employees, representatives, and volunteers from and against any and all claims, demands, defense costs, liability, or consequential damages of any kind or nature arising out of or in connection with Contractor's acts or omissions; excepting those which arise out of the sole negligence of SIHD.
- C. The indemnification provisions in this Section IX shall survive any termination of this Agreement.

X. NON-DISCRIMINATION AND HARASSMENT

Contractor shall not discriminate or harass against any person or entity on the basis of race, color, national origin, ancestry, religious creed, physical or mental disability, medical condition, marital status, sex, sexual orientation or age in the performance of this Agreement.

XI. REQUIRED DISCLOSURES BY CONTACTOR

Contractor shall notify SIHD in writing within three (3) days after Contractor receives actual notice that any of the following events have occurred:

- A. Contractor's authorization to perform Services in the State of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction;
- B. Contractor becomes the subject of an investigatory, disciplinary, or other proceeding before any governmental, professional, licensing and/or permitting board, regulatory authority or peer review body;
- C. An event occurs that substantially interrupts all or a portion of Contractor's professional practice or that materially adversely affects Contractor's ability to perform his obligations under this Agreement; or
- D. Contractor is convicted of an offense related to healthcare, or is suspended, debarred, excluded or otherwise rendered ineligible to participate in any state or federal program, whether such program is healthcare related or otherwise, or listed by any state or federal agency as being suspended, debarred, excluded or otherwise ineligible to participate in any such state or federal program or any employee or agent of Contractor is suspended, debarred, excluded or otherwise ineligible to participate in any such state or federal program.

XII. MISCELLANEOUS PROVISIONS

- A. Notices. All notices required or permitted to be given pursuant to this Agreement shall be in writing, and shall be delivered either personally, by overnight delivery service or by U.S. certified or registered mail, postage prepaid, return-receipt requested and addressed to the parties at their respective addresses as they appear below their signatures hereon. Notices sent by overnight delivery service

shall be deemed received on the business day following the date of deposit with the delivery service. Mailed notices shall be deemed received upon the earlier of the date of delivery shown on the return-receipt, or the third business day after the date of mailing.

- B. Governing Law. This Agreement has been executed in and is to be performed in the State of California, and this Agreement shall be interpreted in accordance with the laws of the State of California.
- C. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, assigns, successors-in-interest, and legal representatives, subject to the restrictions on assignment set forth herein.
- D. Access to Books and Records. Contractor agrees to make available, upon request, to the Secretary of Health and Human Services and the Comptroller General of the United States, or their authorized representatives (the "**Secretary**"), this Agreement, and all books, documents and records under Contractor's control relating to the nature and extent of the costs hereunder for a period of six (6) years after the furnishing of services pursuant hereto. In addition, Contractor agrees, that if Services under this Agreement are to be provided by subcontract with a related organization, Contractor shall require in writing that the subcontractor make available to the Secretary that subcontract, and all books, documents and records relating to the nature and extent of the costs thereunder for a period of six (6) years after the furnishing of Services.
- E. Notice of Litigation. Contractor shall provide SIHD with written notice should Contractor receive a claim or be sued for damages in a matter arising out of Contractor's performance under this Agreement.
- F. Amendments. This Agreement may not be amended, modified or altered except by a written instrument executed by both parties hereto.
- G. Assignment. None of the rights of Contractor hereunder may be assigned or delegated without the prior written consent of SIHD, which SIHD may grant or withhold in its sole and absolute discretion. SIHD may assign or delegate any or all of its rights under this Agreement without the consent of Contractor. Contractor shall not use subcontractors to fulfill contractual obligations without the prior approval of SIHD. Contractor shall be responsible for ensuring that subcontractor is fully aware of requirements of this Agreement, expressly require subcontractor to comply with all terms and conditions of this Agreement. Contractor will be liable for any breach of Agreement or other wrongful act or omission resulting from use of the subcontractor.
- H. Entire Agreement. Neither party has made any representations, warranties, covenants or promises relating to the subject matter of this Agreement except as set forth herein, and any prior or contemporaneous agreements or understandings not specifically set forth herein shall be of no force or effect. This Agreement constitutes the entire agreement of the parties relative to the subject matter hereof.

- I. Severability. If any provision of this Agreement is declared by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall nevertheless be given full force and effect.
- J. Construction. This Agreement is the product of negotiation and compromise on the part of each party and the parties agree, notwithstanding Civil Code Section 1654, which in the event of uncertainty the language will not be construed against the party causing the uncertainty exist.
- K. Attorney's Fees. Should either party be required to bring legal action to enforce its rights under this Agreement, the prevailing party in such action shall be entitled to recover from the losing party its reasonable attorneys' fees and costs in addition to any other relief to which it is entitled.
- L. Counterparts. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one (1) and the same instrument.
- M. Waiver. The failure of either party, at any time, to require timely performance by the other party of any provision of this Agreement shall not affect such party's rights thereafter to enforce the same, nor shall the waiver by either party of any breach of any provision of this Agreement, whether or not agreed to in writing, be taken or held to be a waiver of the breach of any other provision or a waiver of any subsequent breach of the same provision of this Agreement. No extension of time for the performance of any obligation or act hereunder shall be deemed to be an extension of time for the performance of any other obligation or act hereunder.
- N. Additional Assurances. The parties agree to perform such further acts and to execute, acknowledge and deliver such additional documents as may be necessary to effectuate the provisions of this Agreement.
- O. No Third Party Beneficiaries. This Agreement is for the benefit of the parties only, and is not intended to and shall not confer any rights or benefits upon any person who is not a party hereto.
- P. Authority. Each party to this Agreement which is an entity represents that it is authorized to enter into this Agreement and to bind the party to which such party's signature represents.

[Signature Page Follows]

IN WITNESS WHEREOF, this Agreement has been executed as of the Effective Date.

SIHD

Southern Inyo Healthcare District

CONTRACTOR

Karen Sheffield
DBA K. Sheffield Medical Coding & Consulting

By: _____

Address:
501 East Locust Street | PO Box 1009
Lone Pine, CA 93545

By: _____

Address:
120 Pangborn Street
Lone Pine, Ca 93545

Exhibit A

Scope of Services

The Contractor, Karen Sheffield, shall perform the following Medical Coding and Auditing: Accurately abstract patient information and assign alpha-numeric ICD-10 codes to all acute care, ancillary, clinic, emergency room, infusion services, and skilled nursing facility patient records. Assign CPT, PCS, and HCPCS codes to all inpatient and outpatient charts. Collaborate closely with billing staff for coding issues as related to rejected claims for ease of revenue cycle flow. Audit all emergency room charts for correctness of medication(s), medical gases, surgical procedures performed, and any missed billable goods used by hospital. Work closely with Medical Records Manager for compliance reporting. Audit 10-20 Rural Health Clinic charts per month and report any discrepancies.

The Contractor may work from her personal dedicated office in her personal home adhering to HIPAA policies and procedures. Contractor may occasionally work on-site at Southern Inyo Hospital as needed or agreed upon by designated hospital officer or employee as may be designed by the Company.

EXHIBIT "B"

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("**Agreement**") is entered into in connection with that certain existing arrangement (the "**Arrangement**") between Southern Inyo Healthcare District, a local healthcare district organized under the California Health and Safety Code ("**Covered Entity**") and Karen Sheffield, an Independent Contractor ("**Business Associate**"), and is effective as of the final signature at the end of this Agreement, (the "**Effective Date**").

RECITALS

WHEREAS, The Arrangement may require Business Associate to have access to and/or to collect or create Protected Health Information ("**PHI**") in order to carry out Business Associate's functions on behalf of Covered Entity.

WHEREAS, Covered Entity and Business Associate intend to protect the privacy and provide for the security of PHI disclosed to, collected by, or created by Business Associate pursuant to the Arrangement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("**HIPAA**"), the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (the "**HITECH Act**"), regulations promulgated thereunder, and other applicable laws, in each case, as amended from time to time.

