



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

**Regular Meeting
Wednesday, April 17, 2024**

11:30 A.M.

BOARD TO RECONVENE

Board Members: Berjis, Martinez, McLaughlin, Neal, Pelz, Pollard
Roll Call:

CONSENT AGENDA/OPPORTUNITY FOR PUBLIC COMMENT: ALL ITEMS LISTED WITH A "CA" 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!**

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 March 20, 2024 –
APPROVE

CA

- 4) Proposed acceptance of donation of travel and related expenses from Safety National and PRISM for one Kern Medical Center employee to attend the RIMS “RISKWORLD 2024” conference in San Diego, California, from May 4-8, 2024 –
APPROVE; ADOPT RESOLUTION

CA

- 5) Proposed Amendment No. 6 to Agreement 21320 with American Incorporated doing business as MD Concrete Cutting & Demolition, an independent contractor, for mechanical systems maintenance and repair for the period December 2, 2019 through December 1, 2025, increasing the maximum payable by \$500,000, from \$1,000,000 to \$1,500,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 6) Proposed Amendment No. 2 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, increasing rates for additional weekday, weekend and holiday coverage, extending the increase in base salary of \$75,000 for an additional period of one year, and increasing the maximum payable by \$125,000, from \$4,125,000 to \$4,250,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 7) Proposed Service Agreement with Alpha Source, Inc., an independent contractor, containing nonstandard terms and conditions, for preventative maintenance, service and support for DEXA scan equipment for a term of five years from April 17, 2024 through April 16, 2029, in an amount not to exceed \$20,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed Amendment No. 2 to Agreement 48822 with Heredia Cabling Solutions, Inc. an independent contractor, for installation of low voltage cabling, increasing the maximum payable by \$500,000, from \$700,000 to \$1,200,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed Amendment No. 4 to Agreement 10919 with Johnson Controls Fire Protection LP, an independent contractor, for fire protection system maintenance for the period January 1, 2019 through December 31, 2024, increasing the maximum payable by \$750,000, from \$1,250,000 to \$2,000,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed Agreement with GE Precision Healthcare LLC, a GE Healthcare business, an independent contractor, for maintenance, service and support for radiology equipment, for a term of five years from April 17, 2024 through April 16, 2029, in an amount not to exceed \$1,739,220 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed Service Agreement with Inovalon Provider, Inc., an independent contractor, containing nonstandard terms and conditions, for Medicare claims management services from May 1, 2024 through April 30, 2025, in an amount not to exceed \$35,063 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 12) Proposed acceptance of donation of travel and related expenses from the American Association of Healthcare Administrative Management (AAHAM) for one Kern Medical Center employee to attend the AAHAM Spring Conference in Madison, Wisconsin, on May 17, 2024 –
APPROVE; ADOPT RESOLUTION

CA

- 13) Proposed Pro Testing Services Supplement Agreement to Master Agreement 496-2016 with Ultimate Kronos Group, an independent contractor, for software testing services for the Human Resources Information System from April 17, 2024 through November 13, 2024, increasing the maximum payable by \$15,000, from \$1,379,108 to \$1,394,108, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 14) Proposed Third Amendment to the RightSourcing Supplier Managed Services Client Terms and Conditions 034-2019 with RightSourcing, LLC, an independent contractor, for temporary staffing services for the period May 29, 2019 through May 28, 2024, extending the term for a period of five years from May 29, 2024 through May 28, 2029, and increasing the maximum payable by \$124,811,637, from \$153,224,407 to \$278,033,044, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 15) Proposed Agreement to Purchase with Drager Inc., an independent contractor, containing nonstandard terms and conditions, for a one-time purchase of a jaundice meter, in an amount not to exceed \$6,501 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 16) Proposed acceptance of donation of travel and related expenses from Garden Pathways for one Kern Medical Center employee to attend the National Community Violence Intervention Conference, in Los Angeles, California, from June 24-25, 2024 –
APPROVE; ADOPT RESOLUTION

CA

- 17) Proposed reappointment of Director Cynthia Pollard to the Kern County Hospital Authority Board of Governors, term to expire June 30, 2027 –
REFER TO KERN COUNTY BOARD OF SUPERVISORS TO MAKE APPOINTMENT

CA

- 18) Proposed Value Rental Agreement with UBEO West LLC, an independent contractor, containing nonstandard terms and conditions, for lease and maintenance of printer and photocopy equipment from May 1, 2024 through April 30, 2027, in an amount not to exceed \$1,626,606 –
APPROVE; ADOPT RESOLUTION; AUTHORIZE CHAIRMAN TO SIGN; AUTHORIZE CHIEF EXECUTIVE OFFICER TO APPROVE CHANGES IN EQUIPMENT NOT TO EXCEED 10% OF THE MAXIMUM PAYABLE AND UPON APPROVAL AS TO FORM BY COUNSEL

CA

- 19) Proposed Hospital Services Agreement with Total Renal Care, Inc., a subsidiary of DaVita Inc., an independent contractor, for the provision of acute dialysis services from May 1, 2024 through April 30, 2027, in an amount not to exceed \$3,750,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- 20) Proposed retroactive Resolution in the matter of revising the extension of excess medical professional liability coverage for Kern Medical Center employed and independent contractor physicians, effective May 18, 2020 –
APPROVE; ADOPT RESOLUTION

- 21) Proposed retroactive Enhanced Care Management / Community Supports Provider Agreement with Medicaid Division of Blue Cross of California doing business as Anthem Blue Cross and Affiliates, an independent contractor, containing nonstandard terms and conditions, for recuperative care services to Medi-Cal beneficiaries enrolled in Anthem's Medi-Cal managed care program for an initial term of one year from April 5, 2024 through April 4, 2025 (Rates Confidential per Health and Safety Code section 101855(f)) –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

- 22) Report on referral to staff from March 20, 2024 to address retroactive contracts and develop a process to minimize the placement of such items on future agenda –
RECEIVE AND FILE

- 23) Kern County Hospital Authority Chief Financial Officer report –
RECEIVE AND FILE

- 24) Kern County Hospital Authority Chief Executive Officer report –
RECEIVE AND FILE

CA

- 25) Monthly report on What's Happening at Kern Medical Center –
RECEIVE AND FILE

CA

- 26) Claims and Lawsuits Filed as of March 31, 2024 –
RECEIVE AND FILE

CA

- 27) Miscellaneous Correspondence Received as of March 31, 2024
RECEIVE AND FILE

ADJOURN AS KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNERS; RECONVENE
AS KERN MEDICAL SURGERY CENTER, LLC BOARD OF MANAGERS

- C-28) Kern Medical Surgery Center, LLC, Administrative Report –
RECEIVE AND FILE

- C-29) Proposed retroactive 401(k) Profit Sharing Plan for Kern Medical Surgery Center, LLC
employees –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN; DIRECT KERN
COUNTY HOSPITAL AUTHORITY HUMAN RESOURCES STAFF TO IMPLEMENT

- C-30) Proposed credentialing recommendations –
APPROVE

- 31) Report on referral to staff from February 21, 2024 regarding the finances of Kern Medical
Surgery Center, LLC and its financial impact on Kern County Hospital Authority –
RECEIVE AND FILE

ADJOURN AS KERN MEDICAL SURGERY CENTER, LLC BOARD OF MANAGERS; RECONVENE
AS KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNERS

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 32) Request for Closed Session regarding peer review of health practitioners (Health and Safety
Code Section 101855(j)(2)) –
- 33) Request for Closed Session regarding peer review of health facilities (Health and Safety Code
Section 101855(j)(2))
- 34) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief
Executive Officer Scott Thygerson, and designated staff - Employee Organizations:
Unrepresented Employees (Government Code Section 54957.6) –
- 35) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government
Code Section 54956.9(d)(1)) Name of case: Accusation in the Matter of the Appeal by Kern
County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-64581,
Penalty No. 120019236

- 36) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Accusation in the Matter of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-64581, Penalty No. 120019259 –
- 37) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Accusation in the Matter of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-64581, Penalty No. 120019322 –
- 38) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Accusation in the Matter of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-64580, Penalty No. 120019340 –
- 39) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Accusation in the Matter of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-64581, Penalty No. 120019384 –
- 40) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Accusation in the Matter of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-64573, Penalty No. 120019386 –
- 41) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Accusation in the Matter of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-66389, Penalty No. 120019413 –
- 42) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Accusation in the Matter of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-66388, Penalty No. 120019455 –
- 43) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(e)(3)) Number of cases: Three (3) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection –
- 44) 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, MAY 15, 2024 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

26) CLAIMS AND LAWSUITS FILED AS OF MARCH 31, 2024 –
RECEIVE AND FILE

- A) Claim in the matter of Kyara Rache'n-Arie Lincoln Fisher
- B) Complaint in the matter of Service Employees International Union, Local 521, Charging Party, v. Kern County Hospital Authority, Public Employment Relations Board Case No. LA-CE-1624-M

CA

27) MISCELLANEOUS CORRESPONDENCE
RECEIVE AND FILE

- A) Correspondence received March 20, 2024, from Ignacio A. Santana, MD concerning challenges during his training in the Obstetrics and Gynecology residency programs and complaints of unfair treatment by faculty that caused him to resign



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, March 20, 2024**

11:30 A.M.

BOARD RECONVENED

Board Members: Berjis, Martinez, McLaughlin, Neal, Pelz, Pollard
Roll Call: 5 Present; 1 Absent - Neal

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

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!

IGNACIO A. SANTANA, MD, HEARD REGARDING CHALLENGES DURING HIS TRAINING IN THE OBSTETRICS AND GYNECOLOGY RESIDENCY PROGRAM AND COMPLAINTS OF UNFAIR TREATMENT BY FACULTY THAT CAUSED HIM TO RESIGN

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)) –

DIRECTOR BERJIS REPORTED ON THE RESIDENT AND FELLOW MATCH AND THANKED STAFF FOR THEIR HARD WORK THROUGHOUT THE PROCESS

INTRODUCTIONS

- 3) Introduction of Kern County Hospital Authority Board Member Elsa Martinez – CHIEF EXECUTIVE OFFICER SCOTT THYGERSON MADE INTRODUCTION; DIRECTOR MARTINEZ HEARD

ITEMS FOR CONSIDERATION

CA

- 4) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on February 21, 2024 –
APPROVED
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 5) Proposed renewal and binding of all-risk property insurance through PRISM and earthquake coverage through Specialty Risk Underwriters and Evanston Insurance Company from March 31, 2024 through March 31, 2025, with an option to finance the earthquake premium through Bank Direct Capital Finance, in an amount not to exceed \$904,705 –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN PREMIUM FINANCE AGREEMENT-PROMISSORY NOTE 035-2024 AND RELATED DOCUMENTS
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 6) Proposed Agreement with Moss Adams LLP, an independent contractor, containing nonstandard terms and conditions, for the provision of external auditing services of Kern Medical Center financial statements for the fiscal year ending June 30, 2024, from April 1, 2024 through March 31, 2025, in an amount not to exceed \$198,750 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 036-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 7) Proposed Master Services Agreement with Elevate Patient Financial Solutions, LLC, an independent contractor, containing nonstandard terms and conditions, for supplemental accounts receivable insurance services, from March 20, 2024 through March 19, 2027, in an amount not to exceed \$2,300,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 037-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 8) Proposed Amendment No. 1 to Agreement 045-2022 with Randolph Fok, M.D., an independent contractor, for professional medical services in the Department of Obstetrics and Gynecology for the period April 1, 2022 through March 31, 2024, extending the term for two years from April 1, 2024 through March 31, 2026, and increasing the maximum payable by \$750,000, from \$765,000 to \$1,515,000, to cover the term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 038-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 9) Proposed Agreement with Soorena Fatehchehr, M.D., Inc., an independent contractor, for professional medical services in the Department of Obstetrics and Gynecology from April 1, 2024 through March 31, 2026, in an amount not to exceed \$750,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 039-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 10) Proposed Agreement with Stanley I. Kim, M.D., a contract employee, for professional medical and administrative services in the Department of Medicine from March 23, 2024 through March 22, 2026, in an amount not to exceed \$2,100,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 040-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 11) Proposed Amendment No. 5 to Master Service Agreement 30718 with JDM Solutions Inc., an independent contractor, for professional consulting services related to the Cerner Millennium project for the period November 21, 2018 through April 30, 2025, increasing the maximum payable by \$701,400, from \$3,593,380 to \$4,294,780, to cover the term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 041-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 12) Proposed Ordering Document CPQ-3274009 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for software licenses and professional services to design, build and implement the Oracle Health Milk Management system, from March 20, 2024 through December 31, 2027, in an amount not to exceed \$277,644 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 042-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 13) Proposed Ordering Document CPQ-3341189 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for equipment, software, and support for the management of vital sign devices on the 2 Center nursing unit, from March 20, 2024 through December 31, 2027, in an amount not to exceed \$11,842, plus applicable fees and taxes –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 043-2024
Pollard-Pelz: 5 Ayes; 1 Absent – Neal

CA

- 14) Proposed Ordering Document CPQ-3341155 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for equipment, software, and support for the management of vital sign devices on the 3 Center nursing unit, from March 20, 2024 through December 31, 2027, in an amount not to exceed \$11,842, plus applicable fees and taxes –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 044-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 15) Proposed Ordering Document CPQ-3346687 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for equipment, software, and support for the management of vital sign devices on the 3 D nursing unit, from March 20, 2024 through December 31, 2027, in an amount not to exceed \$11,842, plus applicable fees and taxes –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 045-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 16) Proposed Ordering Document CPQ-3358300 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of additional Powerchart Touch licenses for access to the electronic health record, from March 20, 2024 through December 31, 2027, in an amount not to exceed \$172,800 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 046-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 17) Proposed acceptance of donation of travel and related expenses from Safety National and MedPro for one Kern Medical Center employee to attend the Health Care Compliance Association 28th Annual Compliance Institute, from April 14-17, 2024, in Nashville, Tennessee –
APPROVED; ADOPTED RESOLUTION 2024-007
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 18) Proposed acceptance of donation of travel and related expenses from Teachers Insurance and Annuity Association of America (TIAA) for one Kern Medical Center employee to attend TIAA TMRW 2024, from April 7-10, 2024, in Carlsbad, California –
APPROVED; ADOPTED RESOLUTION 2024-008
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 19) Proposed acceptance of donation of travel and related expenses from Voluware, Inc. for two Kern Medical Center employees to attend the NAHAM 50th Annual Conference, from April 22-26, 2024, in Dallas, Texas –
APPROVED; ADOPTED RESOLUTION 2024-009
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 20) Proposed agreement with CT Coachworks, LLC, an independent contractor, for purchase of a Mobile Media Clinic Vehicle, in an amount not to exceed \$500,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 047-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 21) Proposed Quote 00007418 with Fujifilm Healthcare Americas Corporation, an independent contractor, containing nonstandard terms and conditions, for a one-time purchase of urology supplies, in an amount not to exceed \$25,075, plus applicable fees and taxes –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 048-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 22) Proposed Price Quote 50014687 with CareFusion Solutions, LLC, an independent contractor, containing nonstandard terms and conditions, for a one-time purchase of seismic anchors, in an amount not to exceed \$6,133, plus applicable fees and taxes –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 049-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

CA

- 23) Proposed Side Letter of Agreement to Memorandum of Understanding 089-2022 with Service Employees International Union, Local 521, amending Article III, Section 8, New Employee Orientation, effective March 20, 2024 –
APPROVED; AUTHORIZED VICE PRESIDENT AND GENERAL COUNSEL TO SIGN AGREEMENT 050-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

- 24) Proposed Report of Independent Auditors from Moss Adams LLP regarding the audit of Kern County Hospital Authority Deferred Compensation Plan for Physician Employees for calendar years ending December 31, 2021 and December 31, 2022 –
STEPHEN REDMOND, PARTNER, AND JOHANA FLORES, BUSINESS ASSURANCE SENIOR MANAGER, MOSS ADAMS LLP, MADE PRESENTATION; RECEIVED AND FILED
Pelz-Pollard: 5 Ayes; 1 Absent - Neal

- 25) Report from Kern County Employees' Retirement Association Five-Year Projection of Employer Contributions and Cost-of-Living Adjustments, as of April 1, 2024
VICE PRESIDENT OF HUMAN RESOURCES LISA HOCKERSMITH MADE PRESENTATION; DIRECTORS BERJIS, PELZ, AND MCLAUGHLIN HEARD; DIRECTOR MARTINEZ HEARD REGARDING THE CALCULATION OF PLAN RATES; CHIEF EXECUTIVE OFFICER SCOTT THYGERSON HEARD REGARDING PENSION HURDLES; RECEIVED AND FILED
Berjis-Martinez: 5 Ayes; 1 Absent - Neal

