



Agreement

By and Between Inhabitants of the Town of Lincolnville

And

North East Mobile Health Services

For

Emergency Medical Services



Preamble

This Agreement entered into on the 1st day of July, 2025 by and between the Inhabitants of the Town of Lincolnville, Maine, a municipal corporation organized under the laws of the State of Maine, located in the County of Waldo, State of Maine (hereinafter known as the "TOWN") and North East Mobile Health Services, a Maine business corporation with a mailing address of 9 Willey Rd , Saco, Maine 04072, located in the County of York, State of Maine (hereinafter known as "NEMHS") with a base location in Rockport, Maine.

WHEREAS, the TOWN wishes to continue to engage NEMHS to provide emergency medical and transport services to the TOWN in association with the towns of Hope and Camden (hereinafter referred to as the "three-towns"); and

WHEREAS, NEMHS wishes to provide the aforementioned services;

NOW, in consideration of the mutual promises and covenants contained in this Agreement, it is hereby agreed as follows:

Section I. General Conditions

A. Term

This Agreement shall be in force for a period of three (3) years commencing on July 1, 2025 and ending on June 30, 2028, unless earlier terminated by either party in accordance with the terms of this Agreement. The TOWN may elect to renew this Agreement for an additional period of one or more years provided that (a) the parties are able to agree on a contract price for the renewal term, and (b) the TOWN provides NEMHS with written notice of its election to renew at least ninety (90) days prior to the expiration of the then current contract term.

B. Service

Commencing at 12:01 a.m. on July 1, 2025, and continuing on for the duration of this Agreement, NEMHS agrees to provide Emergency Medical Services (EMS) within the territorial limits of the TOWN whenever requested, for the entire term of the Agreement. All services provided by NEMHS shall be consistent with prevailing professional standards in the emergency medical services community in Mid-Coast Maine and as established by the Maine Office of Emergency Medical Services ("Maine EMS") as well as those specified in this agreement. Transportation of patients will be to the hospital deemed most appropriate based on the needs of the patient and consistent with Maine EMS protocols. Whenever practical and reasonable to do so, the patient's choice of hospitals will be honored.

Section II. Emergency Medical Services and Performance Requirements

A. Ambulance Service

NEMHS shall provide Advanced Life Support and Basic Life Support (ALS & BLS-Paramedic) emergency ambulance services at the request of the Town twenty-four (24) hours daily, seven (7) days a week.

Basic Life Support is defined as calls dispatched with the "ALPHA" (A), "BRAVO" (B), and "OMEGA" (O) determinant codes and Advanced Life Support is defined as calls dispatched with the "ECHO" (E), "DELTA" (D), and "CHARLIE" (C), determinant codes. All persons needing service shall be served without regard to place of residence, financial

condition, medical insurance coverage or type of ailment or injury suffered.

B. Other Services

NEMHS shall also provide the following services and training as required:

- (1) First Aid Training
- (2) Cardiopulmonary Resuscitation Training
- (3) Stop the Bleed Training

C. Response Level

NEMHS shall or shall cause an immediate response for emergency medical services with a paramedic staffed vehicle for 95% of ALS calls as defined above. Response Level will be measured by combining the response level for all three towns.

As per Section VIII NEMHS shall have mutual aid agreements in place in the event NEMHS cannot immediately respond to any call for emergency service.

D. Penalties for Insufficient Response Levels

NEMHS will pay the following penalties for failure to meet the response level performance standards identified in section II. C. within the quarterly reporting period. The following penalties are a total quarterly amount to be paid to the three towns as a whole. When a penalty is assessed, a review Committee made up of the Administrator from each town and the NEMHS CEO or their designees will determine how the penalty will be divided to each town.

Paramedic Response Rate	Penalty
95% - 93%	\$5,000
92% - 89%	\$10,000
88% - 84%	\$15,000
83% - 79%	\$20,000
78% - 74%	\$25,000
73% - 68%	\$30,000
67% - 62%	\$35,000
61% - 56%	\$40,000
55% - 50%	\$45,000
Less than 50%	\$50,000

E. Average Response Time Performance Requirements

"Response Time" is defined as the total time from when the call is dispatched by Knox County Regional Communication Center to NEMHS to the time NEMHS's ambulance arrives at the incident. Average Response time for the TOWN will be Twenty-Two (22) minutes.

F. Response Time Penalties

If NEMHS fails to meet response time performance standards *within the quarterly reporting period* and the Review Committee does not grant an exception to the delay, NEMHS shall pay the following penalties to the town in which the response time was not met:

Average Response Time (Minutes)	Penalty
12:01 to 12:30	\$2,500
12:31 to 13:00	\$5,000
13:01 to 13:30	\$7,000
13:31 to 14:00	\$8,000
14:01 to 14:30	\$9,000
Greater than 14:30	\$10,000

Nothing in this section shall be construed to limit any remedies, including termination, provided for in this Agreement with respect to any nonperformance, breach or default by NEMHS.

If mitigating circumstances arise that contribute to high average response times NEMHS can request the Review Committee to determine whether there were acceptable mitigating circumstances that caused or significantly contributed to a high average response time. If the Committee approves the mitigating circumstances, the call shall not be included when averaging quarterly response times. Mitigating circumstances include, but are not limited to, severe weather conditions, disasters, or unusual periods of very high demand upon the system due to, for example, multiple casualty incidents. Mitigating circumstances also include the wrong address provided to NEMHS by KRCC or unavoidable delay caused by unreported road construction.

G. Appeal of Response Level and Response Time Penalties

Within thirty (30) days of receipt, NEMHS may request, in writing, reconsideration of penalties set forth in Section II.D. and response time penalties set forth in Section II.F.

The Review Committee, in their discretion can either deny review, uphold the response time penalties, or overturn or change the penalties after review. The ruling by the Review Committee shall be final.

H. Special Events

NEMHS shall cooperate with the Towns in developing and implementing operations plans for special events.

I. Ambulance Standby

At the request of the Emergency Operation Directors for the three towns, NEMHS will provide standby service at a disaster, major fire incident, special weapons and tactics (SWAT) operation or other emergency incident at no cost.

If an incident requires more standby ambulance units than it can provide, NEMHS shall call for additional ambulances including, when necessary, from other ambulance service providers in the region.

J. Disaster Planning

NEMHS shall actively participate in disaster planning and exercises as requested by the three towns.

Section III. Fees and Contract Price

A. Fees

NEMHS agrees that it will charge a reasonable fee consistent with local industry standards for EMS services rendered within the TOWN and that it will bill the patient, or such other person as may be responsible for the patient. NEMHS further agrees that it will bill the patient's third-party payor(s), if any, including Medicare, MaineCare, private insurance or any other payor. The TOWN shall not be responsible for any payment or collection of a patient's bill.

B. Contract Price

The Town of Camden has agreed to enter into shared staffing model to assist in the delivery of Emergency Medical Services in an attempt to control costs and develop a more efficient regionalization model. The Agreement between Camden and NEMHS for this shared staffing model is a separate document and reference in this contract.

In consideration for the services rendered to the TOWN pursuant to the terms of this Agreement, in keeping with the terms of the shared staffing agreement, NEMHS shall charge and the TOWN agrees to pay an annual subsidy (contract price) to NEMHS as follows:

12-hour per day, 7 days per week shared staffing model

Town	Census	2025-26 NEMHS Contract	2026-27 NEMHS Contract	2027-28 NEMHS Contract
Camden	5232	\$447,087.93	\$464,971.44	\$483,570.30
Lincolnton	2,312	\$197,566.27	\$205,468.92	\$213,687.68
Hope	1698	\$145,098.49	\$150,902.43	\$156,938.53
Total	9,242	\$789,752.80	\$821,342.79	\$854,196.51

24-hour per day, 7 days per week shared staffing model

Town	Census	2025-26 NEMHS Contract	2026-27 NEMHS Contract	2027-28 NEMHS Contract
Camden	5232	\$365,143.56	\$379,749.30	\$394,939.27
Lincolnton	2,312	\$161,355.49	\$167,809.71	\$174,522.10
Hope	1698	\$118,504.16	\$123,244.33	\$128,174.10
Total	9,242	\$645,003.21	\$670,803.34	\$697,635.47

Fees will be based on the staffing model that is in place at the beginning of the quarter.

Payments of the contract price may be made in equal quarterly payments that shall be due and payable on July 30th, October 30th, January 30th and April 30th of each year.

Notwithstanding any other provision of this Agreement to the contrary, the parties agree that the contract price is payable by the TOWN from appropriations made each year at the Town Meeting. In the event that an insufficient amount to fund NEMHS under this Agreement is appropriated at the TOWN MEETING or REFERENDUM, this Agreement may be terminated by the Select Board without further obligation on behalf of the TOWN. In such event the Select Board shall certify in writing to NEMHS that sufficient funds are not available to fund the TOWN'S obligation under this Agreement, and such certification shall be binding and conclusive with respect to both parties. In the event that sufficient funds are not available, NEMHS, in its discretion, may discontinue providing services under this Agreement within sixty (60) days following certification of insufficient funds by the TOWN.

Section IV. Agreement Administration, Reporting & Monitoring

A. Representatives

The TOWN shall at all times under this Agreement act through its Town Manager/Administrator, as designated by the Select Board, and NEMHS shall at all times act through its Chief/CEO or Deputy Chief/COO or such other officer identified to the TOWN by NEMHS as having sufficient authority.

B. Reporting, response time, mutual aid, and paramedic response

1. Town officials will work with NEMHS officials to obtain effective data reports from Knox Regional Communications Center (KRCC) on which to base reports from NEMHS to the towns.
2. General response times are decreasingly considered a factor in patient outcome, being replaced by specific time-dependent condition review mechanisms and other measures.
3. Nonetheless, response times have been a local focus of performance and should be maintained as previously utilized for reporting and penalty assessment for the extent of the contract years with the following provisions:
 - a. The data collection, reporting and penalty assessment mechanisms herein reflect the structure previously adopted such that the data collected and reported captures both the reported time that NEMHS is notified and the time a NEMHS unit arrives on the scene. Nevertheless, the time from when a NEMHS unit is enroute to the time the NEMHS unit arrives on scene will continue to be reported for historical comparison purposes.
 - b. NEMHS shall maintain Maine EMS and KRCC data sources capable 90th percentile and 95th percentile response time reporting, and response reporting by the emergency medical dispatch (EMD) coding system currently in use, except that "Omega" calls which are generally community paramedic or other non-emergency calls, shall be considered Basic Life Support (BLS). These should include at least the following call tracking characteristics:
 - i. The time that the 9-1-1 call is received. (if easily reportable from KRCC)
 - ii. The time that NEMHS was notified.
 - iii. The time that NEMHS was enroute.
 - iv. The time that NEMHS arrived on scene.
 - v. The time that patient contact is made – as reasonably possible under the circumstances.
 - vi. The time that NEMHS began transporting
 - vii. The time that NEMHS arrived at the hospital or other destination.
 - viii. A list of calls exceeding 95th percentile.

- c. NEMHS will continue to report on Paramedic coverage on advanced life support calls, using current definitions, except for Omega calls as redefined above in subsection 3 and in Section II(A).
 - d. NEMHS, with their Medical Director, and conferring with Town, shall establish a set of data collection/reporting mechanisms that augment, and eventually become primary reporting tools, including consideration of:
 - i. Data reporting participation in GAMUT.
 - ii. Participation in the CARES registry.
 - iii. A mechanism for patient satisfaction measurement and reporting.
 - iv. A mechanism for notification, routing, responding to, and reporting complaints.
 - v. Maintain bundled advanced life support quality reporting, including but not limited to:
 - Aspirin administration for chest pain.
 - 12-Lead ECG for chest pain.
 - STEMI and code-stroke notifications.
 - On scene times with stroke.
 - Sepsis fluid administration.
 - e. During the contract period, NEMHS shall perform a gap analysis and draft an action plan seeking accreditation by a nationally recognized ambulance service accrediting agency such as the Commission for the Accreditation of Ambulance Services or similar agency or organization acceptable to the Town.
4. NEMHS will provide the following quarterly reports to the Town and the Review Committee by the end of the month, one month after each quarter (October, January, April and July)
- a. NEMHS shall report quarterly on Response Level of ALS calls for each town. Compliance will be measured by combining response levels for all three towns and taking into account the criteria and requirements referenced above.
 - b. NEMHS shall report quarterly on Average Response Times for each town. Notwithstanding this requirement, NEMHS shall develop a mechanism to replace mean average reporting with 90th percentile-based reporting and penalties. This mechanism should emphasize mitigation incentives over penalties and should reflect zone-based and patient-condition-based considerations over general response times.
 - c. NEMHS will report on the use or provision of mutual aid, any training activities conducted for TOWN employees and/or volunteers and any major upgrades to communications and/or equipment.
 - d. Upon request, NEMHS will provide an update regarding EMS performance to the TOWN at a Select Board meeting. NEMHS shall also submit an annual

report of all EMS activities within the TOWN for inclusion in the Annual Town Report.

- e. In addition, any serious incident, such as a death during a response, while on scene or during a transport, will be reported by NEMHS to the Town's Representative within 24 hours.

C. Review Committee

1. A review Committee will be formed made up of the Town Administrator and Fire Chief or their designee when applicable from each participating Town, as well as the NEMHS CEO and Base supervisor.
2. The review Committee will review Response Level and Response Time performance quarterly and evaluate whether changes are necessary. The review committee understand that topics discussed in these meetings may be confidential and protected. Any Protected Health Information that may be discussed must only be used for the purpose of these meetings and may not be used, discussed or disseminated outside of the meetings.

D. Operational Supervision – Rockport Base Supervision will include:

1. Effective lines of communication with the Town, Town and or County public safety officials, and other officials that allows access to base supervisory and NEMHS administration officials as appropriate to need.
2. A dedicated Base Manager/Supervisor who is qualified as a paramedic and who has supervisory experience. Furthermore:
 - a. Said Base Manager/Supervisor shall maintain regular communications with Town Public Safety, Knox Regional Communications Center (KRCC) and other officials to maintain effective operations and resolve issues that may arise in a timely manner.
 - b. Said Base Manager/Supervisor will be a full-time position and have on duty availability.
 - c. Contact information for the Base Manager/Supervisor shall be provided to county dispatch and Public Safety officials.
 - d. NEMHS will further designate a back-up, who may be a service administrator and who is on-call only when the Base Manager is temporarily unavailable.
 - e. NEMHS will further consult with Town fire chiefs, or other designated Town officials, and local NEMHS medical director on the hiring or designation of the Base Manager/Supervisor. NEMHS has ultimate decision making on hiring the Base Manager.
3. NEMHS will further designate a Medical Director for the Rockport Base Operation, who will:
 - i. Oversee the clinical performance quality review process.

- ii. Participate in the regular training linked to the quality review process.
- iii. Participate in regular meetings with town and state/regional EMS officials as required by NEMHS and these contracts.

E. Operations and Processes

1. Leadership Communications

- a. The NEMHS Chief Executive Officer (CEO) or Chief Operating Officer (COO), or designee during a prolonged absence, will respond to contacts from Town managers/administrators within a reasonably immediate timeframe and, when the inquiry involves a determination or investigation of information requiring a matter of days or more, will report on progress periodically and will acknowledge in writing when the CEO or COO considers the inquiry to be resolved.
- b. The Rockport Base Manager/supervisor, or designee during vacation, illness or similar duty- relief absence, will respond to contacts from town officials in the same manner as subsection 1(A) above of this Section E.
- c. The Town managers, or their designee during a prolonged absence, will respond to contacts from NEMHS CEO or COO in the same manner as defined in 1(A) above.
- d. The Rockport Base Manager/supervisor will contact or meet with designated Town on an individual or group basis at least once per month to discuss the status of EMS response and to plan initiatives or operational details of mutual interest.

2. Reporting

- a. Response time reports will include mean averages (as a basis for any penalties assessed as is current practice), 90th percentile response, and 95th percentile response. These reports will be discussed at the quarterly EMS Performance Committee meeting.
- b. Calls exceeding the 95th percentile response time will be reviewed by NEMHS quality review process and NEMHS will make recommendations for mitigation. These calls will then be brought to the quarterly EMS Performance Committee meeting with said report or recommendations on actions taken or needed to mitigate such response issues.
- c. Calls on which a Paramedic was required to be in attendance, but was not, will be reviewed by the NEMHS quality review process and recommendations will be made by NEMHS for mitigation. These will then be brought to the quarterly EMS Performance Committee meeting with said report or recommendations on actions taken or needed to mitigate such response issues.

3. Communications

- a. NEMHS will establish effective standard operating guidelines for:
 - i. Use of MedComm and KCRR in call dispatch and tracking.
 - ii. Use of MedComm in managing interfacility transport requests.
 - iii. Use of the "I am Responding" application in Knox County.

4. Assistance with three-town First Responder Service

- a. NEMHS agrees to participate and assist, as needed, with the continued operation and development of the first responder service; and to assist with developing standard operating procedures around how the 2 services will integrate around items such as;
 - i. Dispatch Procedures and Protocols.
 - ii. Integration of Clinical Care.
 - iii. Education and Quality Improvement.
 - iv. Use and replacement of clinical disposables used for patient care.

Section V. Personnel

A. Certification of Personnel

NEMHS represents that all ambulance personnel have successfully completed authorized training courses at their respective license levels and are duly licensed to practice by Maine EMS.

All personnel are required to maintain current certification in cardiopulmonary resuscitation through the successful completion of American Heart Association CPR training programs, and to successfully complete either an AVOC (Ambulance Vehicle Operators Course) or an approved EVOC (Emergency Vehicle Operators Course).

Paramedics are required to successfully complete an American Heart Association course in Advanced Cardiac Life Support.

B. Employee Training & Professional Development

Though not required of all personnel, NEMHS regularly makes available a number of nationally recognized programs such as PHTLS (Prehospital Trauma Life Support), AMLS (Advanced Medical Life Support), PEPP (Pediatric Education for Prehospital Professionals) and the Maine EMS PIFT (Paramedic Inter-Facility Transport) program to its personnel. Such programs are integral parts of NEMHS'S comprehensive program of continuing education.

C. Ambulance Driver Training

In addition to the foregoing, all personnel who operate NEMHS vehicles must meet the standards of both NEMHS and its insurance carrier. Driving records of all NEMHS applicants are reviewed prior to hire and driving records of all personnel are reviewed on an ongoing basis by NEMHS's insurance carrier to ensure that personnel have not received violations or been involved in accidents that would render them ineligible to drive NEMHS vehicles under current NEMHS and insurance carrier standards.

NEMHS shall provide Ambulance Driver training to all Town Firefighters as requested.

D. Incident Command System

NEMHS shall train all its employees assigned to any part of the three-town service area on the National Incident Management System (NIMS) within ninety (90) days of the Agreement effective date. All employees working in the field will be trained on NIMS IS 700, NIMS IS 800, NIMS ICS 100 and NIMS ICS 200. Supervisors and managers shall also be trained in ICS 300. NEMHS shall provide the TOWN with written verification that the training is completed.

NEMHS shall conduct continuing training as needed to maintain proficiency for all employees.

Section VI. Communications

A. Communications with Ambulances

NEMHS shall maintain twenty-four (24) hours daily, seven (7) days a week direct communication between its ambulances at any location within their service area and

the Knox County dispatch center.

B. Telephone and Radio Recording

All telephone lines on which calls for service can be received shall be continuously recorded when in use with a time and date stamp. Telephone line recordings shall be maintained for one hundred eighty (180) days.

All radio communications are to be recorded with a date and time stamp and maintained for one hundred eighty (180) days.

The TOWN is authorized to have copies of any telephone and radio communications for incidents in which Knox County Communications resources are dispatched or should have been dispatched in accordance with this Agreement.

C. Two-Way Communications

NEMHS will, at its own expense, provide for two-way radio communications between its units, Knox County Dispatch and the Fire Departments of the three Towns.

If Knox County Dispatch changes two-way radio frequencies during the term of this Agreement, the NEMHS is responsible for making necessary modifications at its own expense to maintain communications.

D. System Upgrades

The NEMHS shall cooperate with the TOWN and Knox County Dispatch during planning and implementing upgrades and enhancements to communications systems.

Section VII. Quality Assurance

A. Rules and Standards for Quality Improvement

State and local rules, regulations and standards relating to the operation of ambulances shall be met at all times. NEMHS shall follow the Maine State Emergency Medical Service (EMS) Protocols / Guidelines / Operating Procedures established by Maine EMS.

B. Customer Services

NEMHS will ensure high quality and safe customer service in all aspects of service delivery and performance.

1. Patient Surveys

NEMHS shall randomly conduct patient satisfaction surveys on at least 5 percent of all patients transported in a given contract year. Surveys must be evenly spaced throughout the year. An annual report shall be provided to the TOWN within thirty (30) days of the end of each year.

The TOWN shall pre-approve the survey form and reserves the right to review completed individual surveys received by NEMHS.

2. Inquiries and Complaints

NEMHS shall provide prompt written responses and follow-up to inquiries and complaints. Such responses shall be subject to the limitations imposed by patient confidentiality restrictions.

By the 15th day of each calendar month, NEMHS shall provide the TOWN with a list of all complaints received regarding services provided and their respective dispositions. Copies of such complaints will be made available to the TOWN upon request.

Any complaint received by the TOWN shall be forwarded to NEMHS for action and NEMHS shall advise the disposition of the incident to the TOWN within twenty-one (21) days of receipt.

C. Protection of Patient Information.

Each Party agrees to comply with the Health Information Technology for Economic and Clinical Health Act of 2009 ("HITECH ACT"), the Administrative Simplification Provisions of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and any current and future regulations promulgated under the HITECH Act or HIPAA, including without limitation the federal privacy regulations contained in 45 C.F.R. Parts 160 and 164, the federal security standards contained in 45 C.F.R. Parts 160, 162 and 164, and the federal standards for electronic transactions contained in 45 C.F.R. Parts 160 and 162, all as amended from time to time and collectively referred to herein as the "HIPAA Requirements." Each Party agrees not to use or further disclose any "Protected Health Information," including "Electronic Protected Health Information," as such terms are defined in the HIPAA Requirements, other than as permitted by the HIPAA requirements and the terms of this Agreement. Each Party will make its internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary of Health and Human Services to the extent required for determining compliance with the HIPAA Requirements.

Section VIII Mutual Aid

A. Mutual Aid

NEMHS shall obtain mutual aid from outside sources as may be necessary to ensure NEMHS' ability to provide appropriate EMS coverage under those circumstances when NEMHS is unable to do so with its own vehicles and staff. In these circumstances where NEMHS utilizes mutual aid, NEMHS shall be responsible for bearing all associated costs.

NEMHS will only utilize mutual aid assistance from services that are duly licensed and authorized by Maine EMS to provide emergency medical services.

NEMHS shall be responsible for setting a rate to provide mutual aid to neighboring communities as requested.

Section IX. Liability

A. Hold Harmless

No liability shall attach to the TOWN for entering into this Agreement or because of any act or omission of NEMHS except as expressly provided herein.

B. Third Party Claims

The contract and relationship between the parties, whether or not specified contractually, may expose the TOWN to third party liability claims in connection with the exercise of its government functions. It is recognized that undertaking referral,

dispatch and related functions by the TOWN as anticipated by this Agreement may result in a claim or the finding of a special relationship between the TOWN and a third-party requesting emergency assistance or other ambulance service which may give rise to TOWN or NEMHS liability. All insurance coverage and the promise of indemnification by NEMHS shall specifically include liability and indemnification protection for any and all third-party claims, direct or indirect, against the TOWN, and their officers, agents and employees except where such third-party claims are related to TOWN negligence or willful misconduct.

This Agreement shall not be construed to provide any benefits to any third parties. Specifically, and without limiting the foregoing, this Agreement shall not create or be construed as creating an exception to the Public Duty Doctrine.

C. Action by NEMHS Employees

NEMHS assumes potential liability for actions brought by its own employees against NEMHS. Solely for the purpose of this indemnification and defense, NEMHS waives any immunity under Maine State workers compensation laws, Title 39-A.

Section X. Insurance

A. Indemnification

NEMHS shall defend, indemnify and hold harmless the TOWN and its officers, employees and agents from and against all claims, damages, losses and expenses arising out of or resulting from the negligent performance of work or by intentional misconduct of NEMHS, its officers, employees or agents under this Agreement. This hold harmless and indemnity agreement shall survive expiration or termination of this Agreement and shall include indemnity against all costs, expenses and/or liabilities incurred in connection with any such injury, loss or damage or in defense of any claim or claims on account thereof.

B. General Liability

NEMHS shall keep in effect at all times commercial general liability insurance and automotive liability insurance policies, each in an amount not less than \$2,000,000. Worker compensation liability insurance in at least the statutory amount, as amended from time to time (including occupational disease provisions for all employees); and EMT and paramedic professional liability insurance coverage in an amount no less than \$2,000,000 per occurrence and in the aggregate.

All such insurance policies shall name the TOWN, its officers, employees and agents as additional insureds, except that for the purpose of Worker's compensation insurance, NEMHS may provide a written waiver of subrogation rights against the TOWN. NEMHS, prior to the commencement of work under this Agreement shall deliver to the TOWN certificates evidencing such insurance coverages, which certificates shall state that NEMHS must provide written notice to the TOWN at least thirty (30) days prior to cancellation, non-renewal, material modification or expiration of any policies, evidenced by return receipt of United States Certified Mail. Replacement certificates shall be delivered to the TOWN prior to the effective date of cancellation, termination, material modification or expiration of any such insurance policy.

NEMHS shall not commence work under this Agreement until it has obtained all insurance coverages required under this section and all such insurance certificates have been delivered to and approved by the TOWN. If at any time insurance coverage for NEMHS, as required herein, is suspended or terminated, NEMHS shall immediately notify the TOWN, and NEMHS shall immediately request mutual aid which must be approved by the TOWN, and NEMHS shall pay any cost incurred by the TOWN for said mutual aid. If insurance coverage for NEMHS is not reinstated within forty-eight (48) hours, the TOWN may immediately terminate this Agreement in its sole discretion.

NEMHS and its employees and agents, during the performance of this Agreement, act as independent contractors in all respects and not as officers or employees of the TOWN. NEMHS and its employees and agents, during the performance of this Agreement shall not hold themselves out as employees of the TOWN. Any personnel needed to fulfill the obligations of this Agreement shall be employed by NEMHS which shall be wholly responsible for complying with applicable state and federal laws, including, but not limited to Worker's compensation and minimum wage. As an independent contractor, NEMHS is also responsible for maintaining its equipment in a safe, operable and legal condition.

Section XI. Compliance with Agreement

A. Non-Compliance with Agreement (Violation)

The TOWN may issue Notices of Contract Violation and assess liquidated damages for failure of NEMHS to comply with a term or condition of this Agreement. Section XI liquidated damages do not apply to response time or Response Level liquidated damages. Response time liquidated damages are set forth solely in Section II.N. above.

B. Liquidated Damages

In the event the NEMHS fails to meet its service and/or quality obligations under Sections IV, V, VI, VII, VIII or X, the itemized liquidated damages shall apply. Liquidated damages established herein have been determined based on the estimated damages that will occur to the TOWN in the event NEMHS fails to comply with the contractual conditions. The TOWN and the citizens it serve require qualified and timely ambulance services and it will be difficult, if not impossible, to precisely prove the amount of damages when such services are not provided consistent with the terms of this Agreement. NEMHS agrees and recognizes that the liquidated damage amounts specified herein are a reasonable estimate of the damages the TOWN will incur. Nothing in this Section shall be construed to limit any remedies, including termination, provided for herein with respect to any nonperformance, breach, or default by NEMHS.

Liquidated Damages shall be:

1. First Violation: Notice of Contract Violation and/or Liquidated Damages up to \$1,000.
2. Second Violation: Liquidated Damages not to exceed \$3,000
3. Three or More Violations: Liquidated Damages not to exceed \$5,000 for each violation.

Depending on the nature of the violation, liquidated damages shall be assessed on a daily basis for each and every violation.

All liquidated damages shall be paid to the TOWN within thirty (30) days after the written Notice of Contract Violation issued by the TOWN unless a "Request for Hearing" is made. For each additional thirty (30) days for which the liquidated damages are unpaid, an additional 100% shall be added to the original damage amount.

No penalty, in part or in whole, paid to the town, will exceed the total subsidy paid by the town. This will include penalties for Response Times and Response Level, Section II.D. and II.F. as well as Liquidated Damages listed above.

C. Hearing

The TOWN shall issue a Notice of Contract Violation or liquidated damages which shall be served upon NEMHS either in person or by certified mail. The notice shall set a hearing date and time at which NEMHS's authorized representative may appear in person before the EMS Performance Committee to show cause why the Notice of Contract Violation, or liquidated damages should not occur. The EMS Performance Committee shall issue a written decision within five (5) business days after the hearing. This decision shall be final and binding upon NEMHS.

Section XII. Termination

A. Termination Without Cause

Neither NEMHS nor the TOWN may terminate this Agreement without cause.

B. Termination for Material Breach

The TOWN shall notify NEMHS in writing of any failure to meet performance standards. Said notice shall set forth in detail the nature of the performance failure so that NEMHS can assess the alleged failure and make a reasonable effort to remedy the performance failure. NEMHS, upon receipt of a notice alleging a performance failure, shall have thirty (30) days to cure the performance deficiency. The TOWN agrees to work with NEMHS in curing the failure if requested to do so by NEMHS. In the event that NEMHS fails to cure the performance failure, the TOWN may elect to terminate this Agreement upon written notice to NEMHS as set forth below.

This Agreement may be terminated by either party for non-performance upon ninety (90) days written notice to the other party.

C. Non-performance

By NEMHS shall include any material breach of the Agreement including the following: a) failure to meet established performance standards; b) failure to maintain State-required licenses and certifications; c) failure to reasonably meet established response time specifications, or d) failure to meet other agreed upon performance standards in a manner that is satisfactory to the EMS Performance Committee, when so recommended by the TOWN'S EMS Performance Committee representative(s) and approved by the Select Board of the TOWN.

Section XIII. Miscellaneous Provisions

A. Applicable Law

This Agreement is to be performed under the laws of the State of Maine. For any dispute, controversy or claim arising out the terms or conditions of this Agreement, the Parties shall resolve the dispute, controversy or claim by Arbitration through a single Arbiter, pursuant to the Commercial Rules of the American Arbitration Association, which shall be conducted in Knox County, Maine. The prevailing party, as determined by the Arbiter, shall be awarded reasonable attorney fees, cost and expenses.

B. Compliance with Law

The parties shall comply with all federal, state and local laws, rules and regulations, (including but not limited to the federal Anti-Kickback Statute) now or hereafter existing, in particular: Title 32, Chapter 2-B: Maine Emergency Medical Services Act of 1982. Pertaining to emergency medical care, transportation services and ambulance rules and regulations.

C. Non-Discrimination

The parties shall comply with all applicable federal, state and local non-discrimination laws.

D. Consumer Protection

Unfair, fraudulent or deceptive practices by the parties are prohibited. Conduct of business in a manner unfair or unsafe to the public or persons requiring ambulance services is prohibited.

E. Savings Clause

If any provision of this Agreement is made invalid or unenforceable, such action shall not invalidate the entire Agreement. The provisions not made invalid or unenforceable shall remain in full force and effect.

F. Provisions to Add a New Local Government

Participation in, what is currently, the three town Cooperative is open to other local government units in Knox and Waldo County providing EMS services provided (1) the EMS Performance Committee approves the participation of additional governmental units, (2) expansion of service for the additional governmental units will not unreasonable affect the ability of NEMHS to meet its performance metrics and other obligations under the terms of this agreement, (3) the local governmental unit executes an agreement similar in scope and service to this Agreement, (4) notice is provided to the Town of Lincolnville prior to the execution of said additional Agreements and thereafter NEMH shall obtain written permission from the Town, provided however, said permission shall not be unreasonably withheld, and (5) any new local government agrees to join the three town cooperative which includes entering to the plan.

G. Force Majeure

The Parties shall be excused for the period of any delay in or impossibility of the performance of any obligations hereunder, when prevented from doing so by any cause or causes beyond a Party's control, which shall include, without limitation: any labor disputes, civil commotion, war, nuclear disturbances, hostilities, sabotage, terroristic acts, governmental regulations or controls, fire, accident or other casualty, interruption in the supply of any utilities or fuel, inability to obtain any material or services, or through acts of God.

IN WITNESS WHEREOF, THE PARTIES hereto have caused this Agreement to be executed on the day and year set forth herein above.

TOWN OF LINCOLNVILLE

BY:

ITS:

DATE:

NORTH EAST MOBILE HEALTH SERVICES

BY:

IT'S: Chief Executive Officer

DATE: