

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
MATEO LODGE**

THIS AGREEMENT, entered into this _____ day of _____ 20____, by
and between the COUNTY OF SAN MATEO, hereinafter called "County," and
MATEO LODGE hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing the professional services described for the Health Services Agency, Mental Health Services Division.

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

1. Exhibits.

The following exhibits are attached hereto and incorporated by reference herein:

Exhibit A -- Services

Exhibit B -- Payments and rates

Exhibit C -- Contractor's FY 2004-05 Budget

Attachment I—§504 Compliance

2. Services to be performed by Contractor.

In consideration of the payments set forth herein and in Exhibit B, Contractor shall perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A."

3. Payments.

In consideration of the services provided by contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibit "A", County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this contract exceed ONE MILLION FOUR HUNDRED TWENTY-SIX THOUSAND SEVEN HUNDRED THIRTY-EIGHT DOLLARS (\$1,426,738).

4. Term and Termination.

Subject to compliance with all terms and conditions, the term of this agreement shall be from July 1, 2004, through June 30, 2005.

This Agreement may be terminated by Contractor, the Director of Health Services or his/her designee at any time without a requirement of good cause upon thirty (30) days' written notice to the other party.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the County and shall be promptly delivered to the County. Upon termination, the Contractor may make and retain a copy of such materials. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

5. Availability of Funds.

The County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State or County funds, by providing written notice to Contractor as soon as is reasonably possible after the county learns of said unavailability of outside funding.

6. Relationship of Parties.

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent Contractor and not as an employee of the County and that Contractor acquires none of the rights, privileges, powers or advantages of County employees.

7. Hold Harmless.

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, (C) any sanctions, penalties or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

8. Assignability and Subcontracting.

Contractor shall not assign this Agreement or any portion thereof to a third party, or subcontract with a third party to provide services required by contractor under this agreement without the prior written consent of County. Any such assignment or subcontract without the county's prior written consent shall give County the right to automatically and immediately terminate this Agreement.

9. Insurance.

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by the County Manager, and Contractor shall use diligence to obtain such issuance and to obtain such approval. The Contractor shall furnish the County Manager with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the County Manager of any pending change in the limits of liability or of any cancellation or modification of the policy.

- (1) **Worker's Compensation and Employer's Liability Insurance.** The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.
- (2) **Liability Insurance.** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from contractors operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

- (a) Comprehensive General Liability \$1,000,000
- (b) Motor Vehicle Liability Insurance \$1,000,000
- (c) Professional Liability \$1,000,000

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the County of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

10. Compliance with laws; payment of Permits/Licenses.

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable federal, state, county, and municipal laws, including, but not limited to, Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment I, which prohibits discrimination on the basis of handicap in programs and activities receiving any federal or county financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

In the event of a conflict between the terms of this agreement and state, federal, county or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

11. Non-Discrimination.

- A. *Section 504 applies only to Contractor who are providing services to members of the public.* Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this contract (this paragraph needed only if services provided to members of the public).
- B. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this agreement.
- C. *Equal employment opportunity.* Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.
- D. *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to
 - i) termination of this Agreement;
 - ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
 - iii) liquidated damages of \$2,500 per violation;
 - iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this section, the County Manager shall have the authority to examine Contractors employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contractor between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

- E. *Compliance with Equal Benefits Ordinance.* With respect to the provision of

employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.

- F. The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

12. Retention of Records.

Contractor shall maintain all required records for three years after the County makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the County, a Federal grantor agency, and the State of California.

13. Merger Clause.

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

14. Controlling Law.

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation and performance of this Agreement shall be governed by the laws of the State of California.

15. Notices.

Any notice, request, demand or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United State mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to:

In the case of County, to:

San Mateo County
Mental Health Services Division
225 37th Avenue
San Mateo, CA 94403

In the case of Contractor, to:

Mateo Lodge
420 Cassia Street
Redwood City, CA 94063

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: _____
Mark Church, President
Board of Supervisors, San Mateo County

Date: _____

ATTEST:

By: _____
Clerk of Said Board

MATEO LODGE, INC.

 I. D. A.
Contractor's Signature

Date: 10/30/04

Long Form Agreement/Non Business Associate

Exhibit "A"

MATEO LODGE, INC.: 2004-05

In consideration of the payments set forth in Exhibit "B", Contractor shall provide the following services:

I. INTRODUCTION

- A. Rehabilitative Mental Health Services focus on client needs, strengths, and choices; the client is always involved in service planning and implementation. The goal of rehabilitation is to help clients take charge of their own lives through informed decision-making. Services are based on the client's desired results from mental health services (long term goals) concerning his/her own life, and consider his/her diagnosis, functional impairments, symptoms, disabilities, life conditions and rehabilitation readiness. Services are focused on achieving specific shorter-term personal milestones (measurable objectives) to support the client in accomplishing his/her desired results.
- B. Program staffing is multi-disciplinary and reflects the cultural, linguistic, ethnic, age, gender, sexual orientation and other social characteristics of the community that the program serves. Families, caregivers, human service agency personnel and other significant support persons are encouraged to participate in the planning and implementation process to help the client meet his/her needs. Programs are designed to use personnel who are experienced in providing mental health services. Clients and family members of clients are valued as volunteer or paid staff.
- C. Services are optimal when delivered to clients who live in housing of their own choice. Single room occupancy is a highly valued housing choice by clients and is emphasized in resource development and service planning.

II. SERVICES

Contractor shall provide adult Transitional Residential Treatment Services, Rehabilitation Services, and Outreach Services (as each is defined and described below) for mentally ill adults who are homeless or at risk of homelessness. These services shall be provided in a manner prescribed by the laws of California and in accord with the applicable laws, titles, rules and regulations, including quality improvement requirements of the Short-Doyle/Medi-Cal Program. The Short-Doyle/Medi-Cal Manual for the Rehabilitation Option and Targeted Case Management is included herein by reference. All payments under this Agreement must directly support services specified in this Agreement. Contractor shall provide the following services:

A. Transitional Residential Treatment Services

Contractor shall provide a thirteen (13) bed, twenty-four (24) hour transitional residential treatment facility ("Transitional Residential Treatment Facility") for mentally ill clients. As of the effective date of this Agreement, the Transitional Residential Treatment Facility is housed at Wally's Place. Treatment and/or rehabilitation services shall be provided in a structured therapeutic community and shall include a range of activities and services for clients who would be at risk of hospitalization or other institutional placement were they not in this residential program ("Transitional Residential Treatment Services"). Contractor will support clients in their efforts to restore, maintain and apply interpersonal and independent living skills, and to access community support services, and will make available interventions that focus on symptom reduction and management.

1. Ongoing Transitional Residential Treatment Services shall include, but not be limited to: assessment/evaluation, plan development, individual and group counseling, rehabilitation services, collateral services, case management and crisis intervention.
2. Contractor shall provide four thousand five hundred eight (4,508) client days of care to eighteen (18) unduplicated clients during the term of this Agreement. A "client day" shall be deemed to mean any and all services rendered by Contractor on behalf of one (1) client during any single day during which the client is present in the Transitional Residential Treatment Facility.
3. The maximum length of stay for clients in Transitional Residential Treatment Services at the Transitional Residential Treatment Facility is six (6) months. Authorization for an extension beyond six (6) months must be approved by the Deputy Director of Adult Health Services/designee.

4. Eligibility for admission to Transitional Residential Treatment Facility and/or Transitional Residential Treatment Services shall be confined to persons with a serious mental illness and functional impairments that require and will benefit from a rehabilitation program. County Mental Health Services Division Adult Resource Management will authorize and, in the case of multiple applications, will prioritize persons for admission. Admission priority will generally be given to persons coming from more restricted settings such as hospitals and locked sub-acute facilities.

B. Rehabilitation Services

Contractor shall provide seriously mentally ill adults with community-based rehabilitative mental health services ("Rehabilitation Services"). Rehabilitation Services are intended to identify and provide assistance in locating and obtaining adequate and appropriate living arrangements and supportive resources (medical, social, vocational and educational) to enhance clients' potential to live successfully in the community.

1. Ongoing Rehabilitation Services shall include, but not be limited to: assessment/evaluation, plan development, individual and group counseling, collateral services, rehabilitation services, case management, and crisis intervention.
2. Contractor shall provide two hundred thousand (200,000) minutes of Rehabilitation Services to one hundred sixteen (116) unduplicated adult clients.
3. All referrals for Rehabilitation Services must be authorized by County Mental Health Services Division Adult Resource Management as designated by Adult Services Deputy Director.

C. Outreach Services

Contractor shall provide outreach services for mentally ill adults who are homeless or at risk of homelessness ("Outreach Services"). Outreach Services shall be provided seven (7) days a week via a mobile support team. These mobile Outreach Services target adults whose rehabilitative needs are not currently met in the mental health system, adults who are refusing services, and adults who are homeless or at risk of being homeless.

1. Contractor will provide on a monthly basis to Deputy Director of Adult Mental Health Services an expense detail of Homeless Assistance Fund expenditures.
2. Contractor shall provide one thousand four hundred (1,400) hours of Outreach Services to three hundred (300) unduplicated adult clients during the term of this Agreement.

III. Administrative Requirements

A. Paragraph 12 of the Agreement and Paragraph P.4. of Exhibit B notwithstanding, Contractor shall maintain medical records required by the California Code of Regulations. Notwithstanding the foregoing, Contractor shall maintain beneficiary medical and/or clinical records for a period of seven (7) years, except that the records of persons under age eighteen (18) at the time of treatment shall be maintained: a) until one (1) year beyond the person's eighteenth (18th) birthday or b) for a period of seven (7) years beyond the date of discharge, whichever is later.

B. Administering Satisfaction Surveys

Contractor agrees to administer/utilize any and all survey instruments as directed by the County Mental Health Services Division, including outcomes and satisfaction measurement instruments.

C. Cultural Competency

1. All program staff shall receive at least one (1) in-service training per year on some aspect of providing culturally and linguistically appropriate services. At least once per year and upon request, Contractor shall provide County with a schedule of in-service training(s) and a list of participants at each such training.
2. Contractor shall use good faith efforts to translate health-related materials in a culturally and linguistically appropriate manner. At least once per year and upon request, Contractor shall provide to County copies of Contractor's health-related materials in English and as translated.
3. Contractor shall use good faith efforts to hire clinical staff members who can communicate with clients in a culturally and linguistically appropriate manner. At least once per year and upon request, Contractor shall submit to County the cultural composition and linguistic fluencies of Contractor's staff.

