



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

**Kern Medical Center
1700 Mount Vernon Avenue
Conference Room 1058
Bakersfield, California 93306**

Regular Meeting
Wednesday, March 18, 2026

11:30 A.M.

BOARD TO RECONVENE

Board Members: Anderson, Berjis, McLaughlin, Merz, Pelz, Pollard, Stout
Roll Call:

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" OR "C" ARE CONSIDERED TO BE ROUTINE AND NON-CONTROVERSIAL BY KERN COUNTY HOSPITAL AUTHORITY STAFF. THE "CA" OR "C" REPRESENTS THE CONSENT AGENDA. CONSENT ITEMS WILL BE CONSIDERED FIRST AND MAY BE APPROVED BY ONE MOTION IF NO MEMBER OF THE BOARD OR AUDIENCE WISHES TO COMMENT OR ASK QUESTIONS. IF COMMENT OR DISCUSSION IS DESIRED BY ANYONE, THE ITEM WILL BE REMOVED FROM THE CONSENT AGENDA AND WILL BE CONSIDERED IN LISTED SEQUENCE WITH AN OPPORTUNITY FOR ANY MEMBER OF THE PUBLIC TO ADDRESS THE BOARD CONCERNING THE ITEM BEFORE ACTION IS TAKEN.

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

- 1) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. In addition, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 2) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2)) –

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on February 18, 2026 –
APPROVE

CA

- 4) Proposed renewal and binding of all-risk property insurance through PRISM and earth movement coverage through Specialty Risk Underwriters and Evanston Insurance Company from March 31, 2026 through March 31, 2027, with an option to finance property premiums through PRISM and earth movement premiums through AFCODirect, in an amount not to exceed \$789,681 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN PREMIUM FINANCE AGREEMENT-PROMISSORY AND RELATED DOCUMENTS

CA

- 5) Proposed Amendment No. 2 to Agreement 036-2024 with Baker Tilly US LLP, an independent contractor, for financial auditing services for the period April 1, 2024 through March 31, 2026, extending the term for one year from April 1, 2026 through March 31, 2027, and increasing the maximum payable by \$227,625, from \$416,400 to \$644,025, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 6) Proposed retroactive Facility Agreement under HealthTrust Purchasing Agreement HPG-45202 with Airgas USA, LLC, an independent contractor, for exclusive supply of medical-grade and specialty gases from February 1, 2026 through January 31, 2031, in an amount not to exceed \$1,400,000, plus applicable fees and taxes –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 7) Proposed Amendment No. 4 to Agreement 034-2022 with Antony Minasaghanian, M.D., a contract employee, for professional medical services in the Department of Radiology for the period June 8, 2022 through June 7, 2027, extending the current annual salary of \$615,000 per year through June 7, 2027, and increasing the maximum payable by \$985,000, from \$4,315,000 to \$5,300,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed Amendment No. 2 to Agreement 091-2024 with Patton Air Conditioning, an independent contractor, for the provision of temporary air for the S-7 air handler rebuild, increasing the maximum payable by \$125,921, from \$1,833,475 to \$1,959,396, to cover the project term –

MAKE FINDING THAT THE PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302 AND 15061(B)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN FUTURE AMENDMENTS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT PRICE OF \$2,155,336

CA

- 9) Proposed Agreement with McMurtrey Lince, Inc., an independent contractor, for construction services related to installation of surgical lights in the surgical suites and emergency department, in an amount not to exceed \$382,351 –
MAKE A FINDING THAT THE PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302, AND 15061(B)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS NOT TO EXCEED 10% OF THE TOTAL CONTRACT PRICE OF \$420,587

CA

- 10) Proposed Agreement with McMurtrey Lince, Inc., an independent contractor, for Phase I Nurse Call System project in Labor and Delivery and ICU/DOU, effective March 18, 2026, through project completion, in an amount not to exceed \$375,775 –
MAKE A FINDING THAT THE PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302, AND 15061(B)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS NOT TO EXCEED 10% OF THE TOTAL CONTRACT PRICE OF \$413,353

CA

- 11) Proposed Quote Q-00676256 with Philips Healthcare, a division of Philips North America LLC, an independent contractor, containing nonstandard terms and conditions, for purchase of a Philips Cardiac Workstation 7000 and diagnostic cardiology/ECG implementation services, in an amount not to exceed \$30,702 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 12) Proposed Terms and Conditions of Use of Equipment with Solventum US LLC, an independent contractor, containing nonstandard terms and conditions, for use of Bair Hugger patient warming devices, effective March 18, 2026, at no cost –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 13) Proposed Assignment and Assumption Agreement to Agreement 142-2025 with Organon LLC, Laborie Medical Technologies Corp., and Kern County Hospital Authority, for the continued purchase of Jada system products, effective March 18, 2026 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 14) Proposed Amendment No. 2 to Agreement 039-2024 with Soorena Fatehchehr, M.D., Inc., an independent contractor, for professional medical services in the Department of Obstetrics and Gynecology for the period April 1, 2024 through March 31, 2026, extending the term for two years from April 1, 2026 through March 31, 2028, and increasing the maximum payable by \$798,000, from \$798,000 to \$1,596,000, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- CA
15) Proposed Amendment No. 1 to Agreement 053-2023 with Ayham Aboeed, M.D., a contract employee, for professional medical services in the Department of Medicine for the period April 22, 2023 through April 23, 2026, increasing the per diem rate for hospitalist shift coverage from \$1,672 to \$1,840 per 12-hour shift, extending the term for two years from April 22, 2026 through April 23, 2028, and increasing the maximum payable by \$1,250,000, from \$2,000,000 to \$3,250,000, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
16) Proposed Project Change Request to Agreement 071-2025 with Presidio Networked Solutions Group, LLC, an independent contractor, for the period June 18, 2025 through June 17, 2032, for the provision of additional collaboration hours for the Cisco Telephone System Replacement Project, in an amount not to exceed \$56,250 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL PROJECT PRICE OF \$292,286
- CA
17) Proposed Ordering Document CPQ-4233465 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for subscription services for the Oracle Health Connection Hub for Providers from March 18, 2026 through March 17, 2029, at no cost –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
18) Report on upcoming anticipated retroactive agreements –
RECEIVE AND FILE
- 19) Proposed retroactive Novation Agreement and Amendment to Agreement 033-2018 with The College of American Pathologists, mTuitive, Inc., and Kern County Hospital Authority, for use of the CAP eFRM pathology software license and support, effective February 1, 2026 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- 20) Kern County Hospital Authority Chief Financial Officer report –
RECEIVE AND FILE
- 21) Kern County Hospital Authority Chief Executive Officer report –
RECEIVE AND FILE
- CA
22) Monthly report on What's Happening at Kern Medical Center –
RECEIVE AND FILE
- CA
23) Claims and Lawsuits Filed as of February 28, 2026 –
RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 24) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –
- 25) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) –
- 26) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Novarad Corporation, a Utah corporation, Plaintiff, v. Kern County Hospital Authority, Defendant, United States District Court, Eastern District of California, Case No. 1:25-cv-00332-KES-CDB –
- 27) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Vice President & General Counsel (Government Code Section 54957) –
- 28) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, APRIL 15, 2026 AT 11:30 A.M.

SUPPORTING DOCUMENTATION FOR AGENDA ITEMS

All agenda item supporting documentation is available for public review at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, 93306 during regular business hours, 8:00 a.m. – 5:00 p.m., Monday through Friday, following the posting of the agenda. Any supporting documentation that relates to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location.

AMERICANS WITH DISABILITIES ACT (Government Code Section 54953.2)

The Kern Medical Center Conference Room is accessible to persons with disabilities. Disabled individuals who need special assistance to attend or participate in a meeting of the Kern County Hospital Authority Board of Governors may request assistance at Kern Medical Center in the Administration Department, 1700 Mount Vernon Avenue, Bakersfield, California, or by calling (661) 326-2102. Every effort will be made to reasonably accommodate individuals with disabilities by making meeting material available in alternative formats. Requests for assistance should be made five (5) working days in advance of a meeting whenever possible.

CA

23) CLAIMS AND LAWSUITS FILED AS OF FEBRUARY 28, 2026
RECEIVE AND FILE

- A) Claim in the matter of Sherril Ann Denison
- B) Claim in the matter of Teresa Adriana Barrera
- C) Claim in the matter of Katherine Alice Warnert



SUMMARY OF PROCEEDINGS

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

**Kern Medical Center
1700 Mount Vernon Avenue
Conference Room 1058
Bakersfield, California 93306**

Regular Meeting
Wednesday, February 18, 2026

11:30 A.M.

BOARD RECONVENED

Board Members: Anderson, Berjis, McLaughlin, Merz, Pelz, Pollard, Stout
Roll Call: 6 Present; 1 Absent - Berjis

NOTE: The vote is displayed in bold below each item. For example, Berjis-Pelz denotes Director Berjis made the motion and Director Pelz seconded the motion.

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" OR "C" WERE CONSIDERED TO BE ROUTINE AND APPROVED BY ONE MOTION.

BOARD ACTION SHOWN IN CAPS

RECOGNITION

- 1) Presentation recognizing the memory of David Weinstein, M.D., Department of Psychiatry –
RECEIVED AND FILED

PUBLIC PRESENTATIONS

- 2) This portion of the meeting is reserved for persons to address the Board on any matter not on this agenda but under the jurisdiction of the Board. Board members may respond briefly to statements made or questions posed. They may ask a question for clarification, make a referral to staff for factual information or request staff to report back to the Board at a later meeting. In addition, the Board may take action to direct the staff to place a matter of business on a future agenda. **SPEAKERS ARE LIMITED TO TWO MINUTES. PLEASE STATE AND SPELL YOUR NAME BEFORE MAKING YOUR PRESENTATION. THANK YOU!**
NO ONE HEARD

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

- 3) On their own initiative, Board members may make an announcement or a report on their own activities. They may ask a question for clarification, make a referral to staff or take action to have staff place a matter of business on a future agenda (Government Code section 54954.2(a)(2)) –
NO ONE HEARD

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on January 21, 2026 –
APPROVED
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

CA

- 5) Proposed Amendment No. 3 to Agreement 69022 with Wilbur Nelson Montana, D.O., an independent contractor, for professional medical services in the Department of Medicine for the period December 1, 2022 through February 28, 2026, extending the term for two years from March 1, 2026 through February 28, 2028, and increasing the maximum payable by \$1,800,000, from \$2,300,000 to \$4,100,000, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 015-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

CA

- 6) Proposed Amendment No. 3 to Agreement 16523 with Yasser Ratl Mrad, M.D., a contract employee, for professional medical and administrative services in the Department of Obstetrics and Gynecology for the period March 16, 2023 through March 15, 2026, extending the term for three years from March 16, 2026 through March 15, 2029, and increasing the maximum payable by \$2,250,000, from \$2,250,000 to \$4,500,000, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 016-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

CA

- 7) Proposed Amendment No. 5 to Agreement 041-2023 with Tarun Rustagi, M.D., a contract employee, for professional medical services in the Department of Medicine for the period March 16, 2023 through March 15, 2026, extending the term for an additional period from March 16, 2026 through May 29, 2026, and increasing the maximum payable by \$400,000, from \$7,226,435 to \$7,626,435, to cover the initial term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 017-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

CA

- 8) Proposed Amendment No. 1 to Agreement No. 147-2025 with Sequoia Brain & Spine, Inc., an independent contractor, for professional medical services in the Department of Surgery, revising the term of the Agreement from May 1, 2026 through April 30, 2029 to April 15, 2026 through April 30, 2029 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 018-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

CA

- 9) Proposed Ordering Document CPQ-4034314 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of professional services to design and deploy a custom Blood Bank CCL Tag modification, for a project term of 90 days, in an amount not to exceed \$7,531 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 019-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

CA

- 10) Proposed Ordering Document CPQ-4220419 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of FetaLink Connectivity equipment and support, from February 18, 2026 to February 17, 2027, in an amount not to exceed \$16,841, plus applicable fees and taxes –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 020-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

CA

- 11) Proposed retroactive First Amendment to the Agreement 037-2024 with Elevate Patient Financial Solutions, LLC, an independent contractor, revising the current fee schedule, with an estimated annual cost of \$384,000, effective February 1, 2026 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 021-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

CA

- 12) Proposed Quotation 000489722.3 with Getinge USA Sales, LLC, an independent contractor, containing nonstandard terms and conditions, for maintenance and repair services of the intra-aortic balloon pump from March 1, 2026 through February 28, 2031, in an amount not to exceed \$29,863 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 022-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

CA

- 13) Proposed retroactive Agreement with Interim Diagnostic Imaging, LLC, an independent contractor, for a mobile MRI trailer from December 29, 2025 through July 27, 2026, in an amount not to exceed \$385,000 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 86025
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

CA

- 14) Proposed retroactive Change Order No. 8 to Agreement 034-2024 with McMurtrey Lince, Inc., an independent contractor, for design changes for HCAI approval of the Pediatric Emergency Department, increasing the maximum payable by \$163,914, from \$3,696,169 to \$3,860,083 –
MADE FINDING THAT THE PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVED;
AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 023-2026; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT PRICE
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

- CA
15) Proposed retroactive Lease Agreement with RW Bakersfield LTD, an independent contractor, for clinic space at 9300 Stockdale Highway, Suite 200, Bakersfield, CA 93311 from January 1, 2026 through December 31, 2035, in an amount not to exceed \$5,290,050 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 024-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis
- CA
16) Proposed retroactive Lease Agreement with RW Bakersfield LTD, an independent contractor, for clinic space at 9300 Stockdale Highway, Suite 300, Bakersfield, CA 93311 from January 1, 2026 through December 31, 2035, in an amount not to exceed \$2,508,500 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 025-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis
- CA
17) Proposed Quote 230761188 with California Mobile Kitchens, an independent contractor, containing nonstandard terms and conditions, for temporary kitchen trailer units, effective February 18, 2026, through project completion, in an amount not exceed \$277,420 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 026-2026; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT PRICE
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis
- CA
18) Proposed Change Order No. 3 to Agreement 160-2024 with Nwestco, LLC, an independent contractor, for installation of an above ground fuel tank, increasing the maximum payable by \$7,408, from \$207,210, effective February 18, 2026 – MADE FINDING THAT THE PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302 AND 15061(b)(3) OF STATE CEQA GUIDELINES; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 027-2026; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT PRICE
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis
- CA
19) Proposed Amendment No. 2 to Master Services Agreement 053-2021A-D, with Stericycle, Inc., an independent contractor, adding 8500 Stockdale Highway, Suite 150 as a waste disposal location from February 18, 2026 through August 31, 2026, increasing the maximum payable by \$5,000, from \$1,692,000 to \$1,697,000, to cover the term – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 028-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis
- CA
20) Proposed Master Services and Business Associate Agreements with RSM US LLP, an independent contractor, containing nonstandard terms and conditions, for virtual Chief Information Security Officer services, from February 18, 2026 through February 17, 2027, in an amount not to exceed \$203,250 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 029-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

- CA
21) Proposed Ordering Document CPQ-4243568 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for equipment and support for FetaLink box components for Labor and Delivery, from February 18, 2026 through February 17, 2027, in an amount not to exceed \$1,474 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 030-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis
- CA
22) Proposed Amendment No. 1 to Agreement 21323 with Healthware, Inc., an independent contractor, for web-based pharmacokinetic services for the period April 18, 2023 through April 17, 2026, extending the term three years from April 18, 2026 through April 17, 2029, and increasing the maximum payable by \$31,800, from \$9,900 to \$41,700, plus applicable fees and taxes, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 031-2026
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis
- CA
23) Report on upcoming anticipated retroactive agreements –
RECEIVED AND FILED
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis
- 24) Proposed retroactive Subscription Agreement and Business Associate Agreement with Keona Health, Inc., an independent contractor, containing nonstandard terms and conditions, for implementation of a nurse triage platform and call center from February 3, 2026 through February 2, 2029, in an amount not to exceed \$182,000 –
CHIEF AMBULATORY AND OUTREACH OFFICER RENEE VILLANUEVA AND CHIEF CO-CHIEF INFORMATION OFFICER SANDY BAKICH HEARD REGARDING THE RETROACTIVITY OF ITEM 24; APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENTS 07626 AND 07726
Anderson-Pollard: 6 Ayes; 1 Absent - Berjis
- 25) Kern County Hospital Authority Chief Financial Officer report –
CHIEF FINANCIAL OFFICER ANDREW CANTU HEARD; RECEIVED AND FILED
Pollard-Pelz: 6 Ayes; 1 Absent - Berjis
- 26) Kern County Hospital Authority Chief Executive Officer report –
CHIEF EXECUTIVE OFFICER SCOTT THYGERSON HEARD; RECEIVED AND FILED
Pollard-Merz: 6 Ayes; 1 Absent - Berjis
- CA
27) Monthly report on What's Happening at Kern Medical Center –
RECEIVED AND FILED
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis
- CA
28) Claims and Lawsuits Filed as of January 31, 2026 –
RECEIVED AND FILED
Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

ADJOURNED AS KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS;
RECONVENED AS KERN MEDICAL SURGERY CENTER, LLC BOARD OF MANAGERS

Anderson-Stout

C-29) Kern Medical Surgery Center, LLC, Administrative Report –
RECEIVED AND FILED

Merz-Stout: 6 Ayes; 1 Absent - Berjis

C-30) Proposed Service Agreement with Paychex PEO Holdings, LLC, an independent contractor, containing nonstandard terms and conditions, for monthly payroll services, in an estimated monthly amount not to exceed of \$12,000 –

APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 032-2026

Merz-Stout: 6 Ayes; 1 Absent - Berjis

31) Proposed retroactive Quote 97-00088 with Olympus America Inc., an independent contractor, containing nonstandard terms and conditions, for maintenance and support of endoscopy software and equipment from January 8, 2026 through January 7, 2029, in an amount not to exceed \$46,671, plus applicable fees and taxes –

CHIEF AMBULATORY AND OUTREACH OFFICER RENEE VILLANUEVA HEARD REGARDING THE RETROACTIVITY OF ITEM 31; APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 05126

Pelz-Pollard: 6 Ayes; 1 Absent - Berjis

ADJOURNED AS KERN MEDICAL SURGERY CENTER, LLC, BOARD OF MANAGERS;
RECONVENED AS KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

Anderson-Stout

ADJOURNED TO CLOSED SESSION

Pollard-Anderson

CLOSED SESSION

32) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW

33) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW

NOTE: DIRECTOR PELZ LEFT THE MEETING AT 1:00 P.M. AND DID NOT RETURN

34) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Daniel Bazan Jr., Plaintiff, v. Kern County Hospital Authority; Dignity Health; James Sverchek, M.D.; Chase Luther, M.D.; Larissa Morsky, M.D.; Janpreet Bhandohal, M.D.; Patrick Pieper, M.D.; Roldine Banatte-Garcon, N.P.; and DOES 1 through 75, Defendants, Kern County Superior Court Case No. BCV-24-103099 GP – SEE RESULTS BELOW

35) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) – SEE RESULTS BELOW

- 36) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

Pollard-Stout

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item 32 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY A UNANIMOUS VOTE OF THOSE DIRECTORS PRESENT (MOTION BY DIRECTOR PELZ, SECOND BY DIRECTOR POLLARD; 1 ABSENT - BERJIS), THE BOARD APPROVED ALL CREDENTIALING RECOMMENDATIONS; NO OTHER REPORTABLE ACTION TAKEN

Item 33 concerning Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – HEARD; NO REPORTABLE ACTION TAKEN

Item 34 concerning CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Daniel Bazan Jr., Plaintiff, v. Kern County Hospital Authority; Dignity Health; James Sverchek, M.D.; Chase Luther, M.D.; Larissa Morsky, M.D.; Janpreet Bhandohal, M.D.; Patrick Pieper, M.D.; Roldine Banatte-Garcon, N.P.; and DOES 1 through 75, Defendants, Kern County Superior Court Case No. BCV-24-103099 GP – HEARD; NO REPORTABLE ACTION TAKEN

Item 35 concerning CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

Item 36 concerning Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, MARCH 18, 2026 AT 11:30 A.M.

Pollard

/s/ Mona A. Allen
Authority Board Coordinator

/s/ Philip McLaughlin
Chairman, Board of Governors
Kern County Hospital Authority



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

SUBJECT: Proposed renewal and binding of all-risk property insurance through PRISM and earth movement coverage through Specialty Risk Underwriters and Evanston Insurance Company

RECOMMENDED ACTION: Approve renewal and binding of all-risk property insurance and earth movement coverage from March 31, 2026 through March 31, 2027, in an amount not to exceed \$789,681, which includes administrative and financing fees; and Authorize the Chief Executive Officer to sign the Premium Finance Agreement-Promissory Note with AFCODirect

SUMMARY:

The Authority requests your Board approve the renewal and binding of the following insurance coverages for the period March 31, 2026 through March 31, 2027:

- Property
- Earth Movement

Property

The Authority recommends renewing property coverage through PRISM for all-risk coverage protecting buildings, contents, equipment, business interruption and flood.

- Insurance Carriers: Various Carriers within Tower I of the PRISM Program
- A.M. Best Rating: Pursuant to PRISM's minimum financial rating specifications
- Term: March 31, 2026 – March 31, 2027
- Coverage: Provides the Authority and its named insureds with all-risk property coverage, through various carriers in a group policy procured and through a Joint Powers Authority, to include coverage for buildings, contents, equipment, business interruption and flood
- Limits: \$600,000,000 per Occurrence All Risk; \$200,000,000 per Occurrence and Annual Aggregate Flood
- Deductible: \$100,000
- Annual Premium: \$412,000 (Not yet finalized; refer to included summary)

Earth Movement

The Authority recommends renewing earth movement coverage through Special Risk Underwriters and Evanston Insurance Company for coverage protecting buildings, contents, equipment and business interruption against the peril of earthquake.

- Insurance Carriers: Specialty Risk Underwriters (with Lloyd's syndicates and other insurers) and Evanston Insurance Company

- A.M. Best Rating:
 - Special Risk Underwriters, All syndicates and other insurers with a minimum of (A- (Excellent) IX)
 - Evanston Insurance Company (A (Excellent) XV)
- Term: March 31, 2026 – March 31, 2027
- Coverage: Provides the Authority and its named insureds with dedicated limits of coverage against the peril of earthquake, through various underwriters/syndicates and insurance companies for buildings, contents, equipment, and business interruption
- Limit: \$25,000,000 per Occurrence and Annual Aggregate
- Deductible: 5% per unit / \$100,000 minimum
- Annual Premium: \$360,995

Total Annual Premiums: \$772,995 (as recommended)

Summary Regarding Variance in Property Premiums:

The Authority presently insures its property, including contents, via a member-directed insurance risk sharing pool administered by Public Risk, Innovation, Solutions, and Management (PRISM). PRISM, a Joint Powers Authority, provides its members an ultra-competitively priced all-risk policy, including business interruption. Coverage is for damage to real and personal property from all risk perils, including flood.

For the renewing term starting March 31, 2026, the combined cost for all-risk property coverage (excluding earth movement) has yet to be finalized. However, the latest premium estimate (version 2) provided by PRISM to the Authority reflects a preliminary not-to-exceed premium of \$412,000 versus last year's final premium of \$423,938. This represents a decrease of up to \$11,938 with a final premium allocation to be determined and disclosed by PRISM following its March board meeting, which occurs after your Board's March 19 meeting. This represents a decrease of up to 2.8% over the prior year.

Summary Regarding Variance in Earth Movement Premiums:

For the term-renewing March 31, 2026, Special Risk Underwriters and Evanston Insurance Company, the incumbent carrier/underwriter, has offered to renew the policy with the same policy limits as expiring with an 8% decrease in premium and no material changes to coverage. This was primarily the result of a stabilizing insurance market and a slight reduction in property and business interruption values. The renewing policy period premium of \$360,995, when compared to the expiring period premium of \$399,823, represents a decrease of 10% for a total savings of \$38,828 over last year.

Premium Financing:

PRISM provides in-house premium financing for the property insurance coverage referenced above. The finance rate for the March 31, 2026 renewal is dependent on the desired payment plan with the short-term borrowing rate set at 3.95%, slightly less than expiring. Historically, Kern Medical has elected monthly installments with a 4.28% interest rate.

Following negotiations, AFCODirect has agreed to offer premium financing for the earth movement policy at 5.53%, a rate lower than the previous 5.96%, and more competitive than an alternative financing quote of 6.31%.

The Authority recommends financing the referenced premiums as follows:

1. PRISM will provide in-house financing of the property coverage for an additional fee not to exceed \$7,487 (or less, depending on the final premium allocation) with the cost of coverage and financing split between 12 equal monthly payments; and
2. AFCODirect will finance the earth movement coverage for an additional fee not to exceed \$9,199 with the cost of coverage and financing split between 12 equal monthly payments.

Note: Financing through AFCODirect requires the signing of a separate Premium Finance Agreement-Promissory Note

Attached for your ease of reference is a Summary of Changes Per Policy Year from July 1, 2020 to the present.

Therefore, it is recommended that your Board approve the renewal and binding of property and earth movement insurance coverage from March 31, 2026 through March 31, 2027, with the option to finance property premiums through PRISM and earth movement premiums through AFCODirect, in an amount not to exceed \$789,681 which includes all administrative and finance fees; and authorize the Chief Executive Officer to sign the Premium Finance Agreement-Promissory Note with AFCODirect.

Kern County Hospital Authority

RENEWAL PROPOSAL

EARTH MOVEMENT ONLY

March 31, 2026 to March 31, 2027

Alliant Insurance Services, Inc.
560 Mission Street, 6th Floor
San Francisco, CA 94105
License #0C36861



This proposal is for informational purposes only and does not amend, extend or alter the policies in any way. Please refer to the policy forms for complete coverage and exclusion information.

Kern County Hospital Authority

Your Alliant Service Team

Alliant Insurance Services, Inc.

560 Mission Street, 6th Floor

San Francisco, CA 94105

Main Phone: (415) 403-1400

Main Fax: (415) 402-0773

CORE SERVICE TEAM

Blaine Trunnell, CPCU, ARM

Executive Vice President

Team Oversight/Strategy/Direction

Claims Oversight

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Account Servicing

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Kern County Hospital Authority 2026-2027 Earth Movement Premium Summary

	Expiring	Renewal
Line of Coverage	<i>March 31, 2025 to March 31, 2026 \$25M Limit</i>	<i>March 31, 2026 to March 31, 2027 \$25M Limit</i>
TIV	\$588,461,200	\$609,829,491
<i>TIV Difference</i>		\$21,368,291
<i>% Change</i>		3.63%
Earth Movement Premium		
<i>SRU - \$15M part of \$25M</i>	\$232,200	\$208,200
<i>Evanston - \$10M part of \$25M</i>	\$154,800	\$141,169
<i>Carrier Fees</i>	\$500	\$500
<i>Surplus Lines Taxes and Fees</i>	\$12,323	\$11,126
Total Premium	\$399,823	\$360,995
<i>Premium Difference</i>		-\$38,828
<i>% Change</i>		-9.71%

Kern County Hospital Authority

NAMED INSUREDS

FIRST NAMED INSURED: Kern County Hospital Authority

ADDITIONAL NAMED INSUREDS: None

NAMED INSURED DISCLOSURES: The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.

Are ALL entities listed as named insureds? Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.

Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).

Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

	A	B	C
1	Kern County Hospital Authority		
2	EARTH MOVEMENT COVERAGE ONLY		
3	3/31/2026 to 3/31/2027		
4			
5	Agreement with Kern County requires A. M. Best Rating of minimum A-VII		
6			
7		Expiring	Renewal
8		3/31/2025 - 3/31/2026	3/31/2026 - 3/31/2027
9	LINE OF COVERAGE	\$25M	\$25M
10	EARTH MOVEMENT	\$25,000,000 Dedicated Total Limit	\$25,000,000 Dedicated Total Limit
11	\$15M part of \$25M	Special Risk Underwriters	Special Risk Underwriters
12	Carriers	Refer to schedule of Insurers on page 7	Refer to schedule of Insurers on page 7
13	AM Best's Rating	Refer to schedule of Insurers on page 7	Refer to schedule of Insurers on page 7
14	S&P Rating	Refer to schedule of Insurers on page 7	Refer to schedule of Insurers on page 7
15	\$10M part of \$25M	Evanston Insurance Company	Evanston Insurance Company
16	Carrier	Evanston Insurance Company	Evanston Insurance Company
17	AM Best's Rating	A (Excellent) XV (\$2B or Greater) - Eff 11/22/2024	A (Excellent) XV (\$2B or Greater) - Eff 11/21/2025
18	S&P Rating	A (Strong) pulled as of 2/2/2025	A (Strong) pulled as of 2/9/2026
19			
20	<i>Admitted/Non-Admitted (All Carriers)</i>	<i>Non-Admitted</i>	<i>Non-Admitted</i>
21			
22	TOTAL INSURED VALUE (TIV):		
23			
24	Earthquake TIV	\$588,461,200	\$609,829,491
25	<i>Percentage change in TIV</i>		3.63%
26	<i>Breakdown in Values as Reported</i>		
27	Building	\$347,337,306	\$343,449,870
28	Contents	\$119,660,005	\$144,744,755
29	Business Income	\$121,463,889	\$121,634,866
30			
31	POLICY RATE:		
32	Premium Rate (full placement) - per \$100 of TIV	0.0658	0.0573
33	<i>% Change</i>		-12.89%
34			
35	POLICY LIMIT (Per Occurrence & Aggregate):		
36	All Policies Combined	\$25,000,000 Aggregate Limit	\$25,000,000 Aggregate Limit
37			
38	PREMIUM:		
39	Premium	\$387,000	\$349,369
40			-9.72%
41	Carrier Fees	\$500	\$500
42	CA Surplus Lines Taxes & Fees (3.25% 22-23; 3.18% 23-24)	\$12,323	\$11,126
43	Premium (including Taxes & Fees)	\$399,823	\$360,995
44	Terrorism (TRIA) Premium - Optional (Not including T&F) - SRU	Not Quoted/Not Purchased	Available/Not Quoted
45	Terrorism (TRIA) Premium - Optional (Not including T&F) - Evanston	Quoted \$154,000/Not Purchased	\$141,169
46			
47	DEDUCTIBLES (Per Occurrence):		
48	Earth Movement	5% per unit / \$100,000 Minimum	5% per unit / \$100,000 Minimum
49	Time Element	72 hours	72 hours
50			
51	SUB-LIMITS - per Occurrence unless noted):		
52	Accounts Receivable	\$5,000,000	\$5,000,000
53	Business Income	Included	Included
54	Ordinance and Law:		
55	- Coverage I - Undamaged Portion	Included	Included
56	- Coverage II & III - Demolition & Increased Cost of Construction (combined)	\$6,500,000	\$6,500,000
57	- Coverage IV - Increase in Business Interruption	No coverage	No coverage
58	Debris Removal	25% of physical damage loss	25% of physical damage loss
59	EDP Equipment and Media	No coverage	No coverage
60	Extra Expense	Included	Included
61	Expediting Expense	\$10,000,000	\$10,000,000
62	Fine Arts	\$10,000	\$10,000
63	Fire Department Service Charge	\$1,000,000	\$1,000,000
64	Miscellaneous Unnamed Locations	No coverage	No coverage
65	Newly Acquired Property	\$100,000 (\$10,000 for Time Element)	\$100,000 (\$10,000 for Time Element)
66		(30 day reporting)	(30 day reporting)
67	Preservation of Property	\$25,000	\$25,000
68	Property Damage from Utility Service Interruption	\$25,000	\$25,000
69	Professional Fees / Loss Adjustment Expenses	\$2,500,000	\$2,500,000
70	Property off Premises	\$25,000	\$25,000
71	Property in Transit	\$100,000	\$100,000

	A	B	C
8		3/31/2025 - 3/31/2026	3/31/2026 - 3/31/2027
9	LINE OF COVERAGE	\$25M	\$25M
10	EARTH MOVEMENT	\$25,000,000 Dedicated Total Limit	\$25,000,000 Dedicated Total Limit
72	Rental Value	\$10,000	\$10,000
73	Utility Service Interruption - Business Interruption - Damaged equipment must be within 1,500 feet of insured location	\$10,000	\$10,000
74	Utility Service Interruption - Property Damage	\$25,000	\$25,000
75	Valuable Papers	\$5,000,000	\$5,000,000
76			
77	VALUATION:		
78	Real and Personal Property Damage	Replacement Cost	Replacement Cost
79	Time Element	Actual Loss Sustained	Actual Loss Sustained
80			
81	KEY COVERAGE TERMS, ENDORSEMENTS, AND EXTENSIONS - INCLUDING BUT NOT LIMITED TO:		
82	Property Coverage Form	SRU: SRU-003 0125 Evanston: Follow Form Wording	SRU: SRU-003 0125 Evanston: Follow Form Wording
83	Agreed Value/No Coinsurance	Yes	Yes
84	Business Interruption due to Civil Authority - within 1 statute mile	90 days after 72 hour wait	90 days after 72 hour wait
85	Business Interruption due to prevention of Ingress/Egress - within 1 statute mile	90 days after 72 hour wait	90 days after 72 hour wait
86	Cancellation Clause	30 / 10 days for non-payment (SRU) 90 / 10 days for non-payment (Evanston)	30 / 10 days for non-payment (SRU) 90 / 10 days for non-payment (Evanston)
87	Debris Removal	Expenses must be reported within 180 days of loss	Expenses must be reported within 180 days of loss
88	Drop Down Provisions	N/A	N/A
89	Extended period of Indemnity for Business Interruption	365 days	365 days
90	Minimum Earned Premium	35%; Any Fees fully earned (SRU) 25%; Any Fees fully earned (Evanston)	35%; Any Fees fully earned (SRU) 25%; Any Fees fully earned (Evanston)
91	Mortgagees, Loss Payees, Additional Insureds	Must be Scheduled - if Any	Must be Scheduled - if Any
92	Newly Acquired Property	Must be reported within 30 days from acquisition date	Must be reported within 30 days from acquisition date
93	Occurrence definition for Earth Movement -Time Period	72 hours	72 hours
94	Occurrence Limit of Liability Provisions	Limitation to values on SOV deleted	Limitation to values on SOV deleted
95	Unit of Insurance Definition (applicable at each covered location)	a) each separate building or structure; b) contents of each separate building or structure; c) property in each stock or storage yard; d) time element coverage (business income, rent, extra expense, etc.)	a) each separate building or structure; b) contents of each separate building or structure; c) property in each stock or storage yard; d) time element coverage (business income, rent, extra expense, etc.)
96			
97	KEY EXCLUSIONS / LIMITATIONS - INCLUDING BUT NOT LIMITED TO:		
98	Perils other than Earthquake/Earth Movement	Excluded	Excluded
99	Asbestos	Excluded	Excluded
100	Bridges, Roads, Walks, other Paved Surfaces	Excluded	Excluded
101	Communicable Disease	Excluded	Excluded
102	Contingent Business Interruption	Excluded	Excluded
103	Cyber and EDP Property	Excluded	Excluded
104	Cost of Excavations, Grading, Filling	Excluded	Excluded
105	Flood	Excluded	Excluded
106	Foundations if below lowest basement floor, or below ground surface if no basement	Excluded	Excluded
107	Earthquake Sprinkler Leakage	Excluded, Covered Under PRISM Program subject to All Risk Deductible	Excluded, Covered Under PRISM Program subject to All Risk Deductible
108	Equipment Breakdown	Excluded	Excluded
109	Mold/Fungi	Excluded	Excluded
110	Nuclear Hazard & Biological/Chemical	Excluded	Excluded
111	Outdoor Property	Excluded	Excluded
112	Pollution	Excluded	Excluded
113	Pre-existing damage	Excluded	Excluded
114	Underground pipes, flues, or drains	Excluded	Excluded
115	War, Terrorism	Excluded, Option to purchase if desired	Excluded, Option to purchase if desired
116	Claims Reporting Notice	Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.	Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.
117	Quote Valid Until		March 31, 2026 - SRU March 31, 2026 - Evanston
118	QUOTE SUBJECTIVITIES		- Signed D1 Form - Signed TRIA Election Form - Signed Flood Notice - Signed Fraud Warning Notice - Inspection Contact - Exempt Commercial Purchaser Form - Completed Home State Questionnaire for Surplus Lines T&Fs
119	THIS PROPOSAL IS FOR INFORMATION PURPOSES ONLY AND DOES NOT AMEND, EXTEND OR ALTER THE POLICIES IN ANY WAY. PLEASE REFER TO THE POLICY FORMS FOR COMPLETE COVERAGE AND EXCLUSION INFORMATION.		

2025-2026 Earth Movement - Special Risk Underwriters - Schedule of Insurers - \$15M p/o \$25M

Carrier	A.M. Best Rating	S&P Rating	UMR Number	Policy Number	Participation % of \$15M	% of UMR	Participation Premium	
Lloyd's Syndicates								
Lloyd's Ratings	A+ (Superior) XV	AA- (Very Strong)						
Tokio Marine Kiln Syndicates Ltd. - 0510 KLN	Not individually rated		B123025AWS1637 - Sec 2	AQS-250586	25.00%	16.28%	65.1286%	\$ 37,807.00
Talbot Underwriting Ltd - Syndicate 1183 TAL	Not individually rated					5.10%	20.4165%	\$ 11,852.00
Beazley Furlonge - Syndicate 2623 AFB	A+ (Superior) XV	Not Rated				1.20%	4.7854%	\$ 2,776.00
Beazley Furlonge - Syndicate 0623 AFB	A+ (Superior) XV	Not Rated				0.44%	1.7509%	\$ 1,016.00
AEGIS Managing Agency Limited - 1225 AES	Not individually rated					0.76%	3.0216%	\$ 1,754.00
Canopus Managing Agents Limited - 4444 CNP	Not individually rated					1.23%	4.9000%	\$ 2,844.00
RenaissanceRe Syndicate Management Limited- 1458 RNR	Not individually rated		B123025AWS1643 - Sec 2	RNR-250586	20.00%	20.00%	20.0000%	\$ 46,440.00
Tokio Marine Kiln Syndicates Ltd. - 0510 KLN	Not individually rated		B123025AWS1646 - Sec 2	STY-250586	3.50%	2.80%	80.0000%	\$ 6,502.00
Tokio Marine Kiln Syndicates Ltd. - 1880 TMK	Not individually rated					0.70%	20.0000%	\$ 1,625.00
Hiscox Syndicates Limited - 0033 HIS	Not individually rated		B123024AWS1457 - Sec 2	HVR-250586	9.00%	9.00%	9.0000%	\$ 20,898.00
KI Digital Services Limited - 9029 KII	Not individually rated		B123025AWA1463 - Sec 4B	HCK-250586	2.00%	2.00%	2.0000%	\$ 4,644.00
Subtotal LLOYD'S					59.50%	59.50%	\$138,158.00	
Other Insurers								
HDI Global Specialty SE	A+ (Superior) XV	A+ (Strong)	N/A	HAQS-250586	1.00%	1.00%	N/A	\$ 2,322.00
Partner Re Insurance Solutions of Bermuda	A+ (Superior) XV	A+ (Strong)	N/A	BMX-250586	2.00%	2.00%	N/A	\$ 4,644.00
Covington Specialty Insurance CO	A++ (Superior) XV	A+ (Strong)	N/A	VAS-250586	15.00%	15.00%	N/A	\$ 34,830.00
Superior Specialty Insurance Company	A (Excellent) X	Not Rated	N/A	THE-250586	4.50%	4.50%	N/A	\$ 10,449.00
Western World Insurance Company	A (Excellent) XV	A+ (Strong)	N/A	SCO0012317	6.50%	6.50%	N/A	\$ 15,093.00
Evanston Insurance Co	A (Excellent) XV	A (Strong)	N/A	MSRU000469-04	7.50%	7.50%	N/A	\$ 17,415.00
Ironshore Specialty Insurance Company	A (Excellent) XV	A (Strong)	N/A	LSR-250586-00	1.00%	1.00%	N/A	\$ 2,322.00
Obsidian Specialty Insurance Company	A- VII	Not Rated	N/A	AMV-PR-0002502586-00	2.00%	2.00%	N/A	\$ 4,644.00
Dellwood Specialty Insurance Company	A- VIII	Not Rated	N/A	DPC02500586	1.00%	1.00%	N/A	\$ 2,322.00
Subtotal OTHER					40.50%	40.50%	\$94,041.00	
TOTAL					100.00%	100.00%	\$232,199.00	

All Ratings as of July 2025

2026-2027 Earth Movement - Special Risk Underwriters - Schedule of Insurers - \$15M p/o \$25M

Carrier	A.M. Best Rating	S&P Rating	UMR Number	Policy Number	Participation % of \$15M	% of UMR	Participation Premium	
Lloyd's Syndicates								
Lloyd's Ratings	A+ (Superior) XV	AA- (Very Strong)						
Tokio Marine Kiln Syndicates Ltd. - 0510 KLN	Not individually rated		B123026AWS1637 - Sec 2	TBA	8.50%	3.34%	39.3258%	\$ 6,959.00
Talbot Underwriting Ltd - Syndicate 1183 TAL	Not individually rated					3.70%	43.5253%	\$ 7,702.00
Beazley Furlonge - Syndicate 2623 AFB	A+ (Superior) XV	Not Rated				0.88%	10.3248%	\$ 1,827.00
Beazley Furlonge - Syndicate 0623 AFB	A+ (Superior) XV	Not Rated				0.31%	3.6032%	\$ 638.00
AEGIS Managing Agency Limited - 9655 AES***	Not individually rated					0.27%	3.2209%	\$ 570.00
RenaissanceRe Syndicate Management Limited- 1458 RNR	Not individually rated					B123025AWS1643 - Sec 2	TBA	14.75%
Tokio Marine Kiln Syndicates Ltd. - 0510 KLN	Not individually rated		B123026AWS1646 - Sec 2	TBA	10.00%	10.00%	100.0000%	\$ 20,820.00
AEGIS Managing Agency Limited - 9655 AES***	Not individually rated		B123026AWS1526	TBA	7.50%	2.50%	33.3300%	\$ 5,204.00
Tokio Marine Kiln Syndicates Ltd. - 0510 KLN	Not individually rated					2.50%	33.3300%	\$ 5,204.00
Hiscox Syndicates Limited - 0033 HIS	Not individually rated					2.50%	33.3400%	\$ 5,206.00
Hiscox Syndicates Limited - 0033 HIS	Not individually rated					12.60%	83.9895%	\$ 26,230.00
Canopus Managing Agents Limited - 4444 CNP	Not individually rated		B123026AWS1457 - Sec 2	TBA	15.00%	1.34%	8.9239%	\$ 2,787.00
Atrium - 2026 AGS	Not individually rated					1.06%	7.0866%	\$ 2,213.00
KI Digital Services Limited - 9029 KII	Not individually rated					B123025AWA1463 - Sec 4B	TBA	1.00%
Subtotal LLOYD'S					56.75%	56.75%	\$118,152.00	
Other Insurers								
HDI Global Specialty SE	A+ (Superior) XV	A+ (Strong)	N/A	TBA	1.00%	1.00%	N/A	\$ 2,082.00
Partner Re Insurance Solutions of Bermuda Ltd.	A+ (Superior) XV	A+ (Strong)	N/A	TBA	2.25%	2.25%	N/A	\$ 4,685.00
Covington Specialty Insurance CO	A++ (Superior) XV	A+ (Strong)	N/A	TBA	15.00%	15.00%	N/A	\$ 31,230.00
MSIG Specialty Insurance USA Inc.	A+ (Superior) XV	A+ (Strong)	N/A	TBA	2.75%	2.75%	N/A	\$ 5,726.00
Western World Insurance Company	A+ (Superior) XV	A+ (Strong)	N/A	TBA	4.00%	4.00%	N/A	\$ 8,328.00
Evanston Insurance Co	A (Excellent) XV	A (Strong)	N/A	TBA	3.50%	3.50%	N/A	\$ 7,287.00
Obsidian Specialty Insurance Company	A- VII	Not Rated	N/A	TBA	1.50%	1.50%	N/A	\$ 3,123.00
Ironshore Specialty Insurance Company	A (Excellent) XV	A (Strong)	N/A	TBA	1.00%	1.00%	N/A	\$ 2,082.00
Dellwood Specialty Insurance Company	A- VIII	Not Rated	N/A	TBA	1.00%	1.00%	N/A	\$ 2,082.00
QBE Specialty Insurance Company	A+ (Superior) XV	A+ (Strong)	N/A	TBA	1.25%	1.25%	N/A	\$ 2,603.00
AIG Specialty Insurance Company	A (Excellent) XV	A+ (Strong)	N/A	TBA	10.00%	10.00%	N/A	\$ 20,820.00
Subtotal OTHER					43.25%	43.25%	\$90,048.00	
TOTAL					100.00%	100.00%	\$208,200.00	

All Ratings as of February 2026

Kern County Hospital Authority
2026-2027 EARTH MOVEMENT
REQUEST TO BIND COVERAGE

FIRST NAMED INSURED: Kern County Hospital Authority

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

COVERAGE	EFFECTIVE DATE
Earth Movement <input type="checkbox"/> \$25M: \$15M p/o \$25M -Specialty Risk Underwriters + \$10M p/o \$25M - Evanston Ins. Co.	3/31/2026

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

Signature of Authorized Insurance Representative

Date

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval.
The actual terms and conditions of the policy will prevail.

Kern County Hospital Authority
2026-2027 EARTH MOVEMENT
ELECTRONIC DELIVERY OPTION FORM

Alliant Insurance Services, Inc. may be required by law to obtain consent from insureds prior to providing electronic delivery of documents, including the policy.

You currently have selected Option 1 2 3 4

Please note you may change your option at any time. If you have not previously selected an option, please select one of the following:

- ELECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY**
I elect to receive all my documents electronically and acknowledge I may no longer receive paper copies unless I sign a new form requesting both electronic and paper copies or specifically request them.
- ELECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY AND PAPER DELIVERY**
I elect to receive both electronic and paper copies of my insurance policy and supporting documents.
- REJECTION OF ELECTRONIC INSURANCE DOCUMENT DELIVERY**
I reject the option to receive my insurance policy and supporting documents electronically. I will receive paper copies of such documents.
- ELECTION TO WITHDRAW CONSENT OF ELECTRONIC DELIVERY**
I withdraw my previous consent of electronic delivery of my insurance policy and supporting documents. I elect to receive paper copies of such document going forward.

KERN COUNTY HOSPITAL AUTHORITY

Named Insured: ACCOUNT NAME

Print Name of Authorized Representative and Title

Signature of Authorized Representative

Date Signed

*If you have selected electronic document delivery, please provide the email address for the individual(s) who should receive these documents. If this information changes, please provide updated details to your service team. Documents will also be uploaded to your **AlliantConnect** portal.*

This selection remains intact until revised by you.

Disclosures

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliant.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

New York Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

Privacy

At Alliant, one of our top priorities is making sure that the information we have about you is protected and secure. We value our relationship with you and work hard to preserve your privacy and ensure that your preferences are honored. At the same time, the very nature of our relationship may result in Alliant's collecting or sharing certain types of information about you in order to provide the products and services you expect from us. Please take the time to read our full Privacy Policy posted at www.alliant.com, and contact your Alliant service team should you have any questions.

Other Disclosures/Disclaimers

FATCA

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

NRRA

(Applicable if the insurance company is non-admitted)

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

Guarantee Funds

Established by law in every state, guaranty funds are maintained by a state's insurance commissioner to protect policyholders in the event that an insurer becomes insolvent or is unable to meet its financial obligations. *If your insurance carrier is identified as 'Non-Admitted', your policy is not protected by your state's Guaranty Fund.*

Other Disclosures/Disclaimers (continued)

Claims Reporting

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Claims Made Policy

(Applicable to any coverage that is identified as claims made)

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

Any Employment Practices Liability (EPL) or Directors & Officers (D&O) with EPL coverage must give notice to the insurer of any charges / complaints brought by any state / federal agency (i.e. EEOC and similar proceedings) involving an employee. To preserve your rights under the policy, it is important that timely notice be given to the insurer, whether or not a right to sue letter has been issued.

Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another state, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Permanent operations outside the United States, Canada or Puerto Rico.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances, which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

Other Disclosures/Disclaimers (continued)

Certificates of Liability Insurance / Evidence of Property Insurance

A Certificate or Evidence is issued as a matter of information only and confers no rights upon the recipient. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or recipient.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a Certificate or Evidence of insurance, you may be required to name your landlord, client or customer on your policy as loss payee on property insurance or as an additional insured on liability insurance. Adding a party as an additional insured is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the Certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.
- An additional insured endorsement will most likely not provide notification of cancellation. Some insurance companies use a “blanket” additional insured endorsement that provides automatically when it is required in a written contract. Most insurance companies do not want to be notified of all additional insureds when there is a blanket endorsement on the policy. If a notice of cancellation is required for the additional insured party, you must notify us immediately and we will request an endorsement from your insurance company. There may be an additional premium for adding a notice of cancellation endorsement for an additional insured.

See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.

PREMIUM FINANCE AGREEMENT-PROMISSORY NOTE

660 Newport Center Drive, Suite 1050 Newport Beach, California 92660
Phone 877-226-5456 www.afcodirect.com

Quote Number
2894362.1

Agent/Broker/Producer (Name and Address)
Alliant Insurance Services, Inc. - Bay Area
560 Mission Street, 6th Floor
San Francisco, CA 94105

Telephone Number: 925-287-7263 Agency Code: ALLIANT-W07

Insured (Name and Address as shown on the policy(ies) including all insureds covered by the policies below)
Kern County Hospital Authority
1700 Mount Vernon Ave
Bakersfield, CA 93306

Telephone Number: 661-326-2000

Creditor: AFCO Acceptance Corporation			Federal Truth In Lending Disclosures		
(A) Total Premiums	(B) Down Payment	(C) Amount Financed (The amount of credit provided to you or on your behalf)	(D) FINANCE CHARGE (The dollar amount the credit will cost you)	(E) Total of Payments (The amount you will have paid after you have made all payments as scheduled)	(F) ANNUAL PERCENTAGE RATE (The cost of your credit as a yearly rate)
\$360,994.84	\$30,849.44	\$330,145.40	* \$9,198.44	\$339,343.84	5.53%
Your PAYMENT SCHEDULE will be: Monthly			*Includes a minimum finance charge of \$25.00	If the borrower under this Agreement is a consumer, you will receive an Itemization of the Amount Financed.	
No. of Payments		Amount of Payments	When Payments are Due		
11		\$30,849.44	On the 30th day of the month, beginning 4/30/2026		
<p>Security: You are giving a security interest in any and all unearned or return premium(s) and dividends which may become due under the policy(ies) being purchased.</p> <p>Late Charge: You will be charged 5% of the payment, subject to a minimum charge of \$1.00 on any payment received more than 10 days after the due date.</p> <p>Prepayment: If you voluntarily prepay in full prior to the last installment due date you will not be charged a prepayment fee and you may be entitled to a refund of part of the finance charge in the manner provided by Section 18637 of the Financial Code.</p> <p>See Above and on the last page of this document for any additional information about non-payment default, any repayment in full before the scheduled date, and prepayment refunds and penalties.</p>					

SCHEDULE OF POLICIES

Policy Prefix and Numbers	Effective Date of Policy/Inst.	Name of Insurance Company and Address of General or policy Issuing Agent or Intermediary	Type of Coverage	Months Covered	Premium \$
TBD	3/31/2026	Underwriters at Lloyds London (IL) Amwins 725 S Figueroa St 19th Fl Los Angeles, CA 90017	PROPERTY (WITH WIND)	12	\$208,200.00
Audit= N Min Ernd= 35% AddCxlDays= 0	Insured acknowledges that upon satisfactory completion of this Agreement the undersigned Agent will receive from AFCO \$0.00 for the origination and administration of this Agreement.		Ref. Tax/Fee: Non-Ref. Tax/Fee:		\$6,636.66 \$500.00

In consideration of the payment(s) to be made by AFCO ACCEPTANCE CORPORATION ("AFCO") to the above insurance company(ies) ("Insurer(s)"), either directly or through your or their agents, representatives, or producer, the above-named insured ("Insured") (jointly and severally if more than one):

- PROMISE OF PAYMENT:** Promises to pay to the order of AFCO at the above address or any address AFCO may designate, the Total of Payments in accordance with the Payment Schedule set forth in the above Truth-in-Lending Disclosures as well as any other sums due pursuant to this Agreement. No additional authority, acts, approvals or licenses are or will be necessary as a prerequisite to the enforceability of this Agreement. AFCO may, at its option, pay loan proceeds to any agent, broker, general agent, managing general agent or insurer set forth herein. Payments to AFCO are deemed made only upon receipt in good funds. Checks are accepted, subject to collection.
 - SECURITY INTEREST AND POWER OF ATTORNEY:** Irrevocably appoints AFCO as Attorney-In-Fact with full authority to affect cancellation of the policies covered hereby or any substitution, rewrite or renewal thereof in accordance with the provisions herein, to receive all sums assigned to AFCO or in which it has granted AFCO a security interest. AFCO may execute and deliver on behalf of the Insured all documents, forms and notices relating to the policies covered hereby in furtherance of this Agreement. The Power of Attorney is coupled with an interest and the powers given herein may be exercised by the Attorney-In-Fact, or its successors and assigns.
 - RECEIPT OF AGREEMENT AND PRIVACY NOTICE:** Acknowledges that it has received a copy of all pages of this Agreement and if the borrower is a consumer, the Insured acknowledges that he has received a copy of AFCO's Privacy Statement.
- NOTICE: 1. DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACE. 2. YOU ARE ENTITLED TO A COMPLETELY FILLED-IN COPY OF THIS AGREEMENT. 3. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT AND UNDER CERTAIN CONDITIONS TO OBTAIN A PARTIAL REFUND OF THE SERVICE CHARGE.**

INSURED AGREES TO THE TERMS SET FORTH ABOVE AND ON ALL PAGES OF THIS AGREEMENT

Kern County Hospital Authority	_____	Insured	_____
INSURED'S NAME	SIGNATURE OF THE INSURED OR AUTHORIZED REPRESENTATIVE	TITLE	DATE
_____	_____	_____	_____
INSURED'S NAME	SIGNATURE OF THE INSURED OR AUTHORIZED REPRESENTATIVE	TITLE	DATE
_____	_____	_____	_____

AGENT/BROKER/PRODUCER WARRANTIES AND REPRESENTATIONS

The undersigned warrants and agrees: 1. The policies listed in the Schedule of Policies are in full force and effect, and the information and the premiums are correct. 2. The Insured has received a copy of this Agreement, has authorized this transaction and recognizes the security interest assigned herein. 3. To hold in trust for AFCO any payments made or credited to the Insured through or to the undersigned, directly or indirectly, actually or constructively by the insurance companies, their representatives or AFCO and to pay the monies as well as any unearned commissions to AFCO upon demand to satisfy the outstanding indebtedness of the Insured. 4. Any lien the undersigned has or may acquire in the return premiums arising out of the listed insurance policies is subordinate to AFCO's lien or security interest therein. 5. The policies comply with AFCO's eligibility requirements. 6. No audit or reporting form policies, policies subject to retrospective rating or minimum earned premium are included. 7. The deposit or provision premiums are not less than anticipated premiums to be earned for the full term of the policies. 8. The policies can be cancelled by the Insured and the unearned premiums will be computed on the standard short-rate or pro-rata table. 9. A proceeding in bankruptcy, receivership, or insolvency has not been instituted by or against the named Insured borrower. 10. That it has received the down payment and any other sums due as required by the Agreement and is holding same or they are attached to this Agreement. 11. No additional authority, acts, approvals or licenses are or will be necessary as a prerequisite to the enforceability of this Agreement. 12. AFCO will rely upon these representations in determining whether to accept this Agreement.

THE UNDERSIGNED FURTHER WARRANTS THAT IT HAS RECEIVED THE DOWN PAYMENT AND ANY OTHER SUMS DUE AS REQUIRED BY THE AGREEMENT AND IS HOLDING SAME OR THEY ARE ATTACHED TO THIS AGREEMENT

Alliant Insurance Services, Inc. - Bay A	_____	Agent	_____
AGENT OR BROKER	SIGNATURE OF AGENT OR BROKER	TITLE	DATE
_____	_____	_____	_____

FOR INFORMATION CONTACT THE DEPARTMENT OF FINANCIAL INSTITUTIONS, STATE OF CALIFORNIA

(4) **ASSIGNMENT OF SECURITY INTEREST AND POWER OF ATTORNEY:** The Insured assigns and hereby gives a security interest to AFCO as collateral for the total amount payable in this Agreement and any other past, present or future extension of credit: (a) any and all unearned premiums or dividends which may become payable for any reason under all insurance policies financed by AFCO, (b) loss payments which reduce the unearned premiums, subject to any mortgagee or loss payee interests and (c) any interest in any state guarantee fund relating to any financed policy. If any circumstances exist in which all premiums related to any policy could become fully earned in the event of any loss, AFCO shall be named a loss-payee with respect to such policy. AFCO at its option may enforce payment of this debt without recourse to the security given to AFCO. The Insured irrevocably appoints AFCO as its attorney in fact with full authority to (i) cancel all insurance financed by AFCO for the reason set forth in paragraph 13, whether pursuant to this or any other agreement, (ii) receive all sums hereby assigned to AFCO and (iii) execute and deliver on the Insured's behalf all documents, instruments of payment, forms and notices of any kind relating to the insurance in furtherance of this Agreement.

(5) **WARRANTY OF ACCURACY:** The Insured (i) warrants that all listed insurance policies have been issued to it and are in full force and effect and that it has not and will not assign any interest in the policies except for the interest of mortgagees and loss payees; (ii) authorizes AFCO to insert or correct on this Agreement, if omitted or incorrect, the insurer's name, the policy numbers, and the due date of the first installment and to correct any obvious errors; and (iii) authorizes AFCO to correct or remedy any error or omission in the completion of this Agreement. In the event of any such change, correction or insertion, or of any change in Blocks (A) thru (F), or in the Federal Truth-In-Lending Disclosures or in the Itemization of the Amount Financed Disclosures the Insured will be notified at the address shown hereon.

(6) **REPRESENTATION OF SOLVENCY:** The Insured represents that it is not insolvent or the subject of any insolvency proceeding.

(7) **ADDITIONAL PREMIUMS:** The money paid by AFCO is only for the premium as determined at the time the insurance policy is issued. AFCO's payment shall not be applied by the insurance company to pay for any additional premiums owed by the Insured resulting from any type of misclassification of the risk. The Insured shall pay to the insurer any additional premiums or any other sums that become due for any reason. The Insured agrees that, in the event the total premiums are greater than that shown hereon, or if the Insured requests additional premiums be added or additional premiums financed, this Agreement may be amended to reflect the actual premiums and the Insured will either (i) pay the difference in premium due or (ii) pay any required additional down payment and any additional finance charge permitted by law. In such event AFCO will forward the Insured a revision notice showing all information required by law. If AFCO assigns the same account number to any additional extension or extensions of credit, (i) this Agreement and any agreement or agreements identified by such account number shall be deemed to comprise a single and indivisible loan transaction, (ii) any default with respect to any component of such transaction shall be deemed a default with respect to all components of such transaction and (iii) any unearned premiums relating to any component of such transaction may be collected and applied by AFCO to the totality of such transaction.

(8) **SPECIAL INSURANCE POLICIES:** If the insurance policy is auditable or is a reporting form policy or is subject to retrospective rating, then the Insured promises to pay to the insurance company the earned premium computed in accordance with the policy provisions which is in excess of the amount of premium advanced by AFCO which the insurance company retains.

(9) **FIRST NAMED INSURED:** If the insurance policy provides that the first named insured in the policy shall be responsible for payment of premiums and shall act on behalf of all other insureds regarding the policy, then the same shall apply to this Agreement and the Insured represents that it is authorized to sign on behalf of all insureds. If not, then all insureds' names must be shown on this Agreement unless a separate agreement appoints an insured to act for the others.

(10) **FINANCE CHARGE:** The finance charge shown in Block D begins to accrue as of the earliest policy effective date and that the rate of charge for a loan not exceeding \$2,499.99 shall not exceed: (a) 2% per month on the part of the unpaid principal balance not exceeding \$1000; 1% per month of any remainder of such unpaid balance in excess of \$1000; or (b) 1.6% per month of the unpaid principal balance. All other rates of charge shall be agreed upon by the parties to the contact.

(11) **AGREEMENT BECOMES A CONTRACT:** This Agreement becomes a binding contract when AFCO mails the Insured its written acceptance and is not a contract until such time. The Insured agrees that (i) this Agreement may be transmitted by facsimile, E-mail or other electronic means to AFCO, (ii) any such transmitted Agreement shall be deemed a fully enforceable duplicate original document and (iii) such Agreement, when accepted by AFCO, shall constitute a valid and enforceable contract.

(12) **DEFAULT AND DISHONORED CHECK CHARGES:** If the Insured is late in making a loan payment to AFCO by more than the number of days specified by law the Insured will pay to AFCO a delinquency charge equal to the maximum charge permitted by law. If a check is dishonored, AFCO may re-present the check electronically and collect a service fee not to exceed the lesser of \$25 or the amount permitted by law.

(13) **CANCELLATION:** AFCO may cancel all insurance policies financed by AFCO after giving statutory notice and the full balance due to AFCO shall be immediately payable if the Insured does not pay any installment according to the terms of this or any other Agreement with AFCO. Payment of unearned premiums shall not be deemed to be payment of installments to AFCO, in full or in part.

(14) **CANCELLATION CHARGES:** If AFCO cancels any insurance policy in accordance with the terms of this Agreement the Insured will pay AFCO a cancellation charge, if permitted, up to the limit specified by law.

(15) **MONEY RECEIVED AFTER NOTICE OF CANCELLATION:** Any payments made to AFCO after mailing of AFCO's Notice of Cancellation may be credited to the Insured's account without affecting the acceleration of this Agreement and without any liability or obligation to request reinstatement of a canceled policy. In the event that AFCO requests, on the Insured's behalf, reinstatement of the policy, such request does not guarantee that coverage will be reinstated. Any money AFCO receives from an insurance company shall be credited to the amount due AFCO with any surplus paid over to whomever it is entitled. No refund of less than \$1.00 shall be made. In case of a deficiency, the Insured shall remain liable and pay the same with interest as set forth above.

(16) **ATTORNEY FEES - COLLECTION EXPENSE:** If, for collection, this Agreement is referred to an attorney and/or other party who is not a salaried employee of AFCO, the Insured agrees to pay any reasonable attorney fees and costs as well as other reasonable collection expenses, as permitted by law or granted by the court.

(17) **PREPAYMENT AND REFUND CREDITS:** The Insured may voluntarily prepay the full amount due and may be entitled to receive a partial refund of the FINANCE CHARGE in accordance with Section 18629 of the Financial Code. If payment in full is made during the first three months and 15 days after the earliest policy effective date as shown on the front of the contract, AFCO will compute a finance charge by multiplying the agreed rate of charge as stated at the end of this Agreement by the unpaid principal balances for the number of days from the earliest policy effective date to the date of prepayment in full. AFCO will apply each payment made by the Insured, first to finance charge and then to principal. PR will then subtract this actual finance charge from the finance charge shown in Box D of the contract to obtain the refund credit. If prepayment in full is made more than three months and 15 days after the earliest policy effective date, the refund credit will be computed by the Rule of 78s method. If payment of the unpaid balance is accelerated for any reason, AFCO will make the same refund or credit as would be required if the loan was paid in full on the date of acceleration. The unpaid balance remaining after subtracting the refund or credit will be treated as the unpaid balance and thereafter the unpaid balance of the loan shall bear charges at the agreed rate of charge of the end of this Agreement, until PR is actually paid in full, notwithstanding any cancellation of coverage. If AFCO issues a Notice of Cancellation, AFCO may recalculate the total finance charge payable pursuant to this Agreement, and the Insured agrees to pay interest on the Amount Financed set forth herein, from the first effective date of coverage, at the highest lawful rate of interest.

(18) **INSURANCE AGENT OR BROKER:** The insurance agent or broker named in this Agreement is the Insured's agent, not AFCO's and AFCO is not legally bound by anything the agent or broker represents to the Insured orally or in writing. AFCO has not participated in the choice, placement, acquisition or underwriting of any financed insurance. Any disclosures made by the agent are made in its capacity as the Insured's agent and AFCO makes no representations with respect to the accuracy of any such disclosures.

(19) **NOT A CONDITION OF OBTAINING INSURANCE:** This Agreement is not required as a condition of obtaining insurance coverage.

(20) **SUCCESSORS AND ASSIGNS:** All legal rights given to AFCO shall benefit AFCO's successors and assigns. The Insured will not assign this Agreement and/or the policies without AFCO's written consent except for the interest of mortgagees and loss payees.

(21) **LIMITATION OF LIABILITY - CLAIMS AGAINST AFCO:** The Insured hereby irrevocably waives and releases AFCO from any claims, lawsuits and causes of action which may be related to any prior loans and/or to any act or failure to act prior to the time that this Agreement becomes a binding contract, pursuant to paragraph 11. AFCO's liability for breach of any of the terms of this Agreement or the wrongful exercise of any of its powers shall be limited to the amount of the principal balance outstanding, except in the event of gross negligence or willful misconduct. Any claims against AFCO shall be litigated exclusively in the Supreme Court of the State of New York, County of New York.

(22) **DISCLOSURE:** The insurance company or companies and their agents, any intermediaries and the insurance agent or broker named in this Agreement and their successors are authorized and directed to provide AFCO with full and complete information regarding all financed insurance policy or policies, including, without limitation, the status and calculation of unearned premiums.

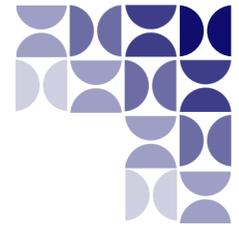
(23) **ENTIRE DOCUMENT - GOVERNING LAW - ENFORCEMENT VENUE:** This document is the entire agreement between AFCO and the Insured and can only be changed in a writing signed by both parties except as stated in paragraph (5). The laws of the state indicated in the Insured's address as set forth herein will govern this Agreement. AFCO may, at its option, prosecute any action to enforce its rights hereunder in the Supreme Court of the State of New York, County of New York, and the Insured (i) waives any objection to such venue and (ii) will honor any order issued by or judgment entered in such Court.

(24) **WAIVER OF SOVEREIGN IMMUNITY:** The Insured hereby certifies that it is empowered to enter into this Agreement without any restrictions and that the individual signing it has been fully empowered to do so. To the extent that the Insured either possesses or claims sovereign immunity for any reason, such sovereign immunity is expressly waived and the Insured agrees to be subject to the jurisdiction of the laws and courts set forth in the preceding paragraphs.

ADDENDUM TO PREMIUM FINANCE AGREEMENT – PROMISSORY NOTE

SCHEDULE OF POLICIES

Policy Prefix and Numbers	Effective Date of Policy/Inst.	Name of Insurance Company and Address of General or policy Issuing Agent or Intermediary	Type of Coverage	Months Covered	Premium \$
TBD Audit= N Min Ernd= 25% AddCxlDays= 0	3/31/2026	Evanston Insurance Company Amwins 725 S Figueroa St 19th Fl Los Angeles, CA 90017	PROPERTY Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$141,169.00 \$4,489.18 \$0.00
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
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Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		



Recurring ACH Debit Authorization Form

Please complete this authorization form to have your payments automatically debited from your account listed below. Email the completed form to your Agent/Broker with your signed PFA or email directly to AFCO Direct at notices@afcodirect.com. Please retain a copy of the completed form for your records. For assistance contact AFCO Direct at 877-226-5456.

Customer Name: Kern County Hospital Authority

Mailing Address: 1700 Mount Vernon Ave

City, State ZIP: Bakersfield, CA 93306

Phone: 661-326-2000

AFCO Direct Quote/Account/Loan #: 2894362.1

Customer Bank Account Name: _____

Depository Bank Name: _____

Account Type: Checking Savings

Transit / ABA Number: _____

Bank Account Number: _____

Customer Email Address: _____



PLEASE ATTACH A VOIDED CHECK FOR ACCOUNT VERIFICATION & CONFIRMATION PURPOSES

I hereby authorize AFCO Credit Corporation/AFCO Acceptance Corporation, doing business as **AFCO Direct** (hereinafter called "**AFCO Direct**"), its successors or assigns, to initiate recurring debit entries for amounts due under our premium finance agreement (hereinafter called "PFA") for the quote/account/loan referenced herein to the checking/savings accounts at the depository referenced herein, and to debit same to such account on the due date. Should the date for my scheduled payment fall on a weekend or holiday, my payment will be withdrawn on the next business day. I further agree any additional fees, including but not limited to, late fees, non-sufficient funds fees and cancellations fees, will also be charged and debited from the indicated account should they accrue during the term of the loan. The debited installment amount is subject to change in the event of the financing of an additional premium or the crediting of an endorsement refund to the original PFA. I further understand, agree and affirm that: (1) the information I have provided above is correct and accurate; (2) I am an authorized signer on the referenced account and am thus authorized to execute this agreement; (3) funds will be available to cover the amount of the existing obligation on the payment due date or the business day following the due date should the due date fall on a weekend or holiday; (4) this authorization shall remain in full force and effect until (a) **AFCO Direct** has received notification as set forth below from the named customer of its termination, in such time and in such manner as to afford **AFCO Direct** and Depository a reasonable opportunity to act upon it. Furthermore, I understand the automatic payments may be processed by ACH; for this reason, I understand I must give **AFCO Direct** at least 3 business days' notice by notifying AFCO Direct orally at 877-226-5456, in writing at notices@afcodirect.com, or unenrolling online at afcodirect.com before the account's payment due date; (b) **AFCO Direct** may cancel this authorization at any time and for any reason without giving me advanced notice, but **AFCO Direct** reserves its right to reestablish future ACH debits based on this authorization unless this authorization has been terminated as outlined above; (5) I authorize the extension of this document to any subsequent **AFCO Direct** quotes/accounts/loans that I may open and/or establish with AFCO Direct in the future and hereby authorize the recurring debit entries provided above to extend to these subsequent AFCO Direct quotes/accounts/loans without the execution of additional documentation; (6) in the event that any subsequent AFCO quotes/accounts/loans include a down payment, I understand, agree, and affirm that I must provide authorization in writing (an email request is deemed an acceptable authorization in writing) for AFCO Direct to ACH debit such down payment for any subsequent quotes/accounts/loans, and **AFCO Direct** is authorized to act on such request, without the execution of additional documentation; (7) I understand a non-sufficient funds ("NSF") fee of the lesser of \$30 or the amount permitted by state law may apply to my account if the funds are not available at the time of debit; (8) I understand AFCO Direct will cease sending monthly billing statements; (9) I acknowledge the originations of ACH transactions to my account must comply with the provisions of U.S. law.

INCLUDE DOWN PAYMENT. By checking this box, I authorize AFCO Direct to initiate an ACH debit for the down payment and I am confirming I have not issued, nor do I intend to issue, the down payment directly to my authorized Insurance Agent.

Authorized & Agreed to by:

BY: _____
Authorized Signatory of Account Holder Printed Name & Title Date

Line of Coverage	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	% Change from 25/26 to 26/27
1 Property	\$ 221,226	\$ 251,322	\$ 313,900	\$ 408,829	\$ 423,938	\$ 412,000	-2.82%
2 Earthquake	\$ 329,573	\$ 353,493	\$ 397,721	\$ 434,598	\$ 399,823	\$ 360,995	-9.71%
Total	\$ 550,799	\$ 604,815	\$ 711,621	\$ 843,427	\$ 823,761	\$ 772,995	Average % -6.26%

Summary of Significant Changes Per Policy Year

1 Property

For **FY 21/22**, the incumbent carrier eliminated Communicable Disease Coverage in response to the present pandemic as well as reduced coverage for acts of terror from \$200M to \$100M.

For **FY 22/23**, no substantial or material changes have been made to the renewing policy when compared to the expiring.

For **FY 23/24**, no substantial or material changes have been made to the renewing policy when compared to the expiring.

For **FY 24/25**, no substantial or material changes have been made to the renewing policy when compared to the expiring.

For **FY 25/26**, no substantial or material changes have been made to the renewing policy when compared to the expiring.

For **FY 26/27**, no substantial or material changes have been made to the renewing policy when compared to the expiring.

Premium shown above is represented as PRISM's 'Not to Exceed'

2 Earthquake

For **FY 21/22**, the incumbent carrier, Specialty Risk Underwriters, has declined to write or offer the same policy limits of \$25M. Instead, Specialty Risk Underwriters has offered to write \$15M at an increased premium per dollar of coverage. Alliant, KCHA's broker, sourced another carrier, Evanston Insurance Company, for the remaining \$10M in coverage for a total combined limit of \$25M.

For **FY 22/23**, the incumbent carrier, both Specialty Risk Underwriters and Evanston have agreed to renew the same coverages, with no material changes, for a nominal change in premium due in large part to an increase in total insured values.

For **FY 23/24**, both existing carriers have agreed to renew the same coverages, with no material changes.

For **FY 24/25**, both existing carriers have agreed to renew the same coverages, with no material changes.

For **FY 25/26**, both existing carriers have agreed to renew the same coverages, with no material changes.

For **FY 26/27**, both existing carriers have agreed to renew the same coverages, with no material changes.

Beginning FY 20/21, property and earthquake coverage was presented to the Board separately from the annual renewal of all other coverages. This was partly due to all other coverages renewing on 07/01/2021 but primarily due to the placement of earthquake separately with a standalone carrier as opposed to a covered peril within the property policy.

Client:**KCHA**

Fiscal Year Start - End

2026**2027**

Short Term Borrowing rate: effective 7/1/26 for 26/27 fiscal year

0.0395

Monthly interest rate

0.0033

Quarterly interest rate

0.0099

Semiannual interest rate

0.0198

Program

Property

Premium to be Financed

\$351,000 26/27 Estimated

Monthly payment

\$29,781.57

Quarterly payment

\$89,047.63

Semiannual payment

\$177,216.12

Monthly Payments	Program	Finance Charges	Total
July 2026	29,250	532	29,782
August 2026	29,250	532	29,782
September 2026	29,250	532	29,782
October 2026	29,250	532	29,782
November 2026	29,250	532	29,782
December 2026	29,250	532	29,782
January 2027	29,250	532	29,782
February 2027	29,250	532	29,782
March 2027	29,250	532	29,782
April 2027	29,250	532	29,782
May 2027	29,250	532	29,782
June 2027	29,250	532	29,782
	351,000	6,379	357,379

Quarterly Payments	Program	Finance Charges	Total
July 2026	87,750	1,298	89,048
October 2026	87,750	1,298	89,048
January 2027	87,750	1,298	89,048
April 2027	87,750	1,298	89,048
	351,000	5,191	356,191

Semiannual Payments	Program	Finance Charges	Total
July 2026	175,500	1,716	177,216
January 2027	175,500	1,716	177,216
	351,000	3,432	354,432

Client:	KCHA		
Fiscal Year Start - End	2026	2027	
Short Term Borrowing rate: effective 7/1/26 for 26/27 fiscal year	0.0395	3.95%	
Monthly interest rate	0.0033	0.33%	4.28%
Quarterly interest rate	0.0099	0.99%	4.94%
Semiannual interest rate	0.0198	1.98%	5.93%
Program	Property		
Premium to be Financed	\$412,000	26/27 Estimated	
Monthly payment	\$34,957.28		
Quarterly payment	\$104,523.14		
Semiannual payment	\$208,014.36		

Monthly Payments	Program	Finance Charges	Total
July 2026	34,333	624	34,957
August 2026	34,333	624	34,957
September 2026	34,333	624	34,957
October 2026	34,333	624	34,957
November 2026	34,333	624	34,957
December 2026	34,333	624	34,957
January 2027	34,333	624	34,957
February 2027	34,333	624	34,957
March 2027	34,333	624	34,957
April 2027	34,333	624	34,957
May 2027	34,333	624	34,957
June 2027	34,333	624	34,957
	412,000	7,487	419,487

Quarterly Payments	Program	Finance Charges	Total
July 2026	103,000	1,523	104,523
October 2026	103,000	1,523	104,523
January 2027	103,000	1,523	104,523
April 2027	103,000	1,523	104,523
	412,000	6,093	418,093

Semiannual Payments	Program	Finance Charges	Total
July 2026	206,000	2,014	208,014
January 2027	206,000	2,014	208,014
	412,000	4,029	416,029

Kern County Hospital Authority
2026-2027 EARTH MOVEMENT
REQUEST TO BIND COVERAGE

FIRST NAMED INSURED: Kern County Hospital Authority

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

COVERAGE	EFFECTIVE DATE
Earth Movement <input type="checkbox"/> \$25M: \$15M p/o \$25M -Specialty Risk Underwriters + \$10M p/o \$25M - Evanston Ins. Co.	3/31/2026

This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.

Signature of Authorized Insurance Representative

Date

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval.
The actual terms and conditions of the policy will prevail.

PREMIUM FINANCE AGREEMENT-PROMISSORY NOTE

660 Newport Center Drive, Suite 1050 Newport Beach, California 92660
Phone 877-226-5456 www.afcodirect.com

Quote Number
2894362.1

Agent/Broker/Producer (Name and Address)
Alliant Insurance Services, Inc. - Bay Area
560 Mission Street, 6th Floor
San Francisco, CA 94105

Telephone Number: 925-287-7263 Agency Code: ALLIANT-W07

Insured (Name and Address as shown on the policy(ies) including all insureds covered by the policies below)
Kern County Hospital Authority
1700 Mount Vernon Ave
Bakersfield, CA 93306

Telephone Number: 661-326-2000

Creditor: AFCO Acceptance Corporation			Federal Truth In Lending Disclosures		
(A) Total Premiums	(B) Down Payment	(C) Amount Financed (The amount of credit provided to you or on your behalf)	(D) FINANCE CHARGE (The dollar amount the credit will cost you)	(E) Total of Payments (The amount you will have paid after you have made all payments as scheduled)	(F) ANNUAL PERCENTAGE RATE (The cost of your credit as a yearly rate)
\$360,994.84	\$30,849.44	\$330,145.40	* \$9,198.44	\$339,343.84	5.53%
Your PAYMENT SCHEDULE will be: Monthly			*Includes a minimum finance charge of \$25.00	If the borrower under this Agreement is a consumer, you will receive an Itemization of the Amount Financed.	
No. of Payments		Amount of Payments	When Payments are Due		
11		\$30,849.44	On the 30th day of the month, beginning 4/30/2026		
<p>Security: You are giving a security interest in any and all unearned or return premium(s) and dividends which may become due under the policy(ies) being purchased.</p> <p>Late Charge: You will be charged 5% of the payment, subject to a minimum charge of \$1.00 on any payment received more than 10 days after the due date.</p> <p>Prepayment: If you voluntarily prepay in full prior to the last installment due date you will not be charged a prepayment fee and you may be entitled to a refund of part of the finance charge in the manner provided by Section 18637 of the Financial Code.</p> <p>See Above and on the last page of this document for any additional information about non-payment default, any repayment in full before the scheduled date, and prepayment refunds and penalties.</p>					

SCHEDULE OF POLICIES

Policy Prefix and Numbers	Effective Date of Policy/Inst.	Name of Insurance Company and Address of General or policy Issuing Agent or Intermediary	Type of Coverage	Months Covered	Premium \$
TBD	3/31/2026	Underwriters at Lloyds London (IL) Amwins 725 S Figueroa St 19th Fl Los Angeles, CA 90017	PROPERTY (WITH WIND)	12	\$208,200.00
Audit= N Min Ernd= 35% AddCxlDays= 0	Insured acknowledges that upon satisfactory completion of this Agreement the undersigned Agent will receive from AFCO \$0.00 for the origination and administration of this Agreement.		Ref. Tax/Fee:		\$6,636.66
			Non-Ref. Tax/Fee:		\$500.00

In consideration of the payment(s) to be made by AFCO ACCEPTANCE CORPORATION ("AFCO") to the above insurance company(ies) ("Insurer(s)"), either directly or through your or their agents, representatives, or producer, the above-named insured ("Insured") (jointly and severally if more than one):

- PROMISE OF PAYMENT:** Promises to pay to the order of AFCO at the above address or any address AFCO may designate, the Total of Payments in accordance with the Payment Schedule set forth in the above Truth-in-Lending Disclosures as well as any other sums due pursuant to this Agreement. No additional authority, acts, approvals or licenses are or will be necessary as a prerequisite to the enforceability of this Agreement. AFCO may, at its option, pay loan proceeds to any agent, broker, general agent, managing general agent or insurer set forth herein. Payments to AFCO are deemed made only upon receipt in good funds. Checks are accepted, subject to collection.
 - SECURITY INTEREST AND POWER OF ATTORNEY:** Irrevocably appoints AFCO as Attorney-In-Fact with full authority to affect cancellation of the policies covered hereby or any substitution, rewrite or renewal thereof in accordance with the provisions herein, to receive all sums assigned to AFCO or in which it has granted AFCO a security interest. AFCO may execute and deliver on behalf of the Insured all documents, forms and notices relating to the policies covered hereby in furtherance of this Agreement. The Power of Attorney is coupled with an interest and the powers given herein may be exercised by the Attorney-In-Fact, or its successors and assigns.
 - RECEIPT OF AGREEMENT AND PRIVACY NOTICE:** Acknowledges that it has received a copy of all pages of this Agreement and if the borrower is a consumer, the Insured acknowledges that he has received a copy of AFCO's Privacy Statement.
- NOTICE: 1. DO NOT SIGN THIS AGREEMENT BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACE. 2. YOU ARE ENTITLED TO A COMPLETELY FILLED-IN COPY OF THIS AGREEMENT. 3. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT AND UNDER CERTAIN CONDITIONS TO OBTAIN A PARTIAL REFUND OF THE SERVICE CHARGE.**

INSURED AGREES TO THE TERMS SET FORTH ABOVE AND ON ALL PAGES OF THIS AGREEMENT

Kern County Hospital Authority	_____	Insured	_____
INSURED'S NAME	SIGNATURE OF THE INSURED OR AUTHORIZED REPRESENTATIVE	TITLE	DATE
_____	_____	_____	_____
INSURED'S NAME	SIGNATURE OF THE INSURED OR AUTHORIZED REPRESENTATIVE	TITLE	DATE
_____	_____	_____	_____

AGENT/BROKER/PRODUCER WARRANTIES AND REPRESENTATIONS

The undersigned warrants and agrees: 1. The policies listed in the Schedule of Policies are in full force and effect, and the information and the premiums are correct. 2. The Insured has received a copy of this Agreement, has authorized this transaction and recognizes the security interest assigned herein. 3. To hold in trust for AFCO any payments made or credited to the Insured through or to the undersigned, directly or indirectly, actually or constructively by the insurance companies, their representatives or AFCO and to pay the monies as well as any unearned commissions to AFCO upon demand to satisfy the outstanding indebtedness of the Insured. 4. Any lien the undersigned has or may acquire in the return premiums arising out of the listed insurance policies is subordinate to AFCO's lien or security interest therein. 5. The policies comply with AFCO's eligibility requirements. 6. No audit or reporting form policies, policies subject to retrospective rating or minimum earned premium are included. 7. The deposit or provision premiums are not less than anticipated premiums to be earned for the full term of the policies. 8. The policies can be cancelled by the Insured and the unearned premiums will be computed on the standard short-rate or pro-rata table. 9. A proceeding in bankruptcy, receivership, or insolvency has not been instituted by or against the named Insured borrower. 10. That it has received the down payment and any other sums due as required by the Agreement and is holding same or they are attached to this Agreement. 11. No additional authority, acts, approvals or licenses are or will be necessary as a prerequisite to the enforceability of this Agreement. 12. AFCO will rely upon these representations in determining whether to accept this Agreement.

THE UNDERSIGNED FURTHER WARRANTS THAT IT HAS RECEIVED THE DOWN PAYMENT AND ANY OTHER SUMS DUE AS REQUIRED BY THE AGREEMENT AND IS HOLDING SAME OR THEY ARE ATTACHED TO THIS AGREEMENT

Alliant Insurance Services, Inc. - Bay A	_____	Agent	_____
AGENT OR BROKER	SIGNATURE OF AGENT OR BROKER	TITLE	DATE
_____	_____	_____	_____

FOR INFORMATION CONTACT THE DEPARTMENT OF FINANCIAL INSTITUTIONS, STATE OF CALIFORNIA

(4) **ASSIGNMENT OF SECURITY INTEREST AND POWER OF ATTORNEY:** The Insured assigns and hereby gives a security interest to AFCO as collateral for the total amount payable in this Agreement and any other past, present or future extension of credit: (a) any and all unearned premiums or dividends which may become payable for any reason under all insurance policies financed by AFCO, (b) loss payments which reduce the unearned premiums, subject to any mortgagee or loss payee interests and (c) any interest in any state guarantee fund relating to any financed policy. If any circumstances exist in which all premiums related to any policy could become fully earned in the event of any loss, AFCO shall be named a loss-payee with respect to such policy. AFCO at its option may enforce payment of this debt without recourse to the security given to AFCO. The Insured irrevocably appoints AFCO as its attorney in fact with full authority to (i) cancel all insurance financed by AFCO for the reason set forth in paragraph 13, whether pursuant to this or any other agreement, (ii) receive all sums hereby assigned to AFCO and (iii) execute and deliver on the Insured's behalf all documents, instruments of payment, forms and notices of any kind relating to the insurance in furtherance of this Agreement.

(5) **WARRANTY OF ACCURACY:** The Insured (i) warrants that all listed insurance policies have been issued to it and are in full force and effect and that it has not and will not assign any interest in the policies except for the interest of mortgagees and loss payees; (ii) authorizes AFCO to insert or correct on this Agreement, if omitted or incorrect, the insurer's name, the policy numbers, and the due date of the first installment and to correct any obvious errors; and (iii) authorizes AFCO to correct or remedy any error or omission in the completion of this Agreement. In the event of any such change, correction or insertion, or of any change in Blocks (A) thru (F), or in the Federal Truth-In-Lending Disclosures or in the Itemization of the Amount Financed Disclosures the Insured will be notified at the address shown hereon.

(6) **REPRESENTATION OF SOLVENCY:** The Insured represents that it is not insolvent or the subject of any insolvency proceeding.

(7) **ADDITIONAL PREMIUMS:** The money paid by AFCO is only for the premium as determined at the time the insurance policy is issued. AFCO's payment shall not be applied by the insurance company to pay for any additional premiums owed by the Insured resulting from any type of misclassification of the risk. The Insured shall pay to the insurer any additional premiums or any other sums that become due for any reason. The Insured agrees that, in the event the total premiums are greater than that shown hereon, or if the Insured requests additional premiums be added or additional premiums financed, this Agreement may be amended to reflect the actual premiums and the Insured will either (i) pay the difference in premium due or (ii) pay any required additional down payment and any additional finance charge permitted by law. In such event AFCO will forward the Insured a revision notice showing all information required by law. If AFCO assigns the same account number to any additional extension or extensions of credit, (i) this Agreement and any agreement or agreements identified by such account number shall be deemed to comprise a single and indivisible loan transaction, (ii) any default with respect to any component of such transaction shall be deemed a default with respect to all components of such transaction and (iii) any unearned premiums relating to any component of such transaction may be collected and applied by AFCO to the totality of such transaction.

(8) **SPECIAL INSURANCE POLICIES:** If the insurance policy is auditable or is a reporting form policy or is subject to retrospective rating, then the Insured promises to pay to the insurance company the earned premium computed in accordance with the policy provisions which is in excess of the amount of premium advanced by AFCO which the insurance company retains.

(9) **FIRST NAMED INSURED:** If the insurance policy provides that the first named insured in the policy shall be responsible for payment of premiums and shall act on behalf of all other insureds regarding the policy, then the same shall apply to this Agreement and the Insured represents that it is authorized to sign on behalf of all insureds. If not, then all insureds' names must be shown on this Agreement unless a separate agreement appoints an insured to act for the others.

(10) **FINANCE CHARGE:** The finance charge shown in Block D begins to accrue as of the earliest policy effective date and that the rate of charge for a loan not exceeding \$2,499.99 shall not exceed: (a) 2% per month on the part of the unpaid principal balance not exceeding \$1000; 1% per month of any remainder of such unpaid balance in excess of \$1000; or (b) 1.6% per month of the unpaid principal balance. All other rates of charge shall be agreed upon by the parties to the contact.

(11) **AGREEMENT BECOMES A CONTRACT:** This Agreement becomes a binding contract when AFCO mails the Insured its written acceptance and is not a contract until such time. The Insured agrees that (i) this Agreement may be transmitted by facsimile, E-mail or other electronic means to AFCO, (ii) any such transmitted Agreement shall be deemed a fully enforceable duplicate original document and (iii) such Agreement, when accepted by AFCO, shall constitute a valid and enforceable contract.

(12) **DEFAULT AND DISHONORED CHECK CHARGES:** If the Insured is late in making a loan payment to AFCO by more than the number of days specified by law the Insured will pay to AFCO a delinquency charge equal to the maximum charge permitted by law. If a check is dishonored, AFCO may re-present the check electronically and collect a service fee not to exceed the lesser of \$25 or the amount permitted by law.

(13) **CANCELLATION:** AFCO may cancel all insurance policies financed by AFCO after giving statutory notice and the full balance due to AFCO shall be immediately payable if the Insured does not pay any installment according to the terms of this or any other Agreement with AFCO. Payment of unearned premiums shall not be deemed to be payment of installments to AFCO, in full or in part.

(14) **CANCELLATION CHARGES:** If AFCO cancels any insurance policy in accordance with the terms of this Agreement the Insured will pay AFCO a cancellation charge, if permitted, up to the limit specified by law.

(15) **MONEY RECEIVED AFTER NOTICE OF CANCELLATION:** Any payments made to AFCO after mailing of AFCO's Notice of Cancellation may be credited to the Insured's account without affecting the acceleration of this Agreement and without any liability or obligation to request reinstatement of a canceled policy. In the event that AFCO requests, on the Insured's behalf, reinstatement of the policy, such request does not guarantee that coverage will be reinstated. Any money AFCO receives from an insurance company shall be credited to the amount due AFCO with any surplus paid over to whomever it is entitled. No refund of less than \$1.00 shall be made. In case of a deficiency, the Insured shall remain liable and pay the same with interest as set forth above.

(16) **ATTORNEY FEES - COLLECTION EXPENSE:** If, for collection, this Agreement is referred to an attorney and/or other party who is not a salaried employee of AFCO, the Insured agrees to pay any reasonable attorney fees and costs as well as other reasonable collection expenses, as permitted by law or granted by the court.

(17) **PREPAYMENT AND REFUND CREDITS:** The Insured may voluntarily prepay the full amount due and may be entitled to receive a partial refund of the FINANCE CHARGE in accordance with Section 18629 of the Financial Code. If payment in full is made during the first three months and 15 days after the earliest policy effective date as shown on the front of the contract, AFCO will compute a finance charge by multiplying the agreed rate of charge as stated at the end of this Agreement by the unpaid principal balances for the number of days from the earliest policy effective date to the date of prepayment in full. AFCO will apply each payment made by the Insured, first to finance charge and then to principal. PR will then subtract this actual finance charge from the finance charge shown in Box D of the contract to obtain the refund credit. If prepayment in full is made more than three months and 15 days after the earliest policy effective date, the refund credit will be computed by the Rule of 78s method. If payment of the unpaid balance is accelerated for any reason, AFCO will make the same refund or credit as would be required if the loan was paid in full on the date of acceleration. The unpaid balance remaining after subtracting the refund or credit will be treated as the unpaid balance and thereafter the unpaid balance of the loan shall bear charges at the agreed rate of charge of the end of this Agreement, until PR is actually paid in full, notwithstanding any cancellation of coverage. If AFCO issues a Notice of Cancellation, AFCO may recalculate the total finance charge payable pursuant to this Agreement, and the Insured agrees to pay interest on the Amount Financed set forth herein, from the first effective date of coverage, at the highest lawful rate of interest.

(18) **INSURANCE AGENT OR BROKER:** The insurance agent or broker named in this Agreement is the Insured's agent, not AFCO's and AFCO is not legally bound by anything the agent or broker represents to the Insured orally or in writing. AFCO has not participated in the choice, placement, acquisition or underwriting of any financed insurance. Any disclosures made by the agent are made in its capacity as the Insured's agent and AFCO makes no representations with respect to the accuracy of any such disclosures.

(19) **NOT A CONDITION OF OBTAINING INSURANCE:** This Agreement is not required as a condition of obtaining insurance coverage.

(20) **SUCCESSORS AND ASSIGNS:** All legal rights given to AFCO shall benefit AFCO's successors and assigns. The Insured will not assign this Agreement and/or the policies without AFCO's written consent except for the interest of mortgagees and loss payees.

(21) **LIMITATION OF LIABILITY - CLAIMS AGAINST AFCO:** The Insured hereby irrevocably waives and releases AFCO from any claims, lawsuits and causes of action which may be related to any prior loans and/or to any act or failure to act prior to the time that this Agreement becomes a binding contract, pursuant to paragraph 11. AFCO's liability for breach of any of the terms of this Agreement or the wrongful exercise of any of its powers shall be limited to the amount of the principal balance outstanding, except in the event of gross negligence or willful misconduct. Any claims against AFCO shall be litigated exclusively in the Supreme Court of the State of New York, County of New York.

(22) **DISCLOSURE:** The insurance company or companies and their agents, any intermediaries and the insurance agent or broker named in this Agreement and their successors are authorized and directed to provide AFCO with full and complete information regarding all financed insurance policy or policies, including, without limitation, the status and calculation of unearned premiums.

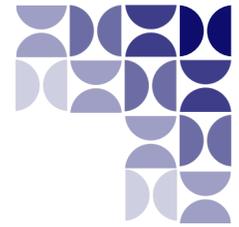
(23) **ENTIRE DOCUMENT - GOVERNING LAW - ENFORCEMENT VENUE:** This document is the entire agreement between AFCO and the Insured and can only be changed in a writing signed by both parties except as stated in paragraph (5). The laws of the state indicated in the Insured's address as set forth herein will govern this Agreement. AFCO may, at its option, prosecute any action to enforce its rights hereunder in the Supreme Court of the State of New York, County of New York, and the Insured (i) waives any objection to such venue and (ii) will honor any order issued by or judgment entered in such Court.

(24) **WAIVER OF SOVEREIGN IMMUNITY:** The Insured hereby certifies that it is empowered to enter into this Agreement without any restrictions and that the individual signing it has been fully empowered to do so. To the extent that the Insured either possesses or claims sovereign immunity for any reason, such sovereign immunity is expressly waived and the Insured agrees to be subject to the jurisdiction of the laws and courts set forth in the preceding paragraphs.

ADDENDUM TO PREMIUM FINANCE AGREEMENT – PROMISSORY NOTE

SCHEDULE OF POLICIES

Policy Prefix and Numbers	Effective Date of Policy/Inst.	Name of Insurance Company and Address of General or policy Issuing Agent or Intermediary	Type of Coverage	Months Covered	Premium \$
TBD Audit= N Min Ernd= 25% AddCxlDays= 0	3/31/2026	Evanston Insurance Company Amwins 725 S Figueroa St 19th Fl Los Angeles, CA 90017	PROPERTY Ref. Tax/Fee: Non-Ref. Tax/Fee:	12	\$141,169.00 \$4,489.18 \$0.00
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
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Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		
Audit= Min Ernd= AddCxlDays=			Ref. Tax/Fee: Non-Ref. Tax/Fee:		



Recurring ACH Debit Authorization Form

Please complete this authorization form to have your payments automatically debited from your account listed below. Email the completed form to your Agent/Broker with your signed PFA or email directly to AFCO Direct at notices@afcodirect.com. Please retain a copy of the completed form for your records. For assistance contact AFCO Direct at 877-226-5456.

Customer Name: Kern County Hospital Authority

Mailing Address: 1700 Mount Vernon Ave

City, State ZIP: Bakersfield, CA 93306

Phone: 661-326-2000

AFCO Direct Quote/Account/Loan #: 2894362.1

Customer Bank Account Name: _____

Depository Bank Name: _____

Account Type: Checking Savings

Transit / ABA Number: _____

Bank Account Number: _____

Customer Email Address: _____



PLEASE ATTACH A VOIDED CHECK FOR ACCOUNT VERIFICATION & CONFIRMATION PURPOSES

I hereby authorize AFCO Credit Corporation/AFCO Acceptance Corporation, doing business as **AFCO Direct** (hereinafter called "**AFCO Direct**"), its successors or assigns, to initiate recurring debit entries for amounts due under our premium finance agreement (hereinafter called "PFA") for the quote/account/loan referenced herein to the checking/savings accounts at the depository referenced herein, and to debit same to such account on the due date. Should the date for my scheduled payment fall on a weekend or holiday, my payment will be withdrawn on the next business day. I further agree any additional fees, including but not limited to, late fees, non-sufficient funds fees and cancellations fees, will also be charged and debited from the indicated account should they accrue during the term of the loan. The debited installment amount is subject to change in the event of the financing of an additional premium or the crediting of an endorsement refund to the original PFA. I further understand, agree and affirm that: (1) the information I have provided above is correct and accurate; (2) I am an authorized signer on the referenced account and am thus authorized to execute this agreement; (3) funds will be available to cover the amount of the existing obligation on the payment due date or the business day following the due date should the due date fall on a weekend or holiday; (4) this authorization shall remain in full force and effect until (a) **AFCO Direct** has received notification as set forth below from the named customer of its termination, in such time and in such manner as to afford **AFCO Direct** and Depository a reasonable opportunity to act upon it. Furthermore, I understand the automatic payments may be processed by ACH; for this reason, I understand I must give **AFCO Direct** at least 3 business days' notice by notifying AFCO Direct orally at 877-226-5456, in writing at notices@afcodirect.com, or unenrolling online at afcodirect.com before the account's payment due date; (b) **AFCO Direct** may cancel this authorization at any time and for any reason without giving me advanced notice, but **AFCO Direct** reserves its right to reestablish future ACH debits based on this authorization unless this authorization has been terminated as outlined above; (5) I authorize the extension of this document to any subsequent **AFCO Direct** quotes/accounts/loans that I may open and/or establish with AFCO Direct in the future and hereby authorize the recurring debit entries provided above to extend to these subsequent AFCO Direct quotes/accounts/loans without the execution of additional documentation; (6) in the event that any subsequent AFCO quotes/accounts/loans include a down payment, I understand, agree, and affirm that I must provide authorization in writing (an email request is deemed an acceptable authorization in writing) for AFCO Direct to ACH debit such down payment for any subsequent quotes/accounts/loans, and **AFCO Direct** is authorized to act on such request, without the execution of additional documentation; (7) I understand a non-sufficient funds ("NSF") fee of the lesser of \$30 or the amount permitted by state law may apply to my account if the funds are not available at the time of debit; (8) I understand AFCO Direct will cease sending monthly billing statements; (9) I acknowledge the originations of ACH transactions to my account must comply with the provisions of U.S. law.

INCLUDE DOWN PAYMENT. By checking this box, I authorize AFCO Direct to initiate an ACH debit for the down payment and I am confirming I have not issued, nor do I intend to issue, the down payment directly to my authorized Insurance Agent.

Authorized & Agreed to by:

BY: _____
Authorized Signatory of Account Holder Printed Name & Title Date

IMPORTANT NOTICE:

- 1. The insurance policy that you are applying to purchase is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**

6. For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC’s International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or “surplus line” broker to obtain more information about that insurer.

7. California maintains a “List of Approved Surplus Line Insurers (LASLI).” Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.

8. If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker’s fee charged for this insurance will be returned to you.

Date: _____

Insured: _____



SPECIAL RISK UNDERWRITERS

If the policy issued by Amwins Special Risk Underwriters excludes Flood, the following shall apply:

Flood Exclusion Acknowledgement

I understand the policy issued by Amwins Special Risk Underwriters does NOT provide coverage for loss or damage caused by or resulting from Flood, including any flooding and/or storm surge associated with windstorm events.

I understand that Flood insurance can be purchased elsewhere from a private flood insurer or the National Flood Insurance Program.

It is strongly recommended that Insureds in "Special Flood Hazard Areas" or areas subject to Flooding, including flooding and/or storm surge from windstorm events, obtain Flood coverage.

I also understand that execution of this form does NOT relieve me of any obligation that I may have to my mortgagees or lenders to purchase Flood insurance.

If the policy issued by Amwins Special Risk Underwriters includes Flood, the following shall apply:

Flood Coverage

I understand the policy issued by Amwins Special Risk Underwriters does provide coverage for loss or damage caused by or resulting from Flood, including any flooding and/or storm surge associated with windstorm events.

I understand that loss or damage caused by or resulting from Flood, including any flooding and/or storm surge associated with windstorm events, will be subject to the Flood sublimit stated elsewhere in the policy.

I understand that if I do not sign this form that my application for coverage may be denied or that my policy issued by Amwins Special Risk Underwriters may be cancelled or non-renewed. I have read and I understand the information above.

Policyholder/Applicant's Signature

Print Name

S-2412-1309130

Account Number

Date



EVANSTON INSURANCE COMPANY

POLICYHOLDER DISCLOSURE

NOTICE OF TERRORISM INSURANCE COVERAGE

Policyholder/Applicant Name: Kern County Hospital Authority

Policy Number (if applicable):

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019 AND 80% BEGINNING ON JANUARY 1, 2020 OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

SELECTION OR REJECTION OF TERRORISM INSURANCE COVERAGE
PLEASE "X" ONE OF THE BOXES BELOW AND TAKE THE ACTION INDICATED.

<input type="checkbox"/>	I hereby elect to purchase terrorism coverage for a prospective premium of \$154,800.00
<input checked="" type="checkbox"/>	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Policyholder/Applicant Signature

Print Name

Date

FRAUD WARNING DISCLOSURE

Effective Date: 3/31/2026
Named Insured: Kern County Hospital Authority.

THE UNDERSIGNED IS AN AUTHORIZED REPRESENTATIVE OF THE APPLICANT AND CERTIFIES THE INFORMATION PROVIDED TO OBTAIN THIS COVERAGE IS ACCURATE TO THE BEST OF THEIR KNOWLEDGE. THIS INCLUDES ANY APPLICATIONS, LOCATION SCHEDULES, VALUATION STATEMENTS, LOSS HISTORY INFORMATION AND ENGINEERING REPORTS.

THE FOLLOWING STATEMENT APPLIES IN ALL STATES EXCEPT THOSE NOTED BELOW:

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Alabama Applicants: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

Arkansas Applicants: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Colorado Applicants: It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

District of Columbia Applicants: WARNING: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

Notice to Florida Applicants: Any person who knowingly and with intent to injure, defraud or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

Kansas Applicants: Any person who commits a fraudulent insurance act is guilty of a crime and may be subject to restitution, fines and confinement in prison. A fraudulent insurance act means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer or insurance agent or broker, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for insurance, or the rating of an insurance policy, or a claim for payment or other benefit under an insurance policy, which such person knows to contain materially false information concerning any material fact thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.

Kentucky Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

Louisiana Applicants: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Maine Applicants: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

Maryland Applicants: Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

New Jersey Applicants: Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

New Mexico Applicants: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

New York Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Ohio Applicants: Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

Oklahoma Applicants: WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

Oregon Applicants: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison. In order for us to deny a claim on the basis of misstatements, misrepresentations, omissions or concealments on your part, we must show that:

- a. The misinformation is material to the content of the policy;
- b. We relied upon the misinformation; and
- c. The information was either:
 - Material to the risk assumed by us; or
 - Provided fraudulently.

For remedies other than the denial of a claim, misstatements, misrepresentations, omissions or concealments on your part must either be fraudulent or material to our interests. With regard to fire insurance, in order to trigger the right to remedy, material misrepresentations must be willful or intentional. Misstatements, misrepresentations, omissions or concealments on your part are not fraudulent unless they are made with the intent to knowingly defraud.

Pennsylvania Applicants: Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

Rhode Island Applicants: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Tennessee Applicants: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Vermont Applicants: Any person who knowingly presents a false statement in an application for insurance may be guilty of a criminal offense and subject to penalties under state law.

Virginia Applicants: It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Washington Applicants: It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines, and denial of insurance benefits.

West Virginia Applicants: Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Insured Signature

Date

Producer Signature

Date

DEFINITIONS

For purposes of this form, the following definitions apply:

- A) **AFFILIATE.** – The term “affiliate” means, with respect to an Applicant, any entity that controls, is controlled by, or is under common control with the Applicant.
- B) **AFFILIATED GROUP.** – The term “affiliated group” means any group of entities that are all affiliated.
- C) **CONTROL** – An entity has “control” over another entity if –
- (i) the entity directly or indirectly or acting through 1 or more other persons owns, controls or has the power to vote 25 percent or more of any class of voting securities of the other entity; or
 - (ii) the entity controls in any manner the election of a majority of the directors or trustees of the other entity.
- D) **PRINCIPAL PLACE OF BUSINESS** – The term “principal place of business” means, with respect to determining the home state of the Applicant:
- (i) the state in which an Applicant maintains its headquarters and the Applicant’s high level officers direct, control and coordinate the business activities; or
 - (ii) if the Applicant is a company which maintains outside any state its headquarters where the Applicant’s high level officers direct, control and coordinate the business activities, (for example a foreign company headquartered in a foreign country), then the state where the largest percentage of the risk resides, i.e. the state to which the greatest percentage of the Applicant’s taxable premium for the insurance contract is allocated.
- E) **STATE** – The term “state” includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Northern Mariana Islands, the U.S. Virgin Islands, and American Samoa.

EXEMPT COMMERCIAL PURCHASER QUESTIONNAIRE
(This form is for use with commercial insurance only, for policies effective on or after July 21, 2011. It is not for use with personal lines insurance.)

Applicant: Kern County Hospital Authority

NOTE: NO DILIGENT SEARCH OF THE ADMITTED INSURANCE MARKET IS REQUIRED PRIOR TO PLACING INSURANCE IN THE NONADMITTED MARKET IF APPLICANT IS AN "EXEMPT COMMERCIAL PURCHASER", PER FEDERAL LAW, IF PRIOR DISCLOSURE IS GIVEN TO APPLICANT AND SUBSEQUENT WRITTEN REQUEST IS MADE BY APPLICANT TO PLACE IN THE NONADMITTED MARKET.

The purpose of this questionnaire is to help you determine if you qualify as an Exempt Commercial Purchaser under the federal law's requirements.

(Please check the correct answers to the questions below)

1) Has the Applicant paid aggregate nationwide commercial property and casualty insurance premiums in excess of \$100,000 in the immediately preceding 12 months? YES NO

If you answered this question YES, then please proceed to question 2).

If you answered this question NO, then stop here. Applicant is not an Exempt Commercial Purchaser.

2) Does the Applicant employ or retain a Qualified Risk Manager to negotiate insurance coverage? (See definition on page 2 before answering question) YES NO

If you answered this question YES, then please proceed to question 3). If you answered this question NO, then stop here. Applicant is not an Exempt Commercial Purchaser.

3) The Applicant:

- (I) Possesses a net worth in excess of \$20,000,000 (as adjusted for inflation)? YES NO
- (II) Generates annual revenues in excess of \$50,000,000 (as adjusted for inflation)? YES NO
- (III) Employs more than 500 full-time or full-time equivalent employees or is a member of an affiliated group under common control employing more than 1000 employees in the aggregate? YES NO
- (IV) Is a not-for-profit organization or public (governmental) entity generating annual budgeted expenditures of at least \$30,000,000 (as adjusted for inflation)? YES NO
- (V) Is a municipality with a population in excess of 50,000 persons? YES NO

IF QUESTIONS 1) AND 2) WERE ANSWERED YES, AND ANY **ONE** OF THE FIVE QUESTIONS IN 3) WAS ANSWERED YES, THEN THE APPLICANT IS AN **EXEMPT COMMERCIAL PURCHASER** AS DEFINED IN THE FEDERAL NONADMITTED AND REINSURANCE REFORM ACT OF 2010.

IF YOU DO NOT QUALIFY AS AN EXEMPT COMMERCIAL PURCHASER PER ABOVE, THEN STOP RIGHT HERE.

IF YOU DO QUALIFY AS AN EXEMPT COMMERCIAL PURCHASER PER ABOVE, THEN PLEASE CONTINUE.

NOTICE: SUCH INSURANCE AS YOU ARE APPLYING FOR MAY OR MAY NOT BE AVAILABLE FROM THE ADMITTED MARKET THAT MAY PROVIDE GREATER PROTECTION WITH MORE REGULATORY OVERSIGHT.

SIGNING BELOW AND RETURNING THIS FORM TO THE LICENSED INSURANCE PRODUCER YOU ARE DEALING WITH TO PLACE THIS INSURANCE FOR YOU CONSTITUTES YOUR ACKNOWLEDGMENT THAT YOU HAVE READ THIS NOTICE AND ARE REQUESTING THE PRODUCER TO PROCURE OR PLACE SUCH INSURANCE FROM A NONADMITTED INSURER.

By: _____
(Applicant's Authorized Signature)

Print Name or Type

Title: _____

Date: _____

NRRA Definition of a Qualified Risk Manager

A Qualified Risk Manager means a person who meets all of the following requirements:

- (A) The person is an employee of, or third-party consultant retained by the Applicant.
- (B) The person provides skilled services in loss prevention, loss reduction, or risk and insurance coverage analysis, and purchase of insurance.
- (C) The person-
 - (i)
 - (I) has a bachelor's degree or higher from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by a state insurance commissioner or other state regulatory official or entity to demonstrate minimum competence in risk management; and
 - (II) (aa) has 3 years of experience in risk financing, claims administration, loss prevention, risk and insurance analysis, or purchasing commercial lines of insurance; or
(bb) has-
 - (AA) a designation as a Chartered Property and Casualty Underwriter (CPCU) issued by the American Institute for CPCU/Insurance Institute of America;
 - (BB) a designation as an Associate in Risk Management (ARM) issued by the American Institute for CPCU/Insurance Institute of America;
 - (CC) a designation as a Certified Risk Manager (CRM) issued by the National Alliance for Insurance Education & Research;
 - (DD) a designation as a RIMS Fellow (RF) issued by the Global Risk Management Institute; or
 - (EE) any other designation, certification, or license determined by a state insurance commissioner or other state insurance regulatory official or entity to demonstrate minimum competency in risk management;
 - (ii)
 - (I) has at least 7 years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance; and
 - (II) has any one of the designations specified in (AA) through (EE) of clause (i)(II)(bb) above;
 - (iii) has at least 10 years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance; or
 - (iv) has a graduate degree from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by a state insurance commissioner or other state regulatory official or entity to demonstrate minimum competence in risk management.



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Amendment No. 2 to Agreement 036-2024 with Baker Tilly US LLP

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 1 to Agreement 036-2024 with Baker Tilly US LLP, an independent contractor, for financial auditing services. The underlying Agreement, as amended, is for a term of two years from April 1, 2024 through March 31, 2026.

The primary purpose of an external financial audit is to conduct an audit sufficient to express an opinion as to whether the Kern County Hospital Authority's financial statements are fairly presented in accordance with Generally Accepted Accounting Principles and whether supplementary information is fairly presented in relation to the basic financial statements. The audit will include an evaluation and report of the Authority's internal control for the purpose of identifying areas of weakness or noncompliance.

The proposed Amendment extends the term of the Agreement for one year from April 1, 2026 through March 31, 2027, and increases the maximum payable by \$227,625, from \$416,400 to \$644,025, to cover the term, and incorporates a fee schedule for the Fiscal Year End June 30, 2026 audit. The maximum payable is inclusive of estimated fees not to exceed \$202,500, a five percent (5%) administrative and technology fee of \$10,125, and reimbursement of travel-related expenses not to exceed \$15,000 for the period April 1, 2026 through March 31, 2027.

Therefore, it is recommended that your Board approve Amendment No. 2 to Agreement 036-2024 with Baker Tilly US LLP, an independent contractor, for the period April 1, 2024 through March 31, 2026, for financial auditing services, extending the term for one year from April 1, 2026 through March 31, 2027, increasing the maximum payable by \$227,625, from \$416,400 to \$644,025, to cover the extended term, incorporate a fee schedule for the Fiscal Year End June 30, 2026 audit, and authorize the Chairman to sign.

**AMENDMENT NO. 2
TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Baker Tilly US LLP)**

This Amendment No. 2 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2025, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Baker Tilly US LLP, an Illinois limited liability partnership (“Contractor”), with its national office located at 205 N. Michigan Ave., Chicago, Illinois 60601.

RECITALS

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Agt. -036-2024, dated March 20, 2024), Assignment and Assumption Amendment (Agt. 060-2025, dated June 3, 2025), and Amendment No. 1 (Agt. 061-2025, dated June 18, 2025) (collectively, the “Agreement”), for the period April 1, 2024 through March 31, 2025, for services related to the development of one or more managed care provider networks; and

(b) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

(c) The Agreement is amended effective April 1, 2026;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Section 1, Term, shall be deleted in its entirety and replaced with the following:

“1. **Term.** This Agreement shall be effective and the term shall commence as of April 1, 2024 (the “Effective Date”), and shall end March 31, 2027, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 4, Payment for Services, paragraph 4.2, Travel Reimbursement, shall be deleted in its entirety and replaced with the following:

“4.2 **Travel Reimbursement.** Contractor will be reimbursed for all approved travel expenses, which approval will not be unreasonably withheld, incurred by Contractor on behalf of Authority in an amount not to exceed \$15,000 per year, with total reimbursement not to exceed \$45,000 over the three (3) year term of this Agreement. Reimbursement of travel expenses will include actual cost for lowest refundable coach round-trip airfare, local transportation (rental cars are reimbursable at actual cost for compact or midsize vehicles only; per mile reimbursement for personal vehicle use at the

current privately owned vehicle [POV] mileage reimbursement rate established by the U.S. General Services Administration), meals and incidental expenses at the current domestic per diem rates established by the U.S. General Services Administration for Kern County (“County”), and reasonable hotel accommodations not to exceed the maximum allowable reimbursement rate including taxes established by County. Travel-related expenses will be billed monthly, as incurred, and are payable in arrears within thirty (30) days of receipt and approval of each invoice by KMC.”

3. Section 4, Payment for Services, paragraph 4.4, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“4.4 Maximum Payable. The maximum payable under this Agreement shall not exceed \$644,025 over the term of this Agreement, unless separately agreed to by Authority and Contractor in writing and signed by both parties through a formal written amendment to this Agreement. The maximum payable is inclusive of estimated fees not to exceed \$202,500, a five percent (5%) administrative and technology fee of \$10,125, and reimbursement of travel-related expenses not to exceed \$15,000 for the period April 1, 2026 through March 31, 2027.”

4. Exhibit “B-1,” Fee Schedule, shall be deleted in its entirety and replaced with Exhibit “B-1,” Fiscal Year Ended June 30, 2026, attached hereto and incorporated herein by this reference.

5. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

6. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

7. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

8. Except as provided herein, all other terms, conditions, and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[INTENTIONALLY LEFT BLANK]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 2 as of the day and year first written above.

KERN COUNTY HOSPITAL AUTHORITY

BAKER TILLY US, LLP

By _____
Chairman
Board of Governors

By Kimberly Sokoloff
Kimberly Sokoloff
Principal

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:

By _____
Vice President & General Counsel
Kern County Hospital Authority

**EXHIBIT “B-1”
FEE SCHEDULE
FISCAL YEAR ENDED JUNE 20, 2026**

AUDIT YEAR	FEES
Fiscal year ended June 30, 2026	Not to Exceed \$202,500
5% Administrative and Technology Fee	\$10,125

Contractor shall issue invoices based on the time frame set forth in the Engagement Letter or, if none, on a monthly basis.

Authority acknowledges that the following circumstances may result in an increase in fees:

- Failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure to complete the audit preparation work by the applicable due dates;
- Significant unanticipated transactions, audit issues, or other such circumstances;
- Delays causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances or report disclosures that impact the current year engagement; and/or
- An excessive number of audit adjustments.

Contractor will advise Authority in the event these circumstances occur. In addition, to the extent future federal, state, or professional rule-making activities require modification of Contractor’s audit approach, procedures, scope of work, etc., Contractor will advise Authority of such changes and the impact on fees.

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**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

SUBJECT: Proposed Facility Agreement under HealthTrust Purchasing Agreement HPG-45202 with Airgas USA, LLC

Requested Action: Approve; Authorize Chairman to sign

Summary

Kern Medical requests your Board approve the proposed HealthTrust Purchasing Agreement HPG-45202, for exclusive supply of all medical-grade and specialty gases in cylinder form in an amount not to exceed \$245,000. This Agreement represents a transition from our current supplier, Linde Gas & Equipment Inc., which has not met our expectations due to repeated service disruptions and substantially higher pricing compared to available alternatives.

Airgas USA LLC was selected as the sole and exclusive supplier through the HealthTrust Purchasing Group (GPO) contract (HPG-45202, dated December 1, 2019), which provides competitive pricing and terms for these critical products. The Agreement is effective from February 1, 2026 through January 31, 2031, and automatically renews for one (1) year terms thereafter. The Agreement is retroactive because Kern Medical received the terms and conditions after the effective date but need to commence the services upon receipt. This item was listed on the February 2026 Board Report on Upcoming Retroactive Agreements.

Therefore, it is recommended that your Board approve the proposed Facility Agreement under HealthTrust Purchasing Agreement HPG-45202 with Airgas USA, LLC, for the exclusive supply of medical-grade and specialty cylinder gases, for the period February 1, 2026 through January 31, 2031, with a not to exceed amount of \$245,000 plus tax and shipping, and authorize the Chairman to sign.



Quorum & Airgas USA, LLC on behalf of its subsidiaries and affiliates, and related member companies
Member Commitment Agreement Contract

Facility Agreement

This Facility Agreement (“Agreement”) is entered into in connection with that certain Purchasing Agreement, HPG-45202, dated December 1, 2019, between HealthTrust Purchasing Group, L.P. (“HealthTrust”) and Airgas USA, LLC (hereinafter “Vendor”) (“Purchasing Agreement”), of which this Agreement is a part and into which this Agreement shall be incorporated. This Agreement shall be subject to the terms and conditions of the Purchasing Agreement as if attached hereto, except as may otherwise be provided in this Agreement. In the event of a conflict between the terms of the Purchasing Agreement and this Agreement, the terms of the Purchasing Agreement shall control.

THIS AGREEMENT is made this 1st day of February, 2026, by and between Vendor, and the following entity herein referred to as “Customer”:

Membership	HealthTrust
Facility Name:	Kern Medical Hospital
Address:	1700 Mount Vernon Ave
City, ST, ZIP:	Bakersfield, CA 93306
Type:	<input checked="" type="checkbox"/> Acute Care <input type="checkbox"/> Surgery Center <input type="checkbox"/> Imaging Center <input type="checkbox"/> Other
GPOID:	H044520
Contact Person & Title:	Jonathan Butler
Contact Phone:	(661) 326-2625
Contact Email:	jonathan.butler@kernmedical.com

1. Exclusive Supply and Full Requirements Agreement . Vendor agrees to sell to Customer and Customer agrees to purchase from Vendor, subject to the terms and conditions of the Purchasing Agreement, this Agreement and any exhibits, addendum, attachments or riders hereto, Customer’s total present and future requirements for the products and any substitute products described on Attachment A (referred to separately and collectively as “Product(s)”). Customer agrees not to acquire or use any Product or substitute(s), in solid, liquid, or gaseous form, or in containers of a different type or size, from any other source or Vendor, or by any other means, without Vendor’s prior written consent. Substitute(s) shall include but not be limited to on-site or off-site generating systems, pipelines, mixtures of products and cylinder products. If Vendor is unable to supply Products to Customer, Customer may obtain replacement products from other sources for that period of time during which Vendor is unable to supply Customer. The Products and other related detail covered by this Agreement, the prices (the “Price(s)”) and the charges are on Attachment A.

2. Term . The Term of this Agreement will be five (5) years beginning on February 1, 2026 (the “Initial Term”). After the Initial Term, the Term may be renewed for successive renewal terms (“Renewal Term”) of one (1) year with written notice prior to the expiration date. At any time during any renewal period, either party may terminate this Agreement by providing ninety (90) days’ written notice to the other party.

3. If any Product deliveries are made before the indicated beginning date, the Product will be covered by this Agreement.

4. **Payment** . Vendor will invoice Customer for the Products at the Prices and charges set forth on Attachment A. Customer shall make payment in full within 30 days from the later of receipt of invoice or receipt of Product. Customer shall also pay all applicable taxes, except Vendor's income tax. If Customer's account is not paid in full by such payment day, Vendor may, at Vendor's option, exercise any one or more of the following (in addition to any other remedies available to Vendor): (i) require Customer, as a condition of receiving Product, to prepay the delivery invoice plus a part of the past due amounts, as specified by Vendor; (ii) collect from Customer on any delinquent balance a charge at the rate of 1.5% per month or, if less, the maximum rate permitted by law; and/or (iv) terminate, in whole or in part, this Agreement.

5. **Deliveries & Miscellaneous Services** . a) Unless otherwise specified elsewhere in this Agreement, all Products shall be delivered by Vendor by commercial package delivery service at Customer's expense. Title and risk of loss or damage shall pass to Customer when Vendor deposits the Product with the delivery service; b) Customer shall monitor Product levels and give Vendor reasonable, advance notice when ordering Product; c) It is Customer's duty to check the condition and labeling of cylinders upon receipt to determine that they are fit for their intended use and report any problems to Vendor immediately. In the event that Customer's actual volume decreases below eighty-five percent or increases above one hundred and twenty percent of the Estimated Monthly Volumes for three consecutive months, Vendor and Customer will come to a mutually agreeable price adjustment. This right is subject to Vendor's prior written consent, which shall not be unreasonably withheld; d) Additional services as described on Attachment A or Exhibit 1 (if applicable) are available at Vendor's then current standard rate. Any and all services provided by Vendor to Customer shall be governed by the terms of the Purchasing Agreement and this Facility Agreement.

6. **Cylinders and Cylinder Rental**. (a) Cylinder gas Products sold to Customer in non-refillable, non-returnable cylinders shall, upon their sale to Customer, become Customer's sole property and responsibility. Customer will handle, use and dispose of such cylinders in compliance with all applicable federal, state and local laws, rules, regulations and other legal requirements. Subject to the limitations set out in the Purchasing Agreement, Customer shall defend, indemnify and hold Vendor harmless from and against any and all legal proceedings and damages it may suffer if Customer breaches its obligations under this Section 5 (a); (b) Except for Customer-owned refillable cylinders identified as such by the Customer when delivered to Vendor for filling, all cylinders delivered to Customer are and will always remain the sole property of Vendor. Until cylinders are returned to Vendor by Customer at Customer's expense, Customer shall pay rental on all cylinders at Vendor's current scheduled monthly or daily rental rates or at the agreed rates shown on Attachment A. Customer shall compensate Vendor for all loss or damage to cylinders, caps or fittings, except as caused by normal wear and tear. Customer shall ensure that Vendor's cylinders are not refilled, modified or otherwise worked on by anybody except Vendor and shall keep them free of any lien, seizure, or other claim by any third party. All of Vendor's cylinders shall be returned to Vendor's facility by Customer no later than 30 days after expiration or termination of this Agreement. If any cylinder is not returned to Vendor, for any reason, Customer shall pay the Vendor's then current loss-of-use charge for the cylinder. If any unreturned cylinder later comes into Customer's possession, Customer will return it to Vendor, and Vendor will make an appropriate credit to Customer.

7. **Non Price Charges; Revision of Prices** . (a) Customer shall pay Vendor's scheduled applicable non-price charges, including hazardous materials charge for the handling of hazardous material and for compliance with laws and regulations concerning hazardous materials and *delivery* charge in effect at the time of delivery, and any other special non-price charges (including emergency and plant outage

surcharges, insurance surcharges, and energy and fuel surcharges) that Vendor may assess. None of these non-price charges shall be subject to Section 6(b) and they may be amended or others may be added at Vendor's discretion. None of the charges represent a tax or fee paid to or imposed by any governmental authority, and all of the charges are retained by Vendor; and (b) Pricing shall be firm for the first year (12 months) of the Term. Pricing may be increased once annually by no more than three percent (3%) per line item, on the anniversary date of this Agreement with sixty (60) days prior written notice.

8. Force Majeure. The parties obligations under this Agreement will be excused if and to the extent any delay or failure to perform such obligations is due to acts of war, terrorism or nature, including hurricanes, tornados, floods and earthquakes, provided the effects of such act or event would not have been substantially mitigated by implementation of a disaster recovery plan ("Force Majeure Event"). A party affected by a Force Majeure Event will notify the other party, within 48 hours of the Force Majeure Event, explaining the nature and expected duration thereof and such Party shall use all efforts to remedy or mitigate such Force Majeure Event and the effects thereof. Notwithstanding the foregoing, if a party is unable to perform any of its obligations under this Agreement for a period of more than thirty (30) calendar days as a result of a Force Majeure Event, the other party may terminate this Agreement upon written notice to the affected party.

9. Allocation. If sufficient Product is not available from Vendor's normal source of supply for any reason, Vendor may allocate Product among its customers. Vendor will make reasonable efforts to obtain additional Product from other sources provided Customer shall pay all additional costs associated with such Product. Allocation in regard to this section will completely satisfy and discharge Vendor's supply obligations and Vendor will, therefore, not be deemed to be in breach of such obligations.

10. Warranties . Vendor warrants that gas Products manufactured by Vendor will comply with Vendor's standard specifications. Any other Products manufactured by Vendor will conform to Vendor's standard specifications. Vendor makes no warranty with respect to Products manufactured by others, but will, on request, to the extent permitted, pass on to Customer any applicable manufacturer's warranty. Vendor warrants that the services shall be performed in a good and workmanlike manner. **EXCEPT FOR ITS WARRANTIES IN THE PURCHASING AGREEMENT, VENDOR MAKES NO OTHER WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**

11. Indemnity. If there is any injury (including death), loss or damage to the person or property of any third party (including employees of either party), then, subject to any limitations set forth in this Agreement, each party agrees to indemnify and defend the other party to the extent of the indemnifying party's negligence and in accordance with the Indemnity Agreement attached hereto as Attachment B.

12. Warning Concerning Hazardous Nature of Products and Training Obligations . Customer acknowledges: a) that the Products and related equipment are hazardous and must be handled accordingly; b) the Products are classified by the U.S. Occupational Safety and Health Administration ("OSHA") as hazardous chemicals, and that there are hazards associated with the possession and use of the Products, and that Customer must take proper account of those hazards and deal with them appropriately; c) it will warn all persons who may be exposed to any hazards relating to any of the Products and equipment and shall train them in the proper use of the Products and equipment; d) that Vendor has supplied Customer with all relevant Material Safety Data Sheets ("MSDS") relating to the Products, and that more MSDS are available from Vendor on request; e) the OSHA regulations require Customer to develop and implement a written chemical hazard communications program for its employees regarding all hazardous chemical Products; and f) the Products must not be used without consulting the MSDS, and Customer will ensure that all employees, customers and others who may be

exposed to the Products receive and refer to the MSDS . After delivery of Products to Customer pursuant to this Agreement, Customer assumes all risk and liability arising out of the presence, storage, transport or use of the Products.

13. Compliance with Laws. Customer shall conform to all laws, ordinances, rules and regulations now in force or hereafter adopted which relate to and/or have jurisdiction over the purchase, storage, use, transportation or resale of the Products, use of the cylinders, and all other aspects of Customer's operations, including any applicable licensing, permitting and registration obligations and environmental laws. Customer shall obtain all permits, licenses and consents required by such laws, ordinances, rules and regulations. Further, it is the responsibility of the Customer, as stated above, to warn and protect its employees and others exposed to the hazards posed by Customer's storage and use of the Product and the Cylinders. Customer is responsible for ensuring that that all Customer-owned cylinders comply with DOT and CGA standard and for all charges/costs related to hydrostatic testing, painting and cylinder/valve inspections of Customer-owned cylinders.

14. Export Control Laws. Customer will at all times comply with, and all shipments of Product hereunder will at all times be subject to, U.S. export control laws applicable to the re-export of U.S. goods or technology. Customer will not make any transfer, disposition or re-export of U.S. origin Product or technical data, including Customer's products incorporating Product sold hereunder (if applicable), which could violate U.S. export control laws, rules or regulations.

15. Miscellaneous . a) If Customer resells the Products, Customer is not an agent of Vendor but is an independent contractor acting on its own with no right to bind Vendor in any way. Customer shall not, for any purpose, use any of Vendor's (or its affiliates') trademarks or names or any other mark incorporating such trademarks or names without Vendor's prior written consent, which consent may be revoked at any time. Customer shall at all times provide Vendor with a current certificate of exemption for resale of Product, in form and content acceptable to Vendor and valid under the laws of the state(s) having jurisdiction over the resale; b) Customer represents that Customer is contractually free to enter into this Agreement and to perform hereunder and shall indemnify and defend Vendor against all damages Vendor may suffer if Customer's representation is not correct; c) As between Vendor and any Customer, this Agreement, and any claim, controversy or dispute arising under or related to this Agreement, the relationship between Vendor and such Customer, and/or the interpretation and enforcement of their respective rights and obligations hereunder, shall be governed by and construed in accordance with the laws of the state in which such Customer is located, without regard to its principles of conflict of laws. Jurisdiction and venue for any dispute between Vendor and any Customer concerning this Agreement shall rest exclusively in a court of competent jurisdiction located in the county and state in which such Customer is located. Each of Vendor and Customer hereby waives all defenses of lack of personal jurisdiction and *forum non conveniens* related thereto; d) Both Parties agree to sign all documents and do all things necessary or appropriate, in a timely manner, to give effect to the intent of this Agreement; e) The Purchasing Agreement and this Agreement constitute the entire agreement between the parties with respect to the subject matter hereof. No provision of any Customer purchase order or other Customer document shall alter or add to this Agreement. In the event of a conflict between the Purchasing Agreement and this Agreement, the terms of the Purchasing Agreement shall control. By signing, Customer acknowledges full acceptance of all the terms and conditions above and all exhibits, riders and addenda.

Kern Medical Center (Buyer)

AIRGAS USA, LLC (Seller)

Accepted By: _____

Submitted By: Tom Lauterborn

Printed Name: _____

Accepted By: 

Title: _____ Date: _____

Printed Name: Lance R Thorgerson

VP Healthcare West Region
Title: _____ Date: 01/27/2026

APPROVED AS TO FORM:
Legal Services Department

By Phillip Jenkins
Kern County Hospital Authority

ATTACHMENT A

THIS ATTACHMENT A, dated February 1st, 2026, IS HEREBY MADE AN INTEGRAL PART OF THE AGREEMENT FOR SUPPLY OF CYLINDER PRODUCTS & RELATED EQUIPMENT dated February 1st, 2026.

Vendor Part Number	Product Description	Price / Cyl	Rent / Day
AI USPE	AIR USP E CGA 950	\$5.76	\$0.18
AI USPEA	AIR USP EA CGA 950	\$5.76	\$0.18
AI USP200	AIR USP 200 CGA 346	\$10.00	\$0.21
AR UHP6KCTID	ARGON UHP SZ 6K HP	\$253.70	\$1.32
CD USPE	CARBON DIOXIDE USP E CGA 940	\$13.42	\$0.18
CD USPEA	CARBON DIOXIDE USP EA CGA 940	\$15.51	\$0.18
CD USP50	CARBON DIOXIDE USP 50 POUND CGA 320	\$23.47	\$0.21
Z03NI853200X160	5% Co2, 10% Hydrogen balance N2	\$95.61	\$0.21
HE UHP6KCTID	Helium UHP - High Pressure	\$727.23	\$1.32
HE USPM4	HELIUM USP SZ M4	\$74.98	\$0.18
Z04NI7852003060	0.3% CO, .3% ME, 21% O2 balance N2	\$176.32	\$0.21
NI NF200	NITROGEN MEDICAL NF 200 CGA 580	\$8.78	\$0.21
NS USPE	NITROUS OXIDE USP E CGA 910	\$33.95	\$0.18
NS USPEA	NITROUS OXIDE USP EA CGA 910	\$33.95	\$0.18
NS USP56	NITROUS OXIDE USP 56 lb	\$133.14	\$0.21
OX USPE	OXYGEN USP MEDICAL PURE E CGA 870	\$3.10	\$0.18
OX USPEA	OXYGEN USP MEDICAL PURE EA CGA 870	\$3.10	\$0.18
OX USPEAIOXPLUS	OXYGEN USPEA INTELLI-OX+	\$3.46	\$0.29
AR UHP35	ARGON ULTRA HIGH PURITY SIZE 35	\$49.49	\$0.18
Delivery/Pick Up Charge	\$35.60		
Fuel Fee	\$12.00		

1.0 Refer to Section 1 of the Agreement.

The Products and prices for this Agreement are as follows:

* Unit = per pound (lb), cylinder (cyl), standard cubic feet (scf), hundred cubic feet (ccf), each (ea), package (pk)

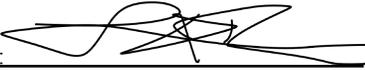
Kern Medical Center (Buyer)

AIRGAS USA, LLC (Seller)

Accepted By: _____

Submitted By: Tom Lauterborn

Printed Name: _____

Accepted By: 

Title: _____ Date: _____

Printed Name: Lance R Thorgerson

VP Healthcare West Region
 Title: _____ Date: 01/27/2026

APPROVED AS TO FORM:
 Legal Services Department

By Phillip Jenkins

ATTACHMENT B
Indemnity Agreement

THIS Indemnity Agreement is effective as of the 1 st day of February, 2026 , by and between Airgas USA, LLC ("Vendor") and Kern Medical Hospital ("Customer").

This Indemnity Agreement is entered into in connection with that certain Purchasing Agreement dated December 1, 2019, by and between HealthTrust Purchasing Group, L.P. and Vendor (the "Agreement"). The terms of the Agreement are hereby incorporated herein. The terms of the Agreement shall control any inconsistencies between the Agreement and this Indemnity Agreement. Capitalized terms in this Indemnity Agreement shall have the same meaning ascribed to them in the Agreement.

Vendor acknowledges and agrees that, if Customer purchases Products and/or Services from Vendor under the Agreement, Vendor indemnifies Customer in accordance with the terms and provisions of the Agreement. In the event Customer purchases Products and/or Services from Vendor under the Agreement, Purchaser agrees to indemnify Vendor as follows:

If there is any injury (including death), loss or damage to the person or property of any third party (including employees of either Vendor or Customer) arising out of or in connection with the Products and/or Customer's possession and/or use thereof, then Customer agrees to indemnify Vendor to the extent such injury, loss or damage is Customer's fault, except to the extent such injury, loss or damage was caused by reason of the negligence of Vendor or Vendor Personnel. If the injury, loss or damage is caused by the negligence of both Vendor (and/or Vendor Personnel) and Customer, the apportionment of said damages shall be shared between Vendor and Customer based upon the comparative degree of each other's negligence, and each shall be responsible for its own defense and costs, including but not limited to the costs of defense, attorneys' fees, witnesses' fees and expenses incident thereto.

By initializing this box, Customer certifies that it agrees to the obligations set forth in this Indemnity Agreement.



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Amendment No. 4 to Agreement 034-2022 with Antony Minasaghanian, M.D., a contract employee, for professional medical services in the Department of Radiology

Recommended Action: Approve; Authorize the Chairman to sign

Summary:

Kern Medical is requesting that your Board approve Amendment No. 4 to Agreement 034-2022 with Antony Minasaghanian, M.D., for professional medical services in the Department of Radiology. Dr. Minasaghanian has been employed full time with Kern Medical since June 8, 2019.

As a result of turnover within the Department of Radiology, the volume and workload per physician has increased. Prior amendments increased Dr. Minasaghanian's base salary for a period of one-year each, while recruitment efforts are underway. Amendment No. 4 extends his current annual salary of \$615,000 through June 7, 2027 as recruitment efforts continue. The annual salary is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey for specialty and represents reasonable and fair market value compensation for the services provided by Dr. Minasaghanian. The Amendment also increases the maximum payable under the Agreement by \$985,000, from \$4,315,000 to \$5,300,000, over the five (5) year term, which allows for the extended base salary in addition to payments for additional shift work above and beyond the base requirements set forth in the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 4 to Agreement 034-2022 with Antony Minasaghanian, M.D., a contract employee, for professional medical services in the Department of Radiology for the period June 8, 2022 through June 7, 2027, extending the annual salary of \$615,000 through June 7, 2027, increasing the maximum payable by \$985,000, from \$4,315,000 to \$5,300,000, to cover the term, and authorize the Chairman to sign.

**AMENDMENT NO. 4
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Antony Minasaghanian, M.D.)**

This Amendment No. 4 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2026, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Antony Minasaghanian, M.D. (“Physician”).

RECITALS

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Kern County Agt. 034-2022, dated March 16, 2022), Amendment No. 1 (Agt. 049-2023, dated April 19, 2023), Amendment No. 2 (Agt. 055-2024, dated April 17, 2024), and Amendment No. 3 (Agt. 057-2025, dated May 21, 2025) (collectively, the “Agreement”), for the period June 8, 2022 through June 7, 2027, whereby Physician provides professional medical services in the Department of Radiology at KMC; and

(b) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

(c) The Agreement is amended effective April 1, 2026;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Section 5, Compensation Package, paragraph 5.1, Annual Compensation, subparagraph 5.1.4, Annual Salary Effective June 8, 2026, shall be deleted in its entirety and replaced with the following:

“5.1.4 [Reserved.]”

2. Section 5, Compensation Package, paragraph 5.7, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“5.7 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$5,300,000 over the five (5) year Term of this Agreement.”

3. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

4. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

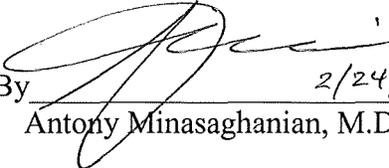
5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.

6. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[INTENTIONALLY LEFT BLANK]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 4 as of the day and year first written above.

PHYSICIAN

By  2/24/2026
Antony Minasaghian, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Amendment No. 2 to Agreement 091-2024 with Patton Air Conditioning

Recommended Action: Make finding that the project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of State CEQA Guidelines; Approved; Authorize Chairman to Sign; Authorize the Chief Executive Officer to sign future Amendments in an amount not to exceed 10% of the total contract price

Summary:

Kern Medical requests your Board approve proposed Amendment No. 2 to the Agreement with Patton Air Conditioning, in the amount of \$125,921 to provide temporary air for the S-7 air handler rebuild.

On June 26, 2024, your Board approved an Agreement 091-2024 with Patton Air Conditioning in the amount of \$1,754,719 to re-build the S-1, S-2 and S-7 air handlers which serve B and C Wings.

On April 16, 2025, the Chief Executive Office approved Amendment No. 1 25025, in the amount of \$78,756 which included a credit to delete the costs for a temp air handler for the S-1 unit; a credit for repairs made to the damaged coils during construction on the S-2 unit; an increase to install new reheat coils at S-7; and an increase to make repairs at the ABC chilled water pump that provides chilled water to all three units.

This proposed Amendment No. 2 in the amount of \$125,921 provides compensation to install a temp air handler while the S-7 unit is down for construction.

Therefore, it is recommended that your Board make a finding that the project is exempt from further CEQA review per sections 15301, 15302 and 15061(b)(3) of State CEQA guidelines; approve the Amendment No. 2 with Patton Air Conditioning in the amount of \$125,921 for a new total of \$1,959,396; authorize the Chief Executive Officer to sign future Amendments up to 10% of the contract amount, for a new potential not to exceed amount of \$2,155,336.

**AMENDMENT NO. 2
TO
PERSONAL/PROFESSIONAL SERVICES AGREEMENT
(Kern County Hospital Authority–Patton Sheet Metal Works, Inc., dba Patton Air Conditioning)**

THIS AMENDMENT TO AGREEMENT, effective March 18, 2026, is between the Kern County Hospital Authority, a local unit of government ("KCHA"), which owns and operates Kern Medical Center ("KMC"), and Patton Sheet Metal Works, Inc., dba Patton Air Conditioning ("Consultant") with its principal place of business located at 272 N. Palm Ave, Fresno, CA 93701.

WITNESSETH:

WHEREAS, KCHA and Consultant entered into a Personal/Professional Services Agreement dated June 26, 2024 (Agt. #091-2024) ("Agreement"), for the period June 26, 2024 through project completion and Amendment No.1 (Agt. #25025) effective April 16, 2025; and

WHEREAS, the parties to the Agreement desire to amend the Agreement as specified herein below;

NOW, THEREFORE, KCHA and Consultant do mutually agree as follows (check those applicable):

- Term.** The Agreement shall be extended from to , unless sooner terminated as provided for in the Agreement.
- Fees** payable by KCHA under the Agreement shall increase by \$125,921, from \$1,833,474.78 to \$1,959,395.48.
- Travel Expenses** payable by KCHA under the Agreement shall increase from by \$, from \$ to \$.
- Services.** See Exhibits A-1 and B-1, attached hereto and incorporated herein by this reference, for revised Services.
- Other**

Except as expressly amended herein, all provisions of the Agreement, as previously amended, shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment No. 2 to the Agreement has been executed as of the date indicated above.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Philip Mclaughlin, Chair Board of Governors
"KCHA"

Date: _____

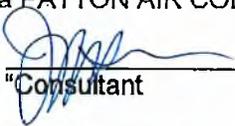
APPROVED AS TO CONTENT:

Responsible KCHA Department

By _____
Scott Thygerson, Chief Executive Officer

Date: _____

**PATTON SHEET METAL WORKS, INC.
dba PATTON AIR CONDITIONING**

By  _____
"Consultant"

Date: 3/2/2026

APPROVED AS TO FORM:

Legal Services Department

By  _____
Hospital

Date: 3/2/26



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Agreement with McMurtrey Lince, Inc.

Recommended Action: Make a finding that the project is exempt from further CEQA review per sections 15301, 15302, and 15061(b)(3) of State CEQA Guidelines; Approve the construction agreement with McMurtrey Lince, Inc., in the amount of \$382,351; Authorize the Chairman to sign; Authorize the Chief Executive Officer to sign future change orders not to exceed 10% of the contract value, for a total contract price not to exceed \$420,587

Summary:

Kern Medical requests your Board approve a construction agreement with McMurtrey Lince, Inc., in the amount of \$382,351 for the new lights in OR Surgery and the ED Trauma.

A formal competitive bid process was conducted, and the following bids were received:

- McMurtrey Lince, Inc. - \$382,351
- JTS Construction - \$550,000
- Anderson Group International - \$1,374,239

The project in general, consists of minor demolition to remove the existing light systems, installation of a structural plate, electrical and patch and paint. The total project budget for this project is \$905,111.

The proposed Agreement is effective March 18, 2026 through project competition.

Therefore, it is recommended that your Board make a finding that the project is exempt from further CEQA review per section 15301, 15302 and 15061(b)(3) of State CEQA guidelines, approve the proposed Agreement with McMurtrey Lince, Inc, effective March 18, 2026 through project competition, authorize the Chairman to sign, and authorize the Chief Executive Officer to sign future change orders in an amount not to exceed 10% of the total contract price of \$382,351 for approval up to 420,587.

DOCUMENT 00500

AGREEMENT

THIS AGREEMENT, dated this **18th** day of **May 2026**, is by and between **McMurtrey Lince, Inc.**, whose place of business is located at **1025 Espee Street, Bakersfield, CA 93306** ("Contractor"), and the **KERN COUNTY HOSPITAL AUTHORITY**, a local unit of government (hereinafter "Owner and/or Authority"), acting under and by virtue of the authority vested in Owner by the laws of the State of California

WHEREAS, in consideration for the promises and payment to be made and performed by Authority, and under the conditions expressed in the Incorporated Bid Proposal (Bid), bonds and related papers, Contractor agrees to do all the work and furnish all the materials at the expense of Contractor (except such as the Specifications state will be furnished by Authority) necessary to construct and complete in a good and workmanlike manner to the satisfaction of the Chief Executive Officer for the Kern County Hospital Authority all the work shown and described in the plans and specifications for the project known as:

OR/Trauma Lights (10162)

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Contractor and Owner agree as follows:

ARTICLE 1 - SCOPE OF WORK OF THE CONTRACT

1.01 Work of the Contract

- A. Contractor shall complete all Work specified in the Contract Documents, in accordance with the Specifications, Drawings, and all other terms and conditions of the Contract Documents (**Work**).

1.02 Price for Completion of the Work

- A. Owner shall pay Contractor the following Contract Sum **three hundred eighty-two thousand, three hundred fifty-one dollars (\$382,351.00)** for completion of Work in accordance with Contract Documents as set forth in Contractor's Bid, attached hereto.

ARTICLE 2 - COMMENCEMENT AND COMPLETION OF WORK

2.01 Commencement of Work

- A. Contractor shall commence Work on the date established in the Notice to Proceed (**Commencement Date**).
- B. Owner reserves the right to modify or alter the Commencement Date.

2.02 Completion of Work

- A. Contractor shall achieve Final Completion of the entire Work **70 Calendar Days**, as defined in Document 01422, from the Commencement Date.

ARTICLE 3 - LIQUIDATED DAMAGES FOR DELAY IN COMPLETION OF WORK

3.01 Liquidated Damage Amounts

- A. As liquidated damages for delay Contractor shall pay Owner **Two Thousand Dollars (\$2,000)** for each Calendar Day that expires after the time specified herein for Contractor to achieve Final Completion of the entire Work, until achieved.

3.02 Scope of Liquidated Damages

- A. Measures of liquidated damages shall apply cumulatively.
- B. Limitations and stipulations regarding liquidated damages are set forth in Document 00700 (General Conditions).

ARTICLE 4 - CONTRACT DOCUMENTS

4.01 Contract Documents consist of the following documents, including all changes, Addenda, and Modifications thereto:

Document 00001	Title Page
Document 00100	Notice to Contractors
Document 00200	Instruction to Bidders
Document 00300	Geotechnical Data and Existing Conditions
Document 00410	Bid Form
Document 00412	Bidder Registration Form
Document 00431	Subcontractors List
Document 00452	Non-Collusion Declaration
Document 00455	Bidder Certifications
Document 00500	Agreement
Document 00501	Proposed Contract Documents Transmittal
Document 00601	Construction Performance Bond
Document 00602	Construction Labor and Material Payment Bond
Document 00803	Guaranty
Document 00590	Release of Claims
Document 00700	General Conditions
Document 00738	Apprenticeship Programs
Document 00800	Supplementary Conditions – Insurance
Master Specifications	Divisions 1 through 16
Drawings	

4.02 There are no Contract Documents other than those listed above. The Contract Documents may only be amended, modified or supplemented as provided in Document 00700 (General Conditions).

ARTICLE 5 – LIABILITY OF AUTHORITY

5.01 The liabilities or obligations of Authority with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Authority and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the State of California.

ARTICLE 6 – MISCELLANEOUS

6.01 Terms and abbreviations used in this Agreement are defined in Document 00700 (General Conditions) and Section 01422 (Definitions) and will have the meaning indicated therein.

6.02 It is understood and agreed that in no instance are the persons signing this Agreement for or on behalf of Owner or acting as an employee, agent, or representative of Owner, liable on this Agreement or any of the Contract Documents, or upon any warranty of authority, or otherwise, and it is further understood and agreed that liability of Owner is limited and confined to such liability as authorized or imposed by the Contract Documents or applicable law.

6.02 In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under

Rev. 0
April 12, 2014

TO THE REGISTRAR OF THAT BOARD, WHOSE ADDRESS IS: CONTRACTORS' STATE LICENSE BOARD,
1020 "N" STREET, SACRAMENTO, CALIFORNIA 95814.

END OF DOCUMENT



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Agreement with McMurtrey Lince, Inc.

Recommended Action: Make a finding that the project is exempt from further CEQA review per sections 15301, 15302, and 15061(b)(3) of State CEQA Guidelines; Approve the construction agreement with McMurtrey Lince, Inc., in the amount of \$375,775; Authorize the Chairman to sign; Authorize the Chief Executive Officer to sign future change orders not to exceed 10% of the contract value, for a total contract price not to exceed \$413,353

Summary:

Kern Medical requests your Board approve the proposed Agreement with McMurtrey Lince, Inc., to install the Phase I, new nurse call system at Labor and Deliver and ICU/DOU.

The Agreement is effective as of March 18, 2026 with construction anticipated to be complete within 4 months of commencement. The projected construction cost for this project is \$413,353, which includes future change orders of up to 10% of the original contract price of \$375,775.

The project in general, consists of minor demolition to remove the existing nurse call components, above ceiling work to install the wiring, install new devices, patch, paint and programming.

Therefore, it is recommended that your Board make a finding that the project is exempt from further CEQA review per section 15301, 15302 and 15061(b)(3) of State CEQA guidelines, approve the proposed Agreement with McMurtrey Lince, Inc, effective March 18, 2026 through project completion, authorize the Chairman to sign, and authorize the Chief Executive Officer to sign future change orders in an amount not to exceed 10% of the total contract price of \$375,775 for approval up to \$413,353.

DOCUMENT 00500

AGREEMENT

THIS AGREEMENT, dated this **18th** day of **March 2026**, is by and between **McMurtray Lince, Inc.** whose place of business is located at **1025 Espee Street, Bakersfield, CA 93301** ("Contractor"), and the **KERN COUNTY HOSPITAL AUTHORITY**, a local unit of government (hereinafter "Owner and/or Authority"), acting under and by virtue of the authority vested in Owner by the laws of the State of California

WHEREAS, in consideration for the promises and payment to be made and performed by Authority, and under the conditions expressed in the incorporated Bid Proposal (Bid), bonds and related papers, Contractor agrees to do all the work and furnish all the materials at the expense of Contractor (except such as the Specifications state will be furnished by Authority) necessary to construct and complete in a good and workmanlike manner to the satisfaction of the Chief Executive Officer for the Kern County Hospital Authority all the work shown and described in the plans and specifications for the project known as:

L&D and ICU/DOU New Nurse Call 10164

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Contractor and Owner agree as follows:

ARTICLE 1 - SCOPE OF WORK OF THE CONTRACT

1.01 Work of the Contract

- A. Contractor shall complete all Work specified in the Contract Documents, in accordance with the Specifications, Drawings, and all other terms and conditions of the Contract Documents (Work).

1.02 Price for Completion of the Work

- A. Owner shall pay Contractor the following Contract Sum **three hundred seventy five thousand, seven hundred seventy five dollars (\$375,775.00)** for completion of Work in accordance with Contract Documents as set forth in Contractor's Bid, attached hereto.

ARTICLE 2 - COMMENCEMENT AND COMPLETION OF WORK

2.01 Commencement of Work

- A. Contractor shall commence Work on the date established in the Notice to Proceed (**Commencement Date**).
- B. Owner reserves the right to modify or alter the Commencement Date.

2.02 Completion of Work

- A. Contractor shall achieve Final Completion of the entire Work **45 Working Days**, as defined in Document 01422, from the Commencement Date.

ARTICLE 3 - LIQUIDATED DAMAGES FOR DELAY IN COMPLETION OF WORK

3.01 Liquidated Damage Amounts

- A. As liquidated damages for delay Contractor shall pay Owner fifty dollars (\$50.00) for each Calendar Day that expires after the time specified herein for Contractor to achieve Final Completion of the entire Work, until achieved.

3.02 Scope of Liquidated Damages

- A. Measures of liquidated damages shall apply cumulatively.
- B. Limitations and stipulations regarding liquidated damages are set forth in Document 00700 (General Conditions).

ARTICLE 4 - CONTRACT DOCUMENTS

4.01 Contract Documents consist of the following documents, including all changes, Addenda, and Modifications thereto:

Document 00431	Subcontractors List
Document 00500	Agreement
Document 00601	Construction Performance Bond
Document 00602	Construction Labor and Material Payment Bond
Document 00603	Guaranty
Document 00738	Apprenticeship Programs
Document 00800	Supplementary Conditions – Insurance
Document 01100	Summary of the Work
Document 01410	Regulatory Requirements
Document ADM-IC-100	Infection Control Risk Assessment – L&D
Document ADM-IC-100	Infection Control Risk Assessment – ICU/DOU
Document 01650	Starting of Systems
Document 01705	Cutting & Patching
Document 01780	Contract Close Out
Drawings	

4.02 There are no Contract Documents other than those listed above. The Contract Documents may only be amended, modified or supplemented as provided in Document 00700 (General Conditions).

ARTICLE 5 – LIABILITY OF AUTHORITY

5.01 The liabilities or obligations of Authority with respect to its activities pursuant to this Agreement shall be the liabilities or obligations solely of Authority and shall not be or become the liabilities or obligations of the County of Kern or any other entity, including the State of California.

ARTICLE 6 – MISCELLANEOUS

6.01 Terms and abbreviations used in this Agreement are defined in Document 00700 (General Conditions) and Section 01422 (Definitions) and will have the meaning indicated therein.

6.02 It is understood and agreed that in no instance are the persons signing this Agreement for or on behalf of Owner or acting as an employee, agent, or representative of Owner, liable on this Agreement or any of the Contract Documents, or upon any warranty of authority, or otherwise, and it is further understood and agreed that liability of Owner is limited and confined to such liability as authorized or imposed by the Contract Documents or applicable law.

6.02 In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. §15) or under the Cartwright Act (Chapter 2 (commencing with §16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time Owner tenders final payment to Contractor, without further acknowledgment by the parties.

6.03 This project is subject to prevailing wage laws. Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are deemed included in the Contract Documents and on file at Owner's Office, and shall be made available to any interested party on request. Pursuant to California Labor Code §§ 1860 and 1861, in accordance with the provisions of Section 3700 of the Labor Code, every contractor will be required to secure the payment of compensation to his employees. Contractor represents that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and Contractor shall comply with such provisions before commencing the performance of the Work of the Contract Documents.

6.04 This Agreement and the Contract Documents shall be deemed to have been entered into in the County of Kern, State of California, and governed in all respects by California law (excluding choice of law rules). The exclusive venue for all disputes or litigation hereunder shall be in the Superior Court for the County of Kern.

IN WITNESS WHEREOF the parties have executed seven original Agreements on the day and year first above written.

APPROVED AS TO FORM:
HOSPITAL COUNSEL

KERN COUNTY HOSPITAL AUTHORITY

By 
Phillip Jenkins, Hospital Counsel

By _____
Phil McLaughlin, Chairman

"AUTHORITY"

APPROVED AS TO CONTENT:
KERN MEDICAL HOSPITAL

Contractor's Name

By _____
Scott Thygerson, Chief Executive Officer

Type of Entity
(corporation, partnership, sole proprietorship)

By 
Signature

James Menendez
Typed Name

VP/CO
Title of Individual Executing
Document on behalf of Firm

"CONTRACTOR"

NOTICE: CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND ARE REGULATED BY CONTRACTORS' STATE LICENSE BOARD. QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR OF THAT BOARD, WHOSE ADDRESS IS: CONTRACTORS' STATE LICENSE BOARD, 1020 "N" STREET, SACRAMENTO, CALIFORNIA 95814.

END OF DOCUMENT



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Quote Q-00676256 with Philips Healthcare, a division of Philips North America LLC to purchase a Philips Cardiac Workstation 7000 with Adjustable Height Trolley and Diagnostic Cardiology/ECG Implementation Services

Recommended Action: Approve; Authorize Chairman to sign

Summary:

The Valley Fever Institute (VFI) Clinic and Research Facility requests your Board approve the proposed Quote Q-00676256 with Philips Healthcare, a division of Philips North America LLC, to purchase a Philips Cardiac Workstation 7000 with Adjustable Height Trolley and Diagnostic Cardiology ECG Implementation Services.

The proposed purchase will enable VFI physicians and clinical staff to order and perform electrocardiograms (ECGs) within the clinic. Providing on-site ECGs will enhance patient care by allowing diagnostic testing to be performed during the same clinic visit. This capability is expected to improve patient compliance, support timely clinical decision-making, and expand the clinic's capacity to provide billable diagnostic services.

The one-time cost for this purchase is \$30,702. Funding for this purchase is available within the Valley Fever Institute operational budget.

Counsel is unable to approve the agreement due to nonstandard contractual provisions, including a limitation of liability clause that caps liability at the total cost of the agreement, no cancellation of orders, indemnification only of vendor, interest on late payments, and waiver of jury trial. Attempts were made to negotiate revisions to this provision; however, those efforts were unsuccessful.

Even with these non-standard terms and conditions, Kern Medical is requesting approval of the Quote because Philips Healthcare is the current vendor of Kern Medical's other cardiac equipment and it would be more efficient to use the same equipment throughout the facilities. Therefore, it is recommended that your Board approve Quote Q-00676256 with Philips Healthcare, a division of Philips North America LLC, for the purchase of the Philips Cardiac Workstation 7000 with Adjustable Height Trolley and Diagnostic Cardiology ECG Implementation Services and authorize the Chairman to sign.



Sold to:

KERN MEDICAL CENTER
1700 Mount Vernon Ave
Bakersfield, CA 93306-4018

Presented By

Sabrina Elliott
Philips Healthcare a division of Philips North
America LLC
414 Union Street
Nashville, Tennessee 37219
Phone: 888-606-8778
Email: sabrina@heartmedical.com

Quote #: Q-00676256

Customer #: 94310879

Quote Date: 01/26/26

Valid Until: 04/29/26

Kern cw7000 George

Thank you for investing your trust in Philips; we know that there were many options out there for you to choose from. As an industry leader in Healthcare, we also pride ourselves on providing great Customer Service.

I am pleased to submit the attached proposal for your consideration.

I trust this meets your expectation, however, should you have any queries or require further information or clarification, please do not hesitate to contact me.

To ensure a smooth purchasing experience here are a few helpful tips to keep in mind when submitting your purchase order.

- Please specify any specific delivery date requirements or shipping/delivery needs
 - Ensure your purchase order references the Philips quote number
 - Purchase orders must be signed digitally or physically
- or
- Complete the information on the quote Signature Page

Thank you again for considering Philips.

Thank you,

Sabrina Elliott

This quotation contains confidential and proprietary information of Philips Healthcare, a division of Philips North America LLC ("Philips") and is intended for use only by the customer whose name appears on this quotation. Except as otherwise required by state or federal law after strict compliance with any applicable notification and procedural requirements therein, it may not be disclosed to third parties without the prior written consent of Philips.

IMPORTANT NOTICE: Discounts, Other Fee Reductions and Reporting Obligations: The Product(s) offered may be subject to Philips' discounts and other programs, including finance programs, that could trigger federal healthcare cost reporting obligations. Customer discounts, and fees and charges waived or otherwise not charged by Philips, may constitute a discount on Product(s) covered by this Agreement. Philips may also provide financial support for financing programs of third-party lenders in connection with the financing of the Product(s). Customer agrees to fully and accurately report Product costs, adjusted for discounts, as required. Philips agrees to fully and accurately report discount information to Customer and refrain from impeding Customer from meeting its cost reporting obligations under the discount safe harbor, 42 CFR 1001.952(h).

Philips Healthcare a division of Philips North America LLC
414 Union Street
Nashville, Tennessee 37219
aHIRi00001Qqs10AC



1. Financial Overview

Hardware

Line	Article No.	Description	Qty	List Price	Net Price
1	860441	Cardiac Workstation	1	\$ 24,516.00	\$ 24,516.00
2	860453	PW Trolley GG Adjustable Height	1	\$ 2,586.00	\$ 2,586.00

Total Section Price: \$ 27,102.00

Services

Line	Article No.	Description	Qty	List Price	Net Price
3	890512	Diagnostic Cardiology / ECG Impl. Svcs.	1	\$ 3,600.00	\$ 3,600.00

Total Section Price: \$ 3,600.00

List Price	\$ 30,702.00
Total Net Price	\$ 30,702.00

Total Net Price

\$ 30,702.00

Total Net Price

\$ 30,702.00

2. Quote Summary

Hardware

Line	Article No.	Description	Qty	Unit List Price	Net Price
1	860441	Cardiac Workstation			
1.1	860441_A02	A02 Cardiac WS 7000 (18.5 in.)	1	\$ 23,730.00	\$ 23,730.00
1.2	860441_H21	H21 PIM, 12-Lead	1	\$ 0.00	\$ 0.00
1.3	860441_E06	E06 Snap Tab Electrode Adaptor	1	\$ 0.00	\$ 0.00
1.4	860441_D24	D24 WiFi LAN	1	\$ 786.00	\$ 786.00
1.5	860441_W01	W01 Onsite repair	1	\$ 0.00	\$ 0.00
					\$ 24,516.00
2	860453	PW Trolley GG Adjustable Height			
2.1	860453_B04	B04 CW Adj. H., Full Asmbly	1	\$ 2,200.00	\$ 2,200.00
2.2	860453_C01	C01 PIM Arm, Cardiac Workstns	1	\$ 290.00	\$ 290.00
2.3	860453_C03	C03 Wire Basket	1	\$ 96.00	\$ 96.00
					\$ 2,586.00
Total Section Price:					\$ 27,102.00

Services

Line	Article No.	Description	Qty	Unit List Price	Net Price
3	890512	Diagnostic Cardiology / ECG Impl. Svcs.			
3.1	890512_B23	B23 Assemble/Install Cardiogr.	1	\$ 3,600.00	\$ 3,600.00
					\$ 3,600.00
Total Section Price:					\$ 3,600.00

List Price	\$ 30,702.00
Total Net Price	\$ 30,702.00



3. Quote Details

Hardware

Line	Description	Qty
1	Cardiac Workstation Article No. 860441	
	Details	
	Philips Cardiac Workstation 7000	
1.1	A02 Cardiac WS 7000 (18.5 in.) Article No. 860441_A02	1
	Introduction	
	Cardiac Workstation 7000 (18.5 in.)	
	Details	
	<p>Philips Cardiac Workstation is a breed apart from any cardiograph you may have seen, used or imagined. It is a clinical breakthrough designed to improve the way you capture, access, view, analyze, store, share and manage ECGs - to transform diagnostic cardiology. This ergonomic leap forward streamlines workflow and delivers rich clinical information from systems across your enterprise and beyond to the point of decision. So you can diagnose and treat cardiac patients with confidence.</p> <p>Standard features include:</p> <ul style="list-style-type: none"> 18.5 In. Display 3-Axis Swivel Order Creation or Download ADT Support DXL Algorithm with Critical Values Critical Event UI Alerts Full Disclosure 1,000 ECG Archive Export PDF, XML Native DICOM Data Encryption FIPS LAN Connectivity Print via USB, LAN, or WiFi 2nd battery 	
1.2	H21 PIM, 12-Lead Article No. 860441_H21	1



Introduction

Additional PIM, 12-Lead (Option H21)

Details

Benefits of Additional PIM, 12-Lead (Option H21)

AAMI or IEC

Defib-protected ECG acquisition provides 0.13 μ V resolution

Anatomic design supports correct lead placement

Start button that illuminates when all leads have good signal

- 1.3 **E06 Snap Tab Electrode Adaptor** 1
Article No. 860441_E06

Introduction

Snap-Tab Adaptors (Option E06)

Details

Benefits of Snap-Tab Adaptors (Option E06)

Fits both snap and tab electrodes with metal on both sides

- 1.4 **D24 WiFi LAN** 1
Article No. 860441_D24

Introduction

WiFi 802.11 a/b/g/n/ac (Option D24)

Details

Benefits of WiFi 802.11 a/b/g/n/ac (Option D24)

802.11 b/a/g/n/ac (WiFi 5)

WPA3 - Personal, WPA3 - Enterprise

- 1.5 **W01 Onsite repair** 1
Article No. 860441_W01

Hardware

Line	Description	Qty
2	PW Trolley GG Adjustable Height Article No. 860453	

Introduction

Adjustable Height Trolley

Details

Adjustable Height Trolley

- 2.1 **B04 CW Adj. H., Full Asmbly** 1
Article No. 860453_B04

Introduction

CW Adjustable Height Trolley, Fully Assembled (Option B04)

Details

Benefits of CW Adjustable Height Trolley, Fully Assembled (Option B04)

Vertical adjustmant range of 10 inches (25 cm)

Clear desktop creates portable workspace

Standard storage for 400 back-up ECG paper sheets, for a total capacity of 600 pages of sheets

Standard storage bin for cleaning wipes/gloves/electrode gel/gauze, etc, configurable in 17 ways

Standard side-tray for holding PIM(s)

Standard locking wheels (4). Non-conductive. 2 wheels also directionally lockable

Ships fully assembled

- 2.2 **C01 PIM Arm, Cardiac Workstns** 1
Article No. 860453_C01

Introduction

PIM Arm for Cardiac Workstations (Option C01)

Details

Benefits of PIM Arm for Cardiac Workstations (Option C01)

Keep leads elevated above patient to ease electrode connections

- 2.3 **C03 Wire Basket** 1
Article No. 860453_C03

Introduction

Wire Basket (Option C03)

Details

Benefits of Wire Basket (Option C03)

Additional storage space for incremental spare accessories and supplies

Services

Line	Description	Qty
3	Diagnostic Cardiology / ECG Impl. Svcs. Article No. 890512	
3.1	B23 Assemble/Install Cardiogr. Article No. 890512_B23	1

4. Local Sales Terms and Conditions

Line	Product Code	Contract Name	Contract No.	Invoice Schedule
1	860441 Cardiac Workstation	NONE	NONE	0/0/100
2	860453 PW Trolley GG Adjustable Height	NONE	NONE	0/0/100
3	890512 Diagnostic Cardiology / ECG Impl. Svcs.	Value Added Services	Value Added Services	0/0/100

Payment Terms US: Net 30 Days

INCO Terms: Carriage and Insurance Paid To Destination

This is a cash price quote, which includes ACH, check, and wire transfer. Any other form of payment will result in different price, which may be higher.

Billing Terms: Are as displayed under the Invoice Schedule table above. For each item, X/Y/Z milestones are defined as follows (unless an Agreement specifying alternative payment terms has been negotiated between the parties):

- X is the percentage invoiced upon signed acceptance of quotation or upon receipt of Customer Purchase Order
- Y is the percentage invoiced upon delivery of major components to Customer designated location or Philips warehouse.
- Z is the percentage invoiced upon completion of installation or product available for first patient use, whichever occurs first.
- Z is the percentage invoiced 30 days from date of shipment (Ultrasound Systems Portfolio Only)

If DEMO Equipment is included in this quotation it is sold under the Contact No. Contract Name/Contract Number ("Contract") of the products/solution included in this quotation.

All amounts in this quote are in USD





5. Acceptance by Parties

Invoice to:

KERN MEDICAL CENTER
1700 Mount Vernon Ave
Bakersfield, CA 93306-4018

Total Net Price		Total Net Price
Total Net Price		\$ 30,702.00

Each Quotation solution (defined as each product, software, service) is issued pursuant to the Local Sales Terms and Conditions and if Contract Name equals NONE then Philips Standard Terms and Conditions ("Contract") governs the discounts and fees that apply to each quoted solution. Any PO for the items herein will be accepted subject to the terms of the Contract. **Issuance by customer of a non-contingent signed purchase order(s) referencing the Quote Solution and the Local Sales Terms and Conditions (as applicable) expressly represents customer's acceptance of the quotation and the associated terms in lieu of the customer signature on this quotation.** Each Quotation Solution listed on purchase order/orders represents a separate and distinct financial transaction. Philips General Terms and Conditions of Sales and Software License for Hospital Monitoring, Hospital Respiration Care, Focal Point SW Licenses, Therapeutic Care, Medical Consumables and Sensors and Value Added Services are located at Terms and Conditions of Sale|Philips (<https://www.usa.philips.com/healthcare/support/terms-and-conditions>). Product Warranties for all Philips Products are located at Terms and Conditions of Sale|Philips (<https://www.usa.philips.com/healthcare/support/terms-and-conditions>).

We understand and agree that each transaction is to be individually billed and paid. This quotation contains confidential and proprietary information of Philips Healthcare, a division of Philips North America LLC ("Philips") and is intended for use only by the customer whose name appears on this quotation. Except as otherwise required by state or federal law after strict compliance with any applicable notification and procedural requirements therein, it may not be disclosed to third parties without the prior written consent of Philips. This quotation provides contract agreement discounts and does not reflect rebates that may be earned by Customer, under separate written rebate agreements, from cumulative volume purchases beyond the individual quantity being ordered under this quote. Customer is reminded that rebates constitute discounts under government laws which are reportable by Customers.

The price above does not include sales tax.

Please fill in the below if applicable:

1. Tax Status: Taxable _____ Tax Exempt _____
If Exempt, please indicate the Exemption Certification Number: _____, and attach a copy of the certificate.
2. Requested equipment delivery date _____
3. If you do not issue formal purchase orders indicate by initialing here: _____
4. For Recurring Maintenance Service & Support Agreements with New Equipment Purchases: Our facility does issue formal purchase orders; however, due to our business/system limitation, we cannot issue a formal purchase order for the service agreement until 90 days prior to standard warranty expiration. Our facility agrees to submit the service agreement purchase order at such time.
Initialed: _____

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Shannon Hochstein
Kern County Hospital Authority



6. Philips Standard Terms and Conditions

General Terms and Conditions of Sale and Software License ("Conditions of Sale") (Rev 26)

1. Quotation, Order, and Payment

- 1.1 The equipment, service, and software ("Product(s)") offered on the quotation by the Philips legal entity identified thereon ("Quotation") are subject to these Conditions of Sale, the Quotation, and any schedules and attachments attached hereto. The Quotation expires as indicated and may be amended or revoked by Philips before Customer's acceptance. Purchase orders (POs) will serve only as Customer's acceptance of the Quotation and these Conditions of Sale in the absence of a signature of Customer's authorized representative on the Quotation. Any different or additional terms proposed by Customer are rejected and do not apply.
- 1.2 Prices and payment terms are in the Quotation. Net payment terms are based on invoice date. Orders are subject to Philips' credit review and approval. Prices exclude taxes, which are Customer's responsibility. Philips will invoice and Customer will pay all applicable taxes unless Customer provides a tax exemption certificate in advance.
- 1.3 Customer will pay interest on late payments not disputed in good faith at an annual rate of 12%, billed monthly. If Customer fails to pay or breaches these Conditions of Sale, Philips may suspend its obligations and deduct the unpaid amount from any amounts owed to Customer, in addition to other rights or remedies. Philips can recover all costs and expenses, including reasonable attorneys' fees related to enforcement.
- 1.4 Customer cannot cancel an order for equipment. If Customer cancels an order for equipment before the order is sent to the factory, Customer will pay 15% of the net selling price. If Customer cancels after the order for equipment is sent to the factory, Customer will pay the full net selling price. If Customer has not taken delivery of equipment within 24 months from Quotation acceptance, the order is deemed canceled and the cancellation charges in this section will apply according to their terms. In all cases cancellation of orders of software shall be governed by the terms of the Product schedule applicable to such software Product. In the absence thereof, such orders are non-cancelable.
- 1.5 Philips may make partial or early shipments, and Customer will pay invoices for such shipments according to the payment terms in the Quotation. Payments can be made by check, ACH, or wire. Philips does not accept transaction fees for electronic fund transfers or other payment methods. Philips imposes a 2% surcharge on credit cards, not exceeding its cost of acceptance. Check payments over \$50,000 USD must be paid via eCheck or Philips prepaid FedEx account with tracking.
- 1.6 Philips is entitled to retain a security interest in the Products until full payment is received. Philips may change the design or specifications of the Products at any time, provided the change does not adversely affect performance.

2. Lease and Trade-In

- 2.1 If Customer wants to convert a purchase to a lease, Customer must provide relevant rental documents for review and approval by Philips within 90 days before delivery. Customer is responsible for converting the transaction to a lease and securing the leasing company's approval of these Conditions of Sale. No product will be delivered until Philips receives and approves the fully executed lease documents. If the lease does not fund, Customer guarantees payment of all monies due, Philips may convert the lease back to a purchase and invoice Customer, and Customer will pay all invoiced amounts per the invoice terms.
- 2.2 For any equipment being traded in ("Trade-In"), Customer warrants it has good and marketable title. The trade-in value depends on Customer providing the Trade-In by the date Philips makes the new Product available for first patient use and may change if Customer delays delivery, installation, or go-live dates, or if the Trade-In is not in good working order, is damaged, or differs from the Quotation. Customer must clean and sanitize all components, drain chiller lines, cap plumbing, and delete personal data. Customer agrees to reimburse Philips for any out-of-pocket costs arising from Customer's breach of this section.

3. Shipment and Installation

- 3.1 Philips will deliver the Products according to the shipping terms in the Quotation. Additional costs for different delivery terms are Customer's responsibility. Philips will make reasonable efforts to meet the delivery date confirmed by Philips with Customer prior to releasing the Product for production ("Delivery Date"). If Customer delays delivery beyond the Delivery Date, Customer will pay reasonable expenses incurred by Philips, including storage fees, transportation expenses, and related costs. Customer will pay any delivery installment payment upon delivery to Customer site or Philips warehouse.
- 3.2 For installation by Philips, Customer must at its own expense (i) provide secure, adequate storage for the Products and unobstructed access to the Products and installation site; (ii) comply with Philips' installation requirements and applicable safety, electrical, and building codes; (iii) remove hazardous material; (iv) obtain necessary permits and licenses; (v) assist in moving the Products to the installation site; and (vi) be responsible for rigging, removal of obstacles, and restoration work. If Products are connected to a computer network, Customer is responsible for network security.
- 3.3 If the above conditions are not met, Philips may interrupt installation and testing and extend the installation period, and Customer will pay any additional costs. Philips is not liable for the fitness or adequacy of the premises or utilities for installation or storage.

4. Product Warranty

- 4.1 Philips' Product-specific warranties are set forth at <https://www.usa.philips.com/healthcare/support/terms-and-conditions>, and such terms and conditions are incorporated herein as applicable to the Products under the Quotation. Customer's signature on, or issuance of PO in connection with, the Quotation will be deemed agreement that such Product-specific warranty(ies) apply to Customer's purchase. In the event a warranty is not listed on such webpage for a Product under the Quotation, the following Sections 4.2-4.9 apply to Customer's purchase.
- 4.2 For hardware Products, Philips warrants the Product will materially comply with its specifications for one year from acceptance or first clinical use, but in any event no more than 15 months from shipment, provided the Product has been properly used and maintained. Philips warrants disposable Products intended for single use will be of good quality until the expiration date.
- 4.3 Philips warrants stand-alone Licensed Software will substantially conform to the technical specification for 90 days from availability.
- 4.4 Philips warrants services will be performed in a good and workmanlike manner for 90 days after completion. Philips' sole liability, and Customer's sole remedy, for breach of this service warranty is to give credit for the service price or re-perform the services.
- 4.5 To make a warranty claim, Philips must receive written notice within the warranty period and a reasonable period after discovery of the defect. Replaced Product or parts must be returned to Philips and will be Philips' property.
- 4.6 Philips' warranty obligations and Customer's sole and exclusive remedy are, at Philips' option, repair or replacement of the Product or part, or a pro rata refund of the purchase price after a reasonable cure period and return of Product(s). Replacement parts will be new or equivalent.
- 4.7 Philips has no obligations for defects resulting from use, operation, modification, configuration, calibration, or maintenance not in accordance with the Product specification and instructions; abuse, negligence, accident, or damages caused by Customer; improper site preparation, external sources, or third-party products. Philips is not responsible for third-party product warranties but will make reasonable efforts to extend third-party warranties and service solutions to Customer.
- 4.8 During the warranty and any service arrangement, Customer must provide and maintain a dedicated high-speed internet connection for remote servicing compatible with Philips Remote Service Data Center (PRSDC). If Customer fails to provide access, Customer accepts any impact on Products availability,

additional cost, and speed of resolution.

- 4.9 THE WARRANTIES IN THESE CONDITIONS OF SALE AND QUOTATION ARE THE SOLE WARRANTIES MADE BY PHILIPS, EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, INCLUDING ANY WARRANTY OF NON-INFRINGEMENT, QUIET ENJOYMENT, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. PHILIPS DISCLAIMS IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. PHILIPS DOES NOT WARRANT ANY PRODUCT USING THE CLOUD TO BE UNINTERRUPTED OR ERROR-FREE.

5. Limitation of Liability

- 5.1 THE TOTAL LIABILITY OF PHILIPS FOR ALL DAMAGES AND CLAIMS ARISING FROM OR RELATING TO ANY PRODUCTS AND SERVICES UNDER THESE CONDITIONS OF SALE AND QUOTATION, WHETHER BASED ON TORT (INCLUDING NEGLIGENCE), BREACH OF CONTRACT, INDEMNITY, AT LAW OR EQUITY, IS LIMITED TO THE TOTAL AMOUNTS PAID BY CUSTOMER TO PHILIPS UNDER THESE CONDITIONS OF SALE AND QUOTATION.
- 5.2 PHILIPS IS NOT LIABLE FOR INDIRECT, PUNITIVE, INCIDENTAL, EXEMPLARY, SPECIAL, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF DATA, PROFITS, REVENUE, BUSINESS INTERRUPTION, OR USE, REGARDLESS OF WHETHER THEY ARE FORESEEABLE OR NOT AND WHETHER THE CLAIM IS MADE IN TORT, BREACH OF CONTRACT, INDEMNITY, AT LAW, OR IN EQUITY.
- 5.3 THE FOLLOWING ARE NOT SUBJECT TO THE LIMITATIONS OF LIABILITY UNDER SECTION 5.1 AND CONSTITUTE DIRECT DAMAGES: (a) THIRD-PARTY CLAIMS FOR BODILY INJURY OR DEATH CAUSED BY PHILIPS' NEGLIGENCE OR PROVEN PRODUCT DEFECT, (b) CLAIMS OF TANGIBLE PROPERTY DAMAGE REPRESENTING PHYSICAL PROPERTY DAMAGE CAUSED BY PHILIPS' NEGLIGENCE OR PROVEN PRODUCT DEFECT, (c) OUT-OF-POCKET COSTS FOR PATIENT NOTIFICATIONS REQUIRED BY LAW DUE TO PHILIPS' UNAUTHORIZED DISCLOSURE OF PROTECTED HEALTH INFORMATION, (d) FINES OR PENALTIES LEVIED AGAINST CUSTOMER BY GOVERNMENT AGENCIES DUE TO PHILIPS' UNAUTHORIZED DISCLOSURE OF PROTECTED HEALTH INFORMATION, AND (e) PHILIPS' INFRINGEMENT INDEMNIFICATION OBLIGATIONS.

6. IP Indemnification

- 6.1 Philips will indemnify, defend, and hold harmless Customer against any claim that a Philips Product infringes third-party intellectual property (IP), provided Customer gives Philips prompt written notice, full information and assistance, and sole control of the defense or settlement. If a Product is found or believed to infringe valid IP, or Customer is enjoined from using the Product, Philips may procure the right for Customer to use the Product, replace or modify the Product, or provide a pro rata refund upon return of the Product. Philips has no obligation for claims arising from compliance with Customer's designs, specifications, or instructions; use of Customer-supplied technical information; modifications by Customer; use not in accordance with specifications or instructions; use with other products not sold by Philips; use of prior releases; or use after Philips advises Customer to stop use. These terms state Philips' entire obligation and liability for infringement claims and Customer's sole remedy.

7. Ownership, Use, and Exclusivity of Product Documents and Other Proprietary Service Materials

- 7.1 Philips' documents, manuals, and technical information related to product maintenance or service are proprietary. They cannot be copied, reproduced, transmitted, disclosed, or used without Philips' written consent. Philips' technical maintenance or service software is also proprietary and intended solely for Philips' use, unless otherwise agreed in writing by Philips and Customer.

8. Export Control and Product Resale

- 8.1 Customer is responsible for obtaining export authorizations for the Products. US Customers cannot transfer Products outside the US.

9. Licensed Software Terms

- 9.1 Subject to Customer's compliance with these Conditions of Sale, Philips grants Customer a non-exclusive, non-transferable, non-sublicensable license to use software Products and software embedded in Products ("Licensed Software") according to the Quotation and according to the instructions for use accompanying the Products.
- 9.2 Licensed Software is licensed, not sold, and all intellectual property rights remain with Philips. Customer may make one backup copy. Customer will preserve the confidential nature of the Licensed Software and maintain copyright notice or proprietary legends on copies.
- 9.3 Customer will not (and shall not allow any third party to) decompile, disassemble, modify, reproduce, or otherwise reverse engineer the Licensed Software. Any modification of the Products or system shall be deemed unauthorized and may be deemed as remanufacturing of the Products or systems. Installation of Philips-issued patches or updates is not a modification.
- 9.4 Philips and its affiliates may use, on a royalty-free basis, feedback or suggestions for modification or enhancement of the Licensed Software for licensing to third parties. Customer agrees to comply with third-party licensed software terms and indemnify Philips for any damage arising from failure to comply. If the third-party licensor terminates the license, Philips may terminate the license with Customer and make reasonable efforts to procure a solution.
- 9.5 Customer is responsible for buying and managing anti-virus software to protect the products and all virus issues with the Licensed Software. Use of anti-virus in a manner not recommended by Philips is Customer's sole responsibility.
- 9.6 Customer's installation or use of unauthorized updates may adversely affect functionality and performance. Philips has no liability for performance issues caused by unauthorized updates, and the warranty is void during the period of use of such unauthorized updates. Philips may require Customer to roll back unauthorized updates to the most recent validated version before performing services. Philips tests the latest applicable security updates and publishes them as Philips Product Security Status documents. It is Customer's responsibility to deploy validated updates.
- 9.7 Customer will ensure third parties complete interface work by the interface testing date. Philips may terminate interface obligations and refund pre-paid amounts for interfaces, excluding amounts for work performed prior to termination, if Customer delays result in not meeting the interface testing date. Terminated interfaces will be re-evaluated under a separate new sales contract.
- 9.8 Philips is not responsible for business continuity or disaster recovery plans or data backup. Customer is responsible for daily backups and otherwise determining appropriate frequency. Backups should occur daily at a minimum. Hard drives on Products are not to be used as a data repository and all images and reports on Product shall be sent to different storage device such as Picture Archive and Communication System (PACS) or Health Suite Imaging (HSI) system, at minimum on a daily basis.
- 9.9 Professional services for Licensed Software implementation will adhere to a statement of work and be subject to these terms. A statement of work signed by the Customer is required by Philips at the time of Customer order placement of Philips Enterprise Informatics Licensed Software Products.

10. Confidentiality

- 10.1 The Parties will keep confidential any information of the other party and use it only to carry out their rights and obligations under these Conditions of Sale and the Quotation. This obligation does not extend to public domain information or information disclosed by law or court order.

11. Compliance with Laws

- 11.1 Each party will comply with all applicable laws, rules, and regulations.
- 11.2 Philips may process personal data in relation to services. Philips will process protected health information (PHI) as defined by HIPAA on behalf and by instruction of Customer under a Business Associate Agreement. Philips may process log files or device parameters containing personal data, including PHI, to provide services and comply with regulations and standards.
- 11.3 Customer consents to Philips' use of non-personal data for business purposes, including data analytics, product and service improvement, marketing claims,

and benchmarking. Philips will not use Customer's name without prior written consent.

12. Force Majeure

- 12.1 Neither party is liable for non-performance caused by circumstances beyond its control, including acts of God, war, civil war, insurrection, fire, flood, labor disputes, epidemics, pandemic, cyber-attack, terrorism, governmental regulations, embargoes, export control sanctions, or Philips' unavailability regarding permits, licenses, authorizations, default, or force majeure of suppliers or subcontractors. If Philips is unable to perform due to a force majeure event that continues for 90 consecutive days, Customer may terminate the Quotation for any Product(s) not yet delivered.

13. Miscellaneous

- 13.1 Products may contain remanufactured parts equivalent to new in performance.
- 13.2 If Customer becomes insolvent, files for bankruptcy, has assets assigned or frozen, Philips may cancel unfulfilled obligations or suspend performance. Customer's financial obligations remain in effect.
- 13.3 If any provision of these Conditions of Sale is deemed unlawful, unenforceable, or invalid, the remaining provisions remain in effect, and a new provision reflecting the original intent will be substituted.
- 13.4 Notices or communications will be given in writing and deemed effective if delivered in person or sent by courier or mail.
- 13.5 Failure to require compliance with any obligation does not affect the right to enforce it later.
- 13.6 Customer may not assign rights or obligations without Philips' prior written consent, except for a sale of substantially all of Customer's assets or internal reorganization, and provided that in each case Customer is not in breach of any payment obligations and the assignee assumes all liabilities and obligations in writing.
- 13.7 Customer's obligations do not depend on other agreements with Philips. Customer will not exercise any offset right in relation to other agreements.
- 13.8 All transactions are governed by the laws of the state where the Product will be installed, excluding the Uniform Computer Information Transactions Act (UCITA). EACH PARTY WAIVES ALL RIGHT TO TRIAL BY JURY OF ANY CLAIM ARISING WITH RESPECT TO THIS QUOTATION.
- 13.9 Customer will report immediately to Philips any event suggesting a Product may have caused or contributed to a death or serious injury or malfunctioned in a way that could likely cause or contribute to such events. Customer will report complaints regarding the identity, quality, performance, reliability, safety, effectiveness, labels, or instructions for use of the Products. Philips is responsible for submitting filings or reports to governmental authorities unless otherwise required by law.
- 13.10 Philips and Customer will comply with the Omnibus Reconciliation Act of 1980 (P.L. 96-499) and its implementing regulations (42 CFR, Part 420). Philips agrees that until the expiration of 4 years after furnishing Products pursuant to these Conditions of Sale, Philips will make available, upon written request of the Secretary of the Department of Health and Human Services, or upon request of the Comptroller General, or any of their duly authorized representatives, these Conditions of Sale and the books, documents, and records of Philips that are necessary to verify the nature and extent of the costs charged to Customer hereunder. Philips further agrees that if Philips carries out any of the duties of these Conditions of Sale through a subcontract with a value or cost of ten-thousand U.S. dollars (\$10,000.00) or more over a 12 month period, with a related organization, such subcontract will contain a clause to the effect that until the expiration of 4 years after the furnishing of such Products pursuant to such subcontract, the related organization will make available, upon written request to the Secretary, or upon request to the Comptroller General, or any of their duly authorized representatives the subcontract and the books, documents, and records of such organization that are necessary to verify the nature and extent of such costs. This section relating to the retention and production of documents is included because of possible application of Section 1861(v) (1) (1) of the Social Security Act (42 U.S.C. 1395x (v) (1) (I) (1989)), as amended from time to time to these Conditions of Sale. If Section 1861(v) (1) (1) should be found to be inapplicable, then this section will be deemed inoperative and without force and effect.
- 13.11 Philips, as the date of signature of the Quotation, represents and warrants that Philips, and its employees and subcontractors, are not debarred, excluded, suspended, or ineligible to participate in federal or state health care programs (an "Excluded Provider"). Philips will notify Customer if it becomes aware of any Excluded Provider status. Upon receipt of such notice, Customer will provide Philips with reasonable opportunity to discuss and attempt to resolve any concerns related to Excluded Provider status of Philips or its employee or subcontractor. In the event Philips is unable to resolve the Excluded Provider status of Philips or its employee or subcontractor, Customer may terminate orders for Product not yet shipped or services not rendered prior to the date Philips or its employees or subcontractors became Excluded Providers.
- 13.12 Customer will notify Philips if any portion of the order is funded under the American Reinvestment and Recovery Act (ARRA).
- 13.13 Customer acknowledges that certain policies, schedules, Product-specific terms, and other documents referenced in these Conditions of Sale are provided via embedded hyperlinks (collectively, "Hyperlinked Terms"). Customer represents that it has the ability to access, download, and store the Hyperlinked Terms and agrees that all Hyperlinked Terms are incorporated into, and form part of, these Conditions of Sale as if set out in full. If a hyperlink changes or is unavailable, the then-current version of the relevant Hyperlinked Term identified by title and version/date will control, and Philips will provide a copy upon request.
- 13.14 These Conditions of Sale, the terms in the Quotation, and any applicable Product-specific warranty constitute the entire agreement and supersede all previous understandings or agreements regarding the transactions contemplated by the Quotation. No additional terms, conditions, consents, waivers, alterations, or modifications are binding unless in writing and signed by the parties.
- 13.15 The Product-specific schedules included with these Conditions of Sale apply solely to the specified Products and govern in the event terms expressly set forth in the schedule conflict with terms expressly set forth in these Conditions of Sale.

**Schedule 4
Hospital Patient Monitoring & Hospital Respiratory Care (HRC) Portfolio (Rev 26)**

Product Category	Products
Measurement and Monitors	IntelliVue Patient Monitors and Systems
	IntelliVue Telemetry System
	Fetal Monitors
	SureSigns/EarlyVue Vitals Monitors
	Clinical Measurements
	MR Patient Care Monitors
	PerformanceBridge Focal Point
Clinical Informatics	IntelliVue Critical Care and Anesthesia
	IntelliSpace Perinatal
	IntelliBridge Family of Solutions
Sleep Therapy	DreamStation Accessories
Hospital Respiratory Care Supplies	Patient Interface (Masks & Cannulas)
	Circuits
Diagnostic Cardiology Solutions	Stress Testing System (ST80i)
	Holter Monitoring System (DigiTrak)
	Cardiographs (PageWriter)
	IntelliSpace ECG

- 1. Payment Terms**
 - 1.1 Unless otherwise specified in the Quotation, Philips will invoice Customer and Customer will pay such invoice 100% of the purchase net 30 days from Philips' invoice date.
- 2. Supplies**
 - 2.1 Philips may charge a shipping fee for Hospital Respiratory Care (HRC) supplies.
 - 2.2 Philips must authorize returns of any HRC supplies. Customer shall pay shipping charges for returns, and returns are subject to a 15% restocking charge. Philips does not accept returns of opened, expired, or damaged HRC supplies.
- 3. Installation**
 - 3.1 Acceptance occurs upon (a) completion of installation by Philips if installation is included or (b) delivery if installation is not included. If Customer schedules or delays installation by Philips more than 30 days after delivery, Customer's acceptance of the products will occur on the 31st day after delivery.
 - 3.2 Installation of Products onto third party medical carts will align with International Electrotechnical Commission (IEC) 60601-1 publication, including but not limited to Section 8.4, Instability Hazards. Customer shall confirm that any such cart has four wheels with locking mechanism prior to installation.
- 4. Philips IntelliVue Products**
 - 4.1 If Customer elects to use the Philips IntelliVue Information Center on Customer provided general network versus dedicating a separate Philips provided IntelliVue Clinical Network, Philips advises that the likelihood of network or bandwidth outages is generally greater. The Philips IntelliVue Information Center is a secondary vital signs monitoring tool used to monitor bedside monitor alarm activity. Network or bandwidth outages may affect the Philips IntelliVue Information Center's ability to communicate with a bedside monitor such that it would not be available to get real time alarm information. Accordingly, Customer is reminded that its nursing protocols must be based on using the bedside monitor, at all times, as the primary medical device to use and respond to, for monitoring patient's vital signs.
- 5. Clinical Informatics Products, and Philips IntelliVue Information Center Product Family**
 - 5.1 The following additional terms apply to Philips Clinical Informatics IntelliVue Information Center Products:
 - 5.1.1 Anti-Virus. Customer is responsible for anti-virus software with the Products. Use of anti-virus in a manner not recommended in the user manual or without Philips' validation is Customer's sole risk.
 - 5.1.2 Data Backup/Disaster Recovery. Philips is not responsible for a business continuity/disaster recovery plan or back up of data and images processed by the system. Recommendations around disaster recovery are included in "Security for Clinical Networks" section accessible on the InCenter service portal at the following link: philips.mizecx.com.
- 6. PerformanceBridge Focal Point**
 - 6.1 Philips will provide access to the PerformanceBridge Focal Point software ("Focal Point") described herein or as otherwise specified on the Quotation(s) for the Sectors, as defined below:
 - 6.1.1 A "Sector" is a location on a central station where a patient and the related patient equipment is assigned. Often used interchangeably with beds or patients, a Sector is Equipment under this Agreement.
 - 6.1.2 A "Node" is an IP addressable network node, which is a configured component of a Philips Patient Monitoring System/Solution.
 - 6.1.3 The term of the service is defined in the Quotation and the end date for all Sectors will be co-terminus.
 - 6.2 Access
 - 6.2.1 Access to Focal Point is granted on the basis that (a) the Customer maintains the configuration of the Products as they were originally designed and manufactured and (b) each Product includes only those subsystems and components certified by Philips. Focal Point may not perform as intended if a Product is modified by anyone other than Philips or a Philips authorized agent, or if Customer's systems include subsystems or components not certified by Philips. Philips does not assume any responsibility or liability with respect to unauthorized modification or substitution of subsystems or components.
 - 6.3 Focal Point shall be used only on the Product(s) identified in the Quotation. Each Customer is limited to one instance of Focal Point per Customer site/location included in the quotation, and each Focal Point instance is limited to 4,000 Node connections. If additional Focal Point instances are required, determined solely by Philips, they will be provided upon mutual agreement of both parties. If there is more than one site or location, Customer must purchase the appropriate software maintenance coverage for each additional site or location to receive access to Focal Point.
 - 6.4 Access to Focal Point is available to Customer and Philips support personnel working on-site and remotely. Philips will install Focal Point on virtual or physical hardware, pursuant to the system installation and reference guide.



- 6.5 Customer acknowledges that the Philips Administrator Account for Focal Point, and any related login credentials that Philips may provide to Customer is for use only by Philips and its authorized service representatives.
- 6.6 Telephone Support. Focal Point telephone and remote support coverage is included. Technical and Clinical Telephone and Remote Support coverage services are available 24 hours per day, 7 days per week, including Philips-recognized holidays. Philips Customer Care Support Line Call + 1 800-722-9377.
- 6.7 Remote Access and Diagnostics. Philips may remotely access any Customer system tied to the Equipment required to perform Services. Customer shall provide Philips remote access to the Equipment.
- 6.8 On-Site Software Resolution Response. Philips' primary method for software services is telephone and Philips Remote Services ("PRS"). Philips, at its sole discretion, may provide on-site software support services to resolve software issues that cannot be resolved through Philips' primary resolution method.
- 6.9 Application Patches. From time-to-time, Focal Point may require the remote installation of certain application updates, upgrades, or enhancements to properly maintain the application in accordance with Philips' specifications ("Application Patches"). Working with Customer, Philips reserves the right to manage all Application Patches.
- 6.10 OS Patches. Focal Point will periodically synchronize with a remote Windows Server Update Services (WSUS) server as defined within the Microsoft WSUS documentation. This synchronization is required for the Focal Point OS Patching feature to maintain an updated list of which Microsoft OS patches have been qualified by Philips and is required for the Focal Point OS Patching feature to function.
- 6.11 Data Processing; Specific Instructions to Philips. Focal Point will collect and aggregate machine-to-machine data which may include certain personal data (e.g., IP addresses) ("Machine Data"). Customer hereby instructs Philips to process personal data to the extent personal data is included in the Machine Data for or in relation to performing the services to Customer, and as necessary to comply with other reasonable instructions provided by Customer.
- 6.12 Protection of Data. Philips will take appropriate commercially reasonable technical and organizational measures to protect the personal data in accordance with the Business Associate Agreement between Philips and Customer.
- 6.13 Use of Machine Data. Philips acknowledges and agrees that Customer owns all Machine Data. Customer hereby licenses the Machine Data to Philips for use, processing, and aggregation consistent with this Agreement. Philips' usage will be solely in a primary usage manner to deliver functionality and services to Customer, which includes but is not limited to the aggregation and processing of Machine Data to enable users of Focal Point (including Philips) to see statistical and reporting information and to troubleshoot problems that may arise. Customer acknowledges that it can access and copy Machine Data at any time through the Focal Point, and that Customer may request in writing that Philips delete the Machine Data.

7. Support Services

- 7.1 Clinical Services. If included in the Quotation, Philips will provide clinical implementation services, at a time mutually agreed to by Philips and Customer and will be defined by Philips at Philips' sole discretion.
- 7.2 After-Hour Support. If included in the Quotation, clinical implementation after-hour support will be provided between the hours of 7 PM - 7 AM, including weekends and holidays if needed.
- 7.3 Go-Live Support. Philips will provide clinical go-live support (onsite or remote) during the implementation of new version upgrades and updates. Go-live support will be scheduled between 7:00 AM - 7:00 PM Monday through Friday for the new software version. Customer may request additional go-live support, or go-live support outside of standard hours, at an additional cost.
- 7.4 Clinical Education. Clinical services will be scheduled (onsite or remote) between 7:00 AM - 7:00 PM Monday through Friday for the new software version. Customer may request additional clinical education or clinical education outside of standard hours, at an additional cost.
 - 7.4.1 Clinical Education class size is limited to 10 participants;
 - 7.4.2 Customer will provide a suitable location for on-site classroom education; and
 - 7.4.3 Customer will provide full and free access and use of the Product for education.
- 7.5 Configuration. Configuration services will be scheduled between 7:00 AM - 7:00 PM Monday through Friday and are limited to the new software version implementation. Customer will provide use of the equipment. Configurations are based on current monitoring solution. If expert screen services are required, as determined solely by Philips, they are available at an additional cost.
- 7.6 User Acceptance Testing. Following implementation of a new software version or configuration services, Philips and Customer will perform user acceptance testing. Philips will provide Customer with an electronic copy of the resultant configuration files and reports.
- 7.7 Travel Expenses. Unless otherwise stated in the Quotation, Philips' travel expenses for all clinical implementation services delivered at Customer site are included in the price.
- 7.8 Post Warranty Service. Service coverage may vary depending on the Product and use thereof. Post warranty services purchased with Products under the Quotation require an amendment incorporating the description of the covered products, price, payment terms, period of coverage, level of coverage, and Philips technology update service description, if purchased by Customer.
- 7.9 Warranty exclusions set forth in the Conditions of Sale apply to warranty and post-warranty services.

8. Customer Supplied Network (CSN) Installation and Configuration Responsibilities

- 8.1 Philips provides information on which patient monitoring devices (and in what locations) will be connected to the CSN following the standard IntelliVue Clinical Network design rules. During the CSN installation process, Philips is responsible for proper configuration and physical installation of the Products. In CSN situations, Philips does not configure the network or connect the Philips Products to the network. Customer has ownership of these tasks.
- 8.2 Customer Responsibilities:
 - 8.2.1 Installation. Customer shall configure the network infrastructure devices as specified in the Philips CSN specification document, connect the Products to the network infrastructure, and confirm the Products have a network that meets the CSN specification document.
 - 8.2.2 Ongoing Support. It is Customer's responsibility to (i) maintain the CSN in a manner that continuously adheres to the CSN specification and (ii) perform the first line of support for all questions related to the Products to determine if there is a clinical issue, Product issue, or a network connectivity issue and to contact the responsible party for resolution.
- 8.3 Unless the Products are being used in a telemetry fashion, the bedside monitor and bedside screen must be used as the primary patient alarm device.
- 8.4 Under no circumstances is Philips responsible for Customer's inability to use Products (including but not limited to loss of patient alarms or data) due to any CSN outages, downtime, or Customer's failure to properly maintain or configure the CSN.

Schedule 20 IntelliSpace ECG Management as a Service (Rev 26)

IntelliSpace ECG Solution Management as a Subscription Service provides healthcare clients access to IntelliSpace ECG (ISECG) management software through a cloud environment.

1. Application of Terms and Conditions of Sale

- 1.1 This Product-specific Schedule for IntelliSpace ECG Management as a Service ("Schedule") is subject to and incorporated into the Conditions of Sale. Without limiting the applicability of Section 13.15 (Product-Specific Terms) therein, the following sections of the Conditions of Sale do not apply to this Schedule 20: 1.4 and 1.6 (Quotation, Order and Payment), 2 (Lease and Trade-In), 3.2 and 3.3 (Shipment and Installation), 4 (Product Warranty), and 9 (Licensed Software Terms).
- 1.2 Section 3 of the Conditions of Sale is modified by adding the following language for the purpose of this Schedule: "Customer shall be responsible for the security of Customer's environment network security, including but not limited to, using secure administrative passwords, installing the latest validated security updates of operating software and web browsers, running a Customer firewall as well as maintaining up-to-date drivers, and validated anti-virus and anti-spyware software."

2. Definitions

- 2.1 Customer Content means any information, in digital or other form, processed by Customer in relation to the Subscription Service, including but not limited to data, documents, e-mails and images, including Personal Data.
- 2.2 Deliverables means materials, work products, and documentation provided and/or delivered as part of the Professional Services.
- 2.3 Documentation includes the Philips-provided materials such as Instructions for Use (IFU) for the Subscription Service provided by Philips as may be updated from time to time by Philips.
- 2.4 Order Effective Date means the date the Quotation is accepted by Customer, as evidenced by the signature of Customer's authorized representative on such Quotation.
- 2.5 Order Term means the period(s) of time specified on the Quotation.
- 2.6 Professional Services means the services ordered by Customer and provided by Philips pursuant to this Schedule, including but not limited to installation, implementation, and training, excluding the provision of any Technical Support Services with respect to the Subscription Service or Software.
- 2.7 Quotation means the quotation offered by Philips and accepted by Customer that describes, among other things, the Services, term, maximum number of licensed records, software components and professional services purchased. The Quotation may be included as part of the Statement of Work.
- 2.8 Services means, collectively, the Subscription Service and any Professional Services.
- 2.9 Statement of Work (SOW) means the statement of work made pursuant to and a part of this Agreement, describing the implementation specifications, project plans, or other technical instructions, as applicable and agreed by the parties in writing prior to Philips' commencement of work. The SOW may include the Quotation.
- 2.10 Study, or Studies means patient related diagnostic data produced by medical devices and collected by the Subscription Service.
- 2.11 Subscription Service means the cloud application hosted and provided by Philips' designated websites to Customer, including Technical Support Services, all as described in the Documentation and as specified in the Quotation and Section 8 (Technical Support Services) below. Subscription Service includes any software manufactured by third parties.
- 2.12 Technical Support Services means the technical support services provided by Philips for the Subscription Service as set out in Section 8 (Technical Support Services) of this Agreement.
- 2.13 Third-Party Products and Services means any hardware, software, peripherals, network, content protected by copyrights, or other equipment or services, other than the Subscription Service or Customer Content, that 1) Customer has acquired or may acquire the right to use from a party other than Philips (irrespective of whether it is delivered by Philips) or 2) for which Philips is not the original equipment manufacturer.
- 2.14 Third-Party Terms means different or additional terms and conditions governing Customer's use of Third-Party Products and Services as may be supplied directly to Customer by the original equipment manufacturer for such Third-Party Products and Services or passed through to Customer by Philips.
- 2.15 Update means a minor release (from .x to .y), including bug fixes or limited enhancements, that is made generally available by Philips to all customers.
- 2.16 Upgrade means a major release (from x. to y.) that may offer substantial enhancements to Customer's purchased configuration that is made generally available by Philips to all Customers.
- 2.17 User(s) means any person who is authorized by Customer to use and access the Subscription Service solely for Customer's benefit, in accordance with this Schedule and has been supplied user identification and password by Customer.

3. Subscription Service Access

- 3.1 Subject to the terms and conditions of this Schedule, including (without limitation) full and timely payment of Fees and Customer's compliance with this Schedule, Philips will, during the Order Term, make the Subscription Service available to Customer and permits Customer to access the Subscription Service for the Order Term which Customer hereby accepts.
- 3.2 Delivery of the Subscription Service is effective upon Philips first providing Customer with access to Philips' standard instance of the Subscription Service, as evidenced by Customer's signature of Philips' Customer Acceptance Form. If Customer does not sign the Customer Acceptance Form within five business days from the date Philips provided to Customer, Customer shall then be deemed to have accepted the Subscription Service. Subscription Service Fees are not contingent on Philips' or Customer's configuration of the Subscription Service, or Customer data acquisition.
- 3.3 Customer agrees that its entering into the Agreement is neither contingent upon the delivery of any future functionality or features of the Subscription Service nor dependent upon any oral or written statements made by Philips with respect to future functionality or features of the Subscription Service. Philips' sole obligations are documented in this Agreement.
- 3.4 The Subscription Service can be used in conjunction with more than the number records stated within the Quotation. Subscriptions for additional records may be added for the Order Term according to Philips' then-current rates and may be subject to minimum purchase requirements according to Philips' current commercial policy.
- 3.5 Customer will use the Subscription Service solely as contemplated by this Schedule. Furthermore, Customer will not:
 - 3.5.1 use the Subscription Service for any purpose other than in conformity with the Documentation including, but not limited to, in a manner inconsistent with any instructions for use;
 - 3.5.2 sell, resell, rent, lease, transfer, assign, distribute, time share, or otherwise commercially exploit or make the Subscription Service available to any third party, other than to Users or as otherwise set forth on the Quotation without the express prior consent by Philips;
 - 3.5.3 access the Subscription Service in order to (i) build a competitive product or service, or (ii) copy any ideas, features, functions or graphics of the Subscription Service; or
 - 3.5.4 exceed the permitted use of the Subscription Service as described in the Quotation.

4. Deployment

- 4.1 The Subscription Service will be delivered and deployed by Philips or by a subcontractor named by Philips, as specified on the Quotation or SOW.
- 4.2 Customer is responsible for cooperating and performing its deployment responsibilities identified in the applicable SOW without delay.
- 4.3 Customer will maintain adequate internet connection bandwidth in compliance with the Documentation.
- 4.4 The parties understand that there may be instances where a performance obligation of Philips or Customer is dependent on a precedent performance obligation of the other party. In the event the other party does not perform its precedent performance obligation as of the scheduled date or in accordance with the specifications for such precedent performance obligation, such that the non-delaying party does not have adequate or sufficient time to fulfill its obligations in a commercially reasonable manner and stay within the agreed-upon schedule, the non-delaying party will be entitled to take a reasonably necessary amount of time to complete its performance obligation not less than the length of the delay engendered by the delaying party.
- 4.5 For any changes to Services (excluding modifications made by Philips to the Subscription Services generally applicable to all similarly situated Philips customers), the parties will follow the change control procedure as set out in this section. At any time during the applicable Order Term, either party may request a change to the SOW but no such change will be effective and binding unless a written change order is agreed and signed by authorized representatives of both parties. For the avoidance of doubt, and notwithstanding anything to the contrary, a change order can only amend the technical and commercial conditions of the applicable Quotation or SOW and will not in any event amend any the Terms and Conditions of Sale (e.g., relating to allocation of legal liability or compliance with regulatory requirements).
- 4.6 Philips may subcontract to contractors of Philips' choice any of its obligations to Customer or other activities performed by Philips under this Schedule. No such subcontract will release Philips from its obligations to Customer set forth herein.

5. Subscription Service Fees

- 5.1 Unless otherwise specified in the Quotation, Philips will invoice Customer, and Customer will pay such invoice within thirty (30) days of Philips' invoice date.
- 5.2 Unless otherwise set forth in the Quotation, fees for the Subscription Service ("Fees") will be invoiced by Philips upon Customer's signing of Customer Acceptance Form, and then every month from the start of the Order Term. The implementation fee will be billable upon the Order Effective Date.
- 5.3 Philips reserves the right to adjust customer list pricing and (or) net pricing during the Order Term of the agreement, in accordance with the Consumer Price Index published by the United States Department of Labor in its website at <http://www.bls.gov/cpi>. Such adjustment in pricing requires 30-day written notice, will not be retroactive, cannot start before the first year of the Agreement and will not exceed more than 5% change annually.
- 5.4 Philips will conduct a true up of Customer's annual Study volume at the end of each contract year. In the event Customer has exceeded its use of the Subscription Service beyond the maximum number of records identified on the Quotation, Philips will invoice, and Customer will pay, Philips' applicable Fees for such additional licensed records or studies per the table as follows, subject to minimum order quantity of not less than an entire care unit for the remainder of the Order Term.

1% to 20% increase of the annual ECG Study volume	20% discount on the fee of the incremental ECG Study volumes
21% and above increase of the annual ECG Study volume	20% discount on the fee – 1% to 20% of the incremental ECG Study volumes
	Additional 10% discount on the fee - above 21% of the incremental ECG Study volumes

Customer may roll up to 10% of the unused ECG Study volume from a contract year to the following year.

For clarity, no refund will be issued for unused ECG Study volume.

- 5.5 Subscription Service Fees may be re-evaluated prior to renewal. Changes to the Subscription Service Fees will be communicated through an updated Quotation.
- 5.6 Subscription Service Fees are not decreased based on actual usage.

6. Responsibilities of Parties

- 6.1 Philip will provide Customer access to use the ISECG software in accordance with this Schedule.
- 6.2 Technical Support Services
 - 6.2.1 Philips will provide Technical Support Services during the Order Term in accordance with this Agreement.
 - 6.2.2 Customer will provide full and timely cooperation with Philips' Technical Support Services resources.
- 6.3 Security
 - 6.3.1 Customer Environment and Users
 - 6.3.1.1 Customer is responsible for Customer's infrastructure necessary for access to the Subscription Service (e.g. Customer's employees, subcontractors, agents).
 - 6.3.1.2 Customer must employ industry-standard virus protection software and security protection for Customer's infrastructure for access to Subscription Service.
 - 6.3.1.3 Customer is responsible for all activities that occur in User accounts and for Users' compliance with this Schedule. Customer will: (i) have sole responsibility for the accuracy, quality, integrity, legality, reliability, and appropriateness of all Customer Content in the Subscription Service; (ii) use commercially reasonable efforts to prevent unauthorized access to, or use of, the Subscription Service, and notify Philips promptly of any such unauthorized access or use and promptly furnish full details of such use or access, and cooperate fully with Philips in any litigation against third parties deemed necessary by Philips to protect Philips' proprietary and contractual rights; and (iii) ensure the proper configuring, programming, updating, and operating of Customer's hardware, software, websites, content, and telephone and internet connections to allow access to and use of the Subscription Service.
 - 6.3.2 Philips' Environment
 - 6.3.2.1 Philips will host the ISECG on a Philips-approved cloud platform so that it may be accessed by Users through an industry-standard web browser via a secure connection. Any Philips-hosted ISECG cloud platform instance will be located at Philips' determined domestic locations unless otherwise agreed.
 - 6.3.2.2 Philips will provide for the security of the Subscription Service by way of reasonable and appropriate physical, technical, and administrative controls according to Philips' information security management, risk management, and data privacy practices, including audits of Philips' Information Security Management System, and risk-based assessments that incorporate entity and cloud vendor supply chain obligations.
 - 6.3.2.3 Philips will use commercially reasonable efforts to restore the data from the last available backup upon Customer's request. Philips shall not be responsible for any losses or damages related to or resulting from loss of Customer Content.

7. Warranty

- 7.1 Philips warrants that the Subscription Service will perform materially in accordance with the Documentation during the Order Term.



- 7.2 If the warranty set out in Section 7.1 is breached, Customer must promptly notify Philips in writing. Upon receipt of such notice of nonconformity, Philips will use commercially reasonable efforts to repair or modify the Subscription Service to make it perform in accordance with the Documentation. All corrections will be made in accordance with Philips' Subscription Service Technical Support Services Policy. Philips does not represent or warrant that all errors can be corrected. If, after using commercially reasonable efforts for a period not less than 60 days, Philips is unable to replace or repair the Subscription Service, Customer may terminate this Schedule without liability upon written notice to Philips. The foregoing are Customer's sole and exclusive remedies for breach of this warranty.
- 7.3 The warranty set forth herein will not apply if the warranty claim arises out of Customer's: (i) use of the Subscription Service contrary to the Documentation or Philips' written instructions, (ii) modification of the Subscription Service, or (iii) failure to provide prompt notice to Philips as set forth in Section 7.2.
- 7.4 The warranty set forth in this Schedule does not apply to any Third-Party Products and Services. Warranties for Third-Party Products and Services (if any) may be supplied directly to Customer by the third-party suppliers.
- 7.5 THE WARRANTY IN CLAUSE 7.1 IS MADE TO AND FOR THE BENEFIT OF CUSTOMER ONLY. EXCEPT AS SPECIFICALLY SET FORTH IN THIS SCHEDULE, PHILIPS MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, RELATING TO THE SUBSCRIPTION SERVICE, INCLUDING BUT NOT LIMITED TO ANY WARRANTY THAT THE SUBSCRIPTION SERVICE WILL MEET CUSTOMER'S REQUIREMENTS, OR WILL OPERATE ERROR FREE OR UNINTERRUPTED. PHILIPS SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, WHETHER STATUTORY OR OTHERWISE, OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS OR ANY WARRANTIES REGARDING THE QUALITY OF CUSTOMER CONTENT, EXCEPT TO THE EXTENT THAT ANY WARRANTIES IMPLIED BY LAW CANNOT BE VALIDLY WAIVED.
- 7.6 Philips is not responsible for circumstances beyond its control, including without limitation: non-Philips' supplied infrastructure or application programming interfaces, single sign-on capability, hardware, virtual machines, network (connectors), information, content, software, scripts, data, files, application programming, web servers or service, materials, equipment; acts or omissions of Customer or its agents; virus or hacker attacks; intentional shutdown for emergency intervention or security incidents; acts or omissions of a party other than Philips; Customer's failure to comply with Philips' Documentation and security and upgrade policies; or Customer's use of Subscription Service in violation of this Schedule.

8. Technical Support Services

- 8.1 Technical Support Services. Technical Support Service consists of telephone and remote support, and interface support.
- 8.2 Coverage. Unless otherwise set forth in this Agreement: (i) Philips will provide Technical Support Services Mondays through Fridays, 8:00 AM to 5:00 PM Customer local time, excluding Philips observed holidays ("Service Coverage"); and (ii) travel necessary to perform the Technical Support Services is excluded.
- 8.3 Initial Telephone Response Time. Philips will make reasonable efforts to make an initial response to a Customer request for Technical Support Services within one hour from the receipt of the request. Otherwise, Philips will respond within two hours of the receipt of the original message.
- 8.4 Philips Internet-based Customer Support Tools. Philips will provide Customer access to the applicable web-based support tool platform for the Subscription Service.
- 8.5 Subscription Service Availability. Customer agrees to provide Philips and its representatives full and free access to Customer's site and the Subscription Service in order to perform the Technical Support Services and to confirm Customer's compliance with any of its obligations hereunder.
- 8.6 Software Upgrades, Updates and Fixes. Philips will provide Updates and Upgrades to the Subscription Service application software during the Term as such Updates and Upgrades are made generally available by Philips. Customer acknowledges that certain functionality and options in current and previous Subscription Service versions may not be available in subsequent Upgrades or Updates. Unless specifically included elsewhere in this Agreement, software Updates do not include Third-Party Products and Services. Customer agrees to follow advanced written instructions provided by Philips for the enablement of Updates and Upgrades.
- 8.7 Customer Responsibilities.
 - 8.7.1 System administrator. The Customer shall designate an individual(s) to serve as its system administrator ("System Administrator") and an alternate, who will serve as Philips' primary support contacts. These individuals should be familiar with all aspects of training provided by Philips, including end-user and system administrator training.
 - 8.7.2 Security. Customer is solely responsible for providing adequate security to prevent unauthorized System access to Philips (or its third-party vendors) proprietary and Confidential Information.
 - 8.7.3 Intermediate Resolutions. Customer shall implement any intermediate System resolutions or workarounds as requested by Philips while Philips seeks a long-term System resolution.
- 8.8 Service Limitations.
 - 8.8.1 Non-Philips Software Assistance. Requests for assistance with Third-Party Products and Services are outside the scope of this Agreement.
 - 8.8.2 Exclusions. Unless expressly agreed upon by the parties in writing, the Technical Support Services do not include: any service required as a result of a design, specification or instruction provided by Customer; the failure of anyone to comply with Philips' written instructions or recommendations; any use of the Subscription Service with Third-Party Products and Services not approved by Philips; any product maintained under this Agreement in which Customer does not allow Philips to incorporate engineering or other improvements; operating system software issues that manifest themselves in non-performance of another installed application or otherwise affect use or performance of the Subscription Service; any network related problems; damage caused by an external source, regardless of nature; any services that Philips cannot provide in accordance with applicable law; data recovery or restoration (other than as specified in Section 6.4); service or support for any other circumstance beyond Philips' reasonable control.

9. Obsolescence

- 9.1 Customer acknowledges and agrees that the Subscription Service functionality, features, specifications, and Documentation are subject to change by Philips at any time, provided that Philips will not materially degrade the functionality or security of the Subscription Service and will provide reasonable advanced notice of any substantial changes.
- 9.2 Philips may determine that the Subscription Service is obsolete, or "End of Life," and that no version will be maintained or supported. Accordingly, Philips may no longer provide the Subscription Service or Technical Support Services for same. In such event, Philips may, with 180 days' prior notice, terminate the Agreement without liability, and provide Customer with a refund of any pre-payments for periods of any Technical Support Service and Subscription Service not yet rendered.

10. Audit Rights and License

- 10.1 For the duration of the Order Term and for a period of six (6) months after its termination, Customer will allow Philips to carry out audits, including (without limitation) electronic audits, of Customer's use of the Subscription Service in order to verify Customer's compliance with the terms of this Schedule.
- 10.2 The Subscription Service incorporates license management tools and technology to ensure Customer complies with this Schedule and to allow Philips to exercise self-help remedies in the event temporary or permanent suspension of Customer's use of the Subscription Service is required in accordance with Section 14.5 herein. Philips will not exercise any such self-help remedies without prior written notice to Customer, unless such prior written notice is

reasonably not possible, for instance, with regard to the protection of the security of the Subscription Service. Customer consents to such license management tools and technology and their exercise by Philips on the conditions above.

11. Privacy

11.1 The parties acknowledge that all PHI will be processed pursuant to Section 11 of the Conditions of Sale.

12. Intellectual Property Rights

12.1 Ownership. Except for the limited-use license explicitly granted to Customer herein, Philips owns all rights, title and interest, including intellectual property rights, in and to the Subscription Service, Deliverables, Documentation and other Philips' confidential information and all modifications and derivative works of each of the foregoing.

12.2 Feedback. Philips will have the right to use in any manner that Philips determines any suggestion, idea, enhancement request, feedback, recommendation, or other information relating to the Subscription Service that Customer may supply or communicate (collectively, "Feedback") and Customer agrees that Philips will be the exclusive owner of any intellectual property rights therein or arising from Philips' use of such Feedback.

13. Customer Indemnification

13.1 Customer understands and agrees that the Subscription Service is an informational tool only and not a substitute for the professional judgment and care of healthcare providers in diagnosing and treating patients. Customer will defend and indemnify Philips against any and all losses and liabilities in connection with any claim arising from Customer's use of the Subscription Service contrary to the Documentation or instructions for use provided by Philips, or from Customer's failure to maintain adequate backup procedures to maintain continuity of patient care in the event of Subscription Service unavailability. Customer further agrees to defend and indemnify Philips against any and all losses and liabilities in connection with any claim: 1) that Customer Content infringes the privacy or intellectual property rights of another party or 2) arising out of Customer's noncompliance with Third-Party Terms.

14. Term and Termination

14.1 Order Term. The Order Term, and the applicability of this Schedule, commences on the Order Effective Date, and shall continue for the term specified on the Quotation and following Customer's execution of the Customer Acceptance Form.

14.2 Termination for Breach. Either party may terminate an Order Term upon a material breach of this Agreement by the other party, if such breach is not cured within 30 days after receipt of written notice specifying the breach. Termination or expiration of the Order Term will result in termination of this Schedule.

14.3 Effect of Termination and Expiration. Termination of the Schedule for any reason will not constitute a termination of any other orders, or schedules made under the Terms and Conditions of Sale that are not subject to this Schedule, and will not relieve Customer of any of its obligations incurred prior to such termination including, but not limited to, payment of all outstanding invoices for Subscription Service performed until the effective date of such termination and will not impair any of Philips' rights which have accrued prior to such date. In the event of termination due to Customer's breach: 1) all fees or charges due for the remaining period of the Order Term will immediately become due and payable and 2) Philips' obligations under this Schedule will cease. Upon termination or expiration of this Schedule or the Order Term, for any reason, Customer will immediately cease accessing the Subscription Service.

14.4 Customer Content. For a period of 90 days after the effective date of termination or expiration, Philips will make available to Customer for download the Customer Content stored in the Subscription Service. During that time, the data storage fee will be billed at 30% of the subscription fee per month. After such 90 day period, Philips will have no obligation to maintain or provide any Customer Content and will have the right, unless legally prohibited, to delete all such Customer Content in its systems or otherwise in its possession or under its control.

14.5 Suspension of Service. In addition to any of its other rights or remedies Philips may, at its discretion, suspend the Subscription Service or Professional Service, where Customer has failed to perform any obligation under this Schedule where such breach is irremediable or, if the breach is remediable, fails to remedy such breach within 30 days after being notified in writing to do so. Philips will not exercise this remedy without prior written notice to Customer, unless such prior written notice is not reasonably possible, for instance, with regard to the protection of the security of the Subscription Service.

15. Professional Services Terms.

15.1 Recommendations Only. The Professional Services may include advice and recommendations, such Services are advisory in nature, Customer is responsible for evaluating such advice and considering all relevant factors and shall be solely responsible for the decision to implement such advice and any and all outcomes.

15.2 Timelines and Labor Hours. Unless expressly agreed upon between the parties in writing, any hours and dates described in the Quotation and/or SOW, including (without limitation) with regard to milestones and Deliverables, are estimates only and are solely intended for Philips' budgeting purposes and resource- scheduling purposes. Philips exceeding an estimate does not constitute a breach by Philips.

15.3 Fees, Expenses, and Payment.

15.3.1 If the Quotation includes more than one Deliverable (for example, multiple projects) and each such Deliverable has a price associated with it, then (i) each such Deliverable will be deemed to be a standalone item, (ii) Philips may invoice for each item as it is delivered, and (iii) Customer will pay for each item as it is invoiced.

15.3.2 Unless expressly stated otherwise in the Quotation, in addition to the Fees, Customer will reimburse Philips for all expenses actually incurred by Philips in performing the Professional Services, including travel, lodging, meals, transportation, and other customary out-of-pocket expenses. At Customer's request, Philips will furnish reasonable documentation supporting all such expenses.

15.3.3 Unless a Quotation explicitly sets forth the Deliverable to be provided on a fixed fee basis, Professional Services are Quoted on an hourly basis, and any totals listed are estimates of the total required for the Deliverable/Professional Services, Customer will be invoiced on the actual hours spent performing the Professional Services. Such invoice may exceed the total estimated hours listed in the Quotation. If Philips foresees that the estimated amount of hours will be exceeded, it will use commercially reasonable efforts to inform Customer thereof.

15.4 License for Use. Professional Services Deliverables are provided under a nonexclusive, nontransferable license for Customer's use in its internal operations subject to Customer's continued compliance with the terms of this Schedule.

15.5 Customer's Responsibilities. Philips' responsibility to provide the Professional Services, meet the milestones (if any), and provide Deliverables is contingent on Customer meeting its responsibilities in a timely and appropriate fashion, free of charge. If Customer fails to meet such responsibilities, it may result in an increase in the Fees, or in delays or extensions of the agreed milestones or Deliverables.

Customer will provide:

15.5.1 access to Customer's employees, representatives, or agents required to accomplish the objectives described in the Agreement;

15.5.2 access to relevant information and materials (written and electronic) as needed to accomplish the objectives described in the Agreement;

15.5.3 prompt written notification to Philips if Customer knows that earlier-provided information or materials are incorrect or have changed in such a way that any inaccuracy or change may impact Philips' delivery of the Professional Services in any way;

15.5.4 written information to Philips identifying all healthcare and other regulatory and quality requirements applicable to the Professional Services, and Customer will obtain all required approvals of the relevant governmental or regulatory bodies to permit Philips to perform the Professional Services for Customer;

15.5.5 Philips personnel with adequate safety and other training and familiarize them with local procedures and rules of Customer;

PHILIPS

- 15.5.6 written feedback promptly upon Philips' request; and
- 15.5.7 Philips with a Customer representative, in writing, who will be responsible for providing the items described in this Section 15.5 and any other information, materials, or feedback requested by Philips in connection with the Professional Services.





**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Terms and Conditions of Use of Equipment with Solventum US LLC

Requested Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Terms and Conditions of Use of Equipment with Solventum US LLC, for the purchase of a Bair Huggers, for use in various units. The proposed Agreement is a no-cost agreement as long as Kern Medical continues to purchase the associated disposables. This device provides warmth for hypothermia patients throughout the hospital. This vendor has chosen because of its existing relationship and the vendor's willingness to supply the product at no cost. The agreement is effective March 18, 2026 and continues as long as Kern Medical continues to purchase associated disposables.

Counsel is unable to approve the terms as to form because these are the unmodified term and conditions of the vendor. These nonstandard terms include limited liability and assumption of risk for any loss while the devices are at Kern Medical.

Therefore, it is recommended that your Board approve the proposed Terms and Conditions of Use of Equipment with Solventum US LLC, effective March 18, 2026, for the purchase of Bair Huggers at no cost, and authorize the Chairman to sign.



SENT VIA EMAIL:
William.Britt@kernmedical.com

February 2, 2026

Kern Medical Center ("Facility")
Attn: William Britt
1700 Mount Vernon Ave
Bakersfield, CA 93306

Re: Use of the 3M™ Bair Hugger and 3M™ Ranger Equipment

Dear Facility:

Thank you for your Facility's interest in the use of the 3M™ Bair Hugger and 3M™ Ranger Equipment. Solventum US LLC ("Solventum") will place 3M™ Bair Hugger™ warming units, 3M™ Bair Hugger™ patient adjustable warming units, 3M™ Bair Hugger™ temperature monitoring control units, and/or 3M™ Ranger™ warming units at your Facility ("Equipment"), at no charge, for use exclusively with Solventum's consumable products ("Consumables") in accordance with the applicable Operator's Manual and Instructions for Use (collectively "Instructions").

To demonstrate your Facility's desire to use Solventum's Equipment and acceptance of the attached terms and conditions, under which the use of Equipment will be governed ("Terms and Conditions"), **submit a no-charge purchase order to Solventum US LLC for the use of the Equipment.** Your use of the Equipment will begin upon the date of shipment of the Equipment to your Facility ("Placement Date"). Solventum will ship the Equipment at its expense and risk.

Within no more than ninety (90) days of the Placement Date of the initial placement of each model of Equipment pursuant to the Terms and Conditions ("Evaluation Period"), your Facility can decide to either (i) continue to use the Equipment at no additional charge in accordance with the attached Terms and Conditions; (ii) purchase the Equipment; or (iii) return the evaluated Equipment to Solventum pursuant to Paragraph 12 of the Terms and Conditions with no further obligation.

- (i) If your Facility continues to purchase Consumables after the Placement Date and does not otherwise contact Solventum to express interest in purchasing the Equipment within ninety (90) days of the Placement Date, **your continued purchase of Consumables for use with the Equipment will represent your Facility's agreement with and continued commitment to abide by the attached Terms and Conditions.** If at any time your Facility decides it no longer wishes to utilize the Equipment, the Equipment must be returned to Solventum upon prior written notice to Solventum (see Paragraph 12 of the Terms and Conditions for details).
- (ii) If after ninety (90) days from the Placement Date your Facility (a) is not purchasing Consumables; and (b) has not informed Solventum of its intention to purchase the Equipment or continue to use the Equipment under the Terms and Conditions, the Equipment must be returned to Solventum in accordance with Paragraph 12 of the Terms and Conditions.

We look forward to receipt of your purchase order. If you have any questions or concerns, please contact your Solventum representative.

Warm Regards,

Derek R. Kauffman
Contract Analyst
Solventum Medical Surgical

enc. (Solventum v4 09092025)

TERMS AND CONDITIONS OF USE OF EQUIPMENT
Solventum US LLC (“Solventum”)

TERMS AND CONDITIONS OF USE OF EQUIPMENT

These Terms and Conditions of Use of Equipment (“Terms and Conditions”) apply to Solventum US LLC’s (“Solventum”) placement of Equipment at the Facility described in the attached Letter and in any purchase order for Equipment submitted by Facility and accepted by Solventum, unless otherwise provided for in a group purchasing organization agreement to which Facility is a participating member. The term “Equipment” as used in these Terms and Conditions also includes any equipment previously placed with Facility under a previous partnership program agreement, a list of which is available upon request if applicable.

1. Equipment Placement & Use. Equipment placed at Facility must remain at Facility and be used exclusively with corresponding Solventum consumables (warming blankets, patient warming gowns, blood/fluid and irrigation fluid warming sets, and temperature sensors respectively) (“Consumables”) in accordance with the applicable Operator’s Manual and Instructions for Use (collectively “Instructions”).

2. Consumables.

Equipment for use by Facility is provided without additional charge provided Facility purchases the average number of Consumables for Equipment units per month as detailed below, which obligation will commence at the end of the Evaluation Period for the initial placement of any model of Equipment and immediately for the Placement Date of any additional Equipment within a Product Line thereafter.

Equipment	Average Number of Consumables Per Unit
3M™ Bair Hugger™ Warming Unit(s)* *does not include model 875	10 blankets and/or gowns per month
3M™ Bair Hugger™ Temperature Monitoring Unit(s)	50 sensors per year, prorated monthly

3. Purchase Orders. The type and number of Equipment used by a Facility, including any equipment from a product line previously placed under a Partnership Program Agreement, may be adjusted by Facility through the submission of a purchase order (new, amended, or no-charge) requesting additional Equipment, which purchase order is accepted by Solventum. All purchase orders are deemed to be accepted when Solventum ships Equipment identified in such purchase order to Facility. Any terms set forth in the purchase order which are in addition, or contrary, to these Terms and Conditions are of no effect.

4. Shipping Terms. Freight prepaid to Facility (shipping at Solventum’s expense and risk).

5. Inspection and Acceptance. Facility shall conduct an inspection of the Equipment upon receipt and promptly communicate and furnish supporting documentation for any discrepancies to Solventum. Any Equipment not rejected by Facility by written notice given promptly to Solventum shall be deemed to have been accepted by Facility.

6. In-Service. Facility must ensure its clinical staff is trained on the proper use of the Equipment and Consumables in accordance with the Instructions. Solventum will provide in-service training(s) on the proper use of the Equipment and Consumables at no charge. Please contact your Solventum representative to arrange training.

7. Equipment Adjustment; Audit. The number of Equipment units placed at Facility may be adjusted upon (a) Solventum’s acceptance of a new no-charge purchase order from Customer to add Equipment units; or (b) notice by Solventum that it is exercising its right (in its discretion) to periodically decrease the number of Equipment units at Facility due to underutilization of such units or Facility’s failure to purchase the quantity of Consumables required by these Terms and Conditions. In the event Solventum decreases the number of Equipment units at the Facility, Facility will return such units to Solventum within 30 days of the date of Solventum’s notice pursuant to Paragraph 12. If the Equipment is not returned, Solventum will have the right to remove the Equipment at Facility’s expense or if Facility fails to return such Equipment, invoice Facility for the value of the Equipment at time of such return request. Solventum shall have the right, but not the obligation, upon reasonable prior notification to audit Facility’s premises to verify the number, location and condition of the Equipment provided by Solventum to Facility under these Terms and Conditions.

8. Certification. *By accepting the shipment of or using the Equipment,* Facility certifies and agrees with respect to each affected Solventum product line it is using (Bair Hugger warming blanket system, Bair Hugger warming gown system, Bair Hugger temperature monitoring system, or Ranger, each a “Product Line”):

TERMS AND CONDITIONS OF USE OF EQUIPMENT
Solventum US LLC (“Solventum”)

- (a) The Equipment and applicable Consumables for a particular Product Line are reimbursed using the same reimbursement methodology under a particular Federal health care program in which Facility participates (e.g., Medicare or Medicaid);
- (b) Any discount, rebate, free goods or other reduction in price received may be a discount or other reduction in price under federal law at 42 U.S.C. Section 1320a-7b(b)(3)(A) and regulations issued thereunder.
- (c) Facility will promptly and fully disclose, and appropriately reflect, any discount, rebate or other reduction in price as may be required under Medicare or any other Federal or state health program, consistent with the requirements of the Medicare/Medicaid Anti-kickback Statute and regulations.

9. Ownership of Equipment; Maintenance of Equipment; Risk of Loss. Equipment will remain the property of Solventum. Facility must maintain physical control of the Equipment and exercise reasonable care so the Equipment may be returned at the end of Facility’s use of the Equipment at Facility’s cost, in the same condition as received, less normal wear and tear. Facility is responsible for maintaining the Equipment in accordance with the Instructions for so long as such Equipment is placed with Facility. Facility assumes the entire risk associated with any loss of or damage to the Equipment while in its possession. Facility will promptly notify Solventum of any accident or damage involving the Equipment.

10. Limited Warranty; Limitation of Remedies; Limitation of Liability. Solventum’s sole obligation and Facility’s sole remedy for the Equipment shall be, at Solventum’s option and expense, to repair, replace, or send parts to Facility to undertake the repair or replacement of inoperable or malfunctioning Equipment, except for the following, which will be the sole responsibility and expense of Facility: (a) In the case of the Bair Hugger temperature monitoring control unit, (i) power supply more than three (3) years after shipment of the Equipment, and (ii) sensor and monitor cables more than one year after shipment of the Equipment; (b) In the case of Bair Hugger warming units and Bair Hugger patient adjustable warming units, (i) replacement filters, (ii) replacement hoses, and (iii) power cords more than one year after shipment of the Equipment; and (c) In the case of Ranger warming units, power cords more than one year after delivery of the Equipment. Notwithstanding the foregoing, Solventum will not be responsible for loss or damage caused by use of the Equipment inconsistent with the applicable Instructions, or by the negligent or intentional acts of Facility, its agents or employees.

11. Termination of Use of Equipment. Facility may terminate its use of the Equipment at any time with prior written notice to Solventum. Notwithstanding the notice requirement set forth in Paragraph 7, Solventum will have the right to terminate Facility’s use of the Equipment immediately if Facility uses any consumables not manufactured by Solventum with the Equipment or otherwise does not comply with the Instructions or these Terms and Conditions.

12. Return Policy. Upon termination of use of the Equipment, Facility must contact Solventum customer service to indicate desire to return Equipment and receive return authorization (“RA”), which will enable both Facility and Solventum to track the return of the Equipment. In the event of Facility’s termination of use of all or a portion of the Equipment, Facility will pay all expenses of crating and shipping the Equipment for return to Solventum. If the Equipment is not returned, Solventum will have the right to remove the Equipment at Facility’s expense or invoice Facility for the value of the Equipment at time of such return request. If within the Evaluation Period, Facility decides not to continue use of the Equipment being evaluated, or in the event of Solventum’s decision to decrease the number of Equipment units at the Facility pursuant to Paragraph 7, Solventum will coordinate and pay for all expenses of crating and shipping the Equipment for return.

13. Entire Agreement. These Terms and Conditions constitute the entire agreement between the parties related to the use of the Equipment and will supersede all previous communications and understandings, either written or oral, among the parties. The Terms and Conditions may only be amended by an express written document signed by authorized representatives of both parties. No contradictory or different terms contained in any purchase order form will affect or amend the Terms and Conditions, and the parties expressly object to and do not accept any such contradiction or different terms. If any provision is held to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions will not be altered or impaired.

Customer Service
1-800-733-7775

Solventum US LLC
2510 Conway Avenue E, Building 275-6W
Maplewood, MN 55144

KERN COUNTY HOSPITAL AUTHORITY

By: _____
Chairman, Board of Governors

Date: _____



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Assignment and Assumption Agreement with Organon LLC and Laborie Medical Technologies Corp.

Requested Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Assignment and Assumption Agreement with Organon LLC and Laborie Medical Technologies Corp. On December 17, 2025, your Board approved a three (3) year purchasing Agreement, effective December 17, 2025 through December 16, 2028, with Organon for the purchase of Jada System 2.0. Since that time, Organon has been assumed by Laborie Medical Technologies Medical Corp., requiring approval of this proposed Assignment and Assumption Agreement. The Jada system products are used for patients experiencing postpartum hemorrhage. This proposed Agreement allows Kern Medical to continue a valuable relationship with a trusted vendor.

Therefore, it is recommended that your Board approve the proposed Assignment and Assumption Agreement with Organon LLC and Laborie Medical Technologies Corp. for the continued purchase of Jada system products, effective March 18, 2026 through December 16, 2028, and authorize the Chairman to sign.

ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT (the “Assignment”), made as of February 10, 2026, by and between ORGANON LLC (“Assignor”) and LABORIE MEDICAL TECHNOLOGIES CORP. (“Assignee”), and agreed to by KERN COUNTY HOSPITAL AUTHORITY (“Customer”).

WITNESSETH:

WHEREAS, Assignor, and Alydia Health, Inc., an affiliate of Assignor, have entered into a Stock and Asset Purchase Agreement dated as of November 6, 2025 (the “SAPA”), with Assignee, pursuant to which Assignor and certain of its affiliates sold, and Assignee and its affiliates purchased, certain assets and operations relating to Organon’s and its affiliates’ JADA® System product and business (the “Business”);

WHEREAS, Assignor is a party to that certain Organon LLC Medical Device Standard Terms and Conditions Product Agreement dated as of December 17, 2025 (the “Agreement”), by and between Assignor and Customer which relates to the Business;

WHEREAS, subject to the occurrence of the Closing (as defined below), Assignor and Assignee desire that, effective as of the Closing, Assignor shall sell, transfer, convey and assign all of Assignor’s rights, title and interest in, to and under the Agreement, as the same shall exist immediately prior to the Closing, to Assignee, and that Assignee shall assume all of Assignor’s obligations and duties under the Agreement to the extent incurred, accrued or arising on or after the Closing; and

WHEREAS, Customer is willing to consent to such assignment and assumption on the terms and subject to the conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, the parties hereto agree as follows:

ARTICLE I ASSIGNMENT OF RIGHTS; ASSUMPTION OF OBLIGATIONS

Section 1.1. Effective as of the Closing (as defined below), Assignor hereby sells, assigns, transfers and conveys to Assignee all of Assignor’s rights, title and interest in, to and under the Agreement, as the same shall exist immediately prior to the Closing and Assignee hereby purchases, acquires and accepts such assignment.

Section 1.2. Effective as of the Closing, Assignee hereby assumes and agrees to undertake and perform any and all obligations and duties of Assignor under the Agreement to the extent incurred, accrued or arising on or after the Closing.

ARTICLE II
CUSTOMER'S CONSENT

Section 2.1. Customer hereby consents and agrees to the assignment and assumption of the Agreement set forth in Article I hereof.

ARTICLE III
MISCELLANEOUS

Section 3.1. Closing. This Assignment shall become effective as of the consummation of Assignee's and its affiliates' acquisition of the Business under the SAPA (the "**Closing**"), which occurred on January 28, 2026. As between Assignor and Assignee, in the event of any conflict or inconsistency between the terms of the SAPA and the terms of this Agreement, the terms of the SAPA will govern.

Section 3.2. Counterparts. This Assignment may be executed in multiple copies, each of which shall for all purposes bind the parties hereto, and each party hereto hereby covenants and agrees to execute all duplicates or replacement counterparts of this Assignment as may be required. A signed copy of this Assignment delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Assignment.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their respective authorized officers as of the date first written above.

ORGANON LLC

LABORIE MEDICAL TECHNOLOGIES CORP.

By: Satbir Kaur
Name: Satbir Kaur
Title: AVP, Head of Strategic Alliances and Operations, Business Development

By: _____
Name: George Stacey
Title: General Counsel

KERN COUNTY HOSPITAL AUTHORITY

By: _____
Name:
Title:

APPROVED AS TO FORM
Legal Services Department

By: 
Kern County Hospital Authority

IN WITNESS WHEREOF, the parties hereto have caused this Assignment to be executed by their respective authorized officers as of the date first written above.

ORGANON LLC

LABORIE MEDICAL TECHNOLOGIES CORP.

By: _____
Name: Satbir Kaur
Title: AVP, Head of Strategic Alliances
and Operations, Business Development

By: 
Name: George Stacey
Title: General Counsel

KERN COUNTY HOSPITAL AUTHORITY

By: _____
Name:
Title:



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Amendment No. 2 to Agreement 039-2024 with Soorena Fatehchehr, M.D., Inc., an independent contractor, for professional medical services in the Department of Obstetrics and Gynecology

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical recommends your Board approve the proposed Amendment No. 2 to Agreement 039-2024 with Soorena Fatehchehr, M.D., Inc., for professional medical services in the Department of Obstetrics and Gynecology. Dr. Fatehchehr, who specializes in urogynecology, serves as the Director of Minimally Invasive Surgery (MIS) for the Department as well as faculty in Division of Urogynecology. Dr. Fatehchehr has provided services at Kern Medical since 2020.

The proposed Amendment extends the term of the Agreement by two additional years from April 1, 2026 through March 31, 2028, and increases the maximum payable by \$798,000, from \$798,000 to \$1,596,000, to cover the extended term. The Amendment also reflects an increase in travel reimbursement from \$20,000 to \$40,000 (reimbursement not to exceed \$10,000 per contract year).

Therefore, it is recommended that your Board approve Amendment No. 2 Agreement 039-2024 with Soorena Fatehchehr, M.D., Inc., an independent contractor, for professional medical services in the Department of Obstetrics and Gynecology for the period April 1, 2024 through March 31, 2026, extending the term for two years from April 1, 2026 through March 31, 2028, increasing the maximum compensation payable by \$798,000, from \$798,000 to \$1,596,000, to cover the extended term, and authorize the Chairman to sign.

**AMENDMENT NO. 2
TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Soorena Fatehchehr, M.D., Inc.)**

This Amendment No. 2 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2026, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Soorena Fatehchehr, M.D., Inc., a California professional medical corporation (“Contractor”), with its principal place of business located at 4250 Glencoe Avenue, Unit 1114, Marina del Rey, California 90292-5660.

RECITALS

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Agt. 039-2024, dated March 20, 2024) and Amendment No. 1 (Agt. 100-2024, dated June 26, 2024) (collectively, the “Agreement”), for the period April 1, 2024 through March 31, 2026, for professional medical services in the Department of Obstetrics and Gynecology at KMC and teaching services to resident physicians employed by Authority; and

(b) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

(c) The Agreement is amended effective April 1, 2026;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Section 1, Term, shall be deleted in its entirety and replaced with the following:

“1. **Term.** This Agreement shall be effective and the term shall commence as of April 1, 2024 (the “Effective Date”), and shall end March 31, 2028, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 4, Payment for Services, paragraph 4.2, Travel Reimbursement, shall be deleted in its entirety and replaced with the following:

“4.2 **Travel Reimbursement.** Physician shall be reimbursed for all approved travel expenses, which approval will not be unreasonably withheld, incurred by Physician on behalf of Authority in an amount not to exceed \$10,000 per year, with total reimbursement not to exceed \$40,000 over the four (4) year term of this Agreement. Reimbursement of travel expenses will include the following: (i) actual cost for lowest coach round-trip airfare to and from Bakersfield, California; (ii) local transportation (rental cars will be reimbursed at actual cost for compact or midsize vehicles only; per

mile reimbursement for personal vehicle use at the current privately owned vehicle [POV] mileage reimbursement rates established by the U.S. General Services Administration); (iii) meals and incidental expenses at the current domestic per diem rates established by the U.S. General Services Administration for Kern County; and (iv) reasonable hotel accommodations not to exceed the maximum allowable reimbursement rate including taxes established by Authority. Travel-related expenses will be billed monthly, as incurred, and are payable in arrears within 30 days of receipt and approval of each invoice by KMC.”

3. Section 4, Payment for Services, paragraph 4.3, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“4.3 Maximum Payable. The maximum payable under this Agreement shall not exceed \$1,596,000 over the four (4) year term of this Agreement.”

4. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

5. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

6. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

7. Except as provided herein, all other terms, conditions, and covenants of the Agreement and any and all amendments shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 2 as of the day and year first written above.

SOORENA FATEHCHEHR, M.D., INC.

By _____
Soorena Fatehchehr, M.D.
Its President

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Amendment No. 1 to Agreement 053-2023 with Ayham Aboeed, M.D., for professional medical services in the Department of Medicine

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No 1 to Agreement 053-2023 with Ayham Aboeed, M.D., a contract employee, for professional medical services in the Department of Medicine. Dr. Aboeed, who is board certified in internal medicine, pulmonary disease, and critical care medicine, has been employed by Kern Medical since 2015.

The proposed Amendment increases the per diem rate for hospitalist shift coverage from \$1,672 to \$1,840 per 12-hour shift, extends the term for an additional two years from April 22, 2026 through April 23, 2028, increases the maximum payable by \$1,250,000, from \$2,000,000 to \$3,250,000, to cover the extended term, and includes relevant changes to reflect his appointment as Chief, Division of Pulmonary Disease and Critical Care Medicine. There are no other changes to the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 1 to Agreement 053-2023 with Ayham Aboeed, M.D., a contract employee, for professional medical services in the Department of Medicine for the period April 22, 2023 through April 21, 2026, increasing the per diem rate for hospitalist shift coverage from \$1,672 to \$1,840 per 12-hour shift, extending the term for two years from April 22, 2026 through April 23, 2028, increasing the maximum payable by \$1,250,000, from \$2,000,000 to \$3,250,000, to cover the extended term, and authorize the Chairman to sign.

**AMENDMENT NO. 1
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Ayham Aboeed, M.D.)**

This Amendment No. 1 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2026, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Ayham Aboeed, M.D. (“Physician”).

RECITALS

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. 053-2023, dated April 19, 2023) (the “Agreement”), for the period April 22, 2023 through April 21, 2026, whereby Physician provides professional medical services in the Department of Medicine at KMC; and

(b) The parties agree to amend certain terms and conditions of the Agreement as hereinafter set forth; and

(c) The Agreement is amended effective March 18, 2026;

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth and incorporating by this reference the foregoing recitals, the parties hereto agree to amend the Agreement as follows:

1. Recitals, paragraph (b), shall be deleted in its entirety and replaced with the following:

“(b) Authority requires the assistance of Physician to provide professional medical and administrative services in the Department of Medicine at KMC (the “Department”), as such services are unavailable from Authority resources, and Physician desires to accept employment on the terms and conditions set forth in this Agreement; and”

2. Section 1, Term, shall be deleted in its entirety and replaced with the following:

“1. **Term.** The term of this Agreement shall be for a period of five (5) years, commencing as of April 22, 2023 (the “Commencement Date”), and shall end April 21, 2028 (the “Term”), unless earlier terminated pursuant to other provisions of this Agreement as herein stated. This Agreement may be renewed for additional terms of two (2) years each, but only upon mutual written agreement of the parties. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.”

3. Section 2, Employment, shall be deleted in its entirety and replaced with the following:

“2. **Employment.** Authority hereby employs Physician as Chief, Pulmonary Disease and Critical Care Medicine and for the practice of medicine in the care and treatment of patients at KMC, or at such other clinic sites as KMC may designate (collectively referred to as the “Practice Sites”). It is expressly understood and agreed that KMC shall have reasonable discretion to consolidate and relocate clinics operated by Authority and to re-designate Practice Sites served by Physician from time to time. Physician shall be subject to Authority’s employment policies, directives, rules and regulations as promulgated by Authority from time to time, including, but not limited to, those pertaining to employees.”

4. Section 5, Compensation Package, paragraph 5.3, Hospitalist Shift Coverage, shall be deleted in its entirety and replaced with the following:

“5.3 **Hospitalist Shift Coverage.** Authority shall pay Physician a per diem rate of \$1,840, less all applicable federal and state taxes and withholdings, for each daytime, twelve (12) hour scheduled hospitalist shift, Monday through Sunday, 7:00 a.m.-7:00 p.m.”

5. Section 5, Compensation Package, paragraph 5.7, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“5.7 **Maximum Payable.** The maximum compensation payable under this Agreement shall not exceed \$3,250,000 over the five (5) year Term of this Agreement.”

6. Exhibit “A,” Job Description, shall be deleted in its entirety and replaced with Amendment No. 1 to Exhibit “A,” Job Description, attached hereto and incorporated herein by this reference.

7. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.

8. This Amendment shall be governed by and construed in accordance with the laws of the state of California.

9. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.

10. Except as provided herein, all other terms, conditions and covenants of the Agreement shall remain in full force and effect.

[INTENTIONALLY LEFT BLANK]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 1 as of the day and year first written above.

PHYSICIAN

By _____
Ayham Aboeed, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority

**AMENDMENT NO. 1
TO
EXHIBIT "A"
JOB DESCRIPTION
Ayham Aboeed, M.D.**

Position Summary: Reports to Chair, Department of Medicine; serves as Chief, Division of Pulmonary Disease and Critical Care Medicine; serves as full-time faculty in the Department and residency program; provides no fewer than eighty (80) hours per pay period in teaching, administrative, and clinical activity; provides professional, comprehensive and safe clinical coverage for operations, timely completion of therapeutic and diagnostic procedures, direct patient care, scholarly research and resident education; works collaboratively with clinic and Department staff and hospital administration to ensure efficient workflow, adequacy of support equipment, and superior patient experience.

Essential Functions:

1. Clinical Responsibilities.
 - Supervises residents and medical students while on service
 - Performs therapeutic and diagnostic procedures within the scope of practice for an internal medicine and critical care specialist while on service
 - Provides mutually agreed upon coverage in the intensive care and direct observation units
 - Provides mutually agreed upon weekday and weekend after hours call coverage for the intensive care and direct observation units
 - Supervises procedures performed by residents and mid-levels while on service
 - Provide mutually agreed upon outpatient clinic services related to pulmonary disease and critical care medicine
2. Medical Education; Academic Responsibilities.
 - Provides clinical mentoring to and evaluation of residents and medical students
 - Establishes and maintains academic appointment at David Geffen School of Medicine at University of California, Los Angeles
3. Teaching.
 - Participates in the daily one-hour pulmonary disease and critical care medicine didactic lectures while on service
 - Provides afternoon pulmonary disease and critical care medicine related lectures (minimum of three [3] per year) while on service
 - Teaches the ACLS course twice annually
 - Participates in monthly pulmonary disease and critical care medicine grand rounds, as mutually agreed upon
4. Administrative Responsibilities.
 - Participates as requested in the joint ICU committee and code blue subcommittee

- Participates as requested in the oversight of matters related to the intensive care and direct observation units, including without limitation, development of policies and procedures, quality improvement, and oversight of medical care
 - Participates in development of Department curriculum
 - Participates in recruitment of Department professional staff
5. Committee Assignments.
- Attends Department staff meetings and the annual medical staff meeting
 - Participates in medical staff committees as assigned by the President of the Medical Staff
6. Hospitalist Shift Coverage.
- Reports to the Chief, Division of Hospitalist Services
 - Provides mutually agreed upon inpatient hospitalist shift coverage with scheduled shifts consisting of 12-hours shifts, 7:00 a.m.-7:00 p.m.
 - Remains in-house during each assigned 12-hour shift (a hospitalist call room shall be provided)
 - Supports the hospitalist service in caring for patients admitted to a resident team or to the faculty hospitalist service
 - Supervises residents and medical students while on service
 - Manages patients through the continuum of hospital care including seeing patients in the emergency department, following patients through the inpatient units, and organizing post-acute care
 - Serves as an intermediary in adjudicating venue of care decisions or coordination of care between the emergency medicine physicians and other medical staff
 - Prescribes medications or treatment regimens to inpatients in accordance with Hospital Formulary standards
 - Orders or interprets the results of diagnostic tests such as laboratory findings and imaging studies
 - Provides inpatient consultations

Employment Standards:

Three years of post-fellowship training in pulmonary disease and critical care medicine

AND

Possession of a current valid Physician's and Surgeon's Certificate issued by the state of California

AND

Certification by the American Board of Internal Medicine in internal medicine-general AND pulmonary disease-subspecialty AND critical care medicine-subspecialty

Knowledge of: The principles and practices of modern medicine; current techniques, procedures, and equipment applicable to pulmonary and critical care medicine; principles of effective supervision and program development.

[INTENTIONALLY LEFT BLANK]



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Project Change Request to Agreement 071-2025 with Presidio Networked Solutions Group, LLC to provide additional collaboration hours for the Cisco Telephone System Replacement Project

Recommended Action: Approve; Authorize Chairman to sign; Authorize the Chief Executive Officer to sign future change orders in an amount not to exceed 10% of the total project price

Summary:

Kern Medical requests the Board approve the proposed Project Change Request with Presidio Networked Solutions Group, LLC to provide additional collaboration hours for the Cisco Telephone System Replacement Project (Telephone project).

The proposed request adds 250 collaboration hours for engineering and project management support related to the ongoing Telephone project. These hours will be utilized as needed to continue implementation, configuration, and project coordination once the originally allocated hours have been exhausted. Services will be provided on a time and materials basis at a rate of \$225 per hour, for a total amount not to exceed \$56,250.

These additional hours will allow Presidio's collaboration engineers and project management team to continue supporting the implementation and ensure successful completion of the Telephone project.

On June 18, 2025, your Board approved a total telephone replacement project cost estimated at \$2,922,855 for the seven (7) year term which included \$187,200 for a contract Project Manager to support the project; however, those funds were not utilized. The proposed request shifts these approved monies into additional engineering and project management support hours. The services requested through this proposal will be funded from previously approved allocated funds and therefore will not exceed the previously approved budget.

Therefore, it is recommended that your Board approve the proposed Project Change Request with Presidio Networked Solutions Group, LLC to provide additional collaboration hours for the Cisco Telephone System Replacement Project, in an amount not to exceed \$56,250, with no change to the maximum payable of the underlying agreement, authorize the Chairman to sign, and authorize the Chief Executive Officer to sign future change orders in an amount not to exceed 10% of the original project amount, which is an additional \$292,286.

Project Change Request

Project Information		Requestor Information	
Client Name	Kern Medical Center	Presidio Project Manager	Mona Davis
Client PM / Contact	Joe Riley	Presidio PM	
Client Email Address	Joe.Riley@kernmedical.com	Email Address	monadavis@presidio.com
Project Name	Cisco Unified Communications and Contact Center		
Sales Order #	3001122506723	Phone Number	(661) 326-2000
Change Order #	KERNM001-PCR002	Date Requested	03/03/2026
Change Order Title	Additional Collaboration Hours		

Proposed Change
<p>Description of Change, References, Who Will Perform Work, and Assumptions as Applicable.</p> <p>This is a Project Change Request (PCR) to the Kern Medical Cisco Unified Communications and Contact Center project Statement of Work, signed on 6/18/2025 by Phil McLaughlin. This PCR is applicable to Professional Services.</p> <p>This is a Time & Materials PCR</p> <p>Proposed Changes Kern Medical is requesting an additional 250 Collaboration hours that can be used for both engineering and project management support.</p> <p>Assumptions</p> <ul style="list-style-type: none"> No change to the original scope of work. Collaboration hours can be used by engineering or project management as needed. All work will be performed remotely. If client requires travel for this work, all travel costs will be billed as actual. Client will be responsible for all coordination of client team members. All work will be conducted during normal business hours of 8am and 5pm, Monday thru Friday of client's time zone unless notified otherwise. Time & Materials will be invoiced for actual hours. Additional hours needed will require a new PCR. When hours expended in this T&M reaches 20% of total hours remaining, a new PCR for additional hours will be provided to Kern Medical. Remote access required. Any additional changes not defined in the original SOW or in this PCR may require an additional PCR.

Project Change Request

Impact of Change					
Impact of the Proposed Change to Project Elements (i.e., cost, schedule, deliverables, resources, etc.).					
Change Affects: <input checked="" type="checkbox"/> Cost <input type="checkbox"/> Schedule <input type="checkbox"/> Scope					
Summary of Impact: Additional hours will allow collaboration engineer and project management to continue to provide support once original hours have been exhausted.					
Time and Material					
Resource	Hours	OT Hours	Sell Rate	OT Rate	Total Sell Price
Additional Collaboration Hours	250	0	\$225.00	\$337.50	\$56,250.00
				Total	\$56,250.00
Authorization					
Change Request Total: \$56,250.00					
<input type="checkbox"/> Extend original PO	# _____				
<input checked="" type="checkbox"/> Issue new PO	# _____				
<input type="checkbox"/> No Purchase Order Required					
<input type="checkbox"/> Reduced Amount in Total Project Change Request does not require revised or new PO					
Pursuant to the Statement of Work between Presidio and Client in effect at the time of this Change Request and in accordance with the change management procedures identified therein, parties certify by signature of an authorized representative, that the above Change Request will be incorporated into the existing SOW as appropriate.					
		Chairman, Board of Governors		03/25/2026	
Authorized Client Signature		Title		Date	
 EK		Manager of Professional Services		03/04/2026	
Authorized Presidio Signature		Title		Date	

APPROVED AS TO FORM:
Legal Services Department

By Shannon Hochstein
Kern County Hospital Authority



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Ordering Document CPQ-4233465 with Oracle America, Inc. to subscribe to Oracle Health Connection Hub for Providers

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests that your Board approve the proposed Ordering Document CPQ-4233465 with Oracle America, Inc. to subscribe to Oracle Health Connection Hub for Providers for a thirty-six (36) month term at no cost.

The Oracle Health Connection Hub is a cloud-based service that enables the secure exchange of clinical and financial data between Kern Medical and connected providers, payors, clearinghouses, government agencies, and other authorized entities. The service supports care coordination, interoperability, and operational workflows by facilitating compliant data sharing across healthcare partners.

The subscription term is thirty-six (36) months and will begin upon issuance of access to the service and at no cost. The order is governed under the terms of the existing Cerner Business Agreement and incorporates standard terms related to scope of use, cloud services delivery, data exchange, and regulatory compliance.

Approval of this order will allow Kern Medical to maintain secure health information exchange capabilities with external healthcare partners at no cost. Failure to approve the order may limit interoperability functionality and impact care coordination and operational efficiency.

Counsel is unable to approve due to nonstandard terms, which include third-party products and services with pass-through provisions accepted without Counsel approval and limited opportunity for cost negotiation.

Therefore, it is recommended that the Board of Governors approve the proposed Ordering Document CPQ-4233465 with Oracle America, Inc. to subscribe to Oracle Health Connection Hub for Providers for a term of thirty-six (36) months, effective upon access to the subscription, at no cost, and authorize the Chairman to execute the agreement.

Kern County Hospital Authority
1830 Flower St
Bakersfield CA, 93305
US

Oracle America, Inc.
500 Oracle Parkway
Redwood Shores, CA
94065

Contact

Sandra Bakich
+1 (661) 326-2000
sandra.bakich@kernmedical.com

Fee Summary

Fee Description	Net Fees	Monthly Fees	Annual Fees
Recurring Services	--	0.00	--
Total Fees	0.00	0.00	0.00

Billing Frequency

Description	Amount Due	Payment Due
Recurring Services	100%	Annually in advance, beginning when access issued

Ordered Items

Recurring Services

Part Number	Description	Term	Pass-Through Code	Quantity	Unit Net Price	Extended Monthly Fees
B111381	Oracle Health Connection Hub for Providers Cloud Service - Client	36 mo	--	1	0.0	0.00
Subtotal						0.00

Permitted Facilities

Name	Street Address	City
Kern County Hospital Authority	1830 Flower St	Bakersfield, CA, 93305 US

A. Terms of Your Order

1. Applicable Agreement

a. This order incorporates by reference the terms of the Cerner Business Agreement No. 1-3H7XXBV (Client Reference HA # 2016-036) LA-0000010943 and all amendments and addenda thereto (the "Agreement"). The defined terms in the Agreement shall have the same meaning in this order unless otherwise specified herein.

Oracle America, Inc. is acting as ordering and invoicing agent for Cerner Corporation. Your order remains between You and Cerner Corporation. All references to "Oracle", "we", "us", or "our" shall refer to Cerner Corporation. We may refer to Client or Customer as "You".

2. Fees and Payments

a. Listed above is a summary of net fees due under this order. All fees on this order are in US Dollars.

b. Fees will be invoiced in accordance with the Billing Frequency table above.

c. You agree to pay any sales, value-added or other similar taxes imposed by applicable law that Oracle must pay based on the items You ordered, except for taxes based on Oracle's income. If You will be claiming an exemption from these taxes, You will provide to Oracle a valid certificate of tax exemption in advance of, or at the time of, the execution of this order. You are responsible to ensure that You provide Oracle with timely notification of any tax exemption status changes and to timely provide updated exemption certificates in the event any previously provided exemption certificate expires during the term of this order.

d. Once placed, Your order shall be non-cancelable and the sums paid nonrefundable, except as provided in the Agreement and this order.

3. Terms Applicable to Ordered Items

a. Scope of Use.

You will use the Ordered Items in this order in accordance with the Documentation and subject to the quantity of the item specified in the Ordered Items table(s) above. This order incorporates by reference the scope of use metric, definition, and any rules applicable to the Ordered Item as described in the Oracle Health Definitions and Rules Booklet v121525 which may be viewed at <http://www.oracle.com/contracts> on the Oracle Health tab.

If the quantity of an Ordered Item is exceeded, You agree to execute a new order setting forth the additional quantity of the item.

Where applicable, scope of use will be measured periodically by Oracle's system tools, or, for metrics that cannot be measured by system tools or obtained through industry available reporting sources (e.g., FTEs or locations), You will provide the relevant information (including records to verify the information) to Oracle at least once per year. You agree that if an event occurs that will affect Your scope of use (such as the acquisition of a new hospital or other new facility), You will notify Oracle in writing of such event no later than 30 days following the effective date of such event so that Your scope of use can be reviewed. Any additional fees due under this section will be payable within 30 days following Your receipt of an invoice for such fees. Any additional monthly fees will begin on the date the limit was exceeded and shall be paid annually (pro-rated for any partial month).

b. Solution Descriptions.

Solution Descriptions applicable to each Ordered Item identified as Licensed Software, Recurring Services or Transaction Services in the table(s) above are available on <http://www.oracle.com/contracts> on the Oracle Health tab. The Solution Description is identifiable by the Part Number in the table(s) above. These Solution Descriptions are incorporated into this order by reference.

c. Shared Computing Services.

You understand that Oracle may deliver the products and services on this order in a Shared Computing Services model. The policies that govern the Shared Computing Services model are available at <http://www.oracle.com/contracts> on the Oracle Health tab and are incorporated into this order by reference.

d. Permitted Facilities.

The Ordered Items in this order are for use by the facilities listed in the Permitted Facilities table(s) above. You may add or substitute Permitted Facilities by amending this order.

4. Recurring Services

a. The services term for all Ordered Items identified as Recurring Services in the table(s) above begins as set forth in the Billing Frequency table above.

5. Order of Precedence

a. In the event of inconsistencies between the terms contained in this order and the Agreement, this order shall take precedence. This order will control over the terms contained in any purchase order.

6. Effective Date

a. If accepting this order online, the effective date of this order is the date You submit the order. Otherwise, the effective date is the last signed date stated below.

7. Offer Validity

a. This offer is valid through 31-Mar-2026 and shall become binding upon execution by You and acceptance by Oracle.

B. Additional Order Terms

1. Connection Hub for Providers

- a. Cloud Services. These additional order terms apply to the Oracle Health Connection Hub for Providers in Your order (the "Hub Services").
- b. Hub Services Term. The Hub Services begin on the date that You are issued access that enables You to activate Your Hub Services and continue for the term set forth in the applicable Ordered Items table above.
- c. Hub Data Sharing. The Hub Services enable You to exchange clinical and financial data with third parties to facilitate support of Your patients' end-to-end relationship with You. You may authorize the exchange of data with (i) other connected providers; (ii) payors; (iii) clearing houses; (iv) government agencies; and/or (v) other parties as made available to You in the Hub Services. Each data exchange selected and authorized by Your Connection Hub Services Manager(s) (as defined in the Solution Description) is subject to the terms applicable to the specific data exchange in the Solution Description and as set forth in Your order for cloud services governing the specific data exchange, if any. The terms applicable to data exchanges are available on <http://www.oracle.com/contracts> on the Oracle Health tab in the Hub Services Solution Description. The Solution Description, including the terms applicable to each data exchange and any applicable third party terms, are subject to change.
- d. Availability of Exchange. Availability of the Hub Services or a data exchange enabled through the Hub Services, including unavailability of the Hub Services or any data exchange, may change during the Term, and You will not be entitled to any refund, credit or other compensation due to any such changes in availability.
- e. Information Management Tool. You acknowledge and agree that the Hub Services are administrative information management tools which contemplate and require the involvement of professional medical personnel as further specified below. You acknowledge and agree that the Hub Services and its associated outputs (i) are not designed, intended or made available as a medical device(s); (ii) are not designed or intended to be a substitute for professional medical advice, diagnosis, treatment or judgment of a clinician or other professional medical personnel; (iii) are not intended to support time-critical medical, treatment or diagnostic decision-making; and (iv) should never solely inform a clinical treatment decision, including a decision to delay treatment. You further acknowledge and agree that the Hub Services are not intended to diagnose disease, prescribe treatment, or perform any other tasks that constitute or may constitute the practice of medicine or of other professional or academic disciplines.
- f. Consents and Regulatory Matters. You are responsible for providing any legally required notices or obtaining any legally required consents, authorizations or notices related to use of the Hub Services and all appropriate and necessary consents and authorizations to enable the use of Data as set forth under this order, including use by Permitted Facilities or other entities receiving access or use of the Hub Services. You understand that You are responsible for using the Hub Services in compliance with all applicable laws, rules, and regulations, including, but not limited to, laws governing the use and disclosure of protected health information.

In the event of any material change to federal, state, or local law or regulation applicable to the Hub Services that affects Oracle's ability to perform under this order, the parties will negotiate in good faith to amend this order to fully comply with any material changes. If the parties have not reached agreement on the amendment after good faith negotiation of at least thirty (30) days, Oracle may immediately terminate this order and neither party shall have further liability to the other under this order except for obligations arising under provisions that survive termination. Additionally, Oracle may amend the fees if Oracle's cost of operation is increased due to an adjustment in charges imposed upon Oracle by a federal, state, or local governmental unit, law, regulation, or statute, provided that any such adjustment shall be limited to an amount reasonably related to the change.

g. Data. The parties agree and acknowledge that with respect to data processed via the Hub Services, Oracle may de-identify PHI in accordance with the standards set forth in 45 C.F.R. § 164.514(b) and may use or disclose such data for any lawful purposes. The parties further agree and acknowledge that with respect to data processed via the Hub Services, Oracle may transmit or route data through regions outside the United States subject to the requirement that all data transmitted will be encrypted and shall not be stored outside the United States. The foregoing statements are intended to amend and supersede any conflicting terms in the Business Associate Agreement and the referenced master agreement executed by the parties, provided that such amendment only applies to the data processed via the Hub Services.

Oracle may (a) compile statistical and other information related to the performance, operation, and use of the Hub Services, and (b) use data from the Hub Services in aggregated form for security and operations management, to create statistical analyses, and for research and development purposes (above clauses (a) and (b) are collectively referred to as "Service Analyses"). Service Analyses will not contain Your PHI or personal information. Oracle retains all intellectual property rights in Service Analyses.

h. Artificial Intelligence (AI) Functionality. The Hub Services may involve the use of AI Functionality in the Hub Services. The Oracle Artificial Intelligence Terms ("AI Terms") apply to such AI Functionality and remain subject to update. A current version of the AI Terms is available at <https://www.oracle.com/contracts/>. AI Functionality is a complementary administrative resource for You, Your clinicians and other medical personnel. You agree that You will not rely on any Output as a sole source of truthful or accurate information, or as a substitute for any medical or professional advice. You agree that You will train and educate all persons who interact with the Hub Services to understand that the AI Functionality and the Output in the Hub Services cannot be relied upon by clinicians or other medical personnel in treating patients. Capitalized terms used, but not defined, in this section will have the meaning attributed to them in the AI Terms.

Kern County Hospital Authority

Signature _____

Name Phil McLaughlin

Title Chairman, Board of Governors

Signature Date _____

Oracle America, Inc.

Signature *Anthony Hernandez*

Name Anthony Hernandez

Title Senior Director, NA Customer Deal Desk

Signature Date 12-Feb-2026 06:55 AM PDT

REVIEWED ONLY
NOT APPROVED AS TO FORM

By *Shannon Hochstein*
Kern County Hospital Authority

Bill To / Ship To Contact Information

Bill To Contact

Customer Name	Customer Address	Contact Name / Phone / Email
Kern County Hospital Authority	1830 Flower St Bakersfield, CA US 93305	Sandra Bakich +1 (661) 326-2000 sandra.bakich@kernmedical.com

Ship To Contact

Customer Name	Customer Address	Contact Name / Phone / Email
Kern County Hospital Authority	1830 Flower St Bakersfield, CA US 93305	Sandra Bakich +1 (661) 326-2000 sandra.bakich@kernmedical.com



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Report on upcoming anticipated retroactive agreements

Recommended Action: Receive and File

Summary:

On February 18, 2025, your Board requested that staff notify your Board of upcoming retroactive agreements. Staff has compiled the attached report on upcoming anticipated retroactive agreements since last reported in April. As requested, all board memos will state the reason for the retroactivity and reference the date your Board was first notified the agreement would be retroactive.

Therefore, it is recommended that your Board receive and file the attached report.

BOARD OF GOVERNORS
REPORT ON UPCOMING ANTICIPATED RETROACTIVE AGREEMENTS
March 18, 2026

Agreement	Description
Amendment No. 1 to Agreement for Designation as Stroke Center with County of Kern	Final version needed to be finalized in time to send to County of Kern Board of Supervisors before it could be approved by the Board of Governors



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Proposed Novation Agreement and Amendment to Agreement 033-2018 with College of American Pathologist to add mTuitive, Inc.

Recommended Action: Approve, Authorize Chief Executive Officer to Sign

Summary:

Kern Medical requests your Board approve the proposed Novation Agreement and Amendment to Agreement 033-2018 with College of American Pathologist (CAP) to add mTuitive, Inc., as a party to the agreement. On June 20, 2018, your Board entered into an annual auto renewing agreement with CAP the purchase of a license to use CAP eFRM. CAP eFRM™ is a software company that enables pathologists to utilize the CAP electronic Cancer Checklist and helps manage workflow, submit pathology reports, and use discrete data for surgical cancer specimens. This structured reporting and documentation workflow known as mTuitive, integrates seamlessly with Cerner PowerChart and will ensure compliance with required documentation elements for accreditation.

The effective date of this amendment is retroactive, as CAP contracted with mTuitive to take over the sales administration and invoicing of our agreement that is currently in place, notifying Kern Medical after the effective date.

Therefore, it is recommended that your Board approve the proposed Novation Agreement and Amendment to Agreement 033-2018 with College of American Pathologist (CAP) to add mTuitive, Inc., for the purchase of software license to use CAP eFRM, adding mTuitive, Inc., as a party to the agreement, effective February 1, 2026, and authorize the Chief Executive Officer to sign.

NOVATION AGREEMENT AND AMENDMENT

This agreement ("Agreement") is among the following parties (each a "Party" and collectively the "Parties"):

1. The College of American Pathologists, an Illinois not-for-profit corporation ("CAP");
2. mTuitive, Inc., a Massachusetts corporation ("mTuitive"); and
3. Kern County Hospital Authority _____, ("Customer").
[Customer Name]

Background:

The CAP and Customer are parties to a licensing and services contract having an effective date of 06/05/2018 ("Existing Contract"), pertaining to Customer's use of the software product described below and receipt of maintenance services for the same:

CAP eFRM™ is a software product that enables pathologists to utilize the CAP electronic Cancer Checklists and helps manage their workflow, submit pathology reports and use discrete data for their surgical cancer specimens.

The Parties desire to novate the Existing Contract such that mTuitive would replace CAP as a party to such Existing Contract, with some changes to the terms of the Existing Contract as set forth in this Agreement.

Capitalized terms not otherwise defined in this Agreement have their meanings as defined under the Existing Contract.

Novation:

- I. The Parties hereby novate the Existing Contract such that mTuitive replaces CAP as a party to such Existing Contract.

Changes:

- I. Except as otherwise provided in this Agreement, if and wherever the CAP's name or business address appears in the Existing Contract, replace each with mTuitive's name or business address, respectively.
- II. Any reference to "eCC" in the Existing Contract is replaced with "eCP", and any reference to "electronic Cancer Checklists" is replaced with "electronic Cancer Protocols".
- III. Any references to "eFRM", "eFRM Plus", or "CAP eFRM" in the Existing Contract are replaced with "eCP powered by mTuitive".
- IV. Section I of this Agreement will not apply to parts of the Existing Contract where the CAP's name is used to identify the CAP electronic Cancer Protocols (otherwise referred to as eCP) as belonging to or originating from the CAP.

- V. Any reference in the Existing Contract to the CAP's ownership, right, title, or interest in and to the CAP electronic Cancer Protocols (otherwise referred to as eCP) or copyright notices pertaining to the same shall not have the CAP's name replaced with mTuitive's name.
- VI. The novation under this Agreement will not affect the CAP's exclusive ownership, right, title, and interest in and to the electronic Cancer Protocols (otherwise referred to as eCP).
- VII. Any reference in the Existing Contract to an agreement between CAP and mTuitive regarding mTuitive's being contractually obligated as a subcontractor to provide implementation and support services under such agreement is hereby removed, and mTuitive will perform all such services directly as a party to the Existing Contract.
- VIII. Customer acknowledges that the eCP includes SNOMED Clinical Terms® (SNOMED CT®) which is used by permission from International Health Terminology Standards Development Organization (IHTSDO) or its successors or assigns and is subject to such entities' copyrights in such materials. All rights reserved. SNOMED CT® was originally created by The College of American Pathologists. "SNOMED" and "SNOMED CT" are registered trademarks of the IHTSDO or its successors or assigns. Customer is permitted under the Existing Contract to continue to use SNOMED Clinical Terms® (SNOMED CT®) solely for the purposes of using the eCP as set forth under the Existing Agreement.
- IX. The subscription term of the Existing Contract is such that it starts on 10/01/2025 and runs through 9/30/2026. After the completion of this subscription term, this Existing Contract will automatically renew for additional one (1) year terms unless either party gives notice to the other of its intent not to renew this Existing Contract at least sixty (60) days prior to end of the term.
- X. SECTION I OF THIS AGREEMENT IS MODIFIED SUCH THAT BOTH THE CAP AND MTUITIVE SHALL CONTINUE TO BE COUNTERPARTIES TO CUSTOMER REGARDING ANY CLAUSES IN THE EXISTING CONTRACT PERTAINING TO THE **TOPICS OF (A) CUSTOMER'S OBLIGATIONS TO DEFEND, INDEMNIFY, OR HOLD HARMLESS THE CAP OR MTUITIVE; (B) LIMITATIONS OF LIABILITY; AND (C) WARRANTIES AND WARRANTY DISCLAIMERS REGARDING THE ECP (IN THE CASE OF THE CAP) AND ECP POWERED BY MTUITIVE (IN THE CASE OF MTUITIVE).**
- XI. The fees for mTuitive's services under the Existing Contract may be increased by up to three percent (3%) per contractual year after the Initial Term.
- XII. mTuitive retains the right to communicate directly with End User (as such term is defined in the Existing Contract) of *eCP powered by mTuitive* covered under this Agreement, for purposes including but not limited to customer support, product feedback, product education and training, and follow-ups.

The College of American Pathologists

Ted Carithers

Ted Carithers (Feb 18, 2026 12:39:59 CST)

Signature

Ted Carithers

Name

Director, Cancer Protocols

Title

02/18/2026

Date

mTuitive, Inc.

Colin Murphy

Colin Murphy (Feb 19, 2026 09:33:17E-11)

Signature

Colin Murphy

Name

CEO

Title

02/19/2026

Date

Kern County Hospital Authority

Customer

Signature

Name

Title

Date

Handwritten signature of Scott Thygerson
Scott Thygerson
CEO
3/11/2026

APPROVED AS TO FORM
Legal Services Department

Handwritten signature of Phillip J. [unclear]

Kern County Hospital Authority

mTuitive & CAP 2025 NOVATION AGREEMENT AND AMENDMENT- Kern County

Final Audit Report

2026-02-19

Created:	2026-02-18
By:	Gillian Zelman (gillian.zelman@mtuitive.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAaMgkTsWAr3LQadeVoOX_28FrRLuUh6gN

"mTuitive & CAP 2025 NOVATION AGREEMENT AND AMENDMENT- Kern County" History

-  Document created by Gillian Zelman (gillian.zelman@mtuitive.com)
2026-02-18 - 6:35:59 PM GMT
-  Document emailed to Ted Carithers (tcarith@cap.org) for signature
2026-02-18 - 6:36:03 PM GMT
-  Document emailed to Colin Murphy (colin.murphy@mtuitive.com) for signature
2026-02-18 - 6:36:03 PM GMT
-  Email viewed by Ted Carithers (tcarith@cap.org)
2026-02-18 - 6:38:51 PM GMT
-  Document e-signed by Ted Carithers (tcarith@cap.org)
Signature Date: 2026-02-18 - 6:39:58 PM GMT - Time Source: server
-  Email viewed by Colin Murphy (colin.murphy@mtuitive.com)
2026-02-19 - 2:28:11 PM GMT
-  Document e-signed by Colin Murphy (colin.murphy@mtuitive.com)
Signature Date: 2026-02-19 - 2:28:37 PM GMT - Time Source: server
-  Agreement completed.
2026-02-19 - 2:28:37 PM GMT



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Kern County Hospital Authority Chief Financial Officer Report – January 2026

Recommended Action: Receive and File

Summary:

Kern Medical Operations:

Kern Medical key performance indicators:

- Operating gain of \$782,953 for January is \$567,833 more than the January budget of 215,120 and \$372,011 less than the \$1,154,964 average over the last three months
- EBIDA of \$2,429,573 for January is \$565,630 more than the January budget of \$1,863,943 and \$334,572 less than the \$2,764,145 average over the last three months
- Average Daily Census of 176 for January is 4 more than the January budget of 172 and 13 more than the 163 average over the last three months
- Admissions of 899 for January are 31 more than the January budget of 868 and 37 more than the 862 average over the last three months
- Total Surgeries of 517 for January are 10 less than the January budget of 527 and 9 less than the 526 average over the last three months
- Clinic Visits of 20,944 for January are 501 more than the January budget of 20,443 and 113 less than the 21,057 average over the last three months

The following items have budget variances for the month of January 2026:

Patient Revenue:

Gross patient revenue has a 0.7% unfavorable budget variance for the month and a 2% favorable budget variance on a year-to-date basis. The favorable year-to-date variance is mainly due to a 3.5% charge description master (CDM) price increase that became effective on July 1, 2025 and to a lesser extent, patient volumes. Kern Medical expects strong patient census levels and consistently high gross patient revenue for FY 2026.

Indigent and Correctional Medicine Funding Revenue:

Indigent funding has an unfavorable budget variance for the month and on a year-to-date basis due to a conservative approach to recognizing indigent funding revenue. For the current month, Kern Medical has only recognized 95% of the total projected revenue for the Managed Care Rate Range Program, the Medi-Cal Quality Assurance Fee Program, the Physician SPA Program, the Graduate Medical Education (GME) Program, and the AB915 Outpatient Supplemental Funding Program. Kern Medical recognizes 100% of the total projected revenue for the Medi-Cal waiver programs including the Global Payment Program (GPP), Enhanced Care Management (ECM), the Enhanced Payment Program (EPP), and the Quality Incentive Program (QIP).

Other Operating Revenue:

Other operating revenue is under budget for the month and on a year-to-date basis. Other operating revenue consists of items such as medical education funding, grant funding, Proposition 56 funding, and other miscellaneous non-patient related revenue. These items are received quarterly or otherwise periodically. Therefore, actual month-to-date and year-to-date revenue compared to the budget fluctuates throughout the year.

Other Non-Operating Revenue:

Other non-operating revenue is over budget for the month and on a year-to-date basis. Other non-operating revenue consists of miscellaneous items such as revenue for providing out-of-network physician services. These miscellaneous items are not received consistently throughout the year. Therefore, the actual dollar amount recorded for this line item may fluctuate versus budget on a monthly basis and on a year-to-date basis.

Salaries Expense:

Salaries expense is 2% under budget for the month and 3% under budget on a year-to-date basis.

Benefits Expense:

Benefits expense is 9% under budget for the month and 5% under budget on a year-to-date basis.

Nurse Registry Expense:

Nurse registry expense is 26% under budget for the month and 14% under budget on a year-to-date basis. The overall use of nurses under contract was reduced with the intent to hire more nurses as Kern Medical employees.

Medical Fees:

Medical fees are 4% over budget for the month and 20% over budget on a year-to-date basis. The unfavorable variance is due to higher-than-average fees paid to the LocumTenens.com physician staffing agency.

Other Professional Fees:

Other professional fees are 51% over budget for the month and 12% over budget on a year-to-date basis. The unfavorable variance is due to higher-than-average legal fees, an under accrual for Oracle EHR costs, and an under accrual for Healthcare Performance Group (HPG) information technology consulting services.

Supplies Expense:

Supplies expense is 8% under budget for the month and 1% under budget year-to-date. The favorable variances are due to lower-than-average pharmaceuticals costs and lower than average surgical and other medical supplies costs.

Purchased Services:

Purchased services are 7% over budget for the month and 6% over budget on a year-to-date basis due to higher-than-expected software maintenance costs and ambulance fees.

Other Expenses:

Other expenses are 44% over budget for the month and 8% over budget on a year-to-date basis due to higher-than-average repairs and maintenance expenses and higher-than-average expenses for dues and subscriptions.

Interest Expense:

Interest expense is under budget for the month and year-to-date due to lower-than-average interest paid for the PNC Bank credit line. The monthly interest fluctuates depending on whether or not Kern Medical has borrowed against the credit line and depending on current interest rates.

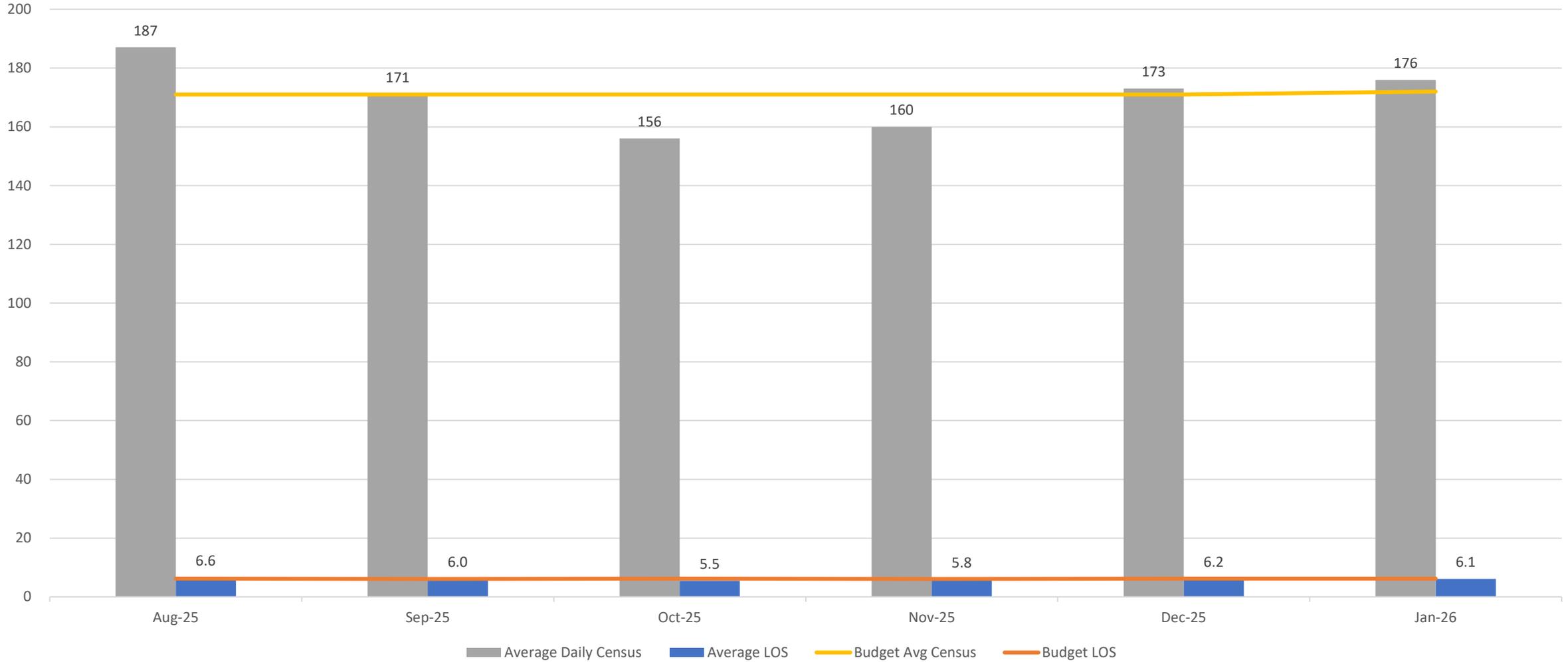
Depreciation and Amortization Expense:

Depreciation expense is over budget for the month and on a year-to-date basis due to various equipment put in service during FY 2026. Amortization is under budget for the month and on a year-to-date basis due to less than average amortization expense for right-of-use (ROU) capital leases and less than average amortization expense for subscription-based information technology arrangement (SBITA) software. A change in the treatment of accounting for leases under GASB 87 was implemented in FY 2022. GASB 87 requires leases to be set up as assets at fair market value and amortized over time. Corresponding right-of-use liabilities are also set up for leases with applicable interest expense accrued. The net effect of the implementation of GASB 87 is minimal. There is a corresponding decrease in lease expense under the other expenses section of the income statement that offsets the increases in amortization expense and interest expense. A change in the treatment of accounting for subscription-based software under GASB 96 was implemented by Kern Medical in 2023. The accounting treatment for subscription-based software under GASB 96 and its net effect financially is the same as for lease accounting under GASB 87 as described above.

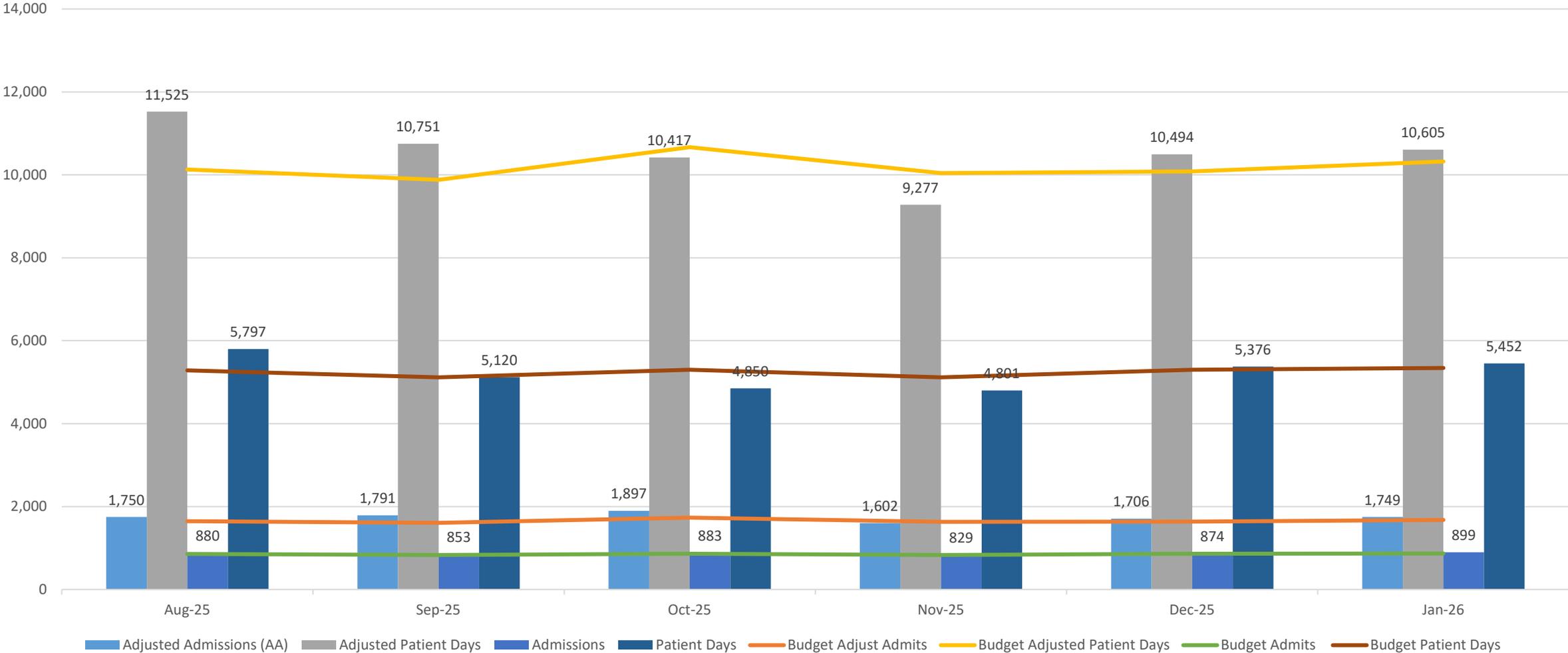


Board of Governors' Report
Kern Medical – January 2026

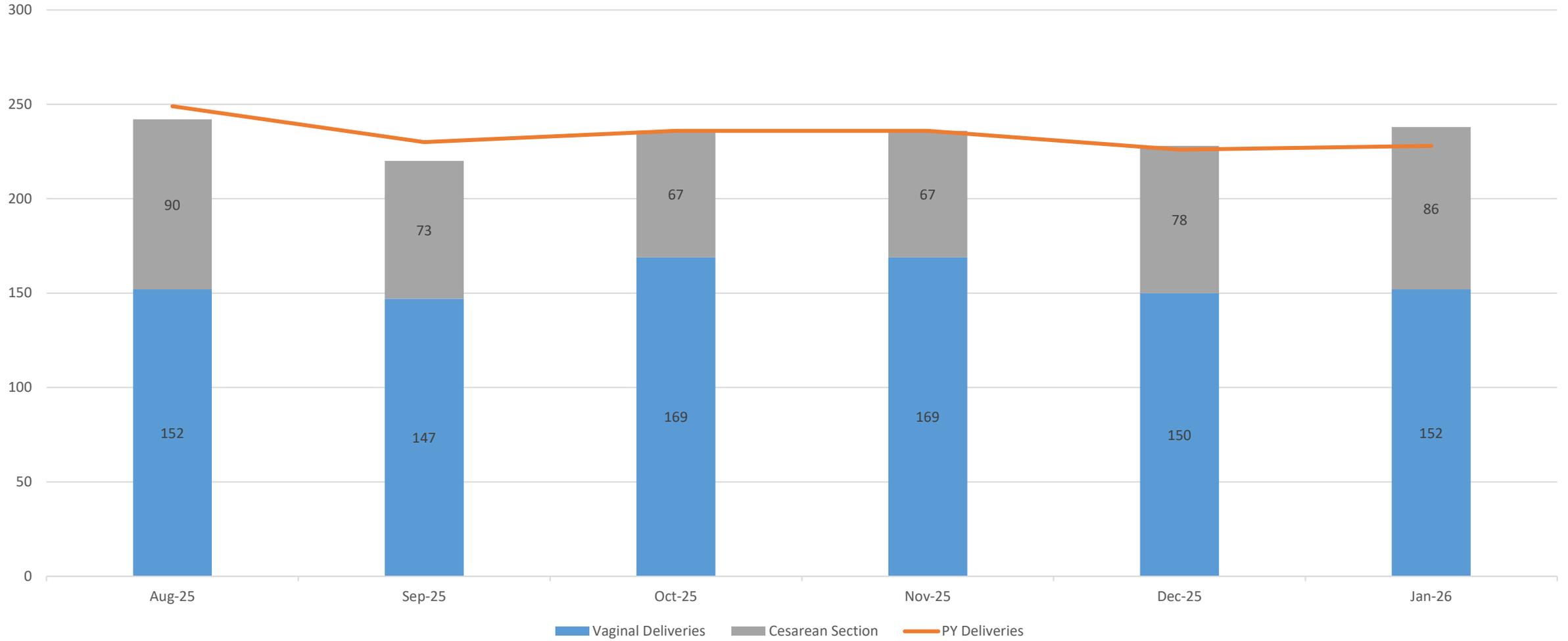
Census & ALOS



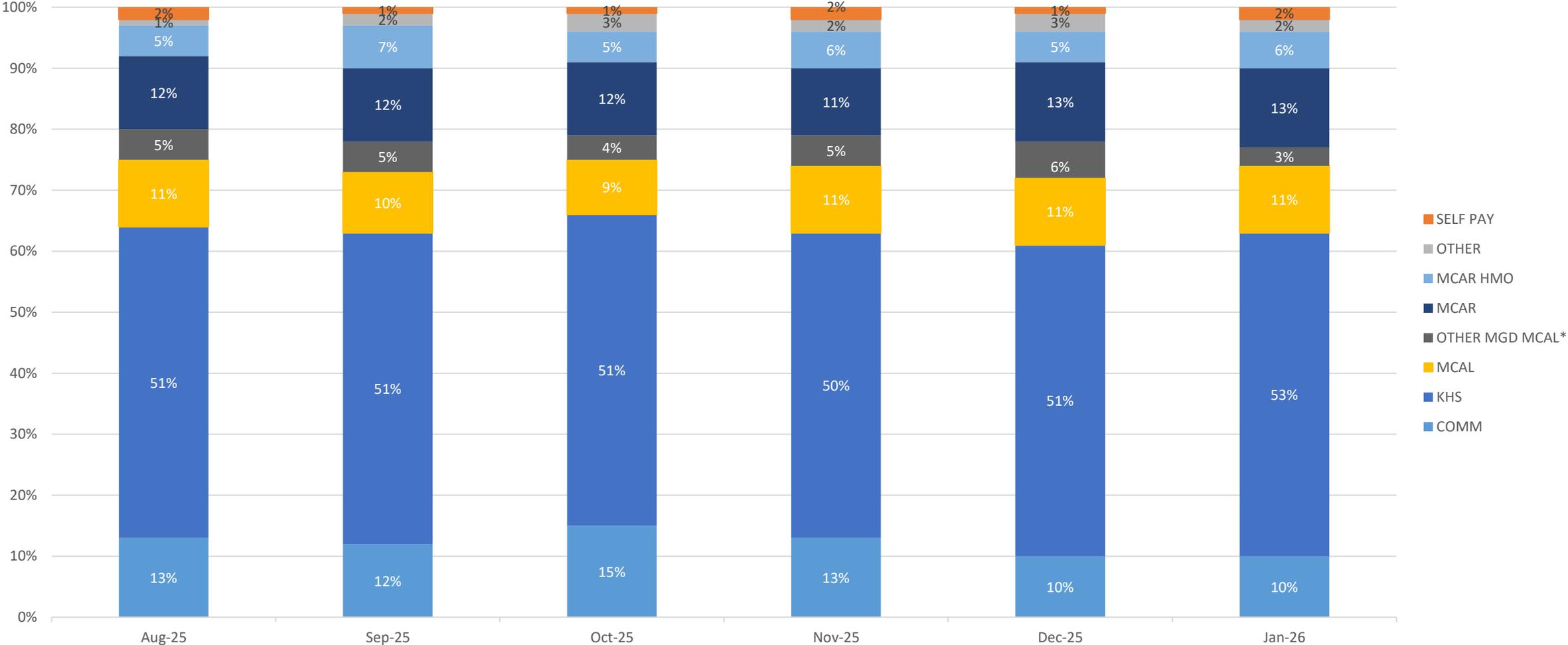
Hospital Volumes



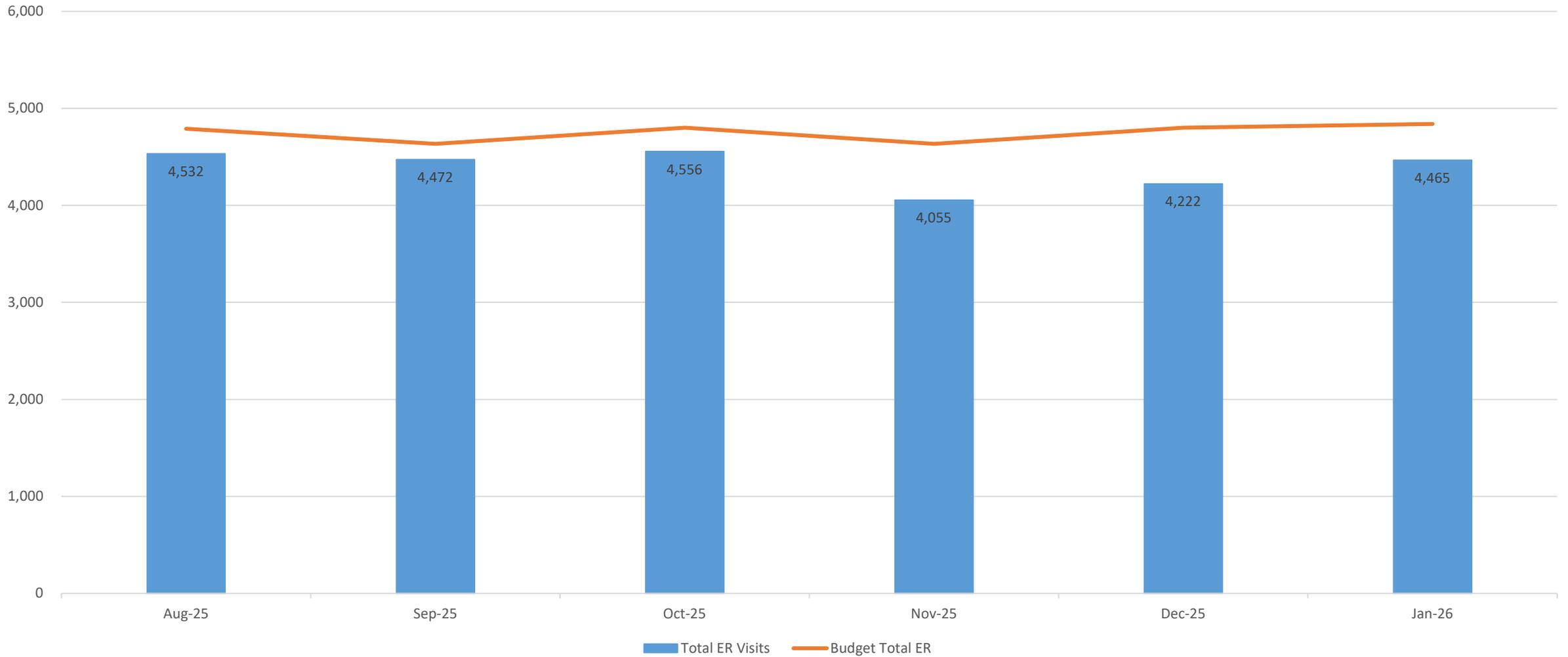
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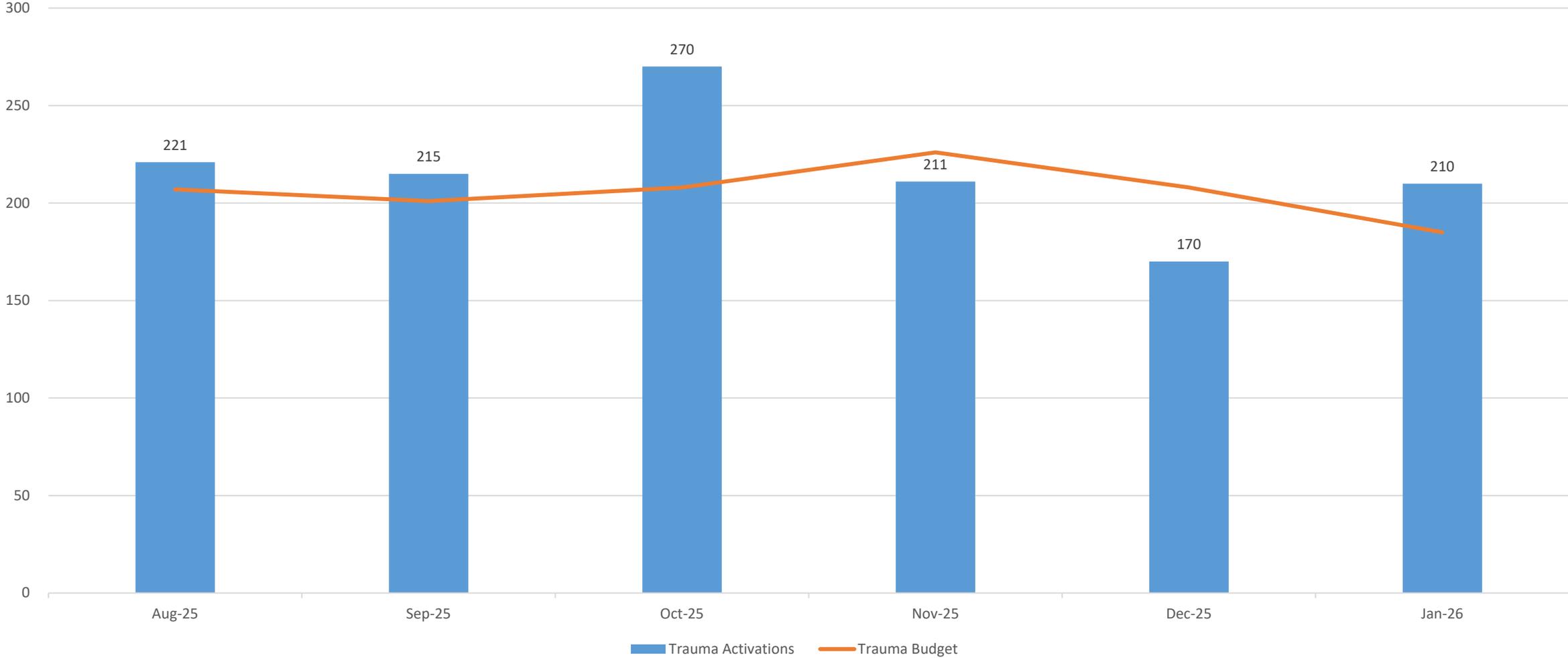
PAYER MIX



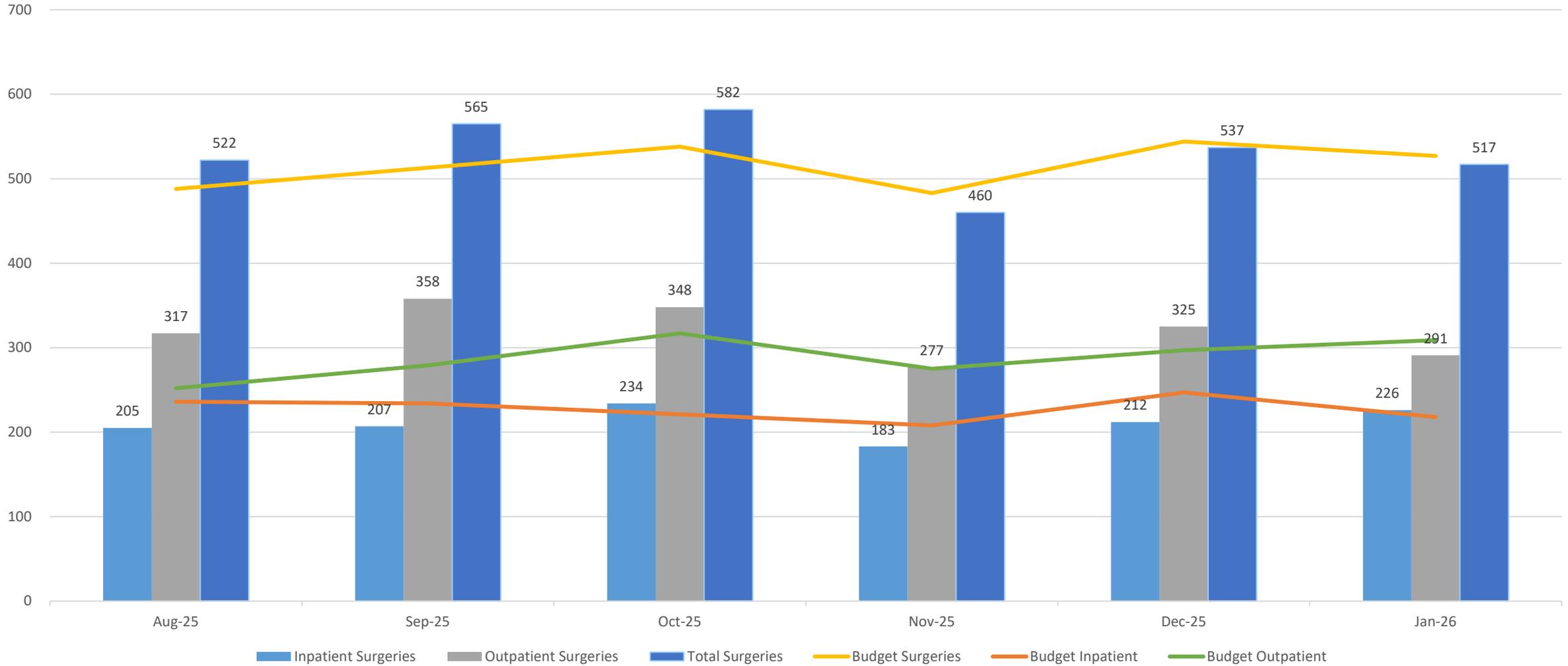
Emergency Room Volume



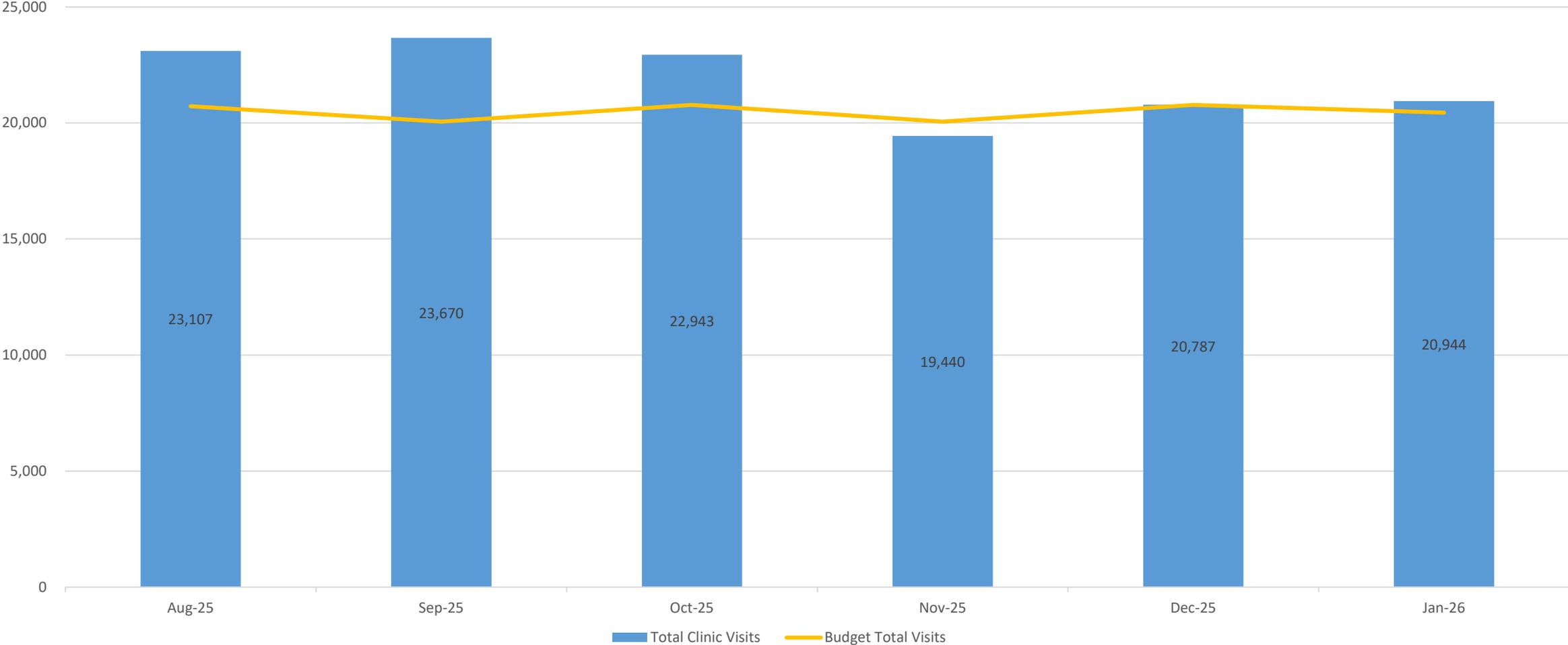
Trauma Activations



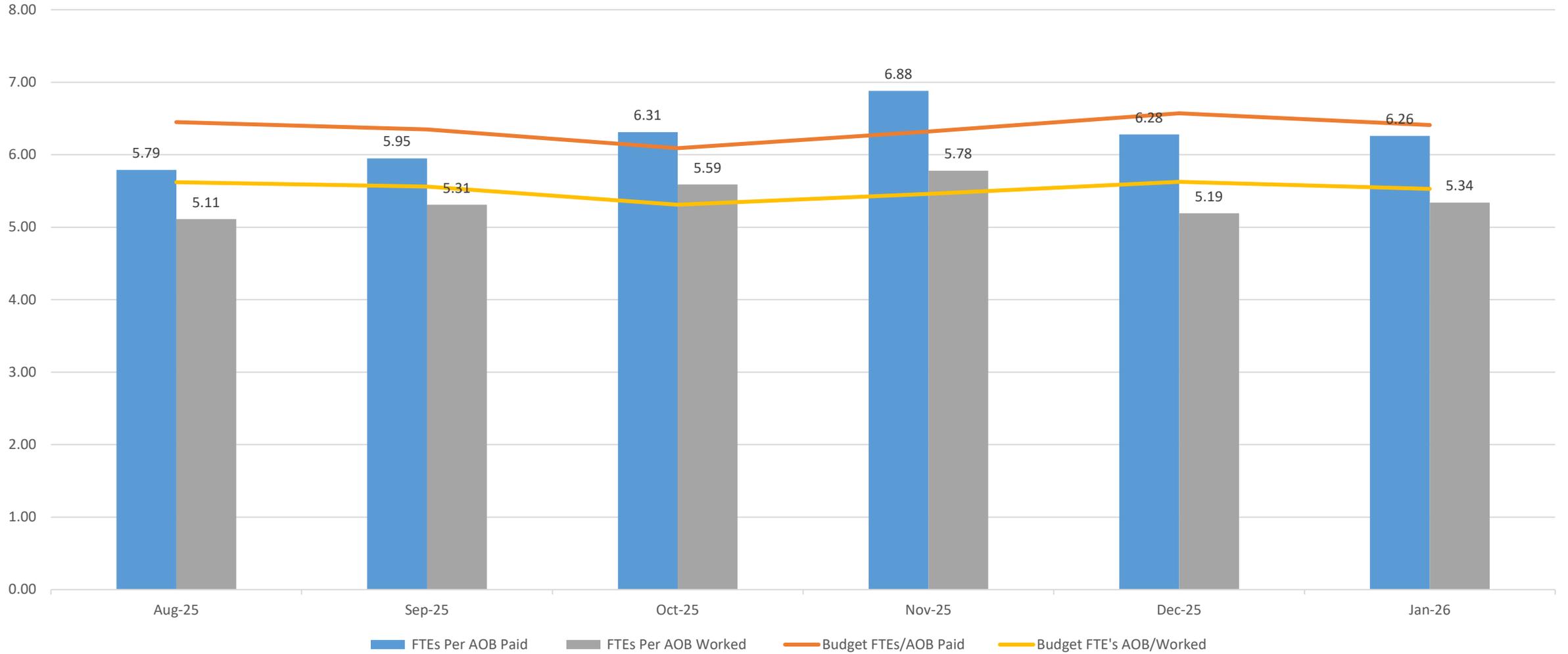
Surgical Volume



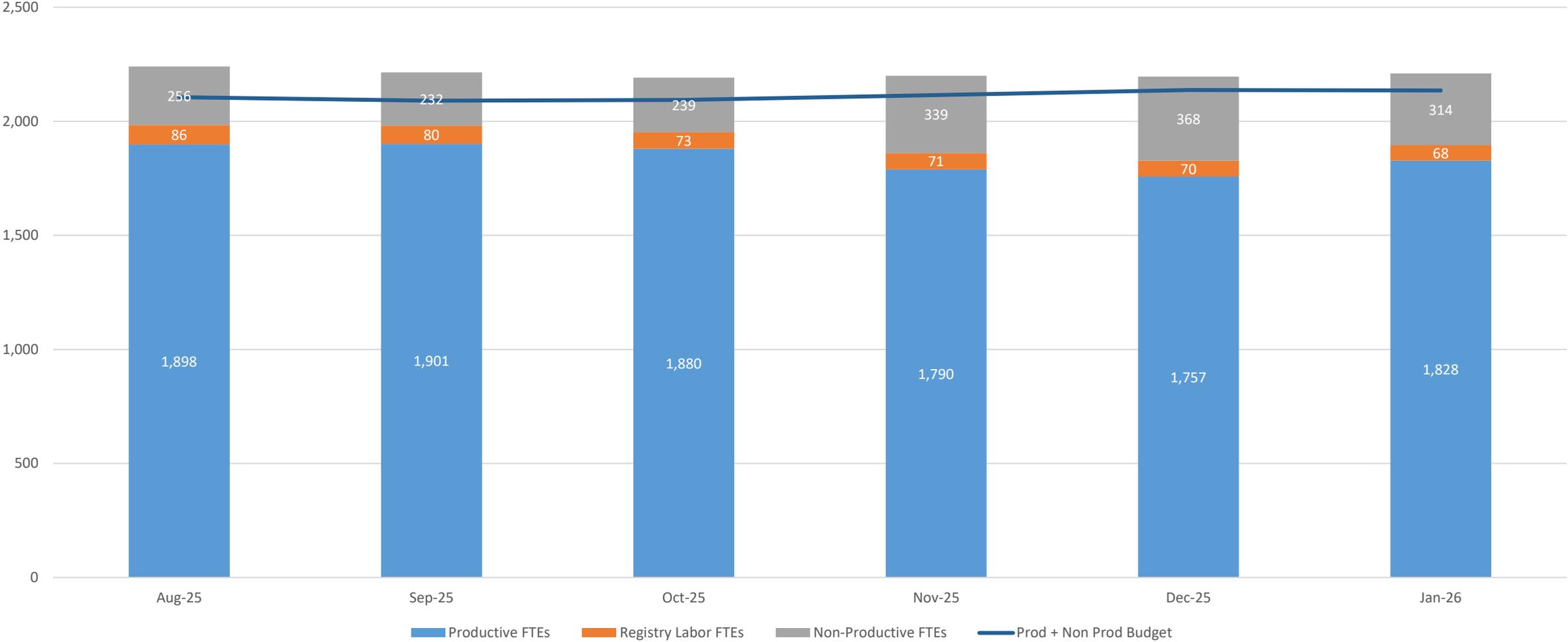
Clinic Visits



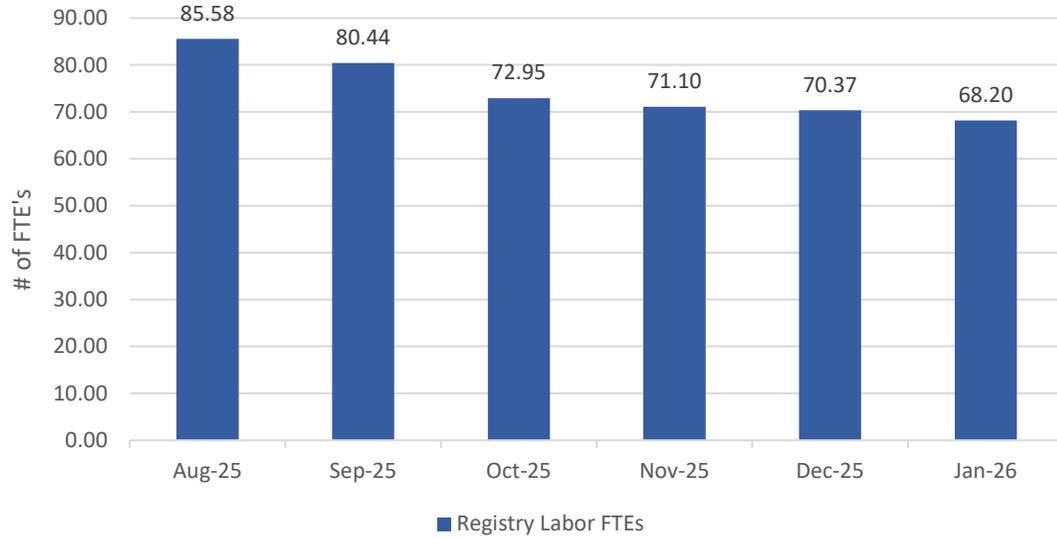
Labor Metrics



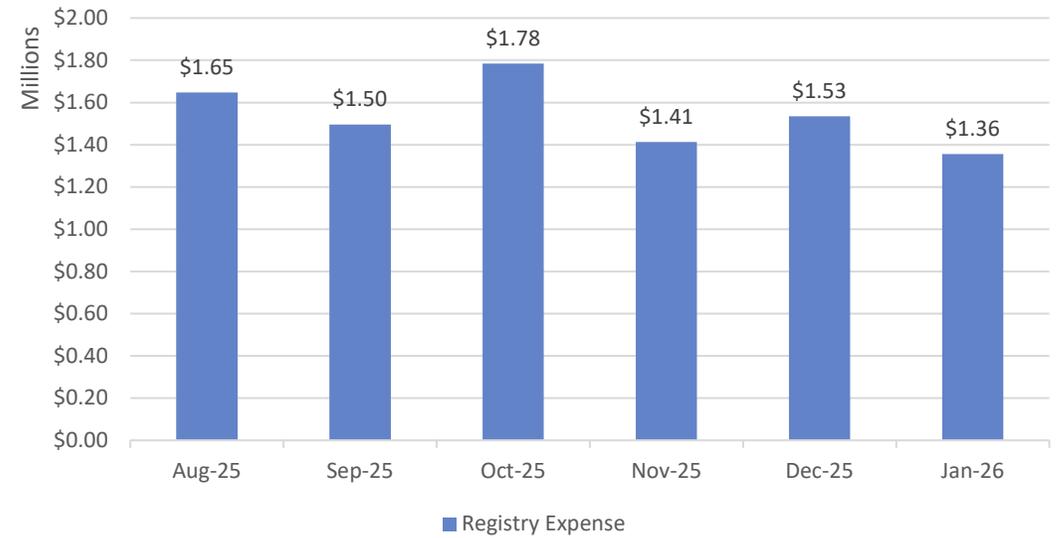
Productivity



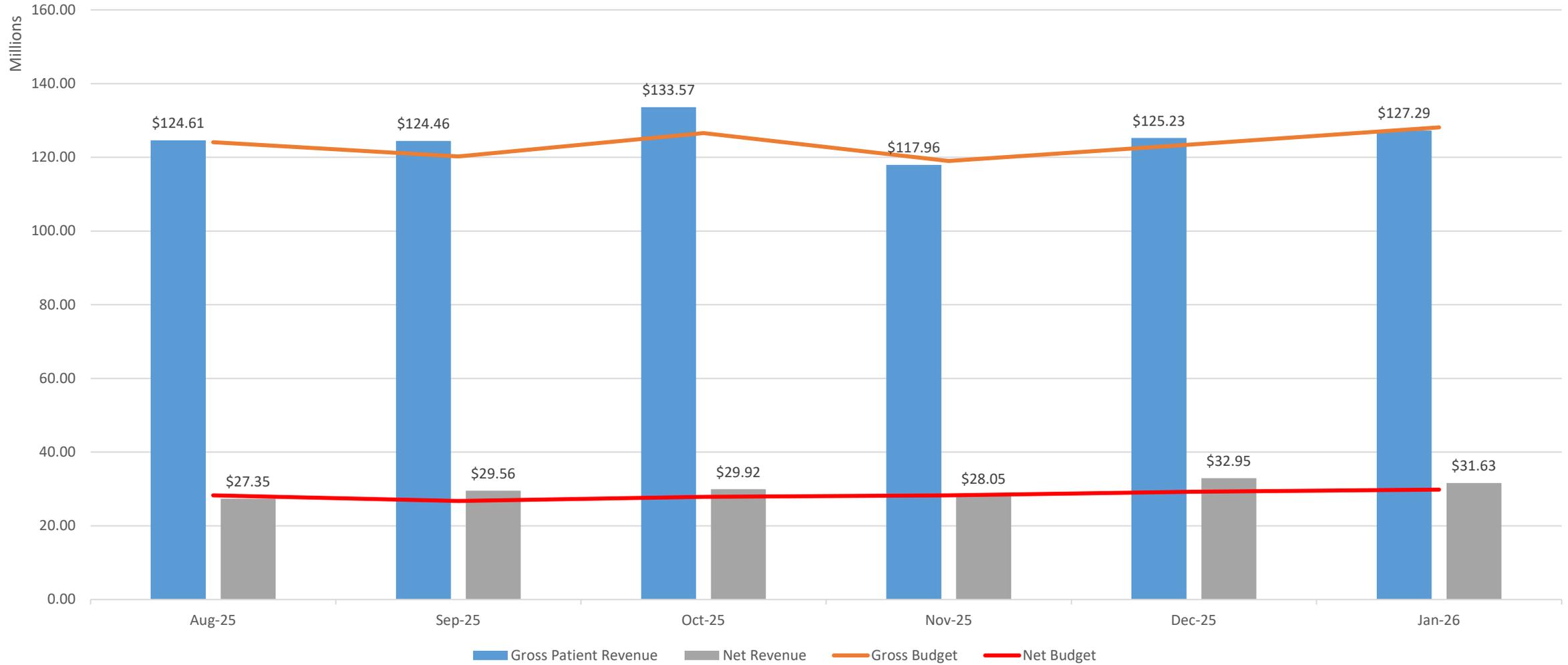
Registry FTE's



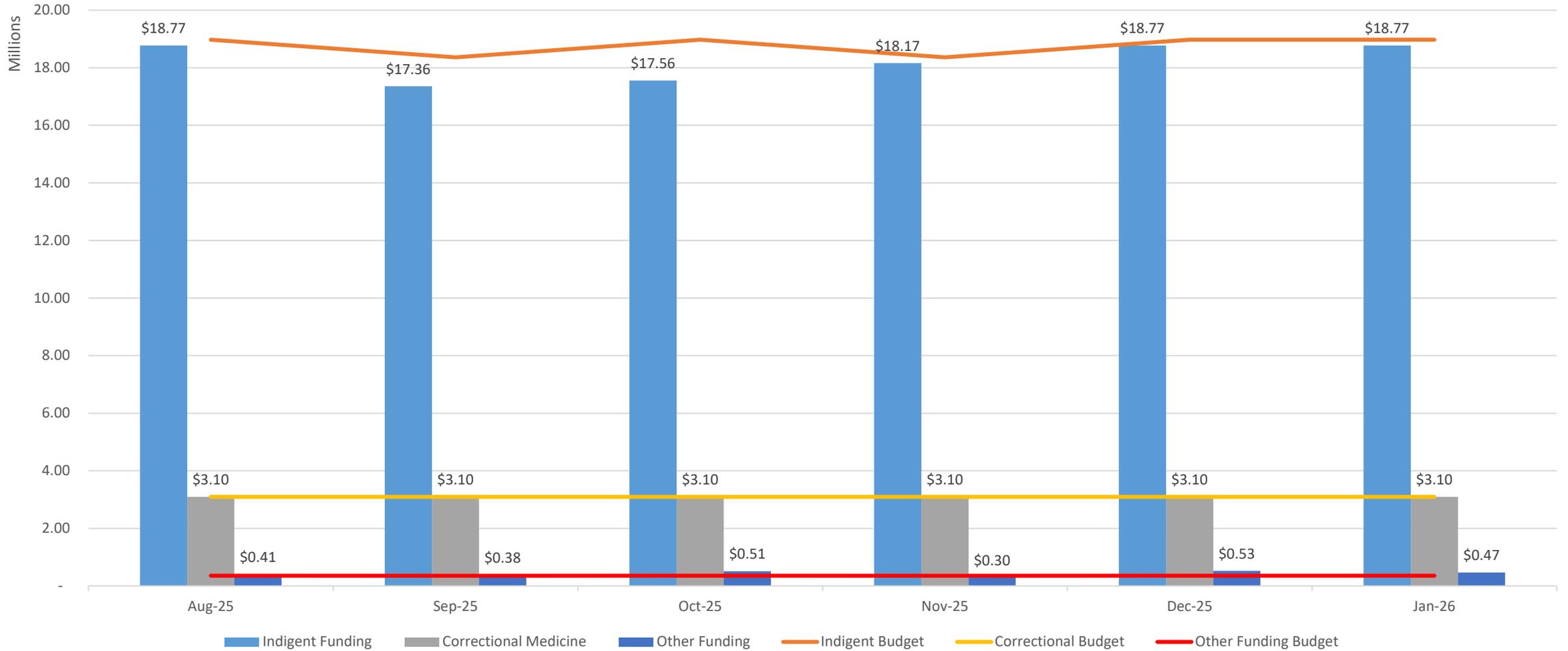
Registry Expense



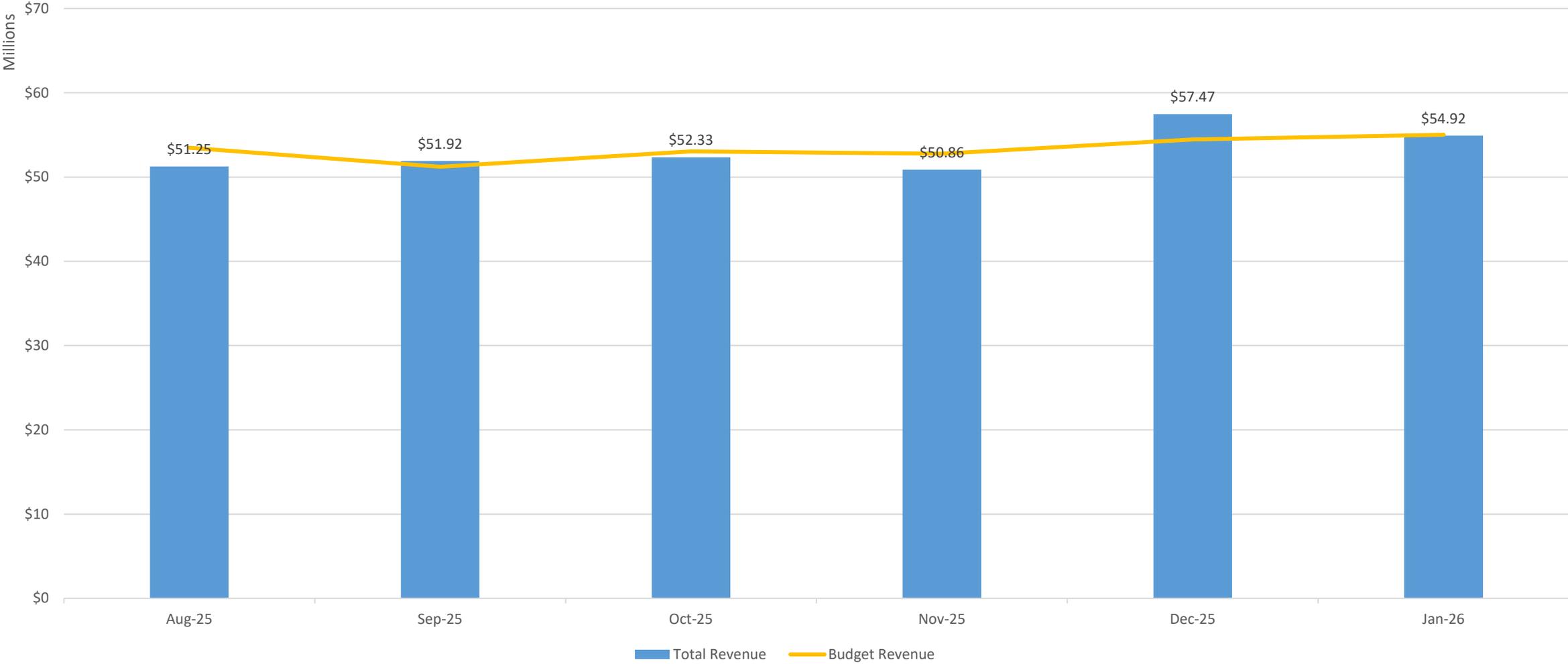
Patient Revenue



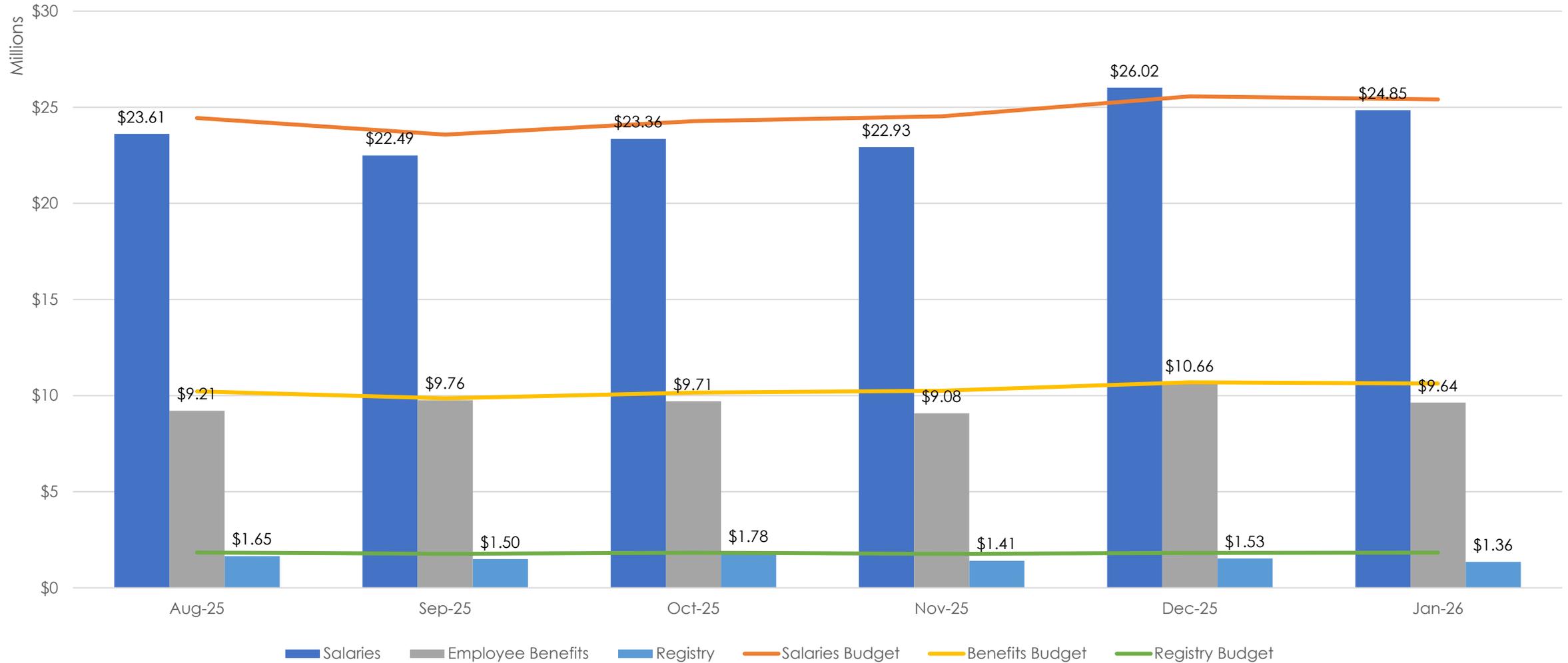
Indigent & Correctional Revenue



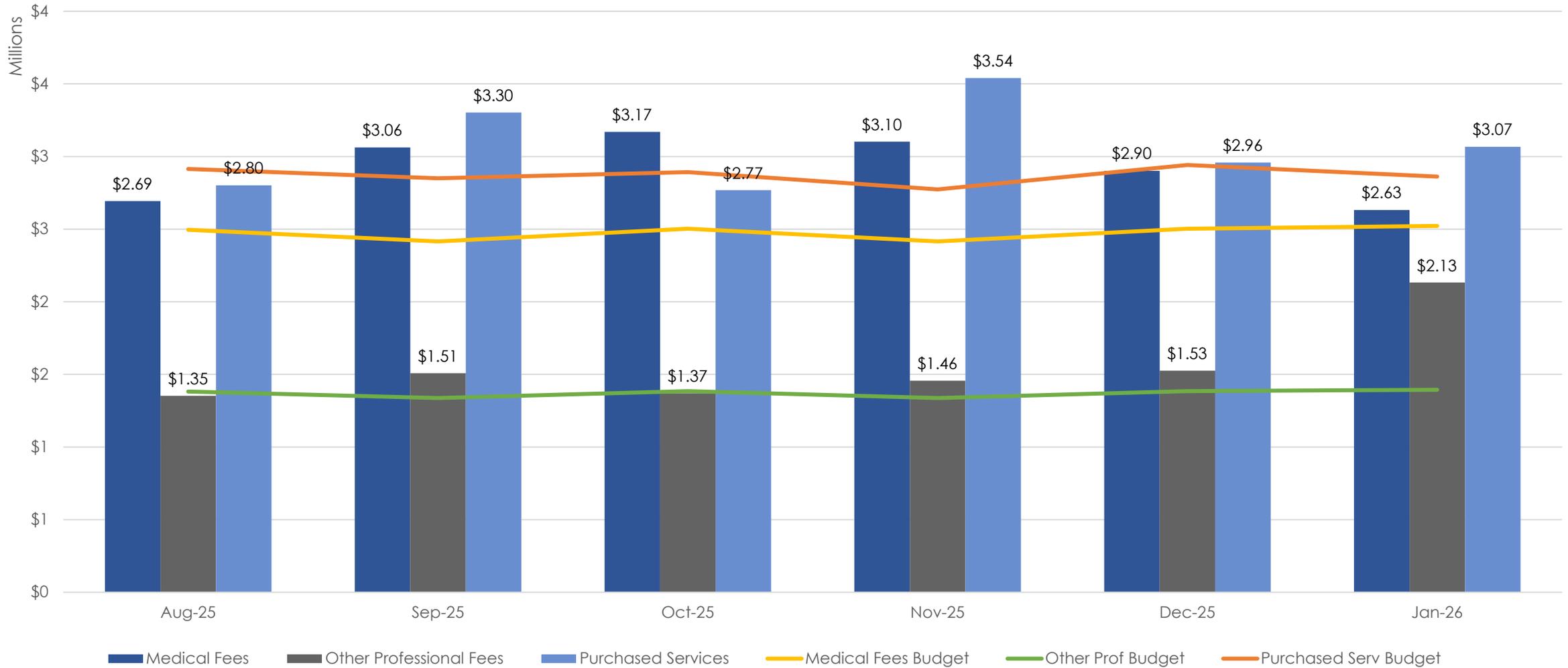
Total Revenue



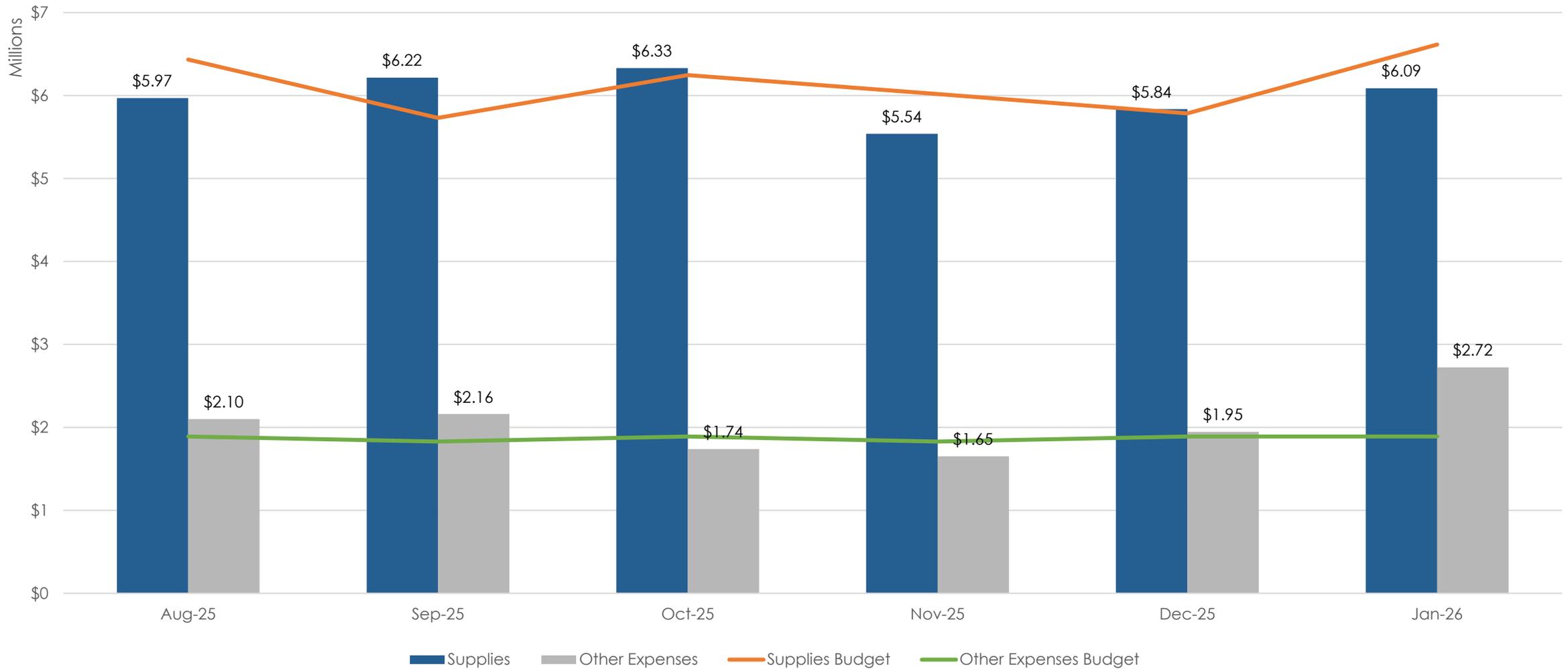
Expenses



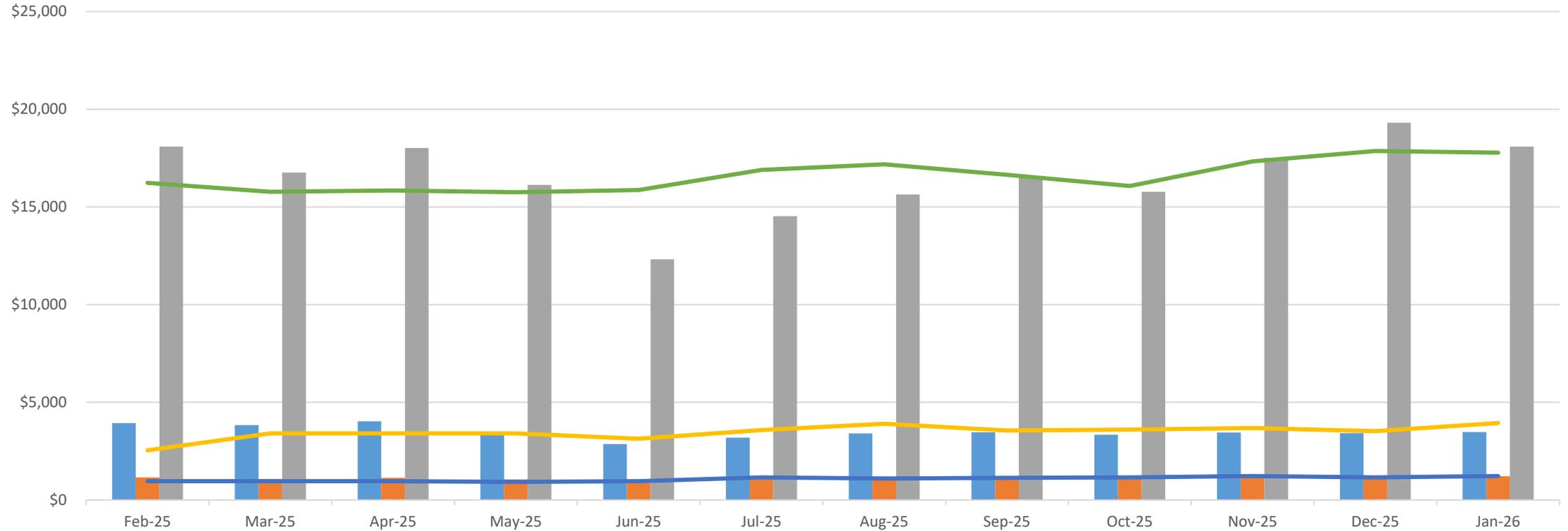
Expenses



Expenses

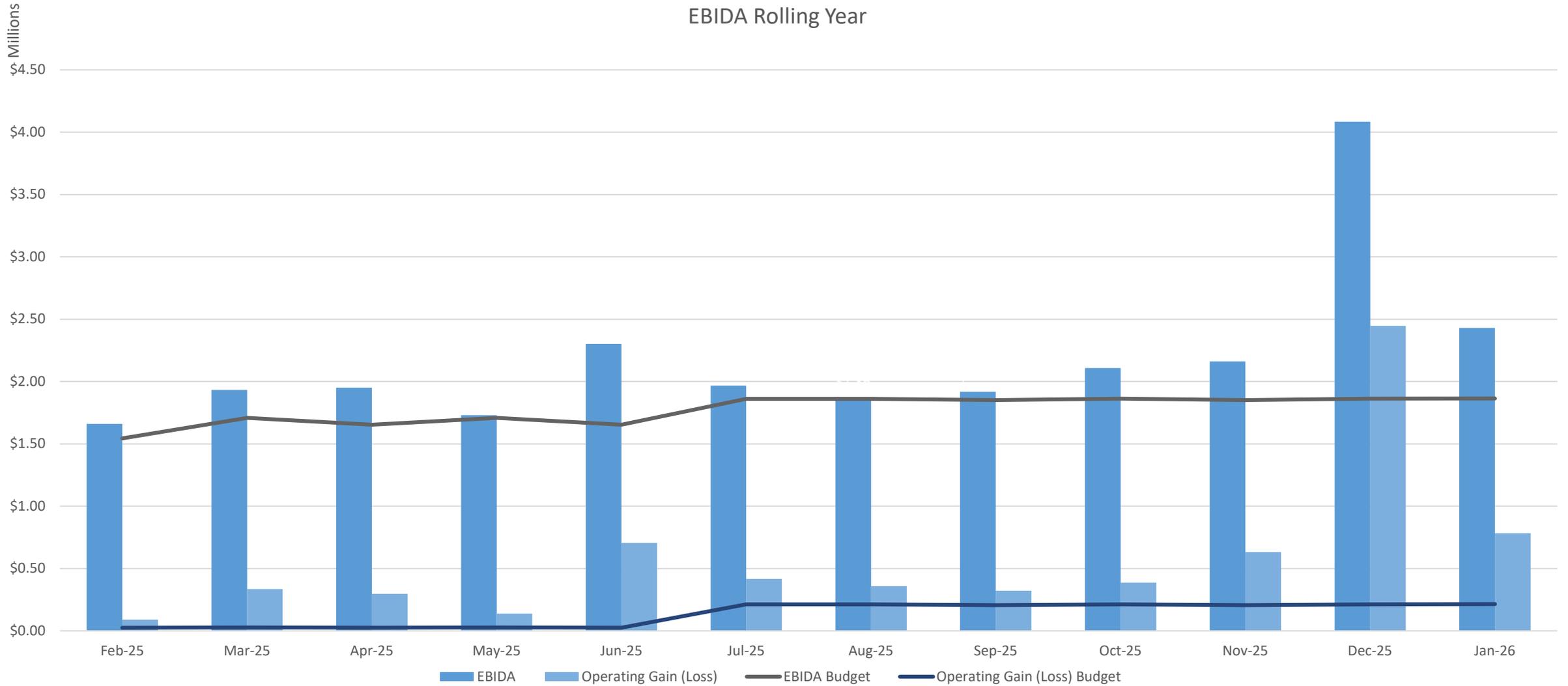


Operating Metrics

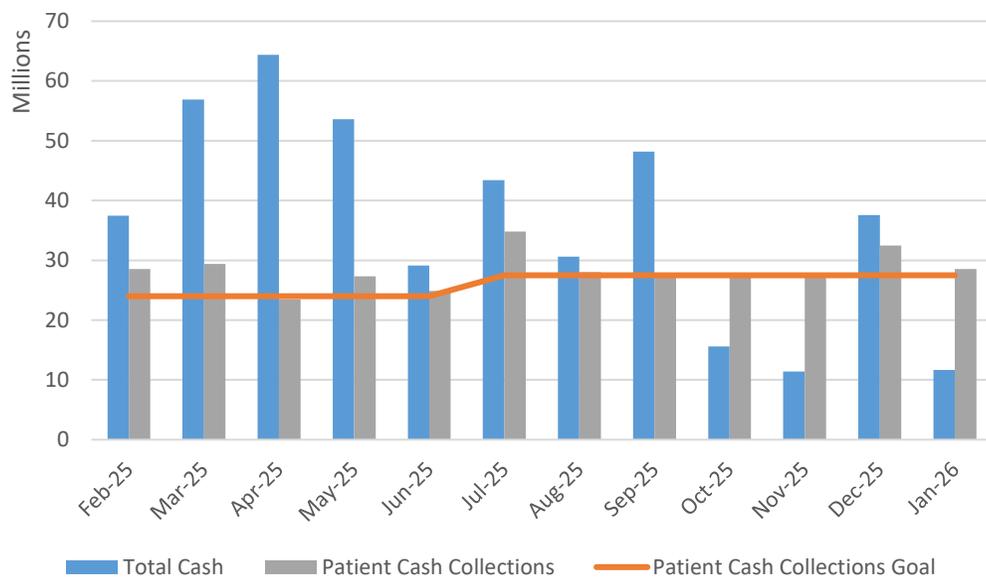


	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26
Supply Expense per AA	\$3,933	\$3,835	\$4,028	\$3,426	\$2,868	\$3,191	\$3,412	\$3,471	\$3,338	\$3,458	\$3,421	\$3,482
Pharm Cost per AA	\$1,161	\$1,070	\$1,142	\$1,051	\$883	\$1,192	\$1,199	\$1,118	\$1,140	\$1,194	\$1,094	\$1,211
Net Revenue Per AA	\$18,087	\$16,764	\$18,019	\$16,125	\$12,325	\$14,532	\$15,633	\$16,506	\$15,778	\$17,508	\$19,312	\$18,085
Budget Supp/AA	\$2,546	\$3,410	\$3,413	\$3,408	\$3,143	\$3,583	\$3,909	\$3,567	\$3,604	\$3,686	\$3,532	\$3,943
Budget Pharm/AA	\$966	\$965	\$965	\$930	\$965	\$1,160	\$1,098	\$1,142	\$1,162	\$1,228	\$1,162	\$1,230
Budget Net Rev/AA	\$16,229	\$15,781	\$15,841	\$15,753	\$15,862	\$16,892	\$17,181	\$16,643	\$16,073	\$17,329	\$17,863	\$17,783

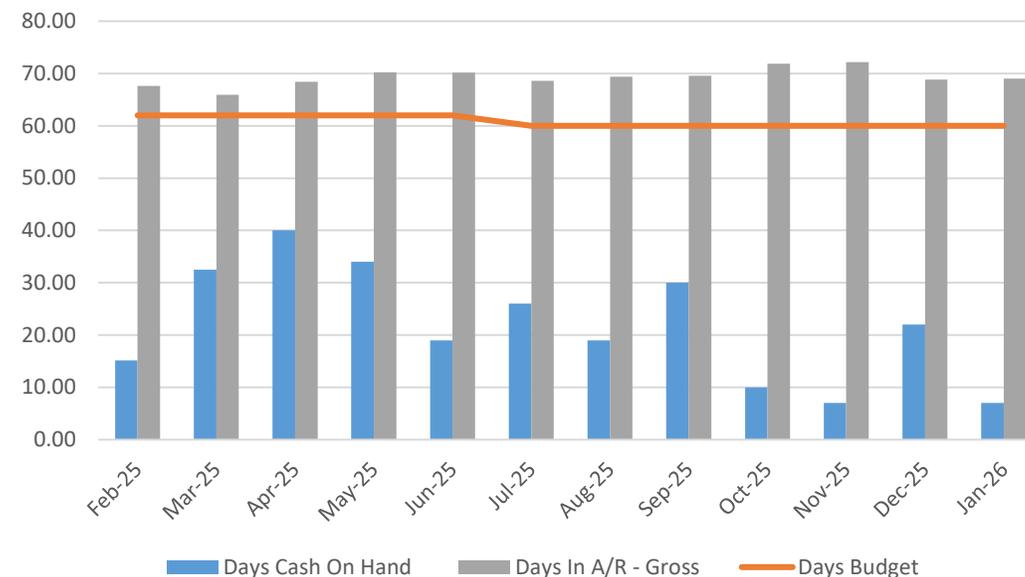
EBIDA Rolling Year



Cash Rolling Year



AR Days Rolling Year



KERN MEDICAL
3-Month Trend Analysis: Revenues & Expenses
January 31, 2026

	NOVEMBER	DECEMBER	JANUARY	BUDGET JANUARY	VARIANCE POS (NEG)	PY JANUARY
Gross Patient Revenue	\$ 117,957,124	\$ 125,231,020	\$ 127,287,097	\$ 128,126,944	(0.7%)	\$ 120,905,961
Contractual Deductions	(89,911,537)	(92,284,622)	(95,661,587)	(98,297,064)	(3%)	(79,220,012)
Net Revenue	28,045,587	32,946,398	31,625,509	29,829,880	6%	41,685,949
Indigent Funding	18,165,416	18,770,930	18,770,930	18,973,856	(1%)	26,159,047
Correctional Medicine	3,097,714	3,097,714	3,097,714	3,095,522	0.1%	3,097,714
County Contribution	285,211	285,211	285,211	285,211	(0%)	285,210
Incentive Funding	18,320	241,992	183,817	72,378	154%	101,384
Net Patient Revenue	49,612,248	55,342,244	53,963,180	52,256,847	3%	71,329,302
Other Operating Revenue	1,236,097	2,106,511	938,832	2,746,242	(66%)	4,699,376
Other Non-Operating Revenue	16,501	18,697	15,486	12,248	26%	10,830
Total Revenues	50,864,846	57,467,452	54,917,498	55,015,337	(0%)	76,039,508
Expenses						
Salaries	22,926,500	26,017,998	24,850,652	25,410,329	(2%)	23,186,713
Employee Benefits	9,077,232	10,662,408	9,638,359	10,626,600	(9%)	(1,845,896)
Registry	1,412,551	1,533,990	1,355,982	1,831,868	(26%)	1,740,893
Medical Fees	3,101,977	2,901,740	2,631,537	2,522,122	4%	2,918,625
Other Professional Fees	1,456,563	1,526,005	2,131,463	1,393,936	53%	1,342,129
Supplies	5,538,741	5,835,699	6,088,466	6,614,635	(8%)	5,285,881
Purchased Services	3,539,365	2,958,214	3,066,890	2,861,814	7%	2,806,856
Other Expenses	1,650,679	1,947,493	2,724,575	1,890,090	44%	8,574,046
Operating Expenses	48,703,608	53,383,547	52,487,925	53,151,394	(1%)	44,009,248
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 2,161,238	\$ 4,083,906	\$ 2,429,573	\$ 1,863,943	30.3%	\$ 32,030,260
EBIDA Margin	4%	7%	4%	3%	31%	42%
Interest	288,247	298,365	300,878	339,518	(11%)	369,559
Depreciation	595,099	692,675	696,790	657,304	6%	454,840
Amortization	646,295	646,748	648,952	652,001	(0%)	585,896
Total Expenses	50,233,249	55,021,335	54,134,545	54,800,217	(1%)	45,419,544
Operating Gain (Loss)	\$ 631,597	\$ 2,446,117	\$ 782,953	\$ 215,120	264%	\$ 30,619,965
Operating Margin	1.24%	4.26%	1.43%	0.39%	264.6%	40.3%

KERN MEDICAL
Year-to-Date Analysis: Revenues & Expenses
January 31, 2026

	ACTUAL	BUDGET	VARIANCE		PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)		FYTD	POS (NEG)
Gross Patient Revenue	\$ 882,903,447	\$ 862,391,302	2%	\$	814,514,738	8%
Contractual Deductions	(674,693,629)	(663,708,693)	2%		(623,435,918)	8%
Net Revenue	208,209,818	198,682,609	5%		191,078,820	9%
Indigent Funding	128,161,796	131,592,873	(3%)		135,914,032	(6%)
Correctional Medicine	21,683,995	21,668,656	0%		21,683,996	(0%)
County Contribution	1,996,476	1,996,476	(0%)		2,285,814	(13%)
Incentive Funding	974,928	501,974	94%		569,208	71%
Net Patient Revenue	361,027,013	354,442,588	2%		351,531,870	3%
Other Operating Revenue	10,970,544	19,046,517	(42%)		23,986,201	(54.26%)
Other Non-Operating Revenue	152,435	84,203	81%		86,782	76%
Total Revenues	372,149,992	373,573,308	(0%)		375,604,853	(1%)
Expenses						
Salaries	167,126,566	172,664,851	(3%)		158,263,044	6%
Employee Benefits	68,274,858	72,208,441	(5%)		53,881,496	27%
Registry	10,867,671	12,666,096	(14%)		13,676,591	(21%)
Medical Fees	20,788,359	17,339,016	20%		16,929,057	23%
Other Professional Fees	10,716,116	9,596,408	12%		9,877,203	8.5%
Supplies	42,294,467	42,859,048	(1%)		38,551,433	10%
Purchased Services	21,289,915	20,117,810	6%		20,488,532	4%
Other Expenses	14,134,410	13,108,687	8%		19,836,516	(29%)
Operating Expenses	355,492,361	360,560,357	(1%)		331,503,872	7%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 16,657,631	\$ 13,012,951	28%	\$	44,100,981	(62.2%)
EBIDA Margin	4%	3%	28%		12%	(62%)
Interest	1,945,722	2,369,077	(18%)		2,548,907	(24%)
Depreciation	4,838,872	4,601,125	5%		4,738,582	2%
Amortization	4,400,072	4,564,010	(4%)		4,310,064	2%
Total Expenses	366,677,027	372,094,569	(1%)		343,101,425	7%
Operating Gain (Loss)	\$ 5,472,966	\$ 1,478,739	270%	\$	32,503,428	(83%)
Operating Margin	1.5%	0.4%	271.5%		8.7%	(83%)

**KERN MEDICAL
BALANCE SHEET**

	JANUARY 2026	JANUARY 2025
ASSETS:		
<i>Total Cash</i>	\$ 11,659,445	\$ 37,476,849
Patient Receivables Subtotal	264,679,635	274,895,266
Contractual Subtotal	(206,561,568)	(234,622,092)
<i>Net Patient Receivable</i>	58,118,067	40,273,174
Total Indigent Receivable	281,634,517	262,275,327
Total Other Receivable	24,031,078	16,227,302
Total Prepaid Expenses	7,493,022	5,994,568
Total Inventory	5,983,744	4,839,038
<i>Total Current Assets</i>	388,919,873	367,086,259
Deferred Outflows of Resources	113,460,412	124,532,718
Total Land, Equipment, Buildings and Intangibles	278,233,798	270,273,007
Total Construction in Progress	19,130,234	12,281,117
<i>Total Property, Plant & Equipment</i>	297,364,032	282,554,124
Total Accumulated Depr & Amortization	(189,612,097)	(177,037,008)
<i>Net Property, Plant, and Equipment</i>	107,751,935	105,517,116
<i>Total Long Term Assets</i>	113,460,412	124,532,718
<i>Total Assets</i>	\$ 610,132,219	\$ 597,136,092

**KERN MEDICAL
BALANCE SHEET**

	JANUARY 2026	JANUARY 2025
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 6,367,314	\$ 6,565,791
Total Accrued Compensation	37,957,702	33,634,115
Total Due Government Agencies	3,702,886	5,312,016
Total Other Accrued Liabilities	46,497,032	51,059,521
<i>Total Current Liabilities</i>	94,524,934	96,571,443
Unfunded Pension Liability	331,776,526	344,447,058
Other Long-Term Liabilities	71,741,342	81,330,526
<i>Total Long-Term Liabilities</i>	403,517,868	425,777,584
<i>Total Liabilities</i>	498,042,801	522,349,027
<i>Total Net Position</i>	112,089,417	74,787,066
<i>Total Liabilities and Net Position</i>	\$ 610,132,219	\$ 597,136,092

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date January 2026	Fiscal Year-End June 2025	Fiscal Year-to-Date January 2025	Fiscal Year-End June 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for patient/current services	\$ 208,067,976	\$ 318,273,169	\$ 183,931,847	\$ 292,533,084
Cash received for other operations	122,885,545	262,872,978	127,243,556	233,602,712
Cash paid for salaries and benefits	(226,147,818)	(382,309,780)	(216,400,372)	(339,411,493)
Cash paid for services and supplies	(115,872,188)	(198,862,050)	(110,705,485)	(186,981,598)
Net cash (used in) provided by operating activities	<u>(11,066,486)</u>	<u>(25,683)</u>	<u>(15,930,454)</u>	<u>(257,296)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash (provided to) received from various County funds	-	381,436	-	-
Interest paid - pension obligation bond	-	(2,539,472)	-	420,331
Principal paid - pension obligation bond	-	(1,062,281)	-	(1,062,281)
Interest paid - line of credit	-	(783,152)	-	-
Line of credit payment	-	-	10,000,000	-
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(4,003,469)</u>	<u>10,000,000</u>	<u>(641,950)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition or construction of capital assets	(8,021,783)	(13,228,131)	(4,720,746)	(18,896,864)
Payments on right-of-usage lease liability	2,462,210	(3,802,269)	(1,727,182)	3,896,089
Interest paid - right-of-usage lease liability	1,233	-	(5,015)	31,211
Payments on SBITA liability	(456,333)	(817,100)	(441,760)	(752,150)
Interest paid - SBITA	(324)	-	(352)	2,013
Net cash used by capital and related financing activities	<u>(6,014,998)</u>	<u>(17,847,500)</u>	<u>(6,895,055)</u>	<u>(15,719,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on bank deposits and investments	-	185,478	-	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(17,081,484)	(21,691,174)	(12,825,509)	(16,618,946)
CASH AND CASH EQUIVALENTS, beginning of year	28,740,929	50,432,103	50,302,358	66,921,303
CASH AND CASH EQUIVALENTS, year-to-date	<u>\$ 11,659,445</u>	<u>\$ 28,740,929</u>	<u>\$ 37,476,849</u>	<u>\$ 50,302,358</u>



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Kern County Hospital Authority Chief Executive Officer Report

Recommended Action: Receive and File

Summary:

The Chief Executive Officer of the Kern County Hospital Authority will provide your Board with a hospital-wide update.



**BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING**

March 18, 2026

Subject: Monthly report on What's Happening at Kern Medical Center

Recommended Action: Receive and File

Summary:

Each month Kern Medical will be sharing a report with your Board on "What's Happening" in and around Kern Medical.

Therefore, it is recommended that your Board receive and file the attached report on What's Happening at Kern Medical.



What's Happening?



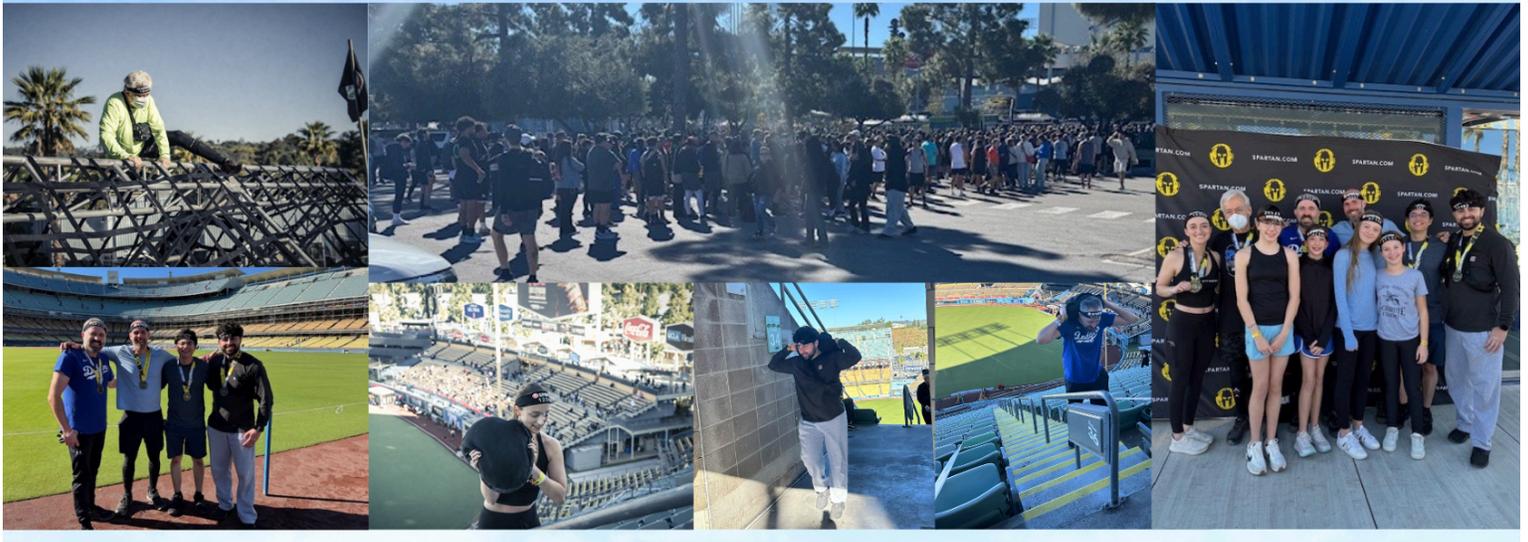
Valentine Grams



The Kern Medical Foundation sold over 600 Valentine Grams within the organization. Valentine Grams consist of a rose with a personal note from the sender.

SPARTAN RACE 2026

Great job to everyone who participated!



For the third year in a row, Kern Medical staff participated in the Spartan Race and raised over \$1,500 for the Kern Medical Foundation.

Congratulations

to our 2026 ACNL Nurse of the Year nominees!

Natalie Licea – BSN, PHN

Steven Mulder - BSN

Gloria McCormack - RN

Brandon Joke – BSN, CCRN, TCRN

Barbara Rodgers – BSN, RNC-NIC

Patrick Sevegny – MSN, FNP-C, PMH-BC

Meghan Ogden – BSN, CMSRN

Chavon Hodges – BSN

Laura Cunanan - MSN

Ana Palacio – BSN



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Health for Life.

Up Sooner Safer Accomplishment

Six months with
ZERO PATIENT HANDLING INJURIES!

UP Sooner
Safer

 KernMedical | *Health for Life.*

Good for our staff. Good for our patients.

Valley Fever Walk and Fundraiser

10th Annual Valley Fever Walk

PLENTY OF FUN
for the
WHOLE FAMILY!

STRIKE OUT
Valley
Fever

WITH
Valley Fever Institute
at Kern Medical

TONS OF
Raffle Prizes
and
Local
Vendors

WALK, STROLL,
OR JUST SPEAK
with our EXPERTS.

SATURDAY : RIVERWALK
MARCH 7, 2026 : **PARK**
9:00 AM : 11298 STOCKDALE HWY
BAKERSFIELD, CA 93311

SCAN HERE TO
PURCHASE TICKETS



For details about purchasing tickets go to:
KernMedicalFoundation.com

For MORE Information Contact: Sarah.Kelley@KernMedical.com | (661) 301-6619
@valleyfeverinstitute | @kernmedicalfoundation

JOIN OUR FUNDRAISER *at*

March 07, 2026 12:00 PM - 10:00 PM
11403 Stockdale Highway, Bakersfield, CA

Mention the fundraiser at the Restaurant or apply code **RCFUND96** to online or app orders at checkout and Cane's will donate **15% of Net Sales*** to:

Kern Medical Foundation- Valley Fever Walk 2026

ONE LOVE

Raising Funds with Raising Cane's



Learn more about how we can support you at CaneAndCommunity.com

Chaveable
CHICKEN FINGER HEALS

LOVE

Cane's
Cane's

Minimum donation amount will be 15% of the Net Sales* donated directly to your organization. Not valid on kiosk orders. *Net Sales* means the purchase price of food and beverages sold during the event to customers who mention your organization when ordering in person or if you use the code RCFUND96 when ordering online or in the Raising Cane's app. The purchase price excludes special or limited time offers, discounts, returns, and taxes. *Net Sales* does not include gift cards and retail merchandise purchases.

f i t d RaisingCane's

New Podcast Episode

NEW PODCAST EPISODE

Search "Kern Medical - Health for Life"

EPISODE 14 - Thyroid Health w/ Dr. Sangeeta Chandramahanti



Apple



Spotify



Kern Medical hosts UCLA to expand training, joint research

BY JOHN COX jcox@bakersfield.com Jan 30, 2026



Representatives of Kern Medical and UCLA meet at Bakersfield Country Club Thursday to find ways to work together on opportunities such as sharing curriculum and exchanging residents and faculty.

Kern Medical partnership with UCLA aims to bring more physicians to the Central Valley

by BakersfieldNow Staff | Thu, February 5, 2026 at 9:05 AM



Kern Medical strengthens partnership with UCLA & UCSF/UCCV

Mobile clinic launches in Wasco

Veronica Jacuinde, The Press and Tribune | Jan 29, 2026



Gilberto Reyna 1/3

Patrick Henderson, outpatient practice manager of mobile clinics, assists team member Claudia Gomez with patient registration.

On Monday, Kern Medical launched the first of its monthly visits to Wasco with its mobile health clinic. In partnership with Kern Family Health Care, the mobile clinic will offer services at the Wasco Police Activities League facility, including lab and blood testing, sports and school physicals, immunizations and vaccinations, hearing and vision screenings, and oral assessments. Enrollment into temporary Medi-Cal also will be available.

National Recognitions - February

- American Heart Month
- Cholangiocarcinoma Awareness Month
- Gallbladder and Bile Duct Cancer Awareness Month
- International Prenatal Infection Prevention Month
- Low Vision Awareness Month
- National Cancer Prevention Month
- National Children's Dental Health Month
- National Self-Check Month
- February 1-7: African Heritage & Health Week
- February 2: Rheumatoid Arthritis Awareness Day
- February 2-6: Ambulatory Care Nurses Week
- February 2-8: Peri Anesthesia Nurse Awareness Week
- February 6: National Wear Red Day
- February 6: Time to Talk Day
- February 7: National Black HIV/AIDS Awareness Day
- February 7-14: Congenital Heart Defect Awareness Week
- February 8-14: Heart Failure Awareness Week
- February 8-14: Sepsis Survivor Week
- February 9-15: Children's Mental Health Awareness Week
- February 12: International Epilepsy Day
- February 14: National Donor Day
- February 16-20: National Certified Anesthesiologist Assistant Week
- February 18: Critical Care Transport Nurses Day
- February 20: National Caregivers Day
- February 22: National Heart Valve Disease Awareness Day
- February 22: World Encephalitis Day
- February 23-March 1: National Eating Disorders Awareness Week
- February 27: National Protein Day
- February 28: Rare Disease Day

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

(Government Code Section 54957.7)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on March 18, 2026, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

 X Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

(Government Code Section 54957.7)

The Board of Governors will hold a closed session on March 18, 2026, to consider:

 X CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff - Employee organizations: Service Employees International Union, Local 521 (Government Code Section 54957.6) –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on March 18, 2026, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

 X CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Novarad Corporation, a Utah corporation, Plaintiff, v. Kern County Hospital Authority, Defendant, United States District Court, Eastern District of California, Case No. 1:25-cv-00332-KES-CDB –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54957.7

The Board of Governors will hold a closed session on March 18, 2026, to consider:

 X PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Vice President &
General Counsel (Government Code Section 54957) –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Health and Safety Code Section 101855(e)(1)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on March 18, 2026, the premature disclosure of which would create a substantial probability of depriving the authority of a substantial economic benefit or opportunity. The closed session involves:

 X Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –