

CO-APPLICANT AGREEMENT

Between the
Sacramento County Board of Supervisors
And the
Sacramento County Health Center Co-Applicant Board

This Co-Applicant Agreement ("Agreement") shall memorialize and reiterate the nature of the relationship between County of Sacramento ("COUNTY") and the Sacramento County Health Center Co-Applicant Board, ("CAB"), an unincorporated body created by the Sacramento County Board of Supervisors via its local Charter authority, (hereinafter collectively referred to as "the Parties") to codify the mutual understandings and agreements regarding the Parties' collaborative operation and governance of a public health center, as set forth herein; and

WHEREAS, the COUNTY, through its Department of Health Services (DHS), provides primary care services to medically underserved communities and vulnerable populations in the County through a network of COUNTY clinics ("the Clinics"); and

WHEREAS, COUNTY is a public entity that receives federal grant funding pursuant to Section 330 of the Public Health Service Act, 42 U.S.C. §254b ("Section 330"), a program administered by the Health Resources and Services Administration ("HRSA") within the United States Department of Health and Human Services ("DHHS") to designate and support the operations of the Clinics as a public federally qualified health center ("FQHC"); and

WHEREAS, the CAB has been established by the Sacramento County Board of Supervisors via its local Charter authority for the purpose of meeting the FQHC program board composition and authority requirements set forth in Section 330, its implementing regulations, and HRSA guidance, and providing the required community-based governance for the Health Center, as defined below; and

WHEREAS, to promote the provision of comprehensive preventive and primary health services (including essential ancillary and enabling services) to medically underserved residents of Sacramento County, regardless of the individual's or family's ability to pay, the Parties have historically agreed, and continue to agree, that the COUNTY apply to HRSA for Section 330 grant funding as a public entity with the CAB functioning as the "Co-Applicant" governing board, consistent with the requirements of Section 330, the implementing regulations, and HRSA guidance; and

WHEREAS, consistent with applicable HRSA guidance regarding public health centers, the Parties will collectively operate and govern the public health center project (hereinafter, the "Health Center") as set forth in this Agreement regarding their respective authorities and responsibilities with respect to the Health Center, in accordance with the Governance Requirements and other applicable Federal laws, regulations, policies, and County Code; and

NOW, THEREFORE, the COUNTY and the CAB agree as follows:

A. Role of the CAB

1. Composition. The CAB provides community-based governance and oversight of the Health Center, and the composition of Board's governing Board shall comply with the governing board composition and selection requirements set forth in

Section 330, its implementing regulations, and HRSA guidance, including Chapter 20 of the HRSA Health Center Program Compliance Manual (the "Compliance Manual") (collectively, the "Governance requirements"). The membership of the Board of Directors shall consist of a minimum of 9 (nine) up to a maximum of 25 (twenty-five) persons (the "Directors"), with the actual number or range set forth in the CAB Bylaws. The CAB shall ensure that the CAB Bylaws are consistent with the composition requirements and allocation of authorities set forth herein

2. CAB Membership.

a. Board Members - Consumers:

- i. A majority of members of the board (i.e., at least 51%) shall be individuals who are served by the Health Center. This means an individual who is a currently registered patient who has accessed Health Center services in the past 24 months and received at least one service that generated a visit where both the service and the site where the service was received are within Health Center's HRSA-approved scope of project (a "Consumer").
- ii. As a group, the Consumers shall reasonably represent individuals who are served by the Health Center in terms of demographic factors such as race, ethnicity, gender, socioeconomic status, and age.
- iii. A legal guardian of a Consumer who is a dependent child or adult, or a legal sponsor of a Consumer that is an immigrant, may also be considered a Consumer for purposes of board representation.

b. Board Members - Community Members:

- i. The remaining non-Consumer Board Members shall be representative of the general community in which the Health Center operates and shall be selected for their skills, expertise and perspectives in community affairs, finance, legal affairs, business or other commercial concerns. No more than one-half of the Community Board Members may be individuals who derive more than ten percent (10%) of their annual income from the healthcare industry.
- ii. The Board shall include a Consumer or Community representative for any special population served by the Health Center for which the Health Center receives Section 330 special population funding (e.g., the homeless), which may include an advocate who has personally experienced being a member of or represent, or has expertise with, or works closely with the special population.

c. The Health Center Project Director, or designee, shall serve as an ex-officio non-voting member of the CAB.

d. No voting Board Member shall be an employee of the Department of Health Services, or spouse or child, parent, brother or sister by blood, marriage, or adoption of such employee.

e. In no event shall Board Members appointed by any third party (i.e., outside the CAB or COUNTY) constitute a majority of the CAB Board, nor shall anyone other than the CAB itself have the authority to appoint the CAB Board Chair.

