

**THIRD AMENDMENT TO THE AGREEMENT BETWEEN
THE COUNTY OF SHASTA AND THE SAIL HOUSE, INC.**

This Third Amendment is entered into between the County of Shasta, a political subdivision of the State of California, through its Health and Human Services Agency ("County"), and The Sail House, Inc. ("Contractor"), a California corporation.

RECITALS

WHEREAS, County and Contractor have previously entered into an agreement on April 14, 2015, effective July 1, 2015, to provide an augmentation program for residential care home services ("Agreement"); and

WHEREAS, the Agreement was amended and effective on February 23, 2016 to add services and increase compensation; and

WHEREAS, the Agreement was amended and effective on March 9, 2016 to reflect Contractor's new address; and

WHEREAS, County and Contractor desire to amend this Agreement to increase the per day per bed rates from \$22.00 to \$24.20 for Sail House and from \$25.00 to \$27.50 for Gilmore Place, and increase compensation from \$175,000 to \$200,000 for County Fiscal Year 2017-18 for a new maximum compensation of \$550,000 during the term of the Agreement.

NOW, THEREFORE, the Agreement is amended as follows:

- I. Section 3, **COMPENSATION**, is amended as of the Effective Date of this Third Amendment, in its entirety, to read as follows:
 - A. In consideration of the services rendered by the Contractor pursuant to this Agreement, County shall pay Contractor on a monthly basis at the following rates per day per bed, excluding the day of discharge, for each Client admitted for services: \$22.00 in County Fiscal Years 2015-16 and 2016-17 and \$24.20 in County Fiscal Year 2017-18 for The Sail House; \$25.00 in County Fiscal Years 2015-16 and 2016-17 and \$27.50 in County Fiscal Year 2017-18 for Gilmore Place. Payment to Contractor for days during a particular month when a Client is temporarily absent from the Facility is limited to a total of seven days per month and is allowable only if the County determines the following conditions are met:
 1. The absence is consistent with the Client's service and treatment plans;
 2. The absence is necessary for the Client's progress or maintenance at the level of care furnished by Contractor pursuant to this Agreement;
 3. The absence is planned or anticipated; and
 4. The absence, as well as the purpose(s) of the absence, is (are) documented.

- B. Notwithstanding the above, payment to Contractor for days during a particular month when a Client is temporarily absent, due to acute hospital or acute non-hospital (psychiatric health facility) treatment, or for treatment in other facilities which meet the staffing standards prescribed in the CCR, Title 9, section 663, is limited to 10 days per month. Payment for the days the Client is temporarily absent due to the reasons described in this provision (Section 3.B.), is allowable if such treatment is necessary as determined by County for the Client to return to the level of care furnished by Contractor pursuant to this Agreement, (i.e., in a residential facility), and if the purpose(s) is (are) documented in writing by Contactor.
- C. The maximum amount payable to Contractor under this Agreement shall be \$175,000 for County Fiscal Year 2015-16, \$175,000 for County Fiscal Year 2016-17, and \$200,000 for County Fiscal Year 2017-18. For the purposes of this Agreement, the County Fiscal Year commences on July 1 and ends on June 30 of the following calendar year. Maximum compensation shall not exceed \$550,000 during the entire term of the Agreement.
- D. No more than once per County Fiscal Year and no later than 30 days after the commencement of each County Fiscal Year during the term of this Agreement, the Director, or any HHSA Branch Director designated by the Director, may approve, in writing and in advance, changes in the Contractor's rates of compensation as set forth in Section 3.A. of this Agreement, provided that an increase in any single rate shall not exceed 10 percent over the original rate during the entire term of this Agreement and provided further that the rate increase(s) shall not increase the total compensation payable under this Agreement.
- E. Contractor's violation or breach of Agreement terms may result in fiscal penalties, withholding of compensation, or termination of Agreement.

II. REAFFIRMATION

In all other respects, the Agreement, as amended, remains in full force and effect.

IV. ENTIRE AGREEMENT

The Agreement, as amended, and any attachments, constitute the entire understanding between County and Contractor.

V. EFFECTIVE DATE

This Third Amendment shall be deemed effective as of July 1, 2017.

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to the Agreement. By their signatures below, each signatory represents that he/she has the authority to execute this Third Amendment and to bind the party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date _____

DAVID A. KEHOE, Chairman
Board of Supervisors
County of Shasta
State of California

ATTEST:
Lawrence G. Lees
Clerk of the Board

By: _____
Deputy

Approved As To Form:
RUBIN E. CRUSE, JR.
County Counsel


Alan B. Cox


4/26/17

Risk Management Approved:


James Johnson
Deputy County Counsel
Risk Management Analyst

CONTRACTOR

Date 4/28/17


Chris Carey, President
Chief Financial Officer