WHEREAS, As part of the Privacy Rule and the Security Rule (defined below), Covered entity is required to enter into an agreement containing specific requirements with Business Associate prior to the disclosure of PHI which are contained in this Agreement.

NOW, THEREFORE, In consideration of the mutual promises below and the exchange of information pursuant to this Agreement, the parties agree to the following:

I. DEFINITIONS

The terms used, but not otherwise defined in this Agreement shall have the same meaning as those terms in the regulations promulgated under HIPAA (the "**Privacy Rule**" and the "**Security Rule**" at 45 CFR Parts 160 and 164) and in the HITECH Act (42 U.S.C. Section 17921 et seq.)

II. OBLIGATION OF BUSINESS ASSOCIATE

- A. Use of PHI. Business Associate shall not, and shall ensure that its officers, employees, partners, contractors, and agents, do not, use PHI except for the purpose of performing Business Associate's obligations under the Arrangement and as permitted under the Arrangement and this Agreement, or in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by Covered Entity. However, Business Associate may use PHI for Business Associate's proper management and administrative services, to carry out the legal responsibilities of Business Associate, or as required by law. Use of de-identified PHI is not permitted without the prior consent of Covered Entity. As between

Business Associate and Covered Entity, Covered Entity is the owner of all PHI.

- B. Disclosure of PHI. Business Associate shall not, and shall ensure that its officers, employees, partners, contractors and agents do not, disclose PHI except for the purpose of performing Business Associate's obligations under the Arrangement and as permitted under the Arrangement and this Agreement, or in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by Covered Entity. However, Business Associate may disclose PHI for Business Associate's proper management and administrative services, to carry out Business Associate's legal responsibilities, or as required by law. Disclosure of de-identified PHI is not permitted without the prior consent of Covered Entity. To the extent Business Associate discloses PHI to a third party as permitted in accordance with this Agreement, Business Associate must obtain, prior to making any such disclosure, (a) reasonable written assurances from such third party that such PHI will be held confidential as provided pursuant to this Agreement and only used or disclosed as required by law or for the lawful purposes for which it was disclosed to such third party, and (b) a written agreement from such third party to immediately notify Business Associate of any Breaches (defined below) of the confidentiality of the PHI, to the extent it has obtained knowledge of such Breach. Notwithstanding the foregoing, Business Associate shall refer all requests for PHI pursuant to subpoena or any other discovery request or judicial or administrative order mandating disclosure to Covered Entity within two (2) business days of receipt. Covered Entity shall make all determinations regarding compliance with any such mandated disclosure.
- C. Prohibited Uses and Disclosures. Business Associate shall not: (i) use or disclose PHI for fund-raising or marketing purposes; (ii) disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction, and has paid out of pocket in full for the health care item or service to which the PHI solely relates; (iii) directly or indirectly receive remuneration in exchange for PHI, except with the prior written consent of Covered Entity and as permitted by the HITECH Act, however, this prohibition shall not apply to payment by Covered Entity to Business Associate for services provided pursuant to the Arrangement.
- D. Appropriate Safeguards. Business Associate shall implement all appropriate safeguards to prevent the use or disclosure of PHI other than as permitted by the Arrangement or this Agreement, including, but not limited to administrative, physical and technical safeguards consistent with the requirements of the Security Rule that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate shall comply with the policies and procedures and documentation requirements of the Security Rule.
- E. Reporting of Improper Access, Use or Disclosures of PHI. Business Associate shall report to Covered Entity any suspected or actual (i) access, use or disclosure of PHI not permitted by this Agreement or the Arrangement, (ii) Breach of unsecured PHI (as those terms are defined in the HITECH Act), (iii) security Breach and/or intrusion, (iv) use or disclosure in violation of any applicable federal or state laws or regulations (individually and collectively, "**Breach**"), of which it becomes aware within twelve (12) hours by telephone, with a detailed written

notice via facsimile within two (2) business days after discovery. Such written notice shall include, to the extent possible, (a) the identity of each individual whose information has been, or is reasonably believed to have been, Breached, and the types of information that were involved (e.g., full name, social security number, date of birth, home address, account number, diagnosis, etc.); (b) a brief description of what happened, the date of the Breach, and the date of discovery; (c) steps that the individual should take to protect himself/herself from harm; and (d) a brief description of what is being done to investigate, mitigate harm, and prevent future Breaches. If additional information surrounding the Breach subsequently becomes available, it shall be promptly provided to Covered Entity. Business Associate shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized use or disclosure as required by applicable federal and state laws and regulations.

- F. Business Associate's Agents. Business Associate shall enter into a written agreement with any agent or subcontractor that will have access to PHI that is received from, or created or received by Business Associate on behalf of Covered Entity pursuant to which such agent or subcontractor agrees to be bound by the same restrictions, terms and conditions that apply to Business Associate pursuant to this Agreement with respect to such PHI.
- G. Access to PHI. Within five (5) days of a request by Covered Entity for access to PHI about an individual contained in a Designated Record Set, Business Associate shall make available to Covered Entity such PHI for so long as such information is maintained in the Designated Record Set. If Business Associate maintains an Electronic Health Record (as that term is defined in the HITECH Act), Business Associate shall provide such information in electronic format to enable Covered Entity to fulfill its obligations under the HITECH Act. In the event any individual requests access to PHI directly from Business Associate, Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall make all determinations regarding granting or denying any such access requested by an individual.
- H. Availability of PHI for Amendment. Within ten (10) days of receipt of a request from Covered Entity for the amendment of an individual's PHI or a record regarding an individual contained in a Designated Record Set (for so long as the PHI is maintained in the Designated Record Set), Business Associate shall provide such information to Covered Entity for amendment and incorporate any such amendments in the PHI as required by 45 C.F.R. § 164.526. In the event the individual's request for an amendment is delivered directly to Business Associate, Business Associate shall within two (2) business days forward such request to Covered Entity. Covered Entity shall make any determinations regarding granting or denying any such amendment requested.
- I. Accounting of Disclosures. Business Associate agrees to implement a process that provides for an accounting of disclosures to be collected and maintained by Business Associate and its agents or subcontractors with such information as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528 and with the HITECH Act, including but not limited to 42 U.S.C. Section 17935(c), as determined by Covered Entity.

- J. Requests for Accounting of Disclosures. Within ten (10) days of notice by Covered Entity of receipt of a request for an accounting of disclosures of PHI regarding an individual, Business Associate and its agents or subcontractors shall make available to Covered Entity the information required for Covered Entity to provide an accounting of disclosures to enable Covered Entity to fulfill its obligations under the Privacy Rule and the HITECH Act, as determined by Covered Entity. At a minimum, Business Associate shall provide 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 that reasonably informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure, for the period of at least six (6) years prior to the date on which the accounting was requested. To the extent that Business Associate maintains an electronic health record and is subject to this requirement, accounting of disclosures from an electronic health record for treatment, payment or health care operations purposes are required to be collected and maintained for only three (3) years prior to the request. In the event the request for an accounting is delivered directly to Business Associate or its agents or subcontractors, Business Associate shall within two (2) business days forward such request to Covered Entity. It shall be Covered Entity's responsibility to prepare and deliver any such accounting requested by an individual, subject to Business Associate's obligations set forth in this Section.
- K. Minimum Necessary. Business Associate and its agents or subcontractors shall request, use and disclose only the minimum necessary amount of PHI to accomplish the purpose of the request, use or disclosure. Business Associate understands and agrees that the definition of "minimum necessary" is in flux and shall keep itself informed of guidance issued by the Secretary with respect to what constitutes "minimum necessary."
- L. Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.
- M. Electronic Transactions. If Business Associate conducts any Standard Transaction for or on behalf of Covered Entity, Business Associate shall comply with the requirements under the Electronic Transaction Rule (as those terms are defined in the Security Rule).
- N. Availability of Books and Records. Business Associate hereby agrees to make its internal practices, books and records, including policies and procedures, relating to the use and disclosure of PHI available to Covered Entity and to the Secretary for purposes of determining Business Associate's compliance with the Privacy Rule. Notwithstanding the foregoing, no attorney-client, accountant-client, or other legal privilege shall be deemed waived by the parties by virtue of this section. Except to the extent prohibited by law, Business Associate agrees to notify Covered Entity of all requests for information served upon Business Associate by or on behalf of the Secretary. Business Associate shall provide to Covered Entity a copy of any PHI that Business Associate provides to the Secretary concurrently

with providing such PHI to the Secretary.

- O. Breach Pattern or Practice by Covered Entity. Pursuant to the HITECH Act, if Business Associate knows of a pattern of activity or practice of Covered Entity related to the use or disclosure of PHI that constitutes a Breach or violation of Covered Entity's obligations under the Arrangement or this Agreement, Business Associate must take reasonable steps to cure the Breach or end the violation. If the steps are unsuccessful, Business Associate must terminate the Arrangement if feasible, or if termination is not feasible, report the problem to the Secretary. Business Associate shall provide written notice to Covered Entity of any pattern of activity or practice of Covered Entity that Business Associate believes constitutes a material Breach or violation of Covered Entity's obligations under the Arrangement or this Agreement with regard to the use or disclosure of PHI within five (5) days of discovery and shall meet with Covered Entity to discuss and attempt to cure the Breach or end the violation.
- P. Audits, Inspection and Enforcement. Within ten (10) days of a written request by Covered Entity, Business Associate and its agents or subcontractors shall allow Covered Entity to conduct a reasonable inspection of the facilities, systems, books, records, agreements, policies and procedures relating to the use or disclosure of PHI pursuant to this Agreement for the purpose of determining whether Business Associate has complied with this Agreement. The fact that Covered Entity inspects, or fails to inspect, or has the right to inspect, Business Associate's facilities, systems, books, records, agreements, policies and procedures does not relieve Business Associate of its responsibility to comply with this Agreement, nor does Covered Entity's (i) failure to detect or (ii) detection, but failure to notify Business Associate or require Business Associate's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of Covered Entity's enforcement rights under the Arrangement or this Agreement. Business Associate shall notify Covered Entity within ten (10) days of learning that Business Associate has become the subject of an audit, compliance review or complaint investigation by the Office for Civil Rights.
- Q. State Privacy Laws. Business Associate shall comply with state privacy laws to the extent that such state privacy laws are not preempted by HIPAA or the HITECH Act. Without limiting the generality of the foregoing, all of Business Associate's uses and disclosures of PHI shall be consistent with the California Confidentiality of Medical Information Act ("CMA").
- R. Insurance. Business Associate shall obtain and maintain appropriate professional and general liability insurance coverage, in the amounts of \$100,000 per occurrence and \$300,000 in the aggregate. Business Associate shall, where possible, name Covered Entity as an additional insured on this policy. Business Associate shall give Covered Entity thirty (30) days' prior written notice of any change or termination of such insurance policy.

III. TERMINATION OF ARRANGEMENT WITH BUSINESS ASSOCIATE

- A. Material Breach. Any other provision of the Arrangement notwithstanding, the Arrangement may be immediately terminated by Covered Entity. Alternatively, at its sole discretion, Covered Entity may provide Business Associate with notice of

the Breach and afford Business Associate an opportunity to cure the Breach to the satisfaction of Covered Entity within five (5) days. If the Breach is not cured within such five (5) day period, Covered Entity may immediately terminate the Arrangement. However, in the event that termination of the Arrangement is not feasible in Covered Entity's sole discretion, Business Associate hereby acknowledges that Covered Entity shall have the right to report the Breach to the Secretary. In addition, Covered Entity retains the right to seek injunction and other legal and equitable rights and remedies available under the law as necessary to prevent unauthorized use and disclosure of PHI.