3. Nomination and Appointment.

- a. Nominations for voting membership on the CAB may be submitted by anyone so long as the nominee meets the Consumer or Community membership requirements of the Bylaws. The CAB, in accordance with its Bylaws, shall approve or reject a nominee(s). Once approved by the CAB, staff will provide the nominations to the Clerk of the Board or designee.
- b. The Clerk of the Board, or designee, shall then provide nominee background materials and submit such nominee for ratification by the Board of Supervisors, which shall not be unreasonably withheld.
- c. If the Board of Supervisors does not approve/ratify a board member selected by the co-applicant board, then the County will be non-compliant with HRSA's Health Center Program Board Authority requirement and subject to condition on its award/designation.

B. Governance Authorities and Responsibilities

1. The CAB shall exercise authority and responsibility for the Health Center as set forth below.

The COUNTY shall retain all authorities and responsibilities for the Health Center that are not specifically addressed in this Section B (or elsewhere in this Agreement), including the adoption and approval of all financial management and personnel policies applicable to the Health Center as part of COUNTY's operations.

- a. Collaborative Exercise of Authority. While the COUNTY, as the public agency, is the recipient of the Health Center grant and is accountable for carrying out the approved Health Center Program scope of project, the term "co-applicant" is used to reflect that the public agency would not qualify on its own as meeting all the Health Center requirements. Both the COUNTY and the co-applicant CAB collectively constitute the "Health Center." The CAB, however, retains the ultimate decision-making on duties and authorities beyond the general types of fiscal and personnel policies described above. The co-applicant arrangement allows for the CAB and the COUNTY to work collaboratively in the exercise of governance responsibilities.

Per this co-applicant agreement, the Parties agree to mutually cooperate and make all reasonable efforts to ensure the efficient governance and operation of the Health Center Program project and particularly, sharing governance responsibilities herein, including in the development and updating of policies or budgets which are subject to the joint approval of each Party.

- b. Health Care Policies. Subject to the COUNTY's fiscal and personnel policies, including collective bargaining requirements, and to federal, state, and local laws and regulations, the CAB shall review and approve the Health Center's health care policies concerning:
 - i. hours of operation;
 - ii. health services provided;

- iii. quality-of-care assurance and quality improvement procedures;
 - iv. the locations of the Health Center's sites; and
 - v. the process for hearing and resolving patient complaints.
- c. Project Director. Subject to the process required by COUNTY's personnel policies, and to federal, state, and local laws and regulations, the CAB shall have final authority to select, remove, and evaluate the Health Center's Project Director, as more particularly described in this Agreement.
 - d. Approval of the Annual Budgets. Subject to the process required by COUNTY's fiscal policies, and to federal, state, and local laws and regulations, the CAB and COUNTY shall both approve the Health Center's annual operating and capital budget, consistent with this Agreement, including any mid-year material changes to such budgets. In addition, the CAB shall monitor the financial status of the Health Center.
 - e. Billing and Collections. Consistent with Chapters 9 and 16 of the Compliance Manual, the CAB and COUNTY shall both approve the Sacramento County Health Center billing and collection activities policies and any related policy for eligibility of services. The County, through its Board of Supervisors, specifically delegates to CAB the approval of:
 - i. the sliding fee discount policy (i.e., a policy regarding schedules of discounts off charges for services, in accordance with Chapter 9 of the Compliance Manual)
 - f. Evaluation of the Health Center's Activities and Achievements. On at least an annual basis, the CAB, in conjunction with the COUNTY's DHS, shall conduct an evaluation of the Health Center's activities and achievements (including service utilization patterns, productivity, patient satisfaction, achievement of program objectives) and recommend, as necessary, revision of the Health Center's goals, objectives, and strategic plan.
 - g. Approval of Applications. The CAB and COUNTY shall both approve applications for annual Section 330 grants and other grant applications for the Health Center, and changes to the Health Center's scope of project.
 - h. Approval of Contracts or Subawards for a substantial portion of Health Center Services. Both CAB and COUNTY shall approve the decision to subaward or contract for a substantial portion of the services provided by the Health Center, in accordance with Chapter 19 of the Compliance Manual.
 - i. Compliance. The CAB, in conjunction with the COUNTY's DHS, shall assure the Health Center's compliance with applicable federal, state, and local laws, regulations, and policies. The COUNTY's DHS shall provide the CAB with periodic reports regarding the Health Center's legal and regulatory compliance program. The CAB shall evaluate the Health Center's compliance activities and recommend, as necessary, the revision, restructuring, or updating of the Health Center's compliance program.
 - j. Quality Management. The CAB shall evaluate and approve the quality management policies and programs developed and recommended by the staff of the Health Center and approved by the COUNTY's DHS in accordance with Chapter 10 of the Compliance Manual. In addition, the

CAB shall approve the Health Center's *Annual Quality Improvement Plan*. The Health Center's Project Director shall regularly report to the CAB on matters concerning the quality of the medical services provided by the Health Center.

- k. Evaluation of the CAB. On at least an annual basis, the CAB shall evaluate its compliance with the Governance Requirements and report its findings and any recommendations for corrective action to the COUNTY's DHS. The CAB shall evaluate itself and its actions for effectiveness, efficiency, and compliance with the authorities set forth in this Agreement on a yearly basis, consistent with the requirements of Section 330.
 - l. Strategic Planning. At least every three (3) years, Health Center staff and the CAB (including the Project Director) shall conduct a strategic planning process and develop a strategic plan for the Health Center based on: (i) an assessment of the health care needs of the community served by the Health Center, (ii) the scope and capacity of other health care providers in the community, (iii) the resources available to the Health Center, and (iv) any policy changes that may be required to comply with such strategic plan.
2. Duties and Evaluation of the Project Director of the Health Center.
- a. Duties. The Project Director (who will be a COUNTY employee) shall serve as the Executive Director of the Health Center and shall have responsibility for the general care, management, supervision, and direction of the Health Center's affairs, consistent with the Health Center's priorities and policies established by the CAB and COUNTY herein. The Project Director shall report directly to the CAB and shall act in that capacity in accordance with the best interests of the Health Center, regardless of and notwithstanding any employment arrangement between the Project Director and the COUNTY DHS. The Project Director shall be responsible for the proper administration of all personnel policies applicable to the Health Center. The Project Director shall also have the authority to administer all contracts for goods and services as required for the operation of the Health Center, subject to the laws and policies applicable to the COUNTY's procurement and purchasing, the Health Center approved budget, and the laws and policies applicable to the COUNTY DHS's administration of the budget and contracts.
 - b. Evaluation. The CAB shall review the Project Director's performance annually. The CAB's review shall be coordinated and conducted by the CAB's Executive Committee. A report of the annual review shall be submitted to the full CAB and to the COUNTY's Deputy Director of DHS Primary Health Services Division.
3. Selection, Approval, and Removal of the Project Director.
- a. Search Committee.
 - i. In the event of a vacancy in the Project Director, a Search Committee shall be formed and include representatives of the CAB and the COUNTY. Either CAB or COUNTY representatives may propose candidates for the Project Director position.
 - ii. The Search Committee shall develop or update a position description,

- evaluate the qualifications and references of potential candidates and conduct preliminary interviews of candidates (in accordance with the COUNTY's personnel policies and procedures).
- iii. The Search Committee shall recommend no more than three (3) candidates from those individuals previously evaluated and interviewed for presentation to the CAB.
 - b. Selection and Approval. Subject to the COUNTY's personnel and hiring policies, the CAB shall have authority to interview and select the Project Director from the slate of candidates presented by the Search Committee. The CAB will report its choice for Project Director to the appropriate contact at COUNTY DHS who will then undertake to hire the selected individual as a COUNTY employee.
 - c. Removal.
 - i. In accordance with the COUNTY's personnel policies, the CAB Executive Committee shall develop objective criteria for removal of the Project Director, which will be presented to the full CAB for approval. Any recommendation to dismiss the Project Director from that position will require a documented determination by the CAB Executive Committee that dismissal is warranted, based on the approved dismissal criteria.
 - ii. The CAB shall have authority to require the removal of the Project Director from his or her Project Director position based on the criteria developed by the Executive Committee. The Executive Committee shall submit its dismissal determination to the full CAB for final approval. If the Board agrees, it will notify the appropriate contact at the COUNTY of such dismissal determination, and COUNTY will take such actions as appropriate to effectuate such dismissal of the Project Director from such position. COUNTY will make any final decision as to whether to terminate its employment relationship with the dismissed Project Director or reassign such individual to another position within the COUNTY, consistent with personnel policies, collective bargaining agreements, and related requirements.
 - iii. The County maintains authority to remove the Project Director from employment with the County or assign that employee to a position outside the Health Center, consistent with personnel policies, collective bargaining agreements, and related requirements. If the County takes such action, the HRSA Project Director will be vacant, and the CAB and County will follow the procedures laid out in Term B(3)(a) of this Co-Applicant Agreement.

C. COUNTY Operational Responsibilities

In accordance with federal requirements, the COUNTY and the CAB, recognize that the COUNTY as a public agency is constrained by law in the delegation of certain government functions to other entities, and is permitted to retain authority over general policies.

Notwithstanding the terms of this Agreement or the Bylaws of the CAB, and subject to the authorities shared with the CAB, neither Party shall take any action inconsistent with the COUNTY's authority to manage specifically:

1. Fiscal Responsibilities.

- a. The COUNTY through its DHS shall develop and shall provide preliminary recommendation for the annual operating and capital budgets of the Health Center. The DHS shall recommend such budgets to the CAB for review and final approval. In the event that the CAB does not approve the recommended budget, the COUNTY through its DHS and the CAB shall meet and confer to develop an appropriate Health Center budget that is satisfactory. If the COUNTY DHS and the CAB fail to develop a mutually agreed upon budget within thirty (30) days of the initial review, then the dispute shall be resolved in accordance with Section F, 7 below. Subject to the requirements for adoption and approval of a public agency budget, the CAB shall have final authority to approve the annual operating and capital budgets of the Health Center.
- b. The County will spend funds that are consistent with the CAB approved budget. The Parties shall not materially deviate from the adopted budget except that the COUNTY through its DHS, as manager of the Health Center, may modify planned fiscal activities if there is a reduction in available resources (e.g., decreased levels of reimbursement, diminished revenues, or adverse labor events). The COUNTY through its DHS shall immediately notify the CAB of any budgetary change that would materially modify the scope of the Health Center and seek the necessary approvals of such changes.
- c. The COUNTY through its DHS shall be solely responsible for the day-to-day management of the financial affairs of the Health Center, including capital and operating borrowing and purchasing.
- d. The COUNTY through its DHS shall have sole authority to develop and implement financial policies and controls related to the Health Center, excepting the Sliding Fee Discount Program Policy and Health Center Billing and Collections policies, in consultation with the CAB, as set forth in this Agreement.
- e. All funds received for services provided and all income otherwise generated by the Health Center, including fees, premiums, third-party reimbursements and other state and local operational funding, and Section 330 grant funds ("Program Income"), as well as all Program Income greater than the amount budgeted ("Excess Program Income"), shall be under the control of the COUNTY. All Program Income and Excess Program Income shall be used to further the goals of the Health Center's federally approved program and consistent with the policies and priorities established by the CAB.
- f. The COUNTY through its DHS shall have sole authority to receive, manage, allocate, and disburse, as applicable, revenues necessary for the operation of the Health Center, consistent with this Agreement.

2. Funding from Governmental and Charitable Sources. Neither Party shall take any action that would negatively impact the COUNTY's funding from federal, state, or local sources or financial support from foundations or other charitable organizations.

3. Employer-Employee Relations.

- a. Subject to the process set forth in this Agreement regarding the selection, evaluation, approval and removal of the Health Center's Project Director, the COUNTY and its DHS shall have sole authority over employment matters and development and approval of personnel policies and procedures, including but not limited to, the selection, performance review/evaluations, discipline and dismissal, position descriptions and classification, employee compensation, wages, salary and benefit scales, employee grievance procedures and processes, equal employment opportunity practices, collective bargaining agreements, labor disputes and other labor and human resources issues, as well as agreements for the provision of staff who are employees of other agencies or organizations.
- b. The Project Director of the Health Center shall be an employee of the COUNTY DHS. Removal of the Project Director by the CAB pursuant to this Agreement shall not constitute a termination of employment by the COUNTY nor impede the continuation of the Project Director's employment relationship with the COUNTY.

4. Other Operational Responsibilities. Subject to the governance responsibilities exercised by the CAB as administered by the Project Director, the COUNTY shall conduct the day-to-day operations of the Health Center. Such operational responsibilities shall include but not be limited to:

- a. Applying for and maintaining all licenses, permits, certifications, accreditations and approvals necessary for the operation of the Health Center.
- b. Credentialing and privileging of providers.
- c. Receiving, managing, and disbursing, as applicable, revenues of the Health Center consistent with the approved budget for the Health Center. DHS shall not be required to disburse funds for any expenditure not authorized by the approved budget.
- d. Subject to the limitations set forth in this Agreement, employing or contracting personnel to perform all clinical, managerial, and administrative services necessary to assure the provision of high-quality healthcare services to the Health Center's patients.
- e. Subject to the limitations set forth in this Agreement, managing and evaluating all Health Center staff and, if necessary, disciplining, terminating or removing such staff pursuant to the COUNTY's personnel policies and processes.
- f. Preparing and submitting cost reports, supporting data, and other materials required in connection with reimbursement under Medicare, Medicaid, and other third-party payment contracts and programs.
- g. Providing for the annual audit of the Health Center, which shall be undertaken in consultation with the CAB in accordance with this Agreement, consistent with the requirements of the United States Office of Management and Budget Circular A-133, and the compliance supplement applicable to the consolidated Health Center Program to determine, at a minimum, the fiscal integrity of financial transactions and reports and compliance with Section 330 requirements and the fiscal policies of the COUNTY. CAB shall be provided

with a copy of the annual health center audit.

- h. Preparing monthly financial and other operational reports of the Health Center, which shall be submitted to the CAB, and managing financial matters related to the operation of the Health Center.
- i. Developing and managing internal control systems, in consultation with the CAB as set forth in this Agreement (as applicable), in accordance with sound management procedures and Section 330 that provide for:
 - i. eligibility determinations;
 - ii. development preparation, and safekeeping of records and books of account relating to the business and financial affairs of the Health Center;
 - iii. separate maintenance of the Health Center's business and financial records from other records related to the finances of the DHS so as to ensure that funds of the Health Center may be properly allocated;
 - iv. accounting procedures and financial controls in accordance with generally accepted accounting principles;
 - v. billing and collection of payments for services rendered to individuals who are: (1) eligible for federal, state or local public assistance; (2) eligible for payment by private third-party payors and (3) underinsured or uninsured and whose earnings fit the low-income criteria, in accordance with the CAB-approved billing and collections policies and COUNTY fiscal policies; and
 - vi. compliance with the terms and conditions of the FQHC Grantee designation, as applicable.
- j. Unless otherwise stated in this Agreement, establishment of the Health Center's operational, management, and patient care policies.
- k. Ensuring the effective and efficient operation of the Health Center.

D. Mutual Obligations

1. Compliance with Laws and Regulations. The Parties shall have a mutual commitment and responsibility to work together to ensure that the Health Center provides care in compliance with all applicable federal, state and local laws, policies and regulations.
2. Expenses of Parties. The expenses of the COUNTY and the CAB incurred in carrying out its respective obligations for governance and operation of the Health Center pursuant to this Agreement shall be considered expenses incurred in furtherance of the health center program and thus shall be reimbursed through Health Center grant funding and/or generated Program Income in accordance with applicable program requirements and the fiscal policies of the COUNTY.
3. Record Keeping and Reporting.
 - a. Record keeping. Each Party shall maintain records, reports, supporting