- D. Contractor shall submit a copy of any licensing report issued by a licensing agency to County Mental Health Division Adult Services Deputy Director within 10 business days of Contractor's receipt of any such licensing report.
- E. Contractor shall maintain certification through San Mateo County to provide Short-Doyle Medi-Cal reimbursable services.
- F. Contractor may not employ any persons deemed an Ineligible Person by the Office of the Inspector General in the provision of services for the County through this agreement. Any employee(s) of contractor determined to be an Ineligible Person will be removed from responsibility for, or involvement with County clients or operations. An "Ineligible Person" is an individual who (1) is currently excluded, suspended, debarred or otherwise ineligible to participate in Federal health care programs, or (2) has been convicted of a criminal offense related to the provision of health care items or services and has not been reinstated in the Federal health care programs after a period of exclusion, suspension, debarment or ineligibility. Ineligibility may be verified by checking: www.Exclusions.OIG.HHS.Gov.
- G. Advance Directives
- Contractor will comply with County policies and procedures relating to advance directives.
- H. Beneficiary Rights
- Contractor will comply with County policies and procedures relating to beneficiary's rights and responsibilities.
- I. Availability and Accessibility of Service
- Contractor shall offer hours of operation that are no less than the hours of operation offered to commercial enrollees, if the Contractor also serves enrollees of a commercial plan, or that are comparable to the hours the Contractor makes available for Medi-Cal services that are not covered by the County or another Mental Health Plan, if the Contractor serves only Medi-Cal clients.
- J. Compliance Plan and Code of Conduct

Contractor shall read and be knowledgeable of the compliance principles contained in the Mental Health Compliance Plan and Code of Conduct. In addition, Contractor shall assure that Contractor's workforce is aware of compliance mandates, and are informed of the existence and how to use the Compliance Improvement Hotline Telephone Number (650) 573-2695.

K. Beneficiary Brochure and Provider Lists

Contractor agrees to provide Medi-Cal clients who are new to the Mental Health System with a brochure (an original of which shall be provided by County) when a client first receives a specialty mental health service from the Contractor. Such brochure shall contain a description of County services available; a description of the process for obtaining County services, including the County's state-wide toll-free telephone number; a list of the County's providers; a description of the County's beneficiary problem resolution process, including the complaint resolution and grievance processes; and a description of the beneficiary's right to request a fair hearing at any time before, during or within 90 days after the completion of the beneficiary problem resolution process.

IV. GOALS AND OBJECTIVES

A. Effectiveness

Goal: To maintain or improve clients' level of functioning.

Objective: At least eighty percent (80%) of clients will improve or maintain their level of functioning as measured by a standardized outcome instrument designated by the State of California.

Data collection to be completed by the County in cooperation with Contractor.

B. Homeless Outreach

Goal: To engage clients who are homeless and seriously mentally ill in mental health services and/or treatment.

Objective: At least fifty percent (50%) of clients will be linked with services, including regional mental health services, acute psychiatric hospital services, and entitlements.

Data collection to be completed by the Contractor.

C. Rehabilitation

Goal: To enhance clients' living and coping skills in order to increase (or maintain) the clients' probability of remaining in the community, and/or to involve clients in educational, employment and other meaningful activities.

Objective 1: At least ninety-two (92%) of customer survey respondents will agree or strongly agree that they are able to deal more effectively with daily problems.

Objective 2: At least ninety (90%) of customer survey respondents will agree or strongly agree that they are better able to control their life.

Data collection to be completed by the County in cooperation with Contractor.

D. Satisfaction

Goal : To enhance clients' satisfaction with the services provided.

Objective 1: At least ninety-two percent (92%) of customer survey respondents will rate services as good or better.

Objective 2: At least eight-five percent (85%) of customer survey respondents will rate access to mental health services as good or better.

Data collection to be completed by the County in cooperation with Contractor.

E. Transitional Residential Treatment Services

Goal 1: To enhance the client's living and coping skills in order to prepare him/her to remain in a community-based setting.

Objective: At least fifty percent (50%) of clients discharged after completion of six (6) months or more treatment in transitional residential treatment program shall be discharged to a more independent living.

Data collection to be completed by the County in cooperation with Contractor.

Exhibit "B"

MATEO LODGE, INC.: 2004-05

I. PAYMENTS

In full consideration of the services provided by Contractor and subject to the provisions of Paragraph 3 of this Agreement, County shall pay Contractor in the manner described below:

- A. The maximum amount that County shall be obligated to pay for all services provided under this Agreement shall not exceed the amount stated in Paragraph 3 of this Agreement. Furthermore, of the total contract obligation, County shall not pay or be obligated to pay more than the amounts listed below for each component of service required under this Agreement:

Transitional Residential Services at Wally's Place	\$276,440
Rehabilitation Services	
Humboldt	232,230
Cassia	206,990
Dexter	29,793
Poplar	14,820
Rehabilitation - general	<u>412,971</u>
Total Rehabilitation	896,804
Homeless Outreach - Support Team	<u>253,494</u>
TOTAL CONTRACT OBLIGATION	<u>\$1,426,738</u>

- B. In any event, the maximum amount county shall be obligated to pay for all services rendered under this contract shall not exceed ONE MILLION FOUR HUNDRED TWENTY-SIX THOUSAND SEVEN HUNDRED THIRTY-EIGHT DOLLARS (\$1,426,738).
- C. Modifications to the allocations in Paragraph A of this Exhibit B may be approved by the Director of Health Services or her designee, subject to the maximum amount set forth in Paragraph 3 of this Agreement.
- D. Subject to the maximum amount stated above and the terms and conditions of this Agreement, Contractor shall be reimbursed the full cost of providing services under this Agreement. Unless otherwise authorized by the Director of Health Services or her authorized representative, the rate of payment by County to Contractor shall be one-twelfth (1/12) of the total obligation per month for the term of this Agreement.

- E. Contractor's annual 2004-2005 budget is attached and incorporated into this Agreement as Exhibit C.
- F. The Director of the Health Services Agency is authorized to execute subsequent amendments and minor modifications not to exceed an aggregate of \$25,000 and to make minor changes in the type of services and activities provided under the Agreement.
- G. In the event that funds provided under this Agreement are expended prior to the end of the contract period, Contractor shall provide ongoing services under the terms of this Agreement through the end of the contract period without further payment from County.
- H. In the event this Agreement is terminated prior to June 30, 2005, Contractor shall be paid on a prorated basis for only that portion of the contract term during which Contractor provided services pursuant to this Agreement. Such billing shall be subject to the approval of the Director.
- I. Monthly Reporting
 - 1. Payment by County to Contractor shall be monthly. Contractor shall bill County on or before the tenth (10th) working day of each month for the prior month. All claims shall clearly reflect and, in reasonable detail, give information regarding the services for which claim is made.
 - 2. A completed service reporting form will accompany the invoice or be submitted electronically, and provide back-up detail for the invoiced services ("Service Reporting Form"). The Service Reporting Form will be provided by County, or in a County approved format, and will be completed by Contractor according to the instructions accompanying the Service Reporting Forms.
 - 3. County reserves the right to change the Service Report Forms, instructions, and/or require the Contractor to modify their description of services as the County deems necessary.

4. Each month Contractor will provide a written summary of services rendered each such month ("Summary"). The Summary shall include data on caseload, units of service, type of housing provided, vacancy rate, and other evaluative information as requested by County. Such Summary will accompany the invoice described above. The Summary shall become incorporated into an annual (fiscal year-end) report which shall include such information as the Director requires to permit reporting, monitoring, and evaluation of Contractor's program pursuant to this Agreement.

- J. If County or Contractor finds that performance is inadequate, at the County's discretion, a meeting may be called to discuss the causes for the performance problem, and this Agreement may either be renegotiated, allowed to continue to end of term, or terminated pursuant to Paragraph 4 of this Agreement. Any unspent monies due to performance failure may reduce the following year's agreement, if any.

- K. In the event Contractor claims or receives payment from County for a service, reimbursement for which is later disallowed by County or the State of California or the United States Government, then Contractor shall promptly refund the disallowed amount to County upon request, or, at its option, County may offset the amount disallowed from any payment due or become due to Contractor under this Agreement or any other agreement.

- L. Cost Report
 1. Contractor shall submit to County a year-end cost report no later than ninety (90) days after the expiration date of this Agreement. This report shall be in accordance with the principles and format outlined in the Cost Reporting/Data Collection (CR/DC) Manual. Contractor shall annually have its books of accounts audited by a Certified Public Accountant and a copy of said audit report shall be submitted along with the Cost Report.

2. If the annual Cost Report provided to County shows that total payment to Contractor exceed the total actual costs for all of the services rendered by Contractor to eligible patients during the reporting period, a single payment in the amount of the contract savings shall be made to County by Contractor, unless otherwise authorized by the Director of Health Services or her designee. By mutual agreement of County and Contractor, contract savings or "rollover" may be retained by Contractor and expended the following year, provided that these funds are expended for mental health services approved by County and are retained in accordance with Paragraph M of this Exhibit B.
3. Where discrepancies between costs and charges are found on the Cost Report to County, Contractor shall make a single payment to County when the total charges exceed the total actual costs for all of the services rendered to eligible patients during the reporting period. Likewise, a single payment shall be made to Contractor by County when the total actual costs exceed the total charges made for all of the services rendered to eligible patients during the reporting period and shall not exceed the total amount in Paragraph A of this Exhibit B.

M. Rollover

Contractor may rollover unspent funding from the County according to the following procedures.

1. Contractor shall submit a summary calculation of any savings 90 days after end of the fiscal year. The summary calculation will be a separate report from the year-end cost report. With the summary calculation Contractor shall return the amount of the savings.
2. At the time of the submission of the summary calculation Contractor may request to rollover some or all of any savings. The request must be made in writing to the Director of Mental Health Services or her designee. The request shall identify specifically how the rollover funds will be spent, including a detailed budget. Savings shall not be spent until Contractor receives a written approval of the request. Approved rollover funds shall be spent only for the succeeding fiscal year and only for the specific purpose(s) requested and approved.

3. Contractor shall submit an accounting report of the rollover savings. This report shall include copies of the detailed expenses. The report is due 90 days after the specific purpose has been completed, or 90 days after the end of the fiscal year, whichever comes first. Any unspent rollover funds shall be returned to the County with the accounting report.
4. If the specific purpose is not yet complete as of the end of the succeeding fiscal year, contractor may request to rollover the unspent funds to the succeeding second fiscal year by submitting a written request with the accounting report. The unspent rollover funds shall not be spent until the request is approved by the Director of Mental Health Services or her designee.
5. A final accounting of the rollover funds shall be submitted 90 days after the specific purpose has been completed, or 90 days after the end of the second fiscal year, whichever comes first. Any unspent rollover funds shall be returned to the County with the accounting report.

N. Beneficiary Billing

Contractor shall not submit a claim to, demand or otherwise collect reimbursement from, the beneficiary or persons acting on behalf of the beneficiary for any specialty mental health or related administrative services provided under this contract except to collect other health insurance coverage, share of cost and co-payments. The Contractor shall not hold beneficiaries liable for debts in the event that the County becomes insolvent, for costs of covered services for which the State does not pay the County, for costs of covered services for which the State or the County does not pay the Contractor, for costs of covered services provided under this or other contracts, referral or other arrangement rather than from the County, or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a beneficiary with an emergency psychiatric condition.

O. County May Withhold Payment

Contractor shall provide all pertinent documentation required for federal Medi-Cal reimbursement (including initial and quarterly notices, assessment and service plans, and progress notes). The County may withhold payment for any and all services for which the required documentation is not provided, or if the documentation provided does not meet professional standards as determined by the Quality Improvement Manager of the San Mateo County Mental Health Services Division of the Health Services Agency.

P. Claims Certification and Program Integrity

1. Contractor shall comply with all state and federal statutory and regulatory requirements for certification of claims, including Title 42, Code of Federal Regulations (CFR) Part 438, Sections 438.604, 438.606, and, as effective August 13, 2003, Section 438.608, as published in the June 14, 2002 Federal Register (Vol. 67, No. 115, Page 41112), which are hereby incorporated by reference.
2. Anytime Contractor submits a claim to the County for reimbursement for services provided under Exhibit A of this Agreement, Contractor shall certify by signature that the claim is true and accurate by stating the claim is submitted under the penalty of perjury under the laws of the State of California.

The claim must include the following language and signature line at the bottom of the form(s) and/or cover letter used to report the claim.

“Under the penalty of perjury under the laws of the State of California, I hereby certify that this claim for services complies with all terms and conditions referenced in the Agreement with San Mateo County.

Executed at _____ California, on _____, 2004

Signed _____ Title _____

Agency _____”

3. The certification shall attest to the following for each beneficiary with services included in the claim:

- a. An assessment of the beneficiary was conducted in compliance with the requirements established in this agreement.
 - b. The beneficiary was eligible to receive services described in Exhibit A of this Agreement at the time the services were provided to the beneficiary.
 - c. The services included in the claim were actually provided to the beneficiary.
 - d. Medical necessity was established for the beneficiary as defined under California Code of Regulations, Title 9, Division 1, Chapter 11, for the service or services provided, for the timeframe in which the services were provided.
 - e. A client plan was developed and maintained for the beneficiary that met all client plan requirements established in this agreement.
 - f. For each beneficiary with specialty mental health services included in the claim, all requirements for Contractor payment authorization for specialty mental health services were met, and any reviews for such service or services were conducted prior to the initial authorization and any re-authorization periods as established in this agreement.
 - g. Services are offered and provided without discrimination based on race, religion, color, national or ethnic origin, sex, age, or physical or mental disability.
4. Except as provided in Paragraph III.A. of Exhibit A relative to medical records, Contractor agrees to keep for a minimum period of three years from the date of service a printed representation of all records which are necessary to disclose fully the extent of services furnished to the client. Contractor agrees to furnish these records and any information regarding payments claimed for providing the services, on request, within the State of California, to the California Department of Health Services; the Medi-Cal Fraud Unit; California Department of Mental Health; California Department of Justice; Office of the State Controller; U.S. Department of Health and Human Services, Managed Risk Medical Insurance Board or their duly authorized representatives, and/or the County.

Q. PATH Grant

The Contractor and County acknowledge and agree that at least part of the funding for this Agreement is from PATH grant funding. PATH grant funds can be utilized to create new services, as well as to augment and enhance services that are now available to the target population. All PATH funding must pertain to one or more of the following services:

1. Outreach services.
2. Screening and diagnostic treatment services.
3. Habilitation and rehabilitation services (relating to training and education to improve the individual's functioning in the community).
4. Community mental health services.
5. Alcohol and/or drug treatment services.
6. Staff training (for individuals who work in shelters, mental health clinics, substance abuse programs, and other sites where individuals require homeless services).
7. Case management services.
8. Supportive and supervisory services in residential settings.
9. Referrals for primary health services, job training, educational services, and relevant housing services.
10. Housing (limited to 20 percent of the PATH grant). Federal law does not permit the use of PATH funding in support of emergency shelters or for emergency beds. The PATH funds used to directly house clients should be related ONLY to security deposits or one-time payments to prevent eviction. Housing funding must be used according to the following criteria:
 - a. Minor renovation, expansion, and repair of housing;
 - b. Planning of housing;
 - c. Technical assistance in applying for housing;
 - d. Improving the coordination of housing services;
 - e. Security deposits;
 - f. The costs associated with matching eligible homeless individuals with appropriate housing situations; and
 - g. One-time rental payments to prevent eviction.

R. SAMSHA Grant

The Contractor and County acknowledge and agree that as least part of the funding for this Agreement is from SAMSHA grant funding, and as such, the following restrictions shall apply:

1. Funding must be used according to the following criteria:
 - a. Services must be provided to residents principally residing in a defined geographic area (referred to as service areas);
 - b. Outpatient services, including specialized outpatient services for children, the elderly, individuals with a serious mental illness, and residents of the service areas of the centers who have been discharged from inpatient treatment at a mental health facility;
 - c. 24-hour-a-day emergency care services;
 - d. Day treatment or other partial hospitalization services, or psychosocial rehabilitation services;
 - e. Screening for patients being considered for admission to state mental health facilities to determine the appropriateness of such admission;
 - f. Mental health services shall be provided, within the limits of the capacities of the centers, to any individual residing or employed within the service area regardless of ability to pay for such services; and
 - g. Mental health services of the center are available and accessible promptly, as appropriate and in a manner that preserves human dignity and assures continuity and high quality care.

2. Funds may not be expended for the following purposes:
 - a. To provide inpatient services;
 - b. To make cash payments to intended recipients of health services;
 - c. To purchase or improve land, purchase, construct, or permanently improve (other than minor remodeling) any building or other facility, or purchase major medical equipment;
 - d. To satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds; or
 - e. To provide financial assistance to any entity other than a public or nonprofit private entity.

Exhibit "C"

MATEO LODGE, INC.: 2004-05

FY 2004-05 Budget

MATEO LODGE, INC

BUDGET FY 2004-2005

2004-2005	HUMBOLDT	CASSIA	WALLY'S	SUPPORT TEAM	DEXTER	POPLAR	REHAB	ADMIN	TOTAL
REVENUE									
RESIDENT FEES	214,416	143,304	133,068			18,444			509,232
CO FEES FOR SERVICE	232,230	206,990	276,440	253,494	29,793	14,820	412,971		1,426,738
MISC REVENUE									
TOTAL REVENUE	446,646	350,294	409,508	253,494	29,793	33,264	412,971		1,935,970
PERSONNEL EXPENSE									
SALARIES	150,831	133,289	154,646	83,320			194,085	144,984	861,155
MEDICAL BENEFITS	44,287	31,899	40,858	24,526			36,665	21,327	199,362
BONUSES	4,525	3,999	4,639	2,500			5,823	4,350	25,836
EMPLOYEE BENEFITS	4,525	3,999	4,639	2,500			5,823	13,860	35,345
PAYROLL TAXES	16,591	14,662	17,011	9,165			21,349	15,948	94,727
WORKERS' COMP INS	13,608	12,098	13,608	7,560			15,876	12,852	75,600
TOTAL PERS. EXPENSE	234,367	199,943	235,202	129,570			279,620	213,321	1,292,024
OPERATING EXPENSES									
UTILITIES	14,000	10,863	9,000			2,200			36,063
TELEPHONE	5,000	5,000	5,000		600		19,485	4,000	39,085
RENT	87,689		20,350		13,200	19,705			140,944
REPAIRS + MAINT.	7,521	7,000	9,000		2,536	3,431	3,432		32,920
INSURANCE EXPENSE	10,080	8,640	10,080	5,760	1,920	960	10,560		48,000
BANK CHARGES							300	300	600
FEES + LICENSES	450	450	450				400	200	1,950
MEDICAL		300					400		700
SUPPLIES	3,270	10,300	10,000					500	24,070
GROCERIES	7,500	32,000	23,851						63,351
RECREATION + WORK	8,500	11,186	13,000				3,000	500	36,186
GARDENING		1,141	2,440			1,200			4,781
OFFICE SUPPLIES	1,500	3,000	4,345				3,000	5,000	16,845
PERSONNEL EXPENSE	200	500	100					101	901
POSTAGE		500	122					500	1,122
AUTO EXPENSE	6,000	7,565	6,000				29,321	4,000	52,876
ASSIST TO HOMELESS				83,553					83,553
LEGAL + ACCOUNTING								43,000	43,000
DUES + SUBSCRIPTIONS								4,000	4,000
OUTSIDE SERVICES								6,000	6,000
STAFF DEVELOPMENT								7,000	7,000
ALLOC ADMIN EXPENSE	60,569	51,916	80,569	34,611	11,537	5,768	63,453		288,422
TOTAL OPER EXPENSE	212,279	150,351	174,306	123,924	29,793	33,264	133,351	75,101	643,947
TOTAL PROG EXPENSE	446,646	350,294	409,508	253,494	29,793	33,264	412,971	288,422	1,935,970
	0	(0)	0	(0)	0	(0)	(0)	(288,422)	(0)

MATEO LODGE, INC.

BUDGET FY 2004-2005
SALARIES

OCTOBER 14, 2004

2004-2005	HUMBOLDT	CASSIA	WALLY'S	SUPPORT TEAM	DEXTER	POPLAR	REHAB	ADMIN	TOTAL SALARY
PERSONNEL SALARIES									
CHIEF EXECUTIVE OFFICER								79,968	79,968
FINANCIAL WIZARD								65,016	65,016
DIRECTOR OF SERVICE							35,016		35,016
PROGRAM DIRECTOR	26,004	26,004							52,008
PROGRAM DIRECTOR			49,224						49,224
SUPPORT TEAM COORDINATOR							31,846		31,846
CLINICAL DIRECTOR	28,064								28,064
CLINICAL DIRECTOR		28,566							28,566
CLINICAL DIRECTOR			28,025						28,025
HOUSE COORDINATOR			27,174						27,174
HOUSE COORDINATOR	27,174								27,174
CASE MANAGER (1.00)							32,466		32,466
CASE MANAGER (1.00)							33,328		33,328
CASE MANAGER (1.00)				33,328					33,328
CASE MANAGER (1.00)				16,664			16,664		33,328
CASE MANAGER (1.00)				8,332			24,996		33,328
CASE MANAGER (.50)				16,664					16,664
CASE MANAGER (.25)				8,332					8,332
CASE MANAGER (.50)							19,769		19,769
COUNSELOR (1.00)	26,973								26,973
COUNSELOR (1.00)			25,482						25,482
COUNSELOR (1.00)		28,496							28,496
COUNSELOR (1.00)		25,482							25,482
COUNSELOR (1.00)	21,308								21,308
COUNSELOR (1.00)	21,308								21,308
COUNSELOR (1.00)		12,741	12,741						25,482
HOUSE CLEANER (1.00)		12,000	12,000						24,000
TOTAL PERSONNEL	150,831	133,289	154,646	83,320			194,085	144,984	861,155

Attachment I

Assurance of Compliance with Section 504 of the
Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of and for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

- a. () employs fewer than 15 persons.
- b. () employs 15 or more persons and, pursuant to Section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a)), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

IAN ADAMSON

Name of 504 Person - Type or Print

Mateo Lodge, Inc.

Name of Contractor(s) - Type or Print

420 Cassia Street

Street Address or PO

Box

Redwood City

City

CA

State

94063

Zip

Code

I certify that the above information is complete and correct to the best of my knowledge.

10/30/04

Date

I.D. Aze C.E.O

Signature and Title of Authorized Official

*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a handicapped person seeking its services, there is no method of complying with (the facility accessibility regulations)...other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."

COUNTY OF SAN MATEO

Equal Benefits Compliance Declaration Form

I Vendor Identification

Name of Contractor: Mateo Lodge, Inc.
Contact Person: Ian Adamson
Address: 420 Cassia Street
Redwood City, CA 94063
Phone Number: 363-8125 Fax Number: 851-0741

II Employees

Does the Contractor have any employees? Yes No

Does the Contractor provide benefits to spouses of employees? Yes No

If the answer to one or both of the above is no, please skip to Section IV.

III Equal Benefits Compliance (Check one)

- Yes, the Contractor complies by offering equal benefits, as defined by Chapter 2.93, to its employees with spouses and its employees with domestic partners.
- Yes, the Contractor complies by offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- No, the Contractor does not comply.
- The Contractor is under a collective bargaining agreement which began on _____ (date) and expires on _____ (date).

IV Declaration

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this 30 day of October, 2004 at SAN MATEO, CA
(City) (State)

I. D. Adamson

Signature

IAN D. ADAMSON

Name (Please Print)

C.E.O.

Title

COUNTY OF SAN MATEO
HEALTH SERVICES ADMINISTRATION

MEMORANDUM

DATE: June 4, 2004

TO: Priscilla Morse, Risk Management/Insurance Division

FROM: Liz Kauk, Mental Health Services/PONY #MLH 322

CONTRACTOR: Mateo Lodge, Inc.

DO THEY TRAVEL: Yes

PERCENT OF TRAVEL TIME:

NUMBER OF EMPLOYEES: Yes

DUTIES (SPECIFIC):

COVERAGE:

Comprehensive General Liability:	<u>\$1,000,000</u>
Motor Vehicle Liability:	<u>\$1,000,000</u>
Professional Liability:	<u>\$1,000,000</u>
Worker's Compensation:	<u>\$ yes</u>

APPROVE 

WAIVE _____

MODIFY _____

REMARKS/COMMENTS:


SIGNATURE

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
11/01/2004

PRODUCER (951)587-2719 FAX (951)587-6001
 NIAC/Anthem Insurance - Lic #OB84551
 42145 Lyndie Ln., #202
 Temecula, CA 92591
 Heidi Farmani

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

INSURED Mateo Lodge
 420 Cassia Street
 Redwood City, CA 94063

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Nonprofits Insurance Alliance	
INSURER B: State Fund Insurance	
INSURER C: North American Elite Ins Co	
INSURER D:	
INSURER E:	

COVERAGES

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

INSR ADD'L LTR INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YYYY)	POLICY EXPIRATION DATE (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	200407590NPO	07/01/2004	07/01/2005	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES, (ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	200407590NPO	07/01/2004	07/01/2005	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$
A	EXCESS/UMBRELLA LIABILITY <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input checked="" type="checkbox"/> RETENTION \$ 10,000	200307590UMBPO	07/01/2004	07/01/2005	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	169943504	09/01/2004	09/01/2005	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	OTHER Property coverage	CWB0001112-02-07590	07/01/2004	07/01/2005	Bldgs \$2,433,000 Blanket cov BPP \$355,000 Blanket Cov

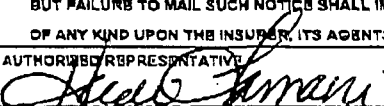
DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS
 *10 day notice of cancellation for nonpayment of premium.

CERTIFICATE HOLDER

San Mateo County Mental Health
 Liz Kauk
 225 W. 37th Avenue
 San Mateo, CA 94403

CANCELLATION

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

AUTHORIZED REPRESENTATIVE


IMPORTANT

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

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

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

FROM :

**STATE
COMPENSATION
INSURANCE
FUND**

HOME OFFICE
SAN FRANCISCO

REP 05
1699435-03
RENEWAL
NA
3-07-07-74
PAGE 1

**ENDORSEMENT AGREEMENT
EFFECTIVE AUGUST 30, 2004 AT 12.01 A.M.**

ALL EFFECTIVE DATES ARE
AT 12:01 AM PACIFIC
STANDARD TIME OR THE
TIME INDICATED AT
PACIFIC STANDARD TIME

**MATEO LODGE, INC
420 CASSIA ST
REDWOOD CITY, CA 94063**

ANYTHING IN THIS POLICY TO THE CONTRARY NOTWITHSTANDING, IT IS
AGREED THAT THE FOLLOWING LOCATION(S) IS (ARE) HEREBY ADDED TO AND
MADE A PART OF THIS POLICY.

196 DEXTER AVENUE	
REDWOOD CITY	CA 94063
420 CASSIA STREET	
REDWOOD CITY	CA 94063
695 5TH AVENUE	
REDWOOD CITY	CA 94063
164 POPLAR AVENUE	
REDWOOD CITY	CA 94063
232 S. HUMBOLDT STREET	
SAN MATEO	CA 94401
418 CASSIA STREET	
REDWOOD CITY	CA 94063

NOTHING IN THIS ENDORSEMENT CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE
OR EXTEND ANY OF THE TERMS, CONDITIONS, AGREEMENTS, OR LIMITATIONS OF THIS
POLICY OTHER THAN AS STATED. NOTHING ELSEWHERE IN THIS POLICY SHALL BE
HELD TO VARY, ALTER, WAIVE OR LIMIT THE TERMS, CONDITIONS, AGREEMENTS OR
LIMITATIONS OF THIS ENDORSEMENT.

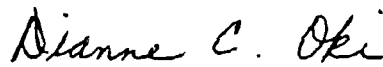
COUNTERSIGNED AND ISSUED AT SAN FRANCISCO:

SEPTEMBER 14, 2004

9919



AUTHORIZED REPRESENTATIVE



FROM :

Carrier: STATE COMPENSATION INSURANCE FUND

Exposures

- Legal expenses, settlements and/or judgments resulting from claims brought by employees for work related injury or illness.

Coverage

- Workers Compensation
- Employer's Liability

Limits

- Worker's Compensation - Unlimited

Employer's Liability	Bodily Injury by Accident	(Each Accident)	\$1,000,000
	Bodily Injury by Disease	(Each Employee)	\$1,000,000
	Bodily Injury by Disease	(Policy Limit)	\$1,000,000

Premium Quote Basis:

<u>Code</u>	<u>Class:</u>	<u>Payroll:</u>	<u>Base Rate:</u>	<u>Premium:</u>
9070	Residential Care Facilities	\$249,435	31.36	\$ 78,233.00
8742	Salespersons-Outside	\$356,375	2.39	\$ 8,517.00
8804	Social Rehabilitation Facility	\$191,302	12.06	\$ 23,071.00
8810	Clerical	\$ 78,498	2.08	\$ 1,633.00

Interim Billing Rate:	Manual Premium:	\$111,444.00
	Experience Modification: 79%	\$- 23,403.00
9070 23.44	Standard Premium:	\$ 88,041.00
8742 1.79	Schedule Rating Credit:	\$- 8,804.00
8804 9.01	Discounted Standard Premium:	\$-13,429.00
8810 1.55	Estimated Annual Premium:	\$ 65,808.00*
	Broker Fees:	\$ 1,000.00

Deposit will be billed direct by State Fund.

Locations:

- 196 Dexter Avenue, Redwood City, CA
- 420 Cassia Street, Redwood City, CA
- 695 5th Avenue, Redwood City, CA
- 164 Poplar Avenue, Redwood City, CA
- 232 S. Humbolt Street, San Mateo, CA
- 418 Cassia Street, Redwood City, CA

DIRECTORS & OFFICERS, VOLUNTEERS EXCLUDED. NON-PROFIT CORPORATION

***Had the experience mod. not been lowered, your premium would have renewed at \$80,802.**

THIS PRESENTATION IS FOR YOUR INFORMATION ONLY AND DOES NOT SUPERSEDE ANY POLICY EXCLUSIONS, TERMS, OR CONDITIONS.