- B. Judicial or Administrative Proceedings. Covered Entity may terminate the Arrangement, effective immediately, if (i) Business Associate is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws or (ii) a findings of stipulation that Business Associate has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Regulations or other security or privacy laws is made in any administrative or civil proceeding in which Business Associate has been joined.
- C. Effect of Termination. Upon termination of the Arrangement, Business Associate shall, at the option of Covered Entity, either return or destroy all PHI which Business Associate or its agents or subcontractor still maintains in any form. Business Associate shall not retain any copies of such PHI. In the event that Covered Entity determines that return or destruction is not feasible, the terms and provisions of this Agreement shall survive termination of the Arrangement and such PHI shall be used and disclosed solely for such purpose or purposes that prevented the return or destruction of such PHI. If Covered Entity elects destruction of the PHI, Business Associate shall certify in writing to Covered Entity that such PHI has been destroyed.

IV. GENERAL PROVISIONS

- A. Indemnification. Business Associate agrees to indemnify, defend, and hold Covered Entity, its directors, officers, employees, contractors and agents harmless against, and in respect of, any and all claims, losses, expenses, costs, damages, obligations, penalties, and liabilities which Covered Entity may incur by reason of Business Associate's Breach of or failure to perform any of its obligations pursuant to this Agreement. Further, Business Associate agrees to indemnify, defend, and hold Covered Entity, its directors, officers, employees, contractors and agents harmless against all costs and expenses, including but not limited to, reasonable legal expenses, which are incurred by or on behalf of Business Associate in connection with the defense of such claims. Any damages resulting from Business Associate's Breach of its obligations pursuant to this Agreement shall be expressly excluded from any limitations of liability set forth in the Arrangement.
- B. Disclaimer. Covered Entity makes no warranty or representation that compliance by Business Associate with this Agreement, HIPAA, the HITECH Act, or the HIPAA Regulations will be adequate or satisfactory for Business Associate's own purposes. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.

- C. Certification. To the extent that Covered Entity determines that such examination is necessary to comply with Covered Entity's legal obligations pursuant to HIPAA relating to certification of its security practices, Covered Entity or its authorized agents or contractors may, at Covered Entity's expense, examine Business Associate's facilities, systems, procedures and records as may be necessary to certify to Covered Entity the extent to which Business Associate's security safeguards comply with HIPAA, the HITECH Act, the HIPAA Regulations, or this Agreement.
- D. Amendment to Comply with Law. This Agreement shall be subject to the requirements of HIPAA and the HITECH Act, as amended, and any regulations promulgated thereunder, and any provisions required pursuant to those laws and regulations shall apply to Covered Entity and Business Associate regardless of whether the provision is set forth herein. The parties agree to take such action as is necessary to implement the standards and requirements of HIPAA, the Privacy Rule, the Security Rule and the HITECH Act, including but not limited to the amendment of this Agreement. Covered Entity may terminate the Arrangement upon thirty (30) days' written notice in the event (i) Business Associate does not promptly enter into negotiations to amend this Agreement when requested by Covered Entity pursuant to this section or (ii) Business Associate does not enter into an amendment to this Agreement that Covered Entity, in its sole discretion, deems sufficient to satisfy the standards and requirements of applicable laws.
- E. Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself, and any subcontractors, employees or agents assisting Business Associate in the performance of its obligations under the Arrangement or this Agreement, available to Covered Entity, at no cost to Covered Entity, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers or employees based upon a claimed violation of HIPAA, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where Business Associate or its subcontractor, employee or agent is named adverse party.
- F. No Third-Party Beneficiaries. Nothing express or implied in the Arrangement or this Agreement is intended to confer, nor shall anything herein confer, upon any person other than Covered Entity, Business Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
- G. Effect on Arrangement. Except as specifically required to implement the purposes of this Agreement, or the extent inconsistent with this Agreement, all other terms of the Arrangement shall remain in force and effect.
- H. Interpretation. The provisions of this Agreement shall prevail over any provision in the Arrangement that may conflict or appear inconsistent with any provision in this Agreement. This Agreement and the Arrangement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule and the Security Rule. The parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule, and the Security Rule.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement:

COVERED ENTITY

Southern Inyo Healthcare District

By: _____
Title: _____
Date: _____

BUSINESS ASSOCIATE

Karen Sheffield
DBA K. Sheffield Medical Coding & Consulting

By: _____
Title: _____
Date: _____