documents and all other relevant books, papers and other documents to enable the Parties to meet all Health Center-related reporting requirements. Records shall be maintained for a period of four (4) years from the date this Agreement expires or is terminated, unless state and/or federal law requires that records be maintained for a period greater than the four (4) year period specified herein ("the retention period"). If an audit, litigation, or other action involving the records is started before the end of the retention period, the Parties agree to maintain the records until the end of the retention period or until the audit, litigation, or other action is completed, whichever is later. The Parties shall make available to each other, DHHS and the Comptroller General of the United States, the California Department of Health Care Services, the Office of the Comptroller of the State of California or any of their duly authorized representatives, upon appropriate notice, such records, reports, books, documents, and papers as may be necessary for audit, examination, excerpt, transcription, and copy purposes, for as long as such records, reports, books, documents, and papers are retained. This right also includes timely and reasonable access to each Party's personnel for purposes of interview and discussion related to such documents.

- b. Confidentiality. Subject to the COUNTY's obligations, if any, to make public its records in accordance with applicable law, the Parties agree that all information, records, data, and data elements collected and maintained for the administration of this Agreement (in any form, including, but not limited to; written, oral, or contained on video tapes, audio tapes, computer diskettes or other storage devices) shall be treated as confidential and proprietary information. Accordingly, each Party shall take all reasonable precautions to protect such information from unauthorized disclosure; however, nothing contained herein shall be construed to prohibit any authorized Federal or other appropriate official from obtaining, reviewing, and auditing any information, record, data, and data element to which (s)he is lawfully entitled. The Parties (and their directors, officers, employees, agents, and contractors) shall maintain the privacy and confidentiality of all protected health information ("PHI") of the patients receiving care provided by the Health Center, in accordance with all applicable state and federal laws and regulations, including the Health Insurance Portability and Accountability Act ("HIPAA").
- c. Medical Records. The Parties agree that the COUNTY's DHS, as the operator of the Health Center, shall retain ownership of medical records established and maintained; relating to diagnosis and treatment of patients served by the Health Center. Such records will generally be not accessible to the CAB except in exigent circumstances where it is necessary to perform one of the CAB's duties hereunder.
- d. Insurance.
 - i. The COUNTY shall maintain Professional Liability Insurance, Workers' Compensation Insurance, and General Liability and Property Damage Insurance to cover Health Center activities.
 - ii. This Section shall survive the termination of this Agreement without regard to the cause for termination.

- e. Ownership of Property Acquired with Grant Funds. The provisions of 45 C.F.R. Part 75 apply to tangible property acquired under this Agreement. The Parties agree that the COUNTY shall be the titleholder to all property purchased with grant funds.
- f. Copyrightable Material. If any copyrightable material is developed under this Agreement, the DHS, Co-Applicant Board, and the U.S. Department of Health and Human Services ("HHS") shall have a royalty-free, non-exclusive, and irrevocable right to reproduce, publish, authorize others, or otherwise use such material.

E. Governing Law

1. Applicable Laws, Regulations, and Policies. This Agreement shall be governed and construed in accordance with applicable Federal laws, regulations, and policies. In addition, each Party covenants to comply with all applicable laws, ordinances, and codes of the State of California and all local governments in the performance of the Agreement, including all licensing standards and applicable accreditation standards.
2. New HRSA Directives. The Health Center's Project Director shall submit promptly to each Party any directives or policies that are received from HRSA after execution of this Agreement and are pertinent to applicable Section 330 grants, and the Parties shall comply with such additional directives/policies, as they become applicable.
3. Non-Discrimination. By signing this Agreement, the CAB agrees to comply with the COUNTY's Equal Employment Opportunity Non-Discrimination Policy and all related personnel policies as well as all related federal requirements.
4. Term. This Agreement shall commence upon execution and is continuous and shall remain in effect during the project period of any Section 330 grant award that the DHS receives with CAB as its Co-Applicant, unless the termination of CAB at an earlier date in accordance with the terms of Section F of this Agreement.

F. Termination

1. Reporting. Termination of this agreement will be reported to HRSA within ten (10) days. The grant award may be affected by such termination.
2. Immediate Termination. This Agreement shall terminate immediately upon the non-renewal or termination of the Section 330 grant.
3. For Cause Termination. Either party may terminate this Agreement "for cause" in the event that the other Party fails to meet its material obligations under this Agreement. Such "for cause" termination shall require ninety (90) days prior written notice of intent to terminate during which period the Party that has allegedly failed to meet its material obligations may cure such failure or demonstrate that no such failure has occurred. Any dispute between the Parties regarding whether a breach of a material obligation has occurred, or that such a breach has been satisfactorily cured, will be resolved in accordance with this Agreement.
4. Without Cause. County may terminate this agreement without cause with sixty

(60) days' notice.

5. Termination by Mutual Agreement. This Agreement may be terminated upon the mutual approval of the Parties in writing.
6. Termination Contingent upon HRSA Approval. With the exception of a termination for cause arising from the voluntary or involuntary loss of the Health Center's FQHC designation (or its Section 330 grant), either party may terminate this agreement on one hundred twenty (120) days written notice; however, such termination shall not become effective unless and until HRSA issues its written approval of such termination.
7. Dispute Resolution and Mediation. The Parties shall first attempt to resolve any dispute or impasse in decision-making arising under or relating to this Agreement by informal discussions between the Project Director of the Health Center and the Chair of the CAB. Any dispute or impasse not resolved within a reasonable time following such discussions (not to exceed thirty (30) days) shall be resolved by mediation by the County Administrative Officer. If the Parties are unable to resolve the dispute through mediation, either Party may pursue any remedy available at law.
8. Notices. All notices permitted or required by this Agreement shall be deemed given when made in writing and delivered personally or deposited in the United States Mail, first class postage prepaid, Certified and Return Receipt Requested, addressed to the other Party at the addresses set forth below or such other addresses as the Party may designate in writing:

For CAB:

Chairperson
Sacramento County Health Center Co-Applicant Board
4600 Broadway, Suite 2500
Sacramento, CA 95820

For the County of Sacramento:

DHS Director
County of Sacramento DHS
7001-A East Parkway, Suite 1000
Sacramento, CA 95823

G. Assignment

This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective transferees, successors and assigns; provided that neither Party shall have the right to assign, delegate or transfer this Agreement, or its rights and obligations hereunder, without the express prior written consent of the other Party and HRSA. Furthermore, the Co-Applicant Board shall not execute a merger, consolidation, or major structural or contractual affiliation with a third party that materially impacts the governance or operation of the Health Center or materially impairs its performance under this Agreement without the written consent of the County of Sacramento. The Parties agree that the Co-Applicants designation by HRSA as an FQHC cannot be transferred to another entity without express prior written consent from HRSA.

H. Severability

The terms of this Agreement are severable, and the illegality or invalidity of any term or provision shall not affect the validity of any other term or provision, all of which shall remain in full force and effect.

I. Amendments

The Parties may agree to amend this Agreement, which shall be in writing and signed by the Parties.

J. Waiver

No provision of this Agreement shall be waived by any act, omission or knowledge of a Party or its agents or employees except by an instrument in writing expressly waiving such provision and signed by a duly authorized officer or representative of the waiving Party.

K. Agency

Except as may be required by the State as a condition of licensure, neither Party is, nor shall be deemed to be, an employee, agent, co-venture or legal representative of the other Party for any purpose. Neither Party shall be entitled to enter into any contracts in the name of, or on behalf of the other Party, nor shall either Party be entitled to pledge the credit of the other Party in any way or hold itself out as having the authority to do so.

L. Third-Party Beneficiaries

None of the provisions of this Agreement shall be for the benefit of or enforceable by any third party, including, without limitation, any creditor of either Party. No third party shall obtain any right under any provision of this Agreement or shall by reason of any provisions make any claim relating to any debt, liability, and obligation or otherwise against any Party to this Agreement.

M. Force Majeure


In the event either Party is unable to timely perform its obligations hereunder due to causes that are beyond its control, including, without limitation, strikes, riots, earthquakes, epidemics, war, fire, or any other general catastrophe or act of God, neither Party shall be liable to the other for any loss or damage resulting therefrom.

N. Entire Agreement

This Agreement constitutes the entire agreement between the Parties and no statements, promises or inducements made by a Party or by agents of either Party, which are not contained in this Agreement, shall be valid or binding.


O. Execution

In witness whereof, the parties have executed this agreement below by their authorized representatives.



Suhmer Fryer, CAB Chair

9/19/25
Date



Noel Vargas, Interim HRSA Project Director

9/19/25
Date



Timothy Lutz, Director of Health Services

9/19/2025
Date