- 26) Proposed retroactive acceptance of donation of travel and related expenses from International Performance Management Institute (IPMI) for one Kern Medical Center employee to attend the IPMI Healthcare HR Management Institute, from March 17-19, 2024, in Los Angeles, California –
VICE PRESIDENT OF HUMAN RESOURCES LISA HOCKERSMITH HEARD REGARDING THE RETROACTIVITY OF ITEM 26; APPROVED; ADOPTED RESOLUTION 2024-010
Pelz-Berjis: 5 Ayes; 1 Absent - Neal
- DIRECTOR MCLAUGHLIN MADE A REFERRAL TO STAFF TO ADDRESS RETROACTIVE CONTRACTS AND DEVELOP A PROCESS TO MINIMIZE THE PLACEMENT OF SUCH ITEMS ON FUTURE AGENDAS
Berjis-McLaughlin: 5 Ayes; 1 Absent - Neal
- 27) Proposed retroactive Agreement with McMurtry Lince, Inc., an independent contractor, for emergency construction of the temporary CT trailer, from January 11, 2023 through January 11, 2024, in an amount not to exceed \$362,651 –
CHIEF OPERATING OFFICER TYLER WHITEZELL HEARD REGARDING THE RETROACTIVITY OF ITEM 27; DIRECTORS BERJIS AND MCLAUGHLIN HEARD; DIRECTOR MARTINEZ HEARD REGARDING POSSIBLE SOLUTION TO RETROACTIVE EMERGENCY PROJECTS; 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 051-2024
Pollard-Pelz: 5 Ayes; 1 Absent - Neal
- 28) Proposed retroactive Amendments 1A, 1B, 1C and 1D to Master Service Agreement 053-2021 A-D with Stericycle, Inc., an independent contractor, for waste disposal management, for the period September 1, 2021 through August 31, 2026, increasing the maximum payable by \$1,135,000, from \$942,000 to \$2,077,000, to cover the term –
CHIEF OPERATING OFFICER TYLER WHITEZELL HEARD REGARDING THE RETROACTIVITY OF ITEM 28; DIRECTORS BERJIS HEARD REGARDING BUDGETING FOR RETROACTIVE CONTRACTS; DIRECTOR MCLAUGHLIN HEARD REGARDING THE IMPLEMENTATION OF CONTROLS WHEN CONTRACTS REACH THE MAXIMUM PAYABLE AMOUNT; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 052-2024
Berjis-Pollard: 5 Ayes; 1 Absent - Neal
- 29) Proposed retroactive Amendment No. 1 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, 2024, extending the term for two years from March 16, 2024 through March 15, 2026, adding a signing bonus of \$50,000, increasing the expenditure for immigration expenses by \$15,000, from \$15,000 to \$30,000, and increasing the maximum payable by \$2,520,435, from \$1,340,000 to \$3,860,435, to cover the term –
VICE PRESIDENT, STRATEGIC DEVELOPMENT NATALEE GARRETT HEARD REGARDING THE RETROACTIVITY OF ITEM 29; DIRECTOR MCLAUGHLIN HEARD REGARDING THE SUGGESTION TO START CONTRACT NEGOTIATIONS SOONER; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 053-2024
Berjis-Pollard: 5 Ayes; 1 Absent - Neal

- 30) Kern County Hospital Authority Chief Financial Officer report –
CHIEF FINANCIAL OFFICER ANDREW CANTU HEARD AND RESPONDED TO
QUESTIONS POSED BY DIRECTORS BERJIS, MARTINEZ, AND MCLAUGHLIN
REGARDING CASH FLOW; RECEIVED AND FILED
Pelz-Berjis: 5 Ayes; 1 Absent - Neal

- 31) Kern County Hospital Authority Chief Executive Officer report –
CHIEF EXECUTIVE OFFICER SCOTT THYGERSON HEARD; RECEIVED AND FILED
Berjis-Pollard: 5 Ayes; 1 Absent - Neal

- CA
32) Monthly report on What's Happening at Kern Medical Center –
RECEIVED AND FILED
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

- CA
33) Claims and Lawsuits Filed as of February 29, 2024 –
RECEIVED AND FILED
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

- CA
34) Miscellaneous Correspondence
RECEIVED AND FILED
Pollard-Pelz: 5 Ayes; 1 Absent - Neal

ADJOURN TO CLOSED SESSION
Pelz-Martinez

CLOSED SESSION

- 35) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 36) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 37) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Government Code Section 54956.9(d)(2) & (e)(2)) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the Authority and that are known to a potential plaintiff or plaintiffs. Facts and circumstances are as follows: Rebecca Rivera, M.D. – SEE RESULTS BELOW
- 38) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Government Code Section 54956.9(d)(2) & (e)(2)) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the Authority and that are known to a potential plaintiff or plaintiffs. Facts and circumstances are as follows: Elva Lopez, M.D. – SEE RESULTS BELOW

NOTE: CHIEF EXECUTIVE OFFICER SCOTT THYGERSON LEFT THE ROOM PRIOR TO THE DISCUSSION ON AGENDA ITEM 39 AND RETURNED TO THE MEETING FOLLOWING THE DISCUSSION ON AGENDA ITEM 39

- 39) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(e)(3)) Number of cases: Three (3) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection – SEE RESULTS BELOW
- 40) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Service Employees International Union, Local 521 Plaintiff/Petitioner, v. Kern County Hospital Authority, Kern Medical Surgery Center, LLC, and DOES 1-25, Defendants/ Respondents, Kern County Superior Court Case No. BCV-22-101782 JEB – SEE RESULTS BELOW
- 41) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Service Employees International Union, Local 521, Charging Party, v. Kern County Hospital Authority, Respondent, Public Employment Relations Board Case No. LA-CE-1599-M – SEE RESULTS BELOW
- 42) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Service Employees International Union, Local 521, Charging Party, v. Kern County Hospital Authority, Respondent, Public Employment Relations Board Case No. LA-CE-1661-M – SEE RESULTS BELOW
- 43) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2) & (e)(2)) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the Authority and that are known to a potential plaintiff or plaintiffs. Facts and circumstances are as follows: Novarad Corporation – SEE RESULTS BELOW
- 44) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: United States ex rel. Collado, Plaintiff v. Bracco, U.S.A., Inc., et al., Defendants, United States District Court, District of New Jersey, Case No. 2:20-cv-08719-EP-JSA – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION
Berjis-Pollard

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item 35 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 BERJIS, SECOND BY DIRECTOR POLLARD; 1 ABSENT - DIRECTOR NEAL), THE BOARD APPROVED ALL PRACTITIONERS RECOMMENDED FOR INITIAL APPOINTMENT, REAPPOINTMENT, RELEASE OF PROCTORING, VOLUNTARY RESIGNATION OF PRIVILEGES, AND AUTOMATIC TERMINATION OF PRIVILEGES; NO OTHER REPORTABLE ACTION TAKEN

Item 36 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 37 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2) & (e)(2)) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the Authority and that are known to a potential plaintiff or plaintiffs. Facts and circumstances are as follows: Rebecca Rivera, M.D. – HEARD; NO REPORTABLE ACTION TAKEN

Item 38 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2) & (e)(2)) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the Authority and that are known to a potential plaintiff or plaintiffs. Facts and circumstances are as follows: Elva Lopez, M.D. – HEARD; NO REPORTABLE ACTION TAKEN

Item 39 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(e)(3)) Number of cases: Three (3) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection – HEARD; NO REPORTABLE ACTION TAKEN

Item 40 concerning CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Service Employees International Union, Local 521 Plaintiff/Petitioner, v. Kern County Hospital Authority, Kern Medical Surgery Center, LLC, and DOES 1-25, Defendants/ Respondents, Kern County Superior Court Case No. BCV-22-101782 JEB – HEARD; NO REPORTABLE ACTION TAKEN

Item 41 concerning CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Service Employees International Union, Local 521, Charging Party, v. Kern County Hospital Authority, Respondent, Public Employment Relations Board Case No. LA-CE-1599-M – HEARD; NO REPORTABLE ACTION TAKEN

Item 42 concerning CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Service Employees International Union, Local 521, Charging Party, v. Kern County Hospital Authority, Respondent, Public Employment Relations Board Case No. LA-CE-1661-M – HEARD; NO REPORTABLE ACTION TAKEN

Item 43 concerning CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(2) & (e)(2)) Number of cases: One (1) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: Facts and circumstances, including, but not limited to, an accident, disaster, incident, or transactional occurrence that might result in litigation against the Authority and that are known to a potential plaintiff or plaintiffs. Facts and circumstances are as follows: Novarad Corporation – HEARD; NO REPORTABLE ACTION TAKEN

Item 44 concerning CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: United States ex rel. Collado, Plaintiff v. Bracco, U.S.A., Inc., et al., Defendants, United States District Court, District of New Jersey, Case No. 2:20-cv-08719-EP-JSA – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, APRIL 17, 2024 AT 11:30 A.M.
Martinez

/s/ Mona A. Allen
Authority Board Coordinator

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



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

April 17, 2024

Subject: Proposed acceptance of donation of travel and related expenses from Safety National and PRISM for "RISKWORLD 2024"

Recommended Action: Approve; Adopt Resolution

Summary:

The Authority's conflict of interest policy prohibits employees from receiving or accepting money or any other consideration from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment.

Safety National covers the Authority's workers' compensation program; Public Risk Innovation, Solution, and Management ("PRISM") provides insurance coverage for the Authority's liability program. Safety National and PRISM have offered to donate to the Authority all travel and related expenses for one Kern Medical employee to attend the RIMS "RISKWORLD 2024" conference in San Diego, California, from May 4-8, 2024. This training session is necessary in connection with official Authority business.

Therefore, Kern Medical recommends your Board adopt the attached proposed resolution to accept the travel donation from Safety National and PRISM for travel and related expenses and authorize the Chief Executive Officer to designate one employee to attend this important conference.

**BEFORE THE BOARD OF GOVERNORS
OF THE KERN COUNTY HOSPITAL AUTHORITY**

In the matter of:

Resolution No. 2024-____

**ACCEPTANCE OF DONATION OF
TRAVEL AND RELATED EXPENSES
FROM PRISM AND SAFETY NATIONAL
FOR THE RIMS “RISKWORLD 2024”
CONFERENCE**

I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 17th day of April, 2024, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

RESOLUTION

Section 1. WHEREAS:

(a) The conflict of interest policy for the Kern County Hospital Authority (“Authority”) prohibits Authority employees from receiving or accepting money or any other consideration from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment; and

(b) Safety National provides coverage for the Authority's self-insured workers' compensation program; and

(c) Public Risk Innovation, Solution, and Management ("PRISM") provides insurance coverage for the Authority's liability program; and

(d) Safety National and PRISM have offered to donate to the Authority all travel and related expenses for up to one Authority employee to attend the RIMS "RISKWORLD 2024" conference in San Diego, California, from May 4-8, 2024; and

(e) The training session is necessary in connection with official Authority business; and

(f) The Authority desires to obtain the donation of travel and related expenses from PRISM to the Authority and will retain full control over the use of the donation; and

(g) PRISM has not made any restrictions as to how the donation may be used.

Section 2. NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Governors of the Kern County Hospital Authority, as follows:

1. This Board finds the facts recited herein are true, and further finds that this Board has jurisdiction to consider, approve, and adopt the subject of this Resolution.

2. This Board hereby accepts from Safety National and PRISM the donation of travel and related expenses to cover all costs for up to one Authority employee to travel to San Diego, California, to attend the RIMS "RISKWORLD 2024" conference from May 4-8, 2024.

3. This Board authorizes the Chief Executive Officer to designate up to one Authority employee to attend the RIMS "RISKWORLD 2024" conference in San Diego, California, from May 4-8, 2024.

4. The Authority Board Coordinator shall provide copies of this Resolution to the following:

Chief Financial Officer
Legal Services Department
Human Resources Department



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

April 17, 2024

Subject: Proposed Amendment No. 6 to Agreement #21320 with American Inc., dba MD Concrete, for mechanical systems maintenance and repair service

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 6 to Agreement #21320 with American Inc., dba MD Concrete for mechanical systems maintenance and repair at Kern Medical and other facilities owned and operated by KCHA. This Amendment will increase the not to exceed amount by \$500,000, from \$1,000,000 to \$1,500,000, through December 1, 2025.

Budgeted Maintenance/Repairs for this Agreement include, but are not limited to:

- Chiller Demo – For New Above Ground Fuel Tank
- Medical Records Storage Demo
- Material Management Demo
- HVAC -Maintenance for various Air Handlers

Amendment	Maximum Payable	Proposed Agreement	Variance
Original Agreement	\$45,000		
Amendment No. 1	\$90,000		\$45,000
Amendment No. 2	\$135,000		\$45,000
Amendment No. 3	\$450,000		\$180,000
Amendment No. 4	\$1,000,000		\$550,000
Amendment No. 5	\$1,000,000	Extended Term through December 1, 2025	
Amendment No. 6		\$500,000	\$1,500,000

Therefore, it is recommended that your Board approve the proposed Amendment No. 6 to Agreement #21320 with American, Inc., dba MD Concrete, to increase the not to exceed amount by \$500,000, from \$1,000,000 to \$1,500,000, for mechanical systems maintenance and repair service; authorize the chairman to sign.

**AMENDMENT NO. 6
TO
PERSONAL/PROFESSIONAL SERVICES AGREEMENT
(Kern County Hospital Authority–American Incorporated)**

THIS AMENDMENT NO. 6 TO AGREEMENT, effective April 17, 2024, is between the Kern County Hospital Authority, a local unit of government ("KCHA"), which owns and operates Kern Medical Center ("KMC"), and American Incorporated dba MD Concrete Cutting & Demolition ("Consultant") with its principal place of business located at ADDRESS.

WITNESSETH:

WHEREAS, KCHA and Consultant entered into a Personal/Professional Services Agreement dated December 2, 2019 (KCHA Agt. #21320), Amendment No. 1 (KCHA Agt. #21320), Amendment No. 2 (KCHA Agt. #47820), Amendment No. 3 (KCHA Agt. #24721), Amendment No. 4 (KCHA Agt. #040-2022), and Amendment No. 5 (KCHA Agt. #135-2022) ("Agreement"), for the period December 2, 2019 through December 1, 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 XXXX to XXXXX, unless sooner terminated as provided for in the Agreement.
<u> X </u>	Fees payable by KCHA under the Agreement shall increase by <u>\$500,000</u> , from <u>\$1,000,000</u> to <u>\$1,500,000</u> .
____	Travel Expenses payable by KCHA under the Agreement shall increase from by \$, from \$ to \$.
____	Services. See Exhibits XXXX, attached hereto and incorporated herein by this reference, for revised Services.
____	<u>Other</u>

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. 6 to the Agreement has been executed as of the date indicated above.

KERN COUNTY HOSPITAL AUTHORITY

APPROVED AS TO CONTENT:

Responsible KCHA Department

By _____
Chairman, Board of Governors
"KCHA"

By _____
Scott Thygerson, Chief Executive Officer

Date: _____

Date: _____

**AMERICAN INCORPORATED dba
MD Concrete Cutting & Demolition**

**APPROVED AS TO FORM:
Legal Services Department**

By _____
Name: DARWIN HACOBIAN
Title: GENERAL MANAGER
"Consultant"

By _____
Hospital Counsel
Kern County Hospital Authority

Date: 4/02/2024

Date: 4/3/24



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

April 17, 2024

SUBJECT: Proposed Amendment No. 2 to Agreement 034-2022 with Antony Minasaghanian, M.D., a contract employee, for professional medical services in the Department of Radiology

Requested Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical is requesting that your Board approve Amendment No. 2 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. Amendment No. 1 increased Dr. Minasaghanian's base salary by \$75,000 for a period of one-year, while recruitment efforts were underway and the proposed Amendment No. 2 extends the increase while 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 proposed amendment also modifies the rate of pay for shifts worked in excess of contractual requirements to bring his compensation in line with current market rates.

Therefore, it is recommended that your Board approve Amendment No. 2 to Agreement 034-2022 with Antony Minasaghanian, M.D., for professional medical services in the Department of Radiology, increasing the rates for additional weekday, weekend and holiday coverage, increasing the maximum payable by \$125,000 to cover the term, and authorize the Chairman to sign.

**AMENDMENT NO. 2
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Antony Minasaghanian, M.D.)**

This Amendment No. 2 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2024, 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) and Amendment No. 1 (Agt. 049-2023, dated April 19, 2023) (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 May 1, 2024;

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, including each subparagraph thereof, shall be deleted in its entirety and replaced with the following:

“5.1 Annual Compensation. Physician shall work full time, which is a minimum of eighty (80) hours per biweekly pay period, and will be compensated with cash and other value as described below in this paragraph 5.1 (“Annual Salary”).

5.1.1 Annual Salary Effective June 8, 2022. Authority shall pay Physician an Annual Salary comprised of (i) a base salary for teaching and administrative duties and (ii) payment for care of KMC patients in the amount of \$540,000 per year, to be paid as follows: Physician shall be paid \$20,769.23 biweekly not to exceed \$540,000 annually.

5.1.2 Annual Salary Effective May 1, 2023. Authority shall pay Physician an Annual Salary comprised of (i) a base salary for teaching and administrative duties and (ii) payment for care of KMC patients in the amount of \$615,000 per year, to be paid as follows: Physician shall be paid \$23,653.84 biweekly not to exceed \$615,000 annually.

5.1.3 Annual Salary Effective June 8, 2025. Authority shall pay Physician an Annual Salary comprised of (i) a base salary for teaching and administrative duties and (ii) payment for care of KMC patients in the amount of \$550,000 per year, to be paid as follows: Physician shall be paid \$21,153.84 biweekly not to exceed \$550,000 annually.

5.1.4 Annual Salary Effective June 8, 2026. Authority shall pay Physician an Annual Salary comprised of (i) a base salary for teaching and administrative duties and (ii) payment for care of KMC patients in the amount of \$560,000 per year, to be paid as follows: Physician shall be paid \$21,538.46 biweekly not to exceed \$560,000 annually.

5.1.5 Salary Methodology. Physician understands and agrees that (i) the Annual Salary set forth in this paragraph 5.1 is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey ("MGMA Survey") for specialty and (ii) Physician will maintain a median level (50th percentile) of worked relative value units ("Worked RVU") based on the current MGMA Survey and fulfill all the duties set forth in Exhibit "A" during the Term of this Agreement.

5.1.6 Biweekly Payment. Physician shall be paid biweekly on the same schedule as regular Authority employees. The exact date of said biweekly payments shall be at the sole discretion of Authority. All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.1.7 Fair Market Value Compensation. The compensation provided under section 5.1 represents the parties' good faith determination of the reasonable fair market value compensation for the services to be provided by Physician under this Agreement."

2. Section 5, Compensation Package, paragraph 5.2, Additional Shifts, including each subparagraph thereof, shall be deleted in its entirety and replaced with the following:

"5.2 Additional Shifts. Authority shall pay Physician for additional shifts as described below in this paragraph 5.2 (excludes nonproductive time¹). All payments made by Authority to Physician for additional shifts shall be subject to all applicable federal and state taxes and withholding requirements.

5.2.1 Weekday Coverage.

A) June 8, 2022 through April 30, 2024. Physician shall be paid a fixed fee in the amount of \$2,000 for every weekday shift (Monday through Friday) that exceeds 20 eight-hour shifts per month or 16 10-hour shifts per month.

¹ Nonproductive time is defined to include, without limitation, holidays, education leave, vacation, and sick leave.

B) May 1, 2024 through June 7, 2027. Physician shall be paid a fixed fee in the amount of \$2,300 for every weekday shift (Monday through Friday) that exceeds 20 eight-hour shifts per month or 16 10-hour shifts per month.

5.2.2 Weekend Coverage.

A) June 8, 2022 through April 30, 2024. Physician shall be paid a fixed fee in the amount of \$2,200 for every weekend shift (Saturday and Sunday) that exceeds 20 eight-hour shifts per month or 16 10-hour shifts per month.

B) May 1, 2024 through June 7, 2027. Physician shall be paid a fixed fee in the amount of \$2,500 for every weekend shift (Saturday and Sunday) that exceeds 20 eight-hour shifts per month or 16 10-hour shifts per month.

5.2.3 Holiday Coverage.

A) June 8, 2022 through April 30, 2024. Authority shall pay Physician a per diem rate in the amount of \$2,200 per day for holiday coverage (designated Authority holidays only).

B) May 1, 2024 through June 7, 2027. Authority shall pay Physician a per diem rate in the amount of \$2,500 per day for holiday coverage (designated Authority holidays only)."

3. 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 \$4,250,000 over the five (5) 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.

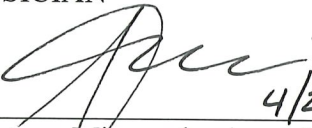
6. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which take together shall constitute one and the same instrument.

7. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments 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.

PHYSICIAN

By  4/2/24
Antony Minasaghanian, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____ *Tw*
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority

Amend2.Minasaghanian.032824



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

April 17, 2024

Subject: Proposed Service Agreement with Alpha Source, Inc., for DEXA Scan equipment

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical is requesting your Board approve the Comprehensive Service Agreement with Alpha Source Group to provide preventative maintenance, service and support for the DEXA scan equipment in the Department of Radiology. As the equipment is proprietary, Alpha Source was chosen due to their partnership with the original equipment manufacturer GE, allowing them to have access to the latest software for upgrades.

The term of this Agreement is five years, effective April 17, 2024, with a total maximum payable not to exceed \$20,000. Kern Medical can secure the most advantageous pricing through a five-year term compared to a shorter-term agreement.

The Agreement contains nonstandard terms and conditions and cannot be approved as to form by counsel due to the inability to terminate the agreement without cause. The equipment provides an essential function to which there is no current alternative and allows for termination with 60 days' notice if the equipment is disposed of.

Therefore, it is recommended that your Board approve the service Agreement with Alpha Source, Inc., for the DEXA scan equipment in the Department of Radiology; authorize the Chairman to sign.



alpha source

POWERED BY Alpha Source Group



bc technical

POWERED BY Alpha Source Group

BONE DENSITY EQUIPMENT: COMPREHENSIVE SERVICE AGREEMENT**BUSINESS CONTACT INFORMATION**

Company name:	Kern Medical Center	Account Number	G41535
Company address: City, State, ZIP Code	1700 Mount Vernon Avenue Bakersfield, CA 93306	Contact name:	Suzanne Knight
		Phone:	661-326-2534
		E-mail:	suzanne.knight@kernmedical.com
Equipment Location(s):	Kern Medical Outpatient SVC 3551 Q Street Ste 101 Bakersfield, CA 93301	System ID(s):	DF+512647

COVERAGE DETAILS

Effective Date:	04/17/24	Expiration Date:	04/16/29
System Manufacturer:	GE	System Model:	Prodigy
Coverage Term:	5 Year(s)	Coverage Price:	\$ 4,000.0 Annually Per Unit

- ✓ **Primary Service:** Alpha Source Inc. or its vendor designee will provide primary service between the hours of: **8:00am - 5:00pm, Monday-Friday, excluding weekends** and Alpha Source Inc. observed holidays. The primary service shall include on site remedial service, as required due to Equipment malfunction, and part replacement, as described in this Agreement.
- ✓ **Planned Maintenance:** Planned Maintenance will be performed **ANNUALLY** between the hours of: **8:00am – 5:00pm, Monday-Friday**, excluding weekends and Company observed holidays.
- ✓ **Parts:** INCLUDED subject to exclusions described in this Agreement.
- ✓ **X-Ray Tubes:** INCLUDED
- ✓ **Response Time:** Phone response within one (1) hour of initial call. On-site response time, if necessary, within **24 hours** from receipt of call (During contract Primary Service hours).
- ✓ **Level 1 Technical Support:** Phone technical support provided by certified and trained field engineers during local business hours: Monday-Friday 8:00 am – 5:00 pm CST.

BILLING INFORMATION

Purchase Order Number:	Required	Billing Frequency:	<input type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input checked="" type="checkbox"/> Annual
Tax Status:	<input checked="" type="checkbox"/> Taxable <input type="checkbox"/> Exempt <input type="checkbox"/> Exemption Certificate Attached		
Accounts Payable Contact:	Accounts Payable	Billing Address:	Kern Medical Center
Email:	accountspayable@kernmedical.com	City, State, Zip	Attn: Accts Pay Dept
Phone #:	661-862-4197		PO Box 3519
Billing Email:	accountspayable@kernmedical.com		Bakersfield, CA 93385
Service Contact:	Alpha Source Inc. Rep:		
suzanne.knight@kernmedical.com	Stephanie Jankowski, Lead Customer Account Manager Direct: 414-760-4046 Cell: 320-510-5577 Email: stephanie.jankowski@alphasourcegroup.com		

Alpha Source Inc.

**Service Contract
Standard Terms and Conditions**

References herein to "Equipment" and "services" mean the equipment and services purchased by Customer as identified on the Cover Page of this Agreement or any schedules to the Service Contract.

1. **Initial Inspection.** Within thirty (30) calendar days of the effective date of this Agreement, Alpha Source Inc. (or its authorized subcontractor, shall inspect each item of the Customer's equipment and review all logs and documentation associated with it to determine its eligibility for service coverage hereunder. If Alpha Source Inc.'s inspection reveals that an item of equipment is inoperable or in need of substantive repair, Alpha Source Inc. will notify Customer within five (5) business days of the date of inspection and provide a written estimate of the cost of repair at Alpha Source Inc.'s then current list prices/rates for time and materials. Equipment identified by Alpha Source Inc. as requiring repair service but not authorized for repair or otherwise repairable by Customer will be removed from service support under this Agreement and deleted from the Equipment Coverage list until such repair is completed. If Customer does not permit Alpha Source Inc. to conduct its inspection within the above thirty (30) calendar day period or if any items of equipment are in storage, not in use or otherwise not available for inspection during the thirty (30) calendar day inspection period, the contract will become Time and Material and Customer will be responsible for all repairs necessary to bring that item of equipment into safe operable condition before Alpha Source Inc. will provide service coverage for it.
2. **Corrective Maintenance.** Customers with service issues are directed to the Online Center for remote support. If the service issue cannot be resolved remotely, Alpha Source Inc. will provide onsite corrective maintenance service during the Onsite Coverage Hours stated on the Cover Page. Corrective maintenance service provided outside of Onsite Coverage Hours will be billed at Alpha Source Inc.'s then-current standard applicable contract overtime rates. If Alpha Source Inc., in its sole discretion, determines that any equipment is not repairable, it shall promptly notify Customer and may terminate its Agreement. Upon any such termination, any actual prepaid prorated balance of fees shall be refunded to Customer.
3. **Planned Maintenance Inspections.** Planned Maintenance Inspections will be performed as specified on "Cover Page". These inspections include such items as lubrications, cleaning, functional tests, and image quality evaluation. The inspection times shall be mutually agreed upon in advance. The inspection may be forfeited if Alpha Source Inc. service personnel are unable to gain access to the Equipment at agreed upon time.
4. **Observed Holidays.** For the purpose of this Agreement, Alpha Source Inc.'s observed holidays are as follows: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the Day after Thanksgiving and Christmas Day. In the event the holidays fall on Saturday or Sunday, the holiday shall be observed on the Friday before or the Monday after.
5. **Parts.** New or exchange parts and components may be used to repair the Equipment. All parts shall meet the standards required for optimum performance of the Equipment. Any part for which Alpha Source Inc. has supplied a replacement shall become Alpha Source Inc. property. Items excluded from this Agreement are: UPS (uninterrupted power supply), Advance Workstation, and supply items, such as film cassettes, phantoms, table cushions, patient restraints, head-holder, etc.
6. **Software Updates and Upgrades.** Software Updates shall be covered by this Agreement. A Software Update shall be defined as a change in the software that provides error corrections and/or enhance the functionality of current software release. An update does not involve major changes or provide significant, new functional capabilities or applications, or change to the software architecture or file structure. Software Upgrades **shall not** be covered by this Agreement. A Software Upgrade shall be defined as a change in the software that provides new functional capabilities or applications, enhancements and/or major changes to the software architecture or file structure along with the latest error corrections.
7. **Peripheral Devices:** Unless specifically listed on the Cover Page, service coverage (Labor and Parts) for any peripheral equipment, including but not limited to laser imagers, contrast injectors, specialized workstations, laser positioning equipment, etc., is not included under this Agreement. If any peripheral equipment is included and serves other modalities not covered by this Agreement, any interface hardware to the other units, image artifacts injected by other units, and damages shown to have been caused by processing chemicals are expressly excluded from coverage.
8. **Movement of Equipment.** To ensure continuity of service under this Agreement, Customer shall give Alpha Source Inc. at least thirty (30) days prior written notice of intent to move the Equipment. Alpha Source Inc. personnel shall perform the packing of the Equipment, unpack, inspect, and reinstall the Equipment at the new location. Alpha Source Inc. will charge Customer to move the Equipment at its then-current standard labor rates, plus packaging and shipment cost. Equipment moved to a new location is subject to any applicable remote surcharges or other terms at the new location.

9. **Confidentiality.** SEE BAA Attached.

10. **Limited Warranty.** Alpha Source Inc. warrants that its services will be performed by trained individuals in a professional, workman-like manner. This warranty terminates upon change of possession or ownership of the Equipment. The foregoing service remedy is Customer's sole and exclusive remedy (and Alpha Source Inc.'s sole and exclusive liability) for warranty claims. In no event shall Alpha Source Inc. be liable for damage to persons or other property or for consequential damages resulting from breach of warranty. The warranty provided by Alpha Source Inc. herein shall not apply to any equipment with respect to which there has been (i) improper installation or testing (other than that performed by Alpha Source Inc.), (ii) failure to provide a suitable operating environment, (iii) use of the equipment for purposes other than that for which it was designed, (iv) failure to monitor or operate the equipment in accordance with the applicable OEM specifications and/or good industry practice, (v) unauthorized attachment or removal or alteration of any part of the equipment, (vi) unusual mechanical, physical or electrical stress, (vii) unauthorized modifications or repairs, (viii) mishandling during rigging of the equipment, or (ix) any other abuse, misuse, neglect or accident. ALPHA SOURCE INC. EXPRESSLY DISCLAIMS ALL OTHER EXPRESSED OR IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ALPHA SOURCE INC. SHALL NOT BE RESPONSIBLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF CUSTOMER IN CONNECTION HERewith, SUCH AS LOSS OF PRODUCTION, LOSS OF ANTICIPATED SAVINGS OR ANTICIPATED PROFITS, OR DAMAGES OF ANY THIRD PARTY ASSERTED AGAINST CUSTOMER.

11. **Term.** This Agreement shall be effective on the date referenced on the "Cover Page," and continue for the term stated therein. This Agreement shall be automatically renewed for consecutive one-year periods after the initial term, unless written notice is given by either party thirty (30) days prior to the end of the Initial Term or any Renewal Term (as applicable, collectively, the "Term").

12. **Termination.**

a. Termination With Cause. If either party materially breaches this Agreement and the other party seeks to terminate on the basis of such breach, the non-breaching party shall notify the breaching party in writing, setting out the breach in reasonable detail, and the breaching party will have sixty (60) days following such notice to remedy the breach. If the breaching party fails to remedy the breach during that period, the other party may by terminate this Agreement immediately upon written notice and, in the case of termination by the Customer, any actual prepaid prorated balance of fees shall be refunded to Customer.

b. Termination upon Sale/Decommission: This Agreement may be terminated by Customer, upon sixty (60) days prior written notice, if the Equipment is sold (in good faith on an arms-length basis to a third party not affiliated with, or under common ownership with, Customer) or decommissioned. In the event of early termination due to sale or decommission, Alpha Source Inc. will calculate all work performed on a time and material basis for the 365 day period prior to the last date of contract coverage, and if the time and material charge is higher than the amount paid by Customer through the Termination Date, then Customer agrees to promptly, upon written demand, pay to Alpha Source Inc. the difference between the amount paid and the time and material charge.

c. Termination without Cause: In the event that this Agreement is terminated by Customer without cause, then, in addition to any other charges or fees that are due and owing as of the date of such termination, Customer will immediately upon written demand pay to Alpha Source Inc. an amount equal to fifty percent (50%) of the Charge Amounts due under the remaining Term or Renewal Term of this Agreement, from such date of termination. Alpha Source Inc. and Customer agree that this liquidated damages provision represents reasonable compensation for the loss that would be incurred by Alpha Source Inc. Customer also agrees that nothing in this section is intended to limit any rights, remedies or relief at law or in equity otherwise available to Alpha Source Inc.

13. **Cost Reporting.** Customer will (i) fully and accurately account for, and report in any applicable cost reports or otherwise fully disclose to government program payors and accurately reflect where and as appropriate to the applicable reimbursement methodology, and (ii) provide information upon request by federal or state agencies concerning, all services and other items, including any discounts, received from Alpha Source Inc. under this agreement in compliance with all applicable laws, including the federal Social Security Act and implementing regulations relating to Medicare, Medicaid, and other federal and state health care programs.

14. **Customer Responsibilities.** In order for Alpha Source Inc. to perform its obligations under this agreement, Customer agrees to:

- Provide connectivity to Alpha Source Inc. Online Center for remote support. (if possible)
- Provide and maintain a suitable, safe and hazard-free location and environment for the equipment and services in material compliance with any written requirements provided by Alpha Source Inc. and perform manufacturer recommended routine maintenance and operator adjustments, including maintaining an equipment maintenance and repair program, including tube warm up, strictly in accordance with written planned maintenance and repair requirements OEM provides to Customer.
- Provide Alpha Source Inc. with all operating and maintenance manuals pertaining to each item of equipment.
- Provide Alpha Source Inc. prompt and unencumbered access to the Equipment, network cabling and communication equipment as necessary to perform services. Alpha Source Inc. may separately charge Customer for a scheduled service call where Customer does not provide such access and Alpha Source Inc. is therefore required to schedule an additional service call.
- Provide site access control and network security, system database management, network security, virus protection, backup and disaster recovery for images, software or equipment. Alpha Source Inc. services do not include recovery of lost information. Customer shall comply with all applicable laws and regulations related to site access control.
- Provide satisfactory power quality and grounding for all equipment.
- Provide a secure area reasonably near the equipment for Alpha Source Inc.'s proprietary service materials.
- Obtain and maintain all licenses, permits, and other approvals necessary for installation, use, disposal, and recycling (each as applicable) of equipment covered under this agreement.

Unless expressly provided otherwise, Customer is separately responsible for: (a) the repair, replacement or removal or any disposables, consumables, supplies, accessories or collateral equipment; and (b) any service necessitated by (i) Customer's or its representative's designs, specifications, or instructions, (ii) anything external to the equipment, including any causes or events beyond Alpha Source Inc.'s reasonable control, (iii) equipment misuse, (iv) combining any component of the equipment with any incompatible equipment or software, or (v) Customer's relocation, additions, or changes to the equipment, unless Alpha Source Inc. has consented in writing to such relocations, additions or changes.

15. **Terms of Payment.** The payment terms for the services are stated in on the Cover Page hereof. If Customer has a good faith dispute regarding payment for a particular service, such dispute shall not entitle Customer to withhold payment for any other service purchased from Alpha Source Inc. Alpha Source Inc. may revoke credit extended to Customer because of Customer's failure to pay for any service rendered when due or for any other reason deemed good or sufficient by Alpha Source Inc., and in such event all subsequent services shall be paid for on receipt.

16. **Late payment.** Failure to make timely payment is a material breach of this Agreement, for which (in addition to other available remedies) Alpha Source Inc. may suspend performance under this Agreement until all past due amounts are brought current. If Alpha Source Inc. so suspends, Alpha Source Inc. will not be responsible for the completion of planned maintenance due to be performed during the suspension period and any Equipment downtime will not be included in the calculation of any uptime commitment. Customer will reimburse Alpha Source Inc. for reasonable costs (including attorneys' fees) relating to collection of past due amounts. Any credits that may be due to Customer under this Agreement may be applied first to any outstanding balance.

17. **Taxes.** Prices do not include sales, use, gross receipts, excise, value-added, services, or any other similar transaction or consumption taxes ("Taxes"). Customer acknowledges and agrees it shall be responsible for the payment of any such Taxes to Alpha Source Inc. unless it otherwise timely provides Alpha Source Inc. with a valid exemption certificate or direct pay permit. In the event Alpha Source Inc. is assessed Taxes, interest and penalty by any taxing authority, Customer agrees to reimburse Alpha Source Inc. for any such Taxes, including any interest or penalty assessed thereon. Each party is responsible for any personal property or real estate taxes on property that the party owns or leases, for franchise and privilege taxes on its business, and for taxes based on its net income or gross receipts.

18. **Assignment; Use of Subcontractors.** Neither party may assign any of its rights, or obligations under this Agreement without the prior written consent of the other party, which consent shall not be unreasonably withheld; provided, however, that either party may transfer and assign this Agreement without the other party's consent to any person or entity that is an affiliate of such party or that acquires substantially all of the stock or assets of such party's applicable business if any such assignees agree, in writing, to be bound by the terms of this Agreement. Subject to such limitation, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. Alpha Source Inc. may hire subcontractors to perform work under this Agreement; provided, however, that Alpha Source Inc. will at all times remain

responsible for the performance of its obligations and duties under this Agreement.

19. **Amendment; Waiver; Survival.** This Agreement may be amended only in writing signed by both parties. Any failure to enforce any provision of this Agreement is not a waiver of that provision or of either party's right to later enforce each and every provision. The terms of this Agreement that by their nature are intended to survive its expiration (such as the confidentiality provisions included herein) will continue in full force and effect after its expiration.

20. **Governing Law; Disputes; Limitation of Liability.** The laws of the State of California will govern any dispute between the parties. EACH PARTY EXPRESSLY WAIVES ALL RIGHTS TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE ARISING UNDER THIS AGREEMENT. Disputes (other than collection matters) arising under or relating to this Agreement will be submitted to the American Arbitration Association ("AAA") office located closest to the largest metropolitan area of the state where the service is provided for binding arbitration in accordance with the AAA's Commercial Arbitration Rules. The cost of the arbitration, including the fees and expenses of the arbitrator, will be shared equally, with each party paying its own attorneys' fees. The arbitrator will have the authority to award damages only to the extent otherwise available under this Agreement. ALPHA SOURCE INC. (AND ITS REPRESENTATIVES') LIABILITY UNDER THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, SHALL NOT EXCEED: (A) FOR STAND-ALONE SERVICE OFFERINGS, THE PRICE FOR THE SERVICE THAT IS THE BASIS FOR THE CLAIM; OR (B) FOR SERVICE CONTRACTS, THE ANNUAL CONTRACT PRICE FOR THE SERVICE THAT IS THE BASIS FOR THE CLAIM, NEITHER CUSTOMER NOR ALPHA SOURCE INC. (NOR ITS REPRESENTATIVES) SHALL HAVE LIABILITY TO THE OTHER UNDER THIS AGREEMENT FOR ANY PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, SUCH AS EXCESS COSTS INCURRED, DATA LOSS OR LOST PROFITS OR REVENUE. The limitation of liability and exclusion of damages shall apply even if the limited remedies fail of their essential purpose.

21. **Contract Formation.** This Agreement is subject to withdrawal at any time before acceptance. Upon Customer's acceptance by execution of the Agreement, the related terms and conditions referred to this Agreement shall constitute the entire agreement relating to the services covered herein. The parties agree that they have not relied on any oral or written terms, conditions, representations or warranties outside those expressly stated or incorporated by reference in this Agreement in making their decision to enter into this Agreement. No agreements or understanding, oral or written, in any way purporting to modify these terms and conditions or the Service Contract, whether contained in Customer's purchase order or elsewhere, shall be binding on Alpha Source Inc. unless hereafter made in writing and signed by Alpha Source Inc.'s authorized representative. Customer is hereby notified of Alpha Source Inc.'s objection to any terms inconsistent with this Service Contract and to any other terms proposed by Customer in accepting this Service Contract. Neither Alpha Source Inc.'s subsequent lack of objection to any such terms, nor the delivery of the services, shall constitute an agreement by Alpha Source Inc. to any such terms.

22. **Exclusions.** This Agreement shall not cover maintenance, repairs or replacement parts required due to loss or damage to the equipment caused by fire, lightning, water, tornado, windstorm, hail, earthquake, explosion, smoke smudge, aircraft, motor vehicle, collapse of building, strike, riot, vandalism, neglect or misuse, power failure or fluctuations, air conditioning failure, any tube related damages, or any other cause beyond the reasonable control of Alpha Source Inc. This Agreement shall also not cover pre-existing parts replacement needs or damage caused by misuse or abuse, in the sole determination of Alpha Source Inc.

23. **Alterations by Third Parties.** During the term of this Agreement and any renewals thereof, Customer agrees that it shall not allow any third party to provide remedial service to the Equipment without the prior consent of Alpha Source Inc. Alpha Source Inc. shall not be responsible to Customer for loss of use of the Equipment or for any other liabilities arising from alterations, additions, adjustments or repairs which have been made to the Equipment by other than authorized representatives of Alpha Source Inc.

24. **Excusable Delays.** Alpha Source Inc. shall not be liable for delays in delivery and performance, or failure to deliver or perform due to causes beyond its reasonable control, including, but not limited to, acts of God, acts of Customer, acts of civil or military authority, government, priorities, fires, strikes or other labor disturbances, floods, epidemics, quarantine restrictions, war, riot, delays in transportation or inability due to causes beyond its reasonable control to obtain necessary labor materials, components, services, manufacturing facilities or any other commercial impracticability. In the event of any such delays, the date of performance shall be extended for a period equal to the time lost by reason of the delay.

25. **Appointment.** This Agreement becomes effective only upon written acceptance by Alpha Source Inc., Customer, and presentation of the signed Agreement to Alpha Source Inc. Upon the effective date of this Agreement, all previous agreements for maintenance of the Equipment will become null and void. Customer, pursuant to this Agreement, hereby appoints Alpha Source Inc. as its agent to perform the service and maintenance as set forth in the Agreement.

26. **Section Headings.** Section headings are for reference purposes only and shall not affect the interpretation or meaning of this Agreement.

27. **Notices.** All notices pursuant to this Agreement shall be in writing, except as provided herein. Notices in writing shall be sufficient if hand delivered or mailed by first class mail, postage prepaid, or sent by telecommunications to the attention of the person listed below and to the party intended as the recipient thereof at the address of such party set forth below, or at such other address or to the attention of such other person as such party shall have designated for such purpose in a written notice complying as to delivery with the terms of this Section.

IF TO Alpha Source Inc.: Contract Management Dept., Alpha Source Inc., 6619 West Calumet Road, Milwaukee, Wisconsin,

53223; IF TO Customer: Mailed directly to Customer's address indicated on the Cover Page.

28. **No Waiver of Performance.** Failure by either party at any time to require performance by the other party or to claim a breach of any provision of this Agreement will not be construed as a waiver of any right accruing under this Agreement, nor affect any subsequent breach, nor affect the effectiveness of this Agreement or any part hereof, nor prejudice either party as regards any subsequent action.

29. **Counterparts/Electronic Delivery.** This Agreement may be executed in two counterparts, each of which shall be deemed an original and both of which shall constitute one and the same instrument. A facsimile, telecopy or other reproduction of this Agreement may be executed by one or more parties hereto, and an executed copy of the Agreement may be delivered by one or more parties hereto by facsimile or similar electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes.

30. **Acceptance of this agreement indicates that the supplier adheres to a Code of Conduct that includes compliance with laws governing occupational health and safety, prohibition of bribery and corruption, harassment-free workplace, discrimination, and environmental protection.**

When applicable, the contractor and subcontractor shall abide by the requirements of 41 CFR 60-1.4(a) as amended by Executive Order 13665, 60-300.5(a), 60-741.5(a), Appendix A of Subpart A of 29 CFR 471. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, national origin, sexual orientation and gender identity. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

31. Alpha Source Inc. is required to provide proof of insurance for one or more of the following types of insurance coverages as determined by CUSTOMER:

- a) **Workers' Compensation Insurance** in accordance with the provisions of section 3700 of the California Labor Code. This policy shall include employer's liability insurance with limits of at least one million dollars (\$1,000,000).
- b) **Commercial General Liability Insurance** in the minimum amounts indicated below or such additional amounts as may be determined by the CUSTOMER Risk Manager, including, but not limited to, Contractual Liability Insurance (specifically concerning the indemnity provisions of any Contract or Contract with CUSTOMER), Products-Completed Operations Hazard, Personal Injury (including bodily injury and death), and Property Damage for liability arising out of Vendor's performance of work hereunder. The amount of said insurance coverage required hereunder shall be the policy limits, which shall be at least one million dollars (\$1,000,000) each occurrence and two million dollars (\$2,000,000) aggregate.
- c) **Professional Liability (Errors and Omissions) Insurance** for liability arising out of, or in connection with the performance of all required services under this Contract or Contract, with coverage equal to the policy limits, which shall not be less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in aggregate unless otherwise indicated by CUSTOMER's Risk Manager.

The Commercial General Liability Insurance shall include an endorsement naming CUSTOMER and CUSTOMER's board members, officials, officers, agents and employees as additional insureds. All insurance shall be issued by companies admitted to do business in California and listed in the current "Best's Key Rating Guide" publication with a minimum rating of A-; VII. All insurance provided by Alpha Source Inc. hereunder shall be primary to and not contributing to any other insurance maintained by CUSTOMER. Any exception to these requirements must be approved by CUSTOMER's Risk Manager. CUSTOMER's Risk Manager may require higher limits depending on the nature of the goods and/or services being provided. All insurance coverage requirements shall be maintained by Alpha Source Inc. until completion of all of Vendor's obligations to CUSTOMER, and shall not be reduced, modified or canceled without thirty (30) days prior written notice to CUSTOMER.

32. Alpha Source Inc. agrees to indemnify, defend and hold harmless CUSTOMER and CUSTOMER's agents, board members, elected and appointed officials, officers, employees, volunteers and authorized representatives from any and all losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs, and expenses (including, but not limited to, reasonable attorney's fees of counsel, expert fees, costs of staff time, and investigation costs) of whatever kind or nature, which arise out of or are in any way connected with any act or omission of Alpha Source Inc. or Vendor's officers, agents, employees, independent contractors, sub-contractors of any tier, or authorized representatives. Without limiting the generality of the foregoing, the same shall include bodily and personal injury or death to any person or persons, product liability, damage to any property, regardless of where located, including the property of CUSTOMER; and any workers' compensation claim or suit arising from or connected with any services performed by or on behalf of Alpha Source Inc. by any person or entity. Further, Alpha Source Inc. shall indemnify, defend and hold CUSTOMER, its officers, agents, servants and employees harmless from liability of any nature or kind as a result of CUSTOMER's use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, or articles or appliances furnished or used under any Contract.

33. Alpha Source Inc. shall comply with all applicable county, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which are hereby made a part hereof and incorporated herein by reference. While on CUSTOMER property, Alpha Source Inc. agrees to conform to CUSTOMER policies and any direction given to them by CUSTOMER staff.

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

35. Disqualified Persons. Alpha Source Inc. represents and warrants that no person providing goods and/or services under the terms of this Agreement (i) has been convicted of a criminal offense related to healthcare (unless such individual has been officially reinstated into the federal healthcare programs by the Office of Inspector General ("OIG" and provided such proof of such reinstatement to CUSTOMER), (ii) is currently under sanction, exclusion or investigation (civil or criminal) by any federal or state enforcement, regulatory, administrative or licensing agency or is ineligible for federal or state program participation, or (iii) is currently listed on the General Services Administration List of Parties Excluded from the Federal Procurement and Non-Procurement Programs. Alpha Source Inc. agrees that if any individuals providing goods and/or services under the terms of this Agreement becomes involved in a pending criminal action or proposed civil debarment, exclusion or other sanctioning action related to any federal or state healthcare program (each, an "Enforcement Action"), Alpha Source Inc. shall immediately notify CUSTOMER and such individual shall be immediately removed by Alpha Source Inc. from any functions involving (i) the claims development and submission process, and (ii) any healthcare provider contact related to CUSTOMER patients; provided, however, that if Alpha Source Inc. is directly involved in the Enforcement Action, any agreement between CUSTOMER and Alpha Source Inc. shall terminate immediately.

36. Non-collusion Covenant. Alpha Source Inc. represents and agrees that it has in no way entered into any contingent fee arrangement with any firm or person concerning the obtaining of this Agreement with CUSTOMER. Alpha Source Inc. has received no incentive or special payments, nor considerations, not related to the provision of services under this Agreement from CUSTOMER.

37. Alpha Source Inc. is aware that CUSTOMER is a government entity and is subject to the California Public Records Act, Cal.Govt.Code §7920.000 et seq., the Brown Act, Cal.Govt.Code §54950 et seq., and other laws pertaining to government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation.

SIGNATURES			
	Alpha Source Inc.		Customer
Signature	<u>Shannon Roberson</u> Shannon Roberson (Apr 4, 2024 16:54 CDT)	Signature	
Name	Shannon Roberson	Name	
Title	Director, Sales Operations	Title	
Date	Apr 4, 2024	Date	

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Phillip J. Smith
Legal Services Department



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

April 17, 2024

Subject: Proposed Amendment No. 2 to Agreement #48822 with Heredia Cabling Solutions, Inc., for installation of low voltage cabling

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Amendment No. 2 to Agreement #48822 with Heredia Cabling Solution for the installation of low voltage cabling for budgeted construction at our off-site clinics and main campus. This Amendment will increase the not to exceed amount by \$500,000, from \$700,000 to \$1,200,000, for the remainder of the term.

Budgeted construction projects for this Fiscal Year Include, but are not limited to:

- ED New Pediatric Wing
- D Wing Elevator
- Lab New Equipment
- Pharmacy AC Upgrades
- New CT Machine
- Main Fire Panel Replacement
- Staff Relocation Due to Budgeted Construction

Amendment	Maximum Payable	Proposed Maximum Payable	Increase
Original Agreement	\$450,000		
Amendment No. 1	\$700,000		\$250,000
Amendment No. 2		\$1,200,000	\$500,000

Therefore, it is recommended that your Board approve the proposed Amendment No. 2 to Agreement #48822 with Heredia Cabling Solutions, Inc., for the installation of low voltage cabling for budgeted construction at off-site clinics and main campus, and authorize the Chairman to sign.

**KERN COUNTY HOSPITAL AUTHORITY PURCHASE ORDER TERMS & CONDITIONS
AMENDMENT NO .1
(Kern County Hospital Authority – Vendor)**

This Amendment No. 2 to Purchase Order #48822, effective 17th day of April, 2024 ("Effective Date"), is between the Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center ("KCHA") and Heredia Cabling Solutions, Inc. ("Vendor"), a (type of Business), with its principal place of business at 5907 Woodmere Drive, Bakersfield, California 93313.

Vendors must comply with all instructions, and the following conditions shall apply to any order awarded pursuant to this Purchase Order:

WITNESSETH:

WHEREAS, KCHA and Vendor entered into a Purchase Agreement dated August 4, 2022 (KCHA Agt.#48822) and Amendment No. 1 (KCHA Agt. #80423) ("Agreement"), for the period August 4, 2022 through August 3, 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.
- X **Fees** payable by KCHA under the Agreement shall increase by \$500,000, from \$700,000 to \$1,200,000.
- _____ **Travel Expenses** payable by KCHA under the Agreement shall increase from by \$ _____, from \$ _____ to \$ _____.
- _____ **Services.** See Exhibits _____, attached hereto and incorporated herein by this reference, for revised Services.
- _____ **Other**

Except as expressly amended herein, all provisions of the Agreement 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

APPROVED AS TO CONTENT:
Responsible KCHA Department

By _____
Chairman, Board of Governors
"KCHA"

By _____
Scott Thygerson, Chief Executive Officer

Date: _____.

Date: _____.

HEREDIA CABLING SOLUTIONS

APPROVED AS TO FORM:
Legal Services Department

By Gabriel Heredia
Gabriel Heredia
President
"Vendor"

By [Signature]
Hospital Authority
Kern County Hospital Authority

Date: 3/26/24.

Date: 4/2/24.



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

April 17, 2024

Subject: Proposed Amendment No. 4 to Agreement #10919 with Johnson Controls Fire Protection LP, for fire protection system maintenance

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 4 to Agreement #10919 with Johnson Controls Fire Protection LP for fire protection system maintenance at Kern Medical and other facilities owned and operated by the Authority. This Amendment will increase the total contract value by \$750,000, from \$1,250,000 to \$2,000,000, through December 31, 2024.

Budgeted Maintenance/Repairs for this Agreement include, but are not limited to:

- Annual testing – Fire Sprinklers, Smokes devices, Pull Stations, Strobe, & Fire pumps
- Deficiency Repairs – Main Hospital, Columbus Clinic, & Q Street Clinic
- Lab Repairs
- Roll Up Door Inspections and Repairs

Amendment	Maximum Payable	Proposed Maximum Payable	Increase
Original Agreement	\$250,000		
Amendment No. 1	\$500,000		\$250,000
Amendment No. 2	\$1,000,000		\$500,000
Amendment No. 3	\$1,250,000		\$250,000
Amendment No. 4		\$2,000,000	\$750,000

Therefore, it is recommended that your Board approve the proposed Amendment No. 4 to Agreement #10919 with Johnson Controls Fire Protection LP, to increase the not to exceed amount by \$750,000, from \$1,250,000 to \$2,000,000, for fire protection systems maintenance; authorize the chairman to sign.

**AMENDMENT NO. 4
TO
PERSONAL/PROFESSIONAL SERVICES AGREEMENT
(Kern County Hospital Authority–Johnson Controls)**

THIS AMENDMENT NO. 4 TO AGREEMENT, effective April 17, 2024, is between the Kern County Hospital Authority, a local unit of government ("KCHA"), which owns and operates Kern Medical Center ("KMC"), and Johnson Controls ("Consultant") with its principal place of business located at 2788 N. Larkin Avenue, Suite 101, Fresno, California 93727.

WITNESSETH:

WHEREAS, KCHA and Consultant entered into a Personal/Professional Services Agreement dated January 1, 2019 (ESA #10919), Amendment No. 1 dated September 18, 2020 (ESA #52420), Amendment No. 2 dated October 20, 2021 (HA Agt. #063-2021), and Amendment No. 3 dated October 10, 2023 (HA Agt. #73023), ("Agreement"), 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.
X **Fees** payable by KCHA under the Agreement shall increase by \$750,000, from \$1,250,000 to \$2,000,000.
____ **Travel Expenses** payable by KCHA under the Agreement shall increase from by \$, from \$ to \$.
____ **Services.** See Exhibits ____ and ___, 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. 4 to the Agreement has been executed as of the date indicated above.

KERN COUNTY HOSPITAL AUTHORITY

APPROVED AS TO CONTENT:
Responsible KCHA Department

By _____
Chairman, Board of Governors
"KCHA"

By _____
Scott Thygerson, Chief Executive Officer

Date: _____

Date: _____

JOHNSON CONTROLS FIRE PROTECTION, LP

APPROVED AS TO FORM:
Legal Services Department

By JS _____
Name: Jason Schiavon
Title: Fire Service Manager
"Consultant"

By [Signature] _____
Hospital Counsel
Kern County Hospital Authority

Date: 4/1/2024 | 11:00 AM PDT

Date: 4/3/24



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

April 17, 2024

Subject: Proposed Agreement with GE Precision Healthcare LLC, a GE Healthcare Business for service on MRI, CT, Seno Iris and X-ray equipment in the department of Radiology

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical is requesting your Board approve the comprehensive service agreement with GE Healthcare to provide preventative maintenance, service and support for our current X-ray and Seno Iris for mammography, also included is CT and MRI which are in the process of being installed. GE Healthcare was chosen as the equipment is propriety, allowing us access to the latest software for upgrades ensuring safe operation and radiation safety.

The term of this service agreement is five years, effective April 17, 2024, with a total maximum payable not to exceed \$1,739,220. Kern Medical is able to secure the most favorable pricing by bundling existing equipment, X-ray and Seno Iris, with the future equipment installation of CT and MRI. The maximum payable reflects the amount that would be paid if all equipment were currently installed, however, the cost for the future CT and MRI will not be incurred until one-year post installation, further reducing the cost of the addendum.

Therefore, it is recommended that your Board approve the Addendum with GE Precision Healthcare LLC, a GE Healthcare Business for service for X-ray, Seno Iris, CT and MRI equipment in the Department of Radiology and authorize the Chairman to sign.

KERN COUNTY HOSPITAL AUTHORITY

Physical Location Account #: 3096278

Optional: Person(s) to be notified when this document is processed:

Name(s): _____

Email(s): _____

Quote Created Date: 3/8/2024

Quote Expiration Date: 5/7/2024

Equipment Identifiers	Trans. Type	Equipment	Effective Date	Offering	Options	Features	Incremental Annual Amount	Comments
System ID: 661KMQRAD Phy Loc Acct: 3096278 Contract: 1-544736093318 Global Order #: 4666962 Cost Center:	ADD WB	GE XR Definium XR/F ET/AT (XRA826)	4/17/2024 through End of Agreement	Universal Standard	INCLUDED: • Table • TUBE COVERAGE EXCLUDED: • DETECTOR • PERIPHERAL DEVICES • Printers • UNINTERRUPTED POWER SUPPLY • WORKSTATION	• Advanced Visual Support • FE Coverage Weekdays: MON-FRI, 8AM-9PM • FE Coverage Weekend: NO COVERAGE HRS • FE Onsite Response Time: 4-Hours • InSite Response: 30 • InSite/Tech Phone Support • MyGEHealthcare Equipment • PM Coverage HOURS/DAYS: MON-FRI, 8AM-9PM • Repair Parts: Included, Next Day 10:30 AM LST-GDXR • Software and Quality Updates • Third Party Software: Excluded • TIP Answer Line • Uptime Commitment: 95%	\$15,532	
System ID: 661KMQRADCTL Phy Loc Acct: 3096278 Contract: 1-544736093318 Global Order #: 4666962 Serial: F6QDBZ2 Cost Center:	ADD MV	KONICA MV PR KONICA AERO DR CONTROLLER (GE DI) (SKNGE2)	4/17/2024 through End of Agreement	Universal Standard	EXCLUDED: • DETECTOR • Docking Station • Wireless Access Point	• Advanced Visual Support • FE Coverage Weekdays: MON-FRI, 8AM-9PM • FE Coverage Weekend: NO COVERAGE HRS • FE Onsite Response Time: 4-Hours • InSite Response: 30 • InSite/Tech Phone Support • MyGEHealthcare Equipment • PM Coverage HOURS/DAYS: MON-FRI, 8AM-5PM • Repair Parts: Included, Next Day 10:30 AM LST-GDXR • Uptime Commitment: 95%	\$4,071	
System ID: 661KMQRADDET Phy Loc Acct: 3096278 Contract: 1-544736093318 Global Order #: 4666962 Serial: A6C7-15312 Cost Center:	ADD MV	KONICA MV PR KONICA AERO DR DETECTOR (GE DI) (SKNGE1)	4/17/2024 through End of Agreement	Universal Standard	INCLUDED: • DETECTOR • DROP COVERAGE: Customer copays \$2,500 per incident EXCLUDED: • CONTROLLER	• Advanced Visual Support • FE Coverage Weekdays: MON-FRI, 8AM-9PM • FE Coverage Weekend: NO COVERAGE HRS • FE Onsite Response Time: 4-Hours • InSite Response: 30 • InSite/Tech Phone Support • MyGEHealthcare Equipment • PM Coverage HOURS/DAYS: MON-FRI, 8AM-9PM • Repair Parts: Included, Next Day 10:30 AM LST-GDXR • Uptime Commitment: 95%	\$22,693	

Equipment Identifiers	Trans. Type	Equipment	Effective Date	Offering	Options	Features	Incremental Annual Amount	Comments
System ID: 661KMQTECH1 Phy Loc Acct: 3096278 Contract: 1-544736093318 Global Order #: 5117961 Cost Center:	ADD WB	GE WORKSTATION SENOIRIS REVIEW HARDWARE + SOFTWARE (XMM569)	4/17/2024 through End of Agreement	Universal	INCLUDED: • MONITOR EXCLUDED: • Continuity • PERIPHERAL DEVICES • SENOIRIS CONNECT • SENOIRIS DIAGNOSE • UNINTERRUPTED POWER SUPPLY	<ul style="list-style-type: none"> Advanced Visual Support FE Coverage Weekdays: MON-FRI, 8AM-5PM FE Coverage Weekend: NO COVERAGE HRS FE Onsite Response Time: 24 Hours IDI Professional Services: 1 Hour InSite/Tech Phone Support MyGEHealthcare Equipment PM Coverage HOURS/DAYS: MON-FRI, 8AM-5PM Repair Parts: Included, Two Day 5:00 PM LST-GDXR Software and Quality Updates Third Party Software: Excluded TIP Answer Line Uptime Commitment: 92% 	\$3,825	
System ID: 661KMCRWS Phy Loc Acct: 130382 Contract: 1-544736093318 Global Order #: 5208840 Cost Center:	ADD WC	GE WORKSTATION SENOIRIS DIAGNOSE SOFTWARE (XMM571)	4/17/2024 through End of Agreement	Universal	EXCLUDED: • Continuity • MONITOR • PERIPHERAL DEVICES • SENOIRIS CONNECT • SENOIRIS REVIEW • UNINTERRUPTED POWER SUPPLY	<ul style="list-style-type: none"> Advanced Visual Support FE Coverage Weekdays: MON-FRI, 8AM-5PM FE Coverage Weekend: NO COVERAGE HRS FE Onsite Response Time: 24 Hours IDI Professional Services: 1 Hour InSite/Tech Phone Support MyGEHealthcare Equipment PM Coverage HOURS/DAYS: MON-FRI, 8AM-5PM Repair Parts: Included, Two Day 5:00 PM LST-GDXR Software and Quality Updates Third Party Software: Excluded TIP Answer Line Uptime Commitment: 92% 	\$3,410	Warranty end date 8/29/2023.
System ID: TBD0001 Phy Loc Acct: TBD Contract: 1-544736093318 Cost Center:	ADD POS	GE MR 1.5T SIGNA VOYAGER (MSF191)	Equipment Acceptance for 12 Months	Supplemental Services During Warranty	INCLUDED: • OnWatch	<ul style="list-style-type: none"> FE Coverage Weekdays: MON-FRI, 8AM-9PM FE Onsite Response Time: 4-Hours MyGEHealthcare Equipment PM Coverage HOURS/DAYS: MON-FRI, 8AM-9PM Point of Sale Supplement** TiP-Ed Online(TV) Subscription 	\$0	» Entitlements under warranty. Fair Market Value: \$7,850. » Entitlements should correspond to post warranty coverage levels. » Signature required prior to equipment install date.
System ID: TBD0001 Phy Loc Acct: TBD Contract: 1-544736093318 Cost Center:	MODIFY: Features POS	GE MR 1.5T SIGNA VOYAGER (MSF191)	12 Months after Equipment Acceptance through End of Agreement	Universal Standard	INCLUDED: • Cryogenics • GE SUPPLIED COILS • ILINQ RESPONSE TIME: 30 MIN. • Magnet Maintenance • OnWatch: Predict • SPECTROSCOPY • SYSTEM USAGE: UNLIMITED • TDI COIL SUITE INCL. PATIENT TABLE EXCLUDED: • CHILLER COVERAGE • Continuity • MOBILE UNIT • MR Pads • PERIPHERAL DEVICES • Printers • UNINTERRUPTED POWER SUPPLY • WORKSTATION	<ul style="list-style-type: none"> Advanced Visual Support FE Coverage Weekdays: MON-FRI, 8AM-9PM FE Coverage Weekend: NO COVERAGE HRS FE Onsite Response Time: 4-Hours InSite Response: 30 InSite/Tech Phone Support MR Touch: Excluded MyGEHealthcare Equipment PM Coverage HOURS/DAYS: MON-FRI, 8AM-9PM Repair Parts: Included, Next Day 10:30 AM LST-MR Software and Quality Updates Third Party Software: Excluded TiP Answer Line TiP-Ed Online(TV) Subscription Uptime Commitment: 95% ViosWorks HW: Excluded 	\$150,427	



Equipment Identifiers	Trans. Type	Equipment	Effective Date	Offering	Options	Features	Incremental Annual Amount	Comments
System ID: TBD0003 Phy Loc Acct: TBD Contract: 1-544736093318 Cost Center:	ADD POS	DIMPLEX MV PR DIMPLEX WO2-2- 5000 CHILLER 20T (SDI020)	End of Warranty through End of Agreement	Universal Standard	INCLUDED: • CHILLER AGE: CHILLER AGE <10 YEARS EXCLUDED: • City Water Bypass or Other H/W • R22 Refrigerant	• FE Coverage Weekdays: MON-FRI, 8AM-5PM • FE Onsite Response Time: 24 Hours • PM Coverage HOURS/DAYS: MON-FRI, 8AM-5PM • Repair Parts: Included, Next Day 10:30 AM LST-GENERAL	\$7,000	
System ID: TBD0001 Phy Loc Acct: TBD Contract: 1-544736093318 Cost Center: 1700 Mount Vernon Ave	ADD POS	GE CT GE CT OPTIMA CT660 - 64 SLICE / Scalable Platform from 64 to 128 slices (CGS097)	Equipment Acceptance for 12 Months	Supplemental Services During Warranty	INCLUDED: • OnWatch	• FE Coverage Weekdays: MON-FRI, 8AM-9PM • FE Onsite Response Time: 4-Hours • MyGEHealthcare Equipment • PM Coverage HOURS/DAYS: MON-FRI, 8AM-9PM • Point of Sale Supplement** • TiP-Ed Online(TV) Subscription • Uptime Commitment: 97%	\$0	» Entitlements under warranty. Fair Market Value: \$7,725. » Entitlements should correspond to post warranty coverage levels. » Signature required prior to equipment install date. » Signature required prior to equipment install date. Associated with KERN MSA 1-171582652358
System ID: TBD0001 Phy Loc Acct: TBD Contract: 1-544736093318 Cost Center: 1700 Mount Vernon Ave	MODIFY: Features POS	GE CT GE CT OPTIMA CT660 - 64 SLICE / Scalable Platform from 64 to 128 slices (CGS097)	12 Months after Equipment Acceptance through End of Agreement	Universal Standard	INCLUDED: • Console • ILINQ RESPONSE TIME: 30 MIN. • OnWatch • SYSTEM AND TUBE COVERAGE: Up to 0011000 Patients EXCLUDED: • Continuity • MOBILE UNIT • PERIPHERAL DEVICES • Printers • Tube Watch • UNINTERRUPTED POWER SUPPLY • WORKSTATION	• Advanced Visual Support • FE Coverage Weekdays: MON-FRI, 8AM-9PM • FE Coverage Weekend: NO COVERAGE HRS • FE Onsite Response Time: 4-Hours • InSite Response: 30 • InSite/Tech Phone Support • MyGEHealthcare Equipment • PM Coverage HOURS/DAYS: MON-FRI, 8AM-9PM • Repair Parts: Included, Next Day 10:30 AM LST-CT • Software and Quality Updates • Third Party Software: Excluded • TiP Answer Line • TiP-Ed Online(TV) Subscription • Uptime Commitment: 97%	\$137,736	Associated with KERN MSA 1-171582652358

Equipment Identifiers	Trans. Type	Equipment	Effective Date	Offering	Options	Features	Incremental Annual Amount	Comments
System ID: TBD0002 Phy Loc Acct: TBD Contract: 1-544736093318 Cost Center:	ADD POS	LIEBERT CORPORATION MV PR LIEBERT UPSTATION S 3-18 KVA (SEH901)	End of Warranty through End of Agreement	Universal Standard	EXCLUDED: • Battery Replacement Coverage • Capacitor or Fan Replacement of Complete Sets/Strings	• FE Coverage Weekdays: MON-FRI, 8AM-5PM • FE Onsite Response Time: 6-Hours • PM Coverage HOURS/DAYS: MON-FRI, 8AM- 5PM • Repair Parts: Included, Next Day 10:30 AM LST- GENERAL	\$3,150	

NET ADJUSTMENT TO CONTRACT:

\$347,844

The Agreement is hereby amended as follows. The Product above is added, deleted, or modified as indicated. Service for additions or modifications continues until Agreement expiration. In the event of conflict between this Addendum and the Agreement, this Addendum prevails. The Addendum start date for products added or modified is: (a) the above Effective Date if Customer signs and returns this Addendum within 30 calendar days of that date; or (b) the date of signature if Customer does not sign and return this Addendum within 30 calendar days of the above date.

Customer (please complete all fields):

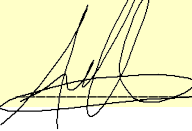
Approved By: _____ Title: _____

Email: _____ Phone: _____

Signature: _____ Date: _____

GE Precision Healthcare LLC, a GE HealthCare business:

Approved By: Anthony Haddad Title: HSAM

 Date: 04-04-2024

APPROVED AS TO FORM:
Legal Services Department

By Phillip Jenkins
Kern County Hospital Authority



This Statement of Service Deliverables Universal Full Service Options applies to the following GE HealthCare Universal service offerings: Universal Plus, Universal Standard, Universal and Planned Maintenance

	Universal Plus	Universal Standard	Universal	Planned Maintenance
Corrective Maintenance *	•	•	•	
Planned Maintenance	•	•	•	•
Replacement Parts	•	•	•	•
Software Updates *	•	•	•	•
Phone Clinical Applications Support	•	•	•	
TiP Options #	°	°	°	
MyGEHealthcare Equipment *	•	•	•	•
Remote Diagnostic Service *	°	°	°	°
Uptime Performance *	•	•	•	
Special Parts Handling	°	°		
Overtime Hours Allowance	°	°	°	°
Component Coverage Options (Pro, Reserve, Complete) #	°	°	°	°
Continuity #	°	°	°	
GlassPro #	°	°	°	
OnWatch * #	•	•	°	
Refresh #	°	°	°	°
Remote Console * #	°	°	°	
Tube Watch * #	°	°		
Supplemental Services During Warranty	°	°		

• Included (to the extent provided herein)

° Optional (if available/identified on the Product Schedule)

* Requires Connectivity (if Product has remote access capability)

See supplemental terms of offering

1. Corrective Maintenance. GE HealthCare or its agents will use commercially reasonable efforts to resolve any verifiable and reproducible service issue of the Product (defined as the Product not substantially meeting original equipment manufacturer (“OEM”) published specifications) in a reasonable period of time after notification by Customer, through remote or on-site services. Technical phone support is available 24 hours per day, 7 days per week (excluding GE HealthCare holidays, extent of phone support may differ by product type). On-site support is identified on the Product Schedule (if not listed, 8am to 5pm local time). GE HealthCare will use reasonable efforts to meet the response time for on-site support as identified on the Product Schedule. Corrective maintenance outside of coverage hours, on GE HealthCare holidays, or expedited beyond the response time (at Customer’s request) will be billed at GE HealthCare’s then-current rates. Corrective maintenance includes corrective maintenance-related Replacement Parts (subject to availability).

- Planned Maintenance. Corrective maintenance and corrective maintenance-related Replacement Parts are excluded.

2. Planned Maintenance. GE HealthCare or its agents will provide planned maintenance service (“PM”) pursuant to OEM recommended frequencies and published specifications as set forth in the OEM service manuals (where available), or pursuant to documented alternate PM frequencies and specifications based on GE HealthCare’s risk-based assessment. PM will be performed at mutually agreed upon times during PM coverage hours (excluding weekends and GE HealthCare holidays unless otherwise specified) as identified on the Product Schedule. PM includes PM-related Replacement Parts (subject to availability). PM and PM-related Replacement Parts for PM activities with a frequency of 7 years or greater are excluded.

3. Replacement Parts. “Replacement Parts” mean the lowest level component repair part available that will bring the Product to OEM published specifications. GE HealthCare will provide subassemblies or assemblies if a lower replacement part is not available. Accessories and supplies are not Replacement Parts. Replacement Parts may be provided on a new or refurbished/repared (exchange) basis, at GE HealthCare’s sole discretion. If an exchange part is provided, the original part becomes GE HealthCare property and GE HealthCare will remove it from Customer’s site or Customer must return it to GE HealthCare within a reasonable timeframe of replacement to avoid being billed for the non-returned part. Replacement Parts are shipped freight included (excluding “Special Order” parts, which are not stocked by GE HealthCare due to low demand). If delivery priority is identified on the Product Schedule, it will be subject to shipment cut-off times for the applicable distribution center. Expedited parts delivery is available for an additional fee.

- Planned Maintenance. Corrective maintenance-related Replacement Parts are excluded. Corrective maintenance-related Replacement Parts will be billed at GE Healthcare’s then-current rates.

4. Software Updates and Upgrades. Software updates consist of any error correction or modification to Equipment that maintain existing software features and functionality made generally available to GE HealthCare’s installed customer base. Software updates may be installed during PM, or as otherwise agreed to by the parties. Software updates do not include any separately licensed software modules which provide additional functionality related to an application or feature for the hardware or software. Software upgrades are not included, which consist of any revision or enhancement to the Software by GE HealthCare that improve or expand existing software features or functionality that are made generally available for purchase. Additional hardware and/or software (including upgrades to third party software or operating system software) required for software updates or software upgrades, training, project management, and integration services are excluded.

5. Phone Clinical Applications Support.

- All Products. GE HealthCare will provide clinical applications support by telephone, Monday-Friday, 8am to 5pm CST (unless otherwise identified on the Product Schedule), excluding OEM holidays.

- Equipment. Only available for Customer personnel trained by GE HealthCare to use the Equipment.

- Third Party Product. Only provided if identified on the Product Schedule and available via the OEM.

6. TiP Options. Not all TiP options are available with all Products or with all GE HealthCare service options. See Product Schedule for a list of TiP options included in the Agreement.

- TiP Answer Line. Not available for Third Party Product. Provides toll-free access to GE HealthCare application staff. Hours of operation based on product type (times available upon request).

- TiP-Ed Online. Continuing education training and business programming for healthcare professionals. See TiP-Ed Online Statement of Service Deliverables for additional terms and conditions.

- TiP Elevate. Training credits which can be used for trainings conducted at Customer’s facility, via remote training sessions and at GE HealthCare’s Healthcare Institute for the following diagnostic imaging products: MR, CT, Mammography, PET, Nuclear Medicine, Vascular and XR. See TiP Elevate Statement of Service Deliverables for additional terms and conditions.

7. MyGEHealthcare Equipment. MyGEHealthcare Equipment is a cloud-based asset maintenance and management software application that provides data and analytics on Product status, location, service and maintenance history, and Equipment utilization (“MyGEHealthcare Equipment”). If identified on the Product Schedule, GE HealthCare grants Customer during this Agreement a non-exclusive, non-transferable, non-sublicensable, limited subscription license to access and use MyGEHealthcare Equipment for the Products covered under this Agreement only for Customer’s internal business operations in the United States. Customer must ensure its employee users maintain individually-assigned confidential user identifications and control mechanisms to access MyGEHealthcare Equipment, and notify GE HealthCare immediately of unauthorized access to or use of a username, password or other breach of security. MyGEHealthcare Equipment and the information therein are provided on an “AS IS” and “AS AVAILABLE” basis. NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SYSTEM INTEGRATION, OR DATA ACCURACY, APPLY. GE HealthCare may monitor use of MyGEHealthcare Equipment for purposes including, but not limited to, ensuring appropriate use, product and service enhancements, performance monitoring and marketing. GE HealthCare may upgrade, modify, suspend, replace or disable MyGEHealthcare Equipment or portions thereof at any time. Customer cannot: (i) modify, reverse engineer, decompile, disassemble, copy or create derivative works of MyGEHealthcare Equipment; (ii) modify markings, labels or notices of proprietary rights; or (iii) make MyGEHealthcare Equipment or the information therein available to third parties. GE HealthCare retains all ownership and intellectual property rights to MyGEHealthcare Equipment. No rights are granted except as expressly provided herein.

8. Remote Diagnostic Services. If identified on the Product Schedule as included, the Agreement includes GE HealthCare’s then-current InSite, iLinq, iLinq Diagnostic tools, or Advanced Visual Support tools. Not available on all Products. Hours of operation based on product type.

9. Uptime Performance. If a Product fails to meet GE HealthCare’s uptime commitment identified on the Product Schedule during any year of the Agreement, GE HealthCare will provide the applicable remedy listed below (which is Customer’s sole and exclusive remedy). Uptime is calculated as follows: (Uptime-Downtime)/Uptime, with Uptime measured as the coverage hours identified on the Product Schedule (hours per day x days per week x 52 weeks). Downtime is measured as the number of hours the Product is inoperable and out of service. PM time and software update/upgrade installation are excluded from downtime calculation. Product is considered down from the time the service request is received by GE HealthCare until it is turned over to Customer for operation/use. Product is considered in service if Customer fails to give GE HealthCare immediate and unencumbered access to it or continues to obtain scans from it after notifying GE HealthCare of Product failure. Product is considered out of service if it is unavailable for scanning patients and diagnosing images on the display console or operator’s console. Peripheral equipment (e.g., remote console, magnetic tape drive, hard copy devices, multi-format, laser cameras) are excluded. Services required

for anything other than Product failure, and damage or inoperability beyond GE HealthCare's control, are excluded. Customer is responsible for tracking and calculating uptime. To be eligible for the remedy, Customer must maintain a performance log that includes data required to calculate downtime.

Offering	Remedy	
Universal Plus Universal Standard Universal	Reduction in the amount of the then-current annual charge for the affected Product during the following Agreement year, at the following amounts:	
	<u>% Less Than Uptime Commitment</u>	<u>Reduction %</u>
	.1% - 5%	5%
	5.1% -10%	10%
	>10%	15%

10. Special Parts Handling. GE HealthCare will provide special handling of critical parts in Product hard down situations. Critical parts are Replacement Parts required for sufficient functionality of the Product to reasonably resume patient scanning and diagnosing images on the display or operator's console. Special handling is expedited delivery beyond Replacement Parts delivery priority identified on the Product Schedule.

11. Overtime Hours Allowance. If identified on the Product Schedule, corrective maintenance or PM service will be provided outside the coverage hours identified on the Product Schedule (if not listed, 8am to 5pm local time) up to the number of overtime hours identified on the Product Schedule. The number of overtime hours identified on the Product Schedule are valid for 12 months, commencing on the signature date of the Agreement or its anniversary date, as applicable. Service hours that exceed the number of overtime hours will be billed at GE HealthCare's then-current rates. Unused hours will not roll over to the following Agreement year and are forfeited without refund or credit.

12. Full Service Supplemental Terms and Riders. If the Product Schedule includes Component Coverage Options, Continuity, GlassPro, OnWatch / OnWatch Predict, Refresh, Remote Console or Tube Watch, see applicable Statement of Service Deliverables or Rider for additional terms and conditions.

13. Supplemental Services During Warranty. If identified on the Product Schedule, Customer is entitled to additional services for the Equipment as listed on the Product Schedule for the remaining term of the Equipment Warranty (as defined in the GE HealthCare "Warranty Statement"). The fees for the services are identified on the Product Schedule and will apply if Customer signs and returns this Agreement before installation of the Equipment. Additional fees (i.e., in addition to the fees identified on the Product Schedule) will apply if Customer signs and returns this Agreement after installation of the Equipment (contact GE HealthCare). During the Equipment Warranty, Customer's remedies for the services are those described in the Warranty Statement or Product Terms and Conditions. If Customer terminates this Agreement prior to its expiration date, Customer is responsible for amounts owed under this coverage (i.e., the value of services performed on a prorated basis), and will pay the amounts within 30 days following Agreement termination.

14. Product Usage Allowance/Level. Where Service charges are based on an estimate of annual total patient exam volume as identified on the Product Schedule, if Product usage in any Agreement year exceeds the volume level/band level identified on the Product Schedule by greater than 5%, GE HealthCare may: (i) increase charges for the following Agreement year based on the prior year's annual total patient exam volume by 10% for CT, Nuclear and PET, and 20% for MR, for each volume level/band level increase; and (ii) charge for the prior year's overage at a per patient rate of \$38 for CT, Nuclear and PET, and \$65 for MR. The overage charge will not exceed the new volume level/band level charge increase by more than 10%.

15. Exclusions. Products are excluded from coverage under the Agreement and Customer is not entitled to any remedy (including uptime remedy) if GE HealthCare's failure to provide Service is due to: (i) Customer cancellation, rescheduling, or inability of GE HealthCare to access the Product; (ii) Customer's default; (iii) improper care of the Product; or (iv) any cause beyond GE HealthCare's control. Unless identified on the Product Schedule, this Agreement does not cover: stand-alone workstations, sensors, transmission pin sources, transducers, non-GE HealthCare supplied coils, MR surface coils on Third Party Product (other than the body coil), MR magnet, cryostat, coldhead, cryo-cooler compressor, shim and gradient coils, and cryogens. GE HealthCare is not responsible for providing system database maintenance for Customer, including but not limited to, activities related to backup, new users, user privileges, physician list updates, and archive/data entry.

1. OnWatch / OnWatch Predict (if identified on the Product Schedule). GE HealthCare will use its then-current OnWatch service to monitor (i) the performance of a limited number of components in the Equipment, and (ii) a limited number of environmental conditions where the Equipment is located. GE HealthCare will receive electronic service alerts of potential and/or emerging issues (e.g., Equipment identification number, description of identified issue) that it may use to service or maintain the Equipment.

2. Tube Watch (if identified on the Product Schedule)

2.1 Tube Monitoring. Tube Watch provides monitoring of GE HealthCare eligible tubes installed in the Equipment identified on the Product Schedule. Following GE HealthCare's receipt of a "tube-health" notice from the Equipment, GE HealthCare will notify Customer and request access to the Equipment ("Customer Notice"). Within 72 hours of Customer Notice, GE HealthCare will access the Equipment (remotely or on-site, as determined by GE HealthCare) to begin tube and related component inspection, service and/or tube replacement. Tube Watch is solely a monitoring service that applies to GE HealthCare manufactured tubes; corrective maintenance, tube replacement coverage, replacement parts and labor are not included.

For CT and PET/CT Equipment, Tube Watch applies only to liquid-bearing tubes.

2.2 Performance Guarantee (if identified on the Product Schedule). If a GE HealthCare eligible tube prevents the Equipment from scanning: (i) before Customer Notice; or (ii) within 72 hours of Customer Notice (each, a "Failure"), then, subject to the conditions in this Rider, GE HealthCare will provide Customer a service credit equaling the Tube Watch performance guarantee amount identified on the Product Schedule for such Equipment in the contract year in which the Failure occurred ("Performance Guarantee"). The Performance Guarantee is limited to 1 service credit per contract year regardless of whether multiple Failures occur on the same Equipment in a contract year.

2.3 Restrictions. Tube Watch and the Performance Guarantee (if applicable) are conditioned on: (i) Customer granting GE HealthCare remote or physical access to the Equipment as requested by GE HealthCare; (ii) Customer providing GE HealthCare with, and maintaining, remote access to the Equipment at all times during this Agreement; (iii) Customer performing tube warm up procedures in accordance with GE HealthCare recommended frequencies and published specifications; (iv) the GE HealthCare tube being in an unaltered and unmodified condition and in compliance with GE HealthCare specifications at all times during this Agreement; and (v) the GE HealthCare tube being installed in the Equipment in accordance with GE HealthCare specifications at all times during this Agreement. Tube Watch is void if a non-GE HealthCare tube and/or high voltage chain components not sourced by GE HealthCare (e.g., high voltage tank, inverter, high voltage cables) are installed in the Equipment.



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

April 17, 2024

Subject: Proposed Service Agreement, Order Form, and Business Associate Agreement with Inovalon Provider, Inc. ("Inovalon") for Claims Management Services

Recommended Action: Approve; Authorize Chairman to sign.

Summary:

Kern Medical requests your Board approve the proposed Service Agreement with Inovalon for claims management services. The initial implementation cost is \$2,987, with a monthly amount of \$2,673 for a total not to exceed of \$35,063.

Inovalon will furnish the services listed in the proposed Inovalon Order Form (Q-127825) under the terms of the proposed Service and Business Associate Agreements. The proposed Order Form lists professional service resources to assist Kern Medical with the implementation of a claims' management Medicare DDE verification platform, which will provide Kern Medical the ability to automate the Medicare billing management, eligibility transaction, and claim transaction process activity.

Counsel is unable to approve as to form due to non-standard terms which include limitation of liability to the vendor's insurance limits, issues with notification of public records requests, and a one year auto-renewal of the term. Efforts were made to negotiate with the vendor, but to no avail.

Therefore, it is recommended that your Board approve the proposed Service Agreement, Order Form, and Business Associate Agreement with Inovalon Provider, Inc. ("Inovalon") for Claims Management Services Agreement, containing non-standard terms, effective May 1, 2024, through April 30, 2025, with a yearly not exceed of \$35,063, and authorize the Chairman to sign.

SERVICE AGREEMENT

This SERVICE AGREEMENT ("Agreement") is made and entered into as of the last date of a Party's signature below ("Effective Date") by and between Inovalon Provider, Inc. ("INOVALON") and Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center ("CUSTOMER"). Each may be referred to herein individually as a "Party" or collectively as the "Parties."

CUSTOMER wishes to utilize INOVALON's Services and INOVALON agrees to provide Services to CUSTOMER in accordance with the terms and conditions of this Agreement and applicable Order Form(s);

In consideration of the Fees to be paid by CUSTOMER for the provision of Services by INOVALON and other promises of each Party contained herein, the Parties agree as follows:

TERMS AND CONDITIONS

1. DEFINITIONS.

- 1.1. "Authorized End User(s)" means CUSTOMER's personnel and/or contracted third-party (e.g. agency, temporary or consulting staff) acting on behalf of CUSTOMER and, as applicable, CUSTOMER's clients.
- 1.2. "Documentation" means the technical manuals made available by INOVALON to enable CUSTOMER to reasonably understand and use the Services.
- 1.3. "Order Form" means the CUSTOMER executed Services order form(s) incorporating the terms of, subject to, and made a part of this Agreement and representing CUSTOMER's purchase of the Services as contained within such order form(s). In the event of a conflict between the terms and conditions of an order form and this Agreement, the terms and conditions of the order form shall control.
- 1.4. "Services" means the service(s) as specified within the applicable Order Form(s).
- 1.5. "Service Period Start Date" means the date CUSTOMER's Initial Term for Services commences.
- 1.6. "Software" – software products used by INOVALON as part of the Services or otherwise, in object code, machine readable format or as a component of a software-as-a-service model, and any updates, revisions, improvements or materials. Software may include programs of third parties which INOVALON is authorized to include as part of the Software.

2. ACCESS AND USE.

- 2.1. Grant of Access and Use. During the Services term as stated below or as otherwise contained within an Order Form and subject to CUSTOMER's continued compliance with its payment obligations hereunder or under the applicable Order Form, INOVALON hereby grants CUSTOMER access to and use of INOVALON's Services pursuant to this Agreement and any additional terms and conditions contained in the Order Form for such Services.
- 2.2. Permitted Access and Use. CUSTOMER may access and use the Services only for processing CUSTOMER's own data and, depending on the particular Services and as specified in an Order Form, the data of CUSTOMER's clients who are under a contractual relationship with CUSTOMER to provide services. CUSTOMER shall not itself, or through any affiliate, subsidiary, agent, or third-party (i) copy or republish Services or Documentation; (ii) disassemble, reverse engineer, decompile, or otherwise attempt to derive the source code used to provide Services; (iii) modify, create derivative works based upon, or translate Services; (iv) license, sell, rent, lease, transfer, grant any rights in, or otherwise commercially exploit CUSTOMER's access to Services or accompanying Documentation in any form to any third-party, except as may be otherwise expressly permitted hereunder or in an Order Form; (v) use or access Services to provide service bureau, time-sharing or other computer hosting services to third parties, except as may be otherwise expressly permitted hereunder or in an Order Form; (vi) make Services available to any person other than Authorized End Users; or (vii) remove any trademark, copyright, or other proprietary or confidentiality notices, labels or marks on or in Services or Documentation. CUSTOMER shall immediately notify INOVALON of any unauthorized access and/or use of Services or Documentation as detailed in this provision that becomes directly or constructively known to CUSTOMER or that CUSTOMER reasonably suspects.
- 2.3. Equipment Required for Use of Services. CUSTOMER is solely responsible for obtaining all compatible equipment and for paying all associated fees as is necessary and required to access and use Services, including without limitation all applicable taxes and internet access fees.

3. SUPPORT.

- 3.1. Support. Subject to CUSTOMER's compliance with its obligations pursuant to this Agreement and the applicable Order Form(s), INOVALON shall provide (i) configuration and implementation of Services; (ii) ongoing monitoring and management of Services to ensure reliable and efficient operations; (iii) troubleshooting, advice, and support for Services via telephone, e-mail, or other electronic means made available by INOVALON during normal business hours; and (iv) modifications, incremental enhancements, and updates to Services as INOVALON, in its sole discretion, may make generally available from time to time.
- 3.2. Services Upgrade. Should CUSTOMER wish to upgrade Services, CUSTOMER shall notify INOVALON, and the Parties will execute a new Order Form, which will set forth the new Fees and shall serve to supersede and terminate the current Order Form containing those Services that CUSTOMER wishes to upgrade.

4. **FEES AND PAYMENT.**

- 4.1. **Fees.** The fees payable by CUSTOMER to INOVALON for access to and use of Services shall be set forth in an Order Form ("Fees"). After the Initial Term, Fees are subject to adjustment one (1) time within each successive twelve (12) month period. Any such adjustment shall be effective upon sixty (60) days prior written notice to CUSTOMER. Notwithstanding the foregoing, any increase in third-party charges (such as by any third-party licensors or other third parties relating to the use of Services, including but not limited to pass-through fees, tariffs, or government fees) shall be immediately passed through to CUSTOMER.
- 4.2. **Payment.** Fees shall be payable by CUSTOMER subject to the terms of an Order Form. Fees paid by CUSTOMER are non-refundable, except as may be otherwise provided for in an Order Form or elsewhere within this Agreement. Any undisputed Fees unpaid by CUSTOMER when due shall be subject to a finance charge of one and a half percent (1.5%) per month or the maximum permitted by law, whichever is greater, on any outstanding balance. CUSTOMER shall notify INOVALON within thirty (30) days of the invoice date of any disputed Fees or other charges ("Dispute Notification Period"). Dispute notifications shall include written documentation identifying and substantiating the disputed amount. Notwithstanding CUSTOMER's dispute of any Fees or charges, CUSTOMER shall submit to INOVALON, by the due date of the invoice, full payment of the undisputed portion of such invoice. In the event CUSTOMER fails to notify INOVALON within the Dispute Notification Period, CUSTOMER shall promptly pay INOVALON the full value of the invoice and waives any and all rights to dispute the Fees or charges contained therein. Notwithstanding the foregoing, if CUSTOMER fails to pay any undisputed Fees when due, INOVALON may, at its sole discretion, (i) terminate this Agreement immediately upon notice to CUSTOMER, including any applicable Order Form(s); or (ii) withhold delivery of all or a portion of Services and seek enforcement of CUSTOMER's obligation to pay the entire Fee as a condition precedent to INOVALON performing any other obligation under this Agreement.
- 4.3. **Taxes.** Exclusive of property taxes or taxes based on the net income of INOVALON or its suppliers or licensors, CUSTOMER will pay any and all excise, sales, use, personal property, value-added, withholding, privilege, or other similar and applicable tax or duties, including but not limited to penalties and interest, levied or based upon the payments made pursuant to this Agreement. If CUSTOMER is a tax-exempt organization, CUSTOMER must provide a copy of the applicable State or Federal exemption certificate(s) to INOVALON, or if no exemption certificate is available in CUSTOMER's State, a copy of the applicable sales and use tax exemption and exclusion statutes or regulations for the applicable State.

5. **INTELLECTUAL PROPERTY RIGHTS.**

- 5.1. **Intellectual Property.** CUSTOMER acknowledges and agrees that INOVALON retains all intellectual property rights, including but not limited to patent, copyright, trademark, and title in and to all Services and Documentation and derivatives thereof. All Services and Documentation ideas, concepts, techniques, inventions, processes, operation, code, architecture, implementation, software or works of authorship developed, comprising, embodied in, or practiced in connection therewith, including without limitation all modifications, enhancements, configurations, upgrades, and interfaces thereto is the valuable intellectual property of INOVALON ("Intellectual Property"). Intellectual Property is protected by United States copyright and trademark laws, common law, and/or international treaties. This Agreement does not give CUSTOMER any intellectual property rights to INOVALON's Intellectual Property.
- 5.2. **Proprietary Markings.** CUSTOMER shall not remove or destroy any confidential, proprietary, trademark, or copyright markings or notices placed upon or contained within Services or Documentation. The placement of a copyright notice within Services or Documentation shall not constitute publication or otherwise impair the Intellectual Property of INOVALON.
- 5.3. **Use of Data.** Any access to, use, or disclosure of data shall be in accordance with this Agreement. Notwithstanding the foregoing, any data which is considered protected health information (as such term is defined under 45 CFR §160.103; hereinafter referred to as "PHI") shall only be accessed, used, or disclosed in accordance with the applicable business associate agreement ("BAA") in effect between the Parties.
- 5.4. **Third-Party Websites.** Services may contain links to third-party websites ("Websites"). Websites are provided within certain Services for convenience only and are not under the ownership or control of INOVALON. INOVALON is not responsible for the content of any Websites and does not review, approve, monitor, endorse, warrant, or make any representations whatsoever with respect to Websites. In no event shall INOVALON be responsible for the information contained in any Websites or for CUSTOMER's reliance on and/or use thereof. Websites may have terms and privacy policies different from those of INOVALON and INOVALON shall not be responsible for any breach thereof.
- 5.5. **Publicity.** Neither Party shall issue or release any announcement, statement, press release, or other publicity or marketing materials relating to this Agreement, unless otherwise expressly permitted elsewhere hereunder, provided, however, that INOVALON may, without CUSTOMER's consent, include CUSTOMER's name, logo and other indicia in its lists of INOVALON current or former customers and within other promotional and marketing materials.

6. **CONFIDENTIAL INFORMATION.**

- 6.1. **Defined.** As used herein, "Confidential Information" shall mean any information disclosed by either Party to the other Party, directly or indirectly, which (i) if in written, graphic, machine-readable or other tangible form, is marked or otherwise identified as "Confidential" and/or "Proprietary,"; (ii) if disclosed orally or by demonstration, is identified at the time of initial disclosure as confidential and is confirmed in writing by the disclosing Party to the receiving Party to be "Confidential" and/or "Proprietary" within thirty (30) days of such disclosure, (iii) is specifically deemed to be confidential by the terms of this Agreement, including but not limited to INOVALON's Intellectual Property; or (iv) reasonably appears to be confidential or proprietary because of the circumstances of disclosure and the nature of the information itself. Examples of Confidential Information include, but are not limited to, Trade Secrets (as defined below), performance data, design, features, layouts, configurations, processes, formulae, specifications, programs, test results, technical know-how, methods and procedures of operation, and other information relating to or otherwise obtained from the Services or Documentation. As used herein, "Trade Secrets" shall mean common law and statutory trade secrets that include all information possessed by or developed for INOVALON or any of its subsidiaries, including without limitation a compilation, program, device, method, system, technique or process, to which all of the following apply: (i) the information derives actual or potential independent economic value from not being generally known to and not being readily ascertainable by proper means by other persons who could obtain economic value from its disclosure or use; and (ii) the information is subject to the efforts of the disclosing Party to maintain its secrecy that are reasonable under the circumstances.

- 6.2. **Confidentiality.** The receiving Party shall not use Confidential Information except to exercise its rights and perform its obligations under this Agreement and shall not disclose Confidential Information to any third-party without prior written authorization by the disclosing Party. The receiving Party shall use at least the same degree of care that it uses to prevent disclosure of its own confidential information to prevent the disclosure of the disclosing Party's Confidential Information, but in no event shall such level of care be less than a reasonable degree of care.
- 6.3. **Duration.** During the term of this Agreement and for a period of three (3) years thereafter, the receiving Party shall treat as confidential all Confidential Information disclosed to them by the disclosing Party. Notwithstanding the foregoing, the receiving Party shall treat as confidential any Trade Secrets disclosed by the disclosing Party in perpetuity or for so long as such information remains a Trade Secret under applicable law.
- 6.4. **Exceptions.** Confidential Information does not include information that (i) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing Party; (ii) becomes publicly known and made generally available after disclosure by the disclosing Party to the receiving Party through no action or inaction of the receiving Party; (iii) is already in the receiving Party's possession at the time of disclosure by the disclosing Party as shown by the receiving Party's files and records immediately prior to the time of disclosure; (iv) is obtained by the receiving Party from a third-party without a breach of such third-party's obligations of confidentiality; (v) is independently developed by the receiving Party without use of or reference to the disclosing Party's Confidential Information, as shown by documents and other competent evidence in the receiving Party's possession; or (vi) is required by law to be disclosed by the receiving Party, provided that the receiving Party gives the disclosing Party prompt written notice of such requirement prior to any disclosure and assists the disclosing Party in seeking an order protecting the information from public disclosure. Additionally, each Party may disclose the existence of this Agreement and the relationship of the Parties, but each Party agrees that the specific terms and conditions of this Agreement shall be treated as Confidential Information; provided, however, that each Party may disclose the terms of this Agreement to those third parties with a need to know and who are under a contractual duty of confidentiality with respect to such Confidential Information, including but not limited to accountants, lawyers, bankers, and investors. INOVALON is aware that CUSTOMER is a government entity and is subject to the California Public Records Act, Cal.Govt.Code §6250 et seq., the Brown Act, Cal.Govt.Code §54950 et seq., and other laws pertaining to government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation. Notwithstanding, CUSTOMER will provide INOVALON with notice of any such request and allow INOVALON an opportunity to avail itself of any applicable exceptions.

7. TERM AND TERMINATION.

- 7.1. **Term.** This Agreement shall become effective on the Effective Date and shall remain in effect until all Services CUSTOMER receives under an Order Form incorporating the terms of and made a part of this Agreement are terminated in accordance with the terms herein or as may otherwise be specified within the Order Form. Additionally, unless otherwise stated within an Order Form, Services shall have an initial twelve (12) month term ("Initial Term"), commencing as of the Service Period Start Date and shall automatically renew for successive twelve (12) month terms (each a "Renewal Term") unless CUSTOMER provides no less than sixty (60) days prior written notice to INOVALON of their intent to not renew and terminate Services effective upon the last day of the then current term.
- 7.2. **Termination.** Either Party may terminate this Agreement and any applicable Order Form (i) within thirty (30) days after a breach by a Party, provided the non-breaching Party has provided the breaching Party with written notice of breach of this Agreement and to the extent that such breach is not cured by the breaching Party to the non-breaching Party's reasonable satisfaction within the thirty (30) day notice period; or (ii) if the other Party is adjudged insolvent or bankrupt, or upon the institution of any proceedings by or against such Party seeking relief, reorganization or arrangement under any laws relating to insolvency, or any assignment for the benefit of creditors, or the appointment of a receiver, liquidator or trustee of any of such Party's property or assets, or the liquidation, dissolution or conclusion of such Party's business. After the Initial Term, either party may terminate any applicable Order Form with no less than sixty (60) days prior written notice. Services may only be terminated at the end of a month. Therefore, the Agreement and related Services will be terminated on the last day of the month that occurs at least sixty (60) days after receipt of such notice. Additionally, INOVALON may terminate this Agreement and any applicable Order Form upon ninety (90) days prior written notice to CUSTOMER.
- 7.3. **Effect of Termination.** Upon termination of this Agreement and/or any Order Form incorporating the terms of this Agreement, CUSTOMER shall immediately cease using all Services and return or destroy any Confidential Information in CUSTOMER's possession including all copies of the Documentation and INOVALON shall disable all access to Services. Upon INOVALON's request, CUSTOMER shall provide written certification to INOVALON that all Confidential Information has been returned or destroyed and that CUSTOMER no longer has access or use of the Services. CUSTOMER shall pay to INOVALON all accrued Fees and other amounts that may be due and outstanding as of the effective date of termination.
- 7.4. **Improper Termination and/or Breach by Customer.** In the event (i) CUSTOMER improperly seeks to terminate this Agreement or any Order Form prior to the conclusion of a guaranteed minimum term; or (ii) INOVALON terminates this Agreement or any Order Form due to CUSTOMER's breach thereof, CUSTOMER shall pay INOVALON, upon receipt of an invoice, a termination fee equal to the total amount of Fees that were remaining and would have become payable to INOVALON had the terminating event as set forth herein not occurred ("Termination Fee"). For purpose of clarity, the Termination Fee amount will be equal to the Fees CUSTOMER would have paid for such Services until the end of the then applicable term. The Termination Fee is a non-exclusive remedy and is in addition to any other remedies available by law.

8. WARRANTIES.

- 8.1. **Specific Warranties.** INOVALON warrants that (i) Services will be of professional quality and conform to generally acceptable professional standards; (ii) personnel shall be competent and qualified to perform tasks to which they are assigned; and (iii) it has the right to grant CUSTOMER access to Services as provided for and conditioned herein. If Services fail to comply with the warranties stated above, CUSTOMER shall provide notice to INOVALON within ninety (90) days of CUSTOMER's initial receipt of the Services detailing their non-compliance. Upon receipt of such notice, and after investigation that such non-compliance exists with the Services as delivered, INOVALON will seek to repair or replace the non-compliant Services. Such remedy is only available if CUSTOMER provides timely notice to INOVALON as required by this provision. The foregoing states CUSTOMER's sole and exclusive remedy and INOVALON's sole and exclusive liability for any breach of warranty. Notwithstanding the foregoing, in the event any modifications are made to the Services or Documentation by anyone other than INOVALON, all warranties with respect to such Services and Documentation shall immediately terminate.
- 8.2. **DISCLAIMER OF GENERAL WARRANTIES. OTHER THAN AS EXPLICITLY SET FORTH IN SECTION 8.1, THE SERVICES ARE PROVIDED "AS IS" AND THE FOREGOING WARRANTIES ARE IN LIEU OF ALL CONDITIONS OR WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED**

TO, ANY CONDITIONS OR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ON THE PART OF INOVALON AND ITS SUPPLIERS. INOVALON DOES NOT WARRANT THAT THE FUNCTIONS CONTAINED IN THE SERVICES WILL MEET CUSTOMER'S REQUIREMENTS OR THAT THE OPERATION OF THE SERVICES WILL BE UNINTERRUPTED OR ERROR FREE. ANY THIRD-PARTY SOFTWARE INCLUDED IN THE SERVICES ARE PROVIDED WITHOUT WARRANTY OF ANY KIND AND CUSTOMER IS RESPONSIBLE FOR THE ENTIRE RISK WITH RESPECT TO THE QUALITY AND PERFORMANCE OF SUCH THIRD-PARTY SOFTWARE INCLUDED IN THE SERVICES.

9. LIMITATION OF LIABILITY.

- 9.1. **LIMITATION.** FOR ANY BREACH OR DEFAULT OF THIS AGREEMENT BY INOVALON (INCLUDING ANY ORDER FORM, EXHIBIT, ADDENDA, SCHEDULE, OR OTHER DOCUMENT INCORPORATING THE TERMS OF THIS AGREEMENT), THE ENTIRE LIABILITY OF INOVALON AND CUSTOMER'S EXCLUSIVE REMEDY, EXCEPT AS MAY OTHERWISE BE EXPRESSLY PROVIDED IN THIS AGREEMENT, SHALL BE THE PAYMENT OF THE ACTUAL, DIRECT DAMAGES INCURRED BY CUSTOMER THAT WERE CAUSED SOLELY BY INOVALON'S BREACH OF OR DEFAULT HEREUNDER. IN NO EVENT SHALL INOVALON'S LIABILITY FOR CLAIMS, DAMAGES, OR ANY OTHER MONETARY PAYMENTS OF ANY KIND ("DAMAGES") EXCEED THE AMOUNTS PAYABLE PURSUANT TO INOVALON'S APPLICABLE INSURANCE POLICIES.
- 9.2. **DISCLAIMER OF DAMAGES.** IN NO EVENT SHALL INOVALON OR ITS SUPPLIERS BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, AND/OR EXEMPLARY DAMAGES, LOSSES, OR EXPENSES, INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS, GOODWILL, DATA, COMPUTER TIME, USE, NOR FOR ANY COST OF PROCUREMENT OF SUBSTITUTE SERVICES, FAILURE TO REALIZE EXPECTED SAVINGS AND ANY OTHER PURELY COMMERCIAL OR ECONOMIC LOSS OF ANY KIND ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE USE OR INABILITY TO USE THE SERVICES, WHETHER SUCH DAMAGES ARE LABELED IN TORT, CONTRACT, OR INDEMNITY AND EVEN IF INOVALON HAS BEEN ADVISED OF OR KNOWS OF THE POSSIBILITY OF ANY SUCH DAMAGES. THE LIABILITIES OR OBLIGATIONS OF CUSTOMER WITH RESPECT TO ITS ACTIVITIES PURSUANT TO THIS AGREEMENT SHALL BE THE LIABILITIES OR OBLIGATIONS SOLELY OF CUSTOMER AND SHALL NOT BE OR BECOME THE LIABILITIES OR OBLIGATIONS OF THE COUNTY OF KERN OR ANY OTHER ENTITY, INCLUDING THE STATE OF CALIFORNIA. CALIFORNIA HEALTH AND SAFETY CODE SECTION 101853(G).
- 9.3. **CONTRACTUAL STATUTE OF LIMITATIONS.** EXCEPT WITH REGARD TO CUSTOMER'S PAYMENT OBLIGATIONS, NO ACTION OF ANY KIND ARISING OUT OF THIS AGREEMENT MAY BE BROUGHT BY EITHER PARTY MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ACCRUED.

10. INDEMNIFICATION.

- 10.1. **By CUSTOMER.** If INOVALON or any of its suppliers or third-party licensors suffers damages or liabilities resulting directly or indirectly from CUSTOMER's breach of this Agreement or any Order Form or other documents executed hereunder, or any wrongful act or omission done by CUSTOMER, CUSTOMER's employees, agents, subcontractors, or otherwise willfully, recklessly or negligently, CUSTOMER will indemnify and hold INOVALON or any of its suppliers or third-party licensors harmless from and against all such damages, liabilities and expenses incurred in connection therewith (including any amounts paid as attorneys' fees or court costs or in response to a judgment or settlement).
- 10.2. **By INOVALON.** INOVALON shall, at its expense, indemnify, defend, and hold CUSTOMER harmless against any claim by a third-party to the extent that CUSTOMER's authorized use of the Services pursuant to this Agreement and the Order Form infringes such third-party's U.S. copyright, patent, or trademark. INOVALON shall pay all costs, expenses, damages, and reasonable attorney's fees attributable to such claim that a court of competent jurisdiction finally awards or the cost of settling such claim. To obtain this defense and payment, CUSTOMER must promptly notify INOVALON in writing of such claim and allow INOVALON (or its designee) to control the defense and all related settlement negotiations. CUSTOMER may not settle any claim without INOVALON's advance written consent.

If any such claim occurs (or in INOVALON's opinion is likely to occur), INOVALON will have the right, in its sole discretion, (i) to replace or modify affected Services; (ii) obtain the right to use affected Services without such third-party infringement; or (iii) terminate the applicable Order Form for such Services and this Agreement (as applicable) immediately. In the event of termination of Services under this provision, any prepaid Fees for such Services shall be refunded to CUSTOMER on a prorated basis. Notwithstanding the foregoing, INOVALON will have no obligation with respect to any such claim that is caused by or results from CUSTOMER's modification of Services or CUSTOMER's combination, operation, or use of Services with any software, product, service, or data provided by a party other than INOVALON. This provision states INOVALON's entire liability and CUSTOMER's sole remedy in connection with any claim of infringement or the like.

11. **JOINDER OF AFFILIATED ORGANIZATIONS.** INOVALON may provide Services to affiliate organizations and/or wholly owned subsidiary organizations of CUSTOMER or CUSTOMER's parent organization ("Related Entity"), as applicable. In such an event and to the extent applicable, the Related Entity shall agree to be bound by the same terms and conditions and agree to the same performance obligations and liabilities of CUSTOMER as contained within this Agreement as if Related Entity was explicitly named as CUSTOMER herein and was a signatory to this Agreement. Related Entity's acceptance of and desire to be bound by this Agreement shall be evidenced by their execution of an Order Form that references, incorporates, and is made a part of this Agreement.
12. **U.S. GOVERNMENT RIGHTS.** If CUSTOMER is the U.S. Government or an agency thereof, CUSTOMER shall, (i) with respect to civilian agencies, grant protection for any software included in Services as "commercial computer software," in accordance with the terms of 48 CFR §12.212 of the Federal Acquisition Regulations ("FAR"); and (ii) if Services are for use by or on behalf of the U.S. Department of Defense ("DoD"), grant protection for any software included in Services as "commercial computer software," in accordance with the terms of 48 CFR §227.7202-1 of the DoD FAR Supplement. Services may include CPT, which is commercial technical data developed exclusively at private expense by the American Medical Association ("AMA"), 330 North Wabash Avenue, Chicago, Illinois 60611. The AMA does not agree to license CPT to the Federal Government based on the license in 48 CFR §52.227-14 ("Rights in Data – General") and 48 CFR §252.227-7015 ("Technical data – Commercial items") or any other license provision. The AMA reserves all rights to approve any license with any Federal Government agency.
13. **EXPORT.** CUSTOMER will not, directly or indirectly, export, re-export, or otherwise permit the export or re-export of Services to any country for which the U.S. Export Administration Act (50a USC §2401 et seq.) or any similar U.S. law or regulation requires an export license or other U.S. Government approval, unless the appropriate export license or approval has first been obtained.

14. **NOTICES.** Unless otherwise specified in this Agreement, all notices, requests, demands and other communications (other than routine operational or administrative communications) required or permitted under this Agreement shall be deemed to have been delivered to CUSTOMER when sent to the physical address indicated in the Order Form (i) when actually received, in the case of a hand delivered notice, as evidenced by a signed receipt; (ii) the business day after being given to a reputable overnight courier service, with a reliable system for tracking delivery, for delivery the following day; (iii) when sent by confirmed facsimile with a copy sent by U.S. Postal Service mail within two (2) business days of the transmission; (iv) within six (6) days of deposit if sent by U.S. Postal Service first class mail; or (v) upon receipt when sent via email with a S/MIME receipt request. A Party may from time to time change its address, facsimile number or designee for notification purposes by giving the other Party prior written notice of the new address, facsimile number or designee and the date upon which such change will become effective.
15. **CHOICE OF LAW; DISPUTE RESOLUTION; VENUE.** Intentionally Omitted.
16. **NO LIMITATION.** Nothing in this Agreement shall limit the ability of INOVALON to develop or enhance Services in any manner whatsoever, including use of knowledge gained as a result of the performance by INOVALON of its obligations hereunder, provided that INOVALON does not use or disclose CUSTOMER's Confidential Information.
17. **ASSIGNMENT.** CUSTOMER may not assign this Agreement, including by operation of law, without INOVALON's prior written consent. Any such purported assignment of this Agreement without first obtaining INOVALON's written consent shall be void and of no effect and shall permit INOVALON to terminate this Agreement immediately. This Agreement shall be binding upon and inure to the benefit of those permitted successors and assigns of CUSTOMER.
18. **AMENDMENT.** On a prospective basis only and as set forth below, INOVALON reserves the right to modify certain terms and conditions of this Agreement without Customer's written consent upon written notice to Customer. However, in the event that INOVALON exercises this right and such modifications are reasonably unacceptable to Customer, Customer shall be permitted to terminate this Agreement without cause or incurring the Termination Fee so long as Customer provides written notice that is received by INOVALON prior to the expiration of INOVALON's applicable notice period as forth herein. Thus, INOVALON reserves the right to prospectively: (i) modify the description of any Services upon at least thirty (30) days advance written notice; (ii) withdraw any Services upon ninety (90) days advance written notice; and (iii) modify any other term or condition of this Agreement or any accompanying and incorporated documents to the extent necessary to comply with the requirements of INOVALON's third-party suppliers or licensors or as otherwise may be required by law upon thirty (30) days written notice or such shorter timeframe as may be required and as stated in such notice. Unless Customer notifies INOVALON of Customer's intent to terminate this Agreement as provided for herein, any such modification shall automatically become effective upon the expiration of INOVALON's required notice period applicable to the type of modification. Except as expressly permitted in this provision, no other modification or change to this Agreement shall be effective unless in writing and signed by both Parties. Any terms and conditions sent to INOVALON by Customer in a purchase order or other similar document shall be void and of no effect.
19. **FORCE MAJEURE.** Each Party will be excused from their performance of this Agreement for any period during which, and to the extent that, such Party is prevented from performing any obligation or Services, in whole or in part, as a result of causes beyond its reasonable control, and without its fault or negligence, including but not limited to, acts of God, strikes, lockouts, riots, acts of terrorism, epidemics, pandemics, communication line failures, and power failures ("Force Majeure Event"). Such performance of Party shall resume as soon as reasonably possible given the Force Majeure Event, including CUSTOMER's payment obligations for Services rendered during such Force Majeure Event.
20. **SEVERABILITY; ENFORCEMENT; NO WAIVER.** The unenforceability of any provision of this Agreement shall not impair the enforceability of any other part of this Agreement. If any provision of this Agreement shall be deemed invalid or unenforceable, in whole or in part, this Agreement shall be deemed amended to delete or modify, as necessary, the invalid or unenforceable provision to render it valid, enforceable, and, insofar as possible, consistent with the original intent of the Parties. The failure of a Party, at any time or from time to time, to require performance of any obligations of the other Party hereunder shall not be deemed a waiver and shall not affect its right to enforce any provision of this Agreement at a subsequent time.
21. **INDEPENDENT PARTIES.** The relationship of INOVALON and CUSTOMER is that of independent contractors. Neither Party, nor their employees, consultants, contractors, or agents are agents or employees of the other Party, nor do they have any authority to bind the other Party by contract or otherwise. The relationship between the Parties shall in no way be considered a joint venture.
22. **SURVIVAL.** The provisions of Sections 4, 5, 6, 7.3, 7.4, 9, 10, 14, 15, and 20 shall survive the expiration or termination of this Agreement and continue in full force and effect.
23. **COMPLIANCE WITH LAWS.** CUSTOMER shall use Services in accordance with all applicable local, State, and Federal laws.
24. **HEADINGS.** The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.
25. **COMPLETE AGREEMENT.** This Agreement, together with the Order Form (and to the extent applicable to the Services, the BAA and any other documents executed and incorporating this Agreement), constitutes the complete and exclusive agreement between the Parties and supersedes all proposals, oral or written, and all other communications and prior agreements between them relating to the subject matter of this Agreement. In the event of a conflict between this Agreement, Order Form, and, if applicable, BAA, the order of precedence for purpose of interpretation shall be the Order Form, then this Agreement, and then the BAA. Notwithstanding the foregoing, with respect to any conflicting terms relating to the access, use, or disclosure of PHI, the terms of the BAA shall control.
26. **COUNTERPARTS.** This Agreement may be executed in multiple counterparts, each of which when executed will be deemed an original, and all of which, when taken together, will constitute one Agreement. Delivery of this Agreement by facsimile or other electronic transmission (including via electronic mail) will be effective as delivery of a manually executed counterpart.

[SIGNATURE PAGE TO FOLLOW]

SIGNATURES

The Parties, intending to be legally bound, have caused their proper and duly authorized officers to execute and deliver this Agreement as of the Effective Date.

Inovalon Provider, Inc.

**Kern County Hospital Authority on behalf of
Kern Medical Center**

Signed: <div><div>DocuSigned by:</div><div>Sharon Cook</div><div>A43A41DA9B9D481...</div></div>	Signed:
Printed Name: Sharon Cook	Printed Name:
Title: SVP	Title: Chairman, Board of Governors
Date: 4/8/2024	Date: April 17, 2024

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Shannon Hochstein
Kern County Hospital Authority



Order Information

Order Number Q-127825
Offer valid through 04/30/2024
Prepared By William Devane
Manager Gary Tuschy

Customer Information

Account Name Kern Medical Center
Account Number 791752
Physical Address 1700 Mount Vernon Ave
Bakersfield, CA 93306
US
Billing Address 1700 Mount Vernon Ave
Bakersfield, CA 93306
US

Business Contact	Technical Contact	Billing Contact
Margaret Hardman (661) 326-2000 margaret.hardman@kernmedical.com	Margaret Hardman (661) 326-2000 margaret.hardman@kernmedical.com	Margaret Hardman (661) 326-2000 margaret.hardman@kernmedical.com

Order Details

Billing Frequency Monthly

Fee Type	Quantity	Service	Service Description	Sales Price	Total Price
One Time	1	ABI-EASE-INS-L3	Claims Management Medicare Pro with Analytics - One Time Install & Set-up Fee	\$1,792.00	\$1,792.00
Recurring	1	ABI-EASE-HOSPITAL-A2	Claims Management Medicare Pro with Analytics for Hospital	\$1,661.00	\$1,661.00
Recurring	1	ABI-myABILITY-L3	Inovalon ONE Platform with DDE Verification	\$1,012.00	\$1,012.00
One Time	1	ABI-INS-L3	Inovalon ONE Platform with DDE Verification - Install and Set-up	\$1,195.00	\$1,195.00

One Time Fee Amount: \$2,987.00
Monthly Recurring Amount: \$2,673.00
If taxable, invoice will include applicable Sales Tax

Order Notes
This order form ("Order Form") is entered into by Inovalon Provider, Inc. ("Inovalon") and Kern Medical Center ("Customer") as of the date of Customer's signature below ("Effective Date").

Service Period Start Date: 05/01/2024

TERMS AND CONDITIONS

Definitions.

1. **“Authorized End Users”** – Authorized users shall include Customer's personnel and contracted third parties (e.g. agency, temporary, subcontracted, or consulting staff) acting on behalf of Customer.
2. **“Payer”** – an entity such as Medicare, Medicaid, third party administrator, health insurer, commercial health plan, etc. that manages utilization and/or pays healthcare claims submitted by Providers, on behalf of individuals, employer groups or other purchasers of healthcare.

Services. Customer will utilize the services defined below (each a “Service” and collectively the “Services”):

- Claims Management Medicare Pro with Analytics - One Time Install & Set-up Fee: A one-time fee for installation and set-up of the Claims Management Medicare Pro with Analytics service.
- Claims Management Medicare Pro with Analytics for Hospital: Service that allows Customer to automate Medicare billing management by simplifying Eligibility Transaction and Claim Transaction processing activities. Customer has a hospital bed count under 250 beds, with up to 99 users per NPI.
- Inovalon ONE Platform with DDE Verification: Service that provides Customer access to CMS' DDE through the Inovalon ONE Platform. Customer can utilize unlimited access to Medicare DDE, PPTN (not provided by all Medicare Payers), RHHI DDE, and DME CSI for unlimited workstations.
- Inovalon ONE Platform with DDE Verification - Install and Set-up: A one-time fee for installation and set-up of the Inovalon ONE Platform with DDE Verification.

Term. This Order Form shall have an initial twelve (12) month term, which shall begin on the Service Period Start Date as stated herein (“Initial Term”) and shall thereafter automatically renew for successive twelve (12) month terms (each a “Renewal Term”) unless Customer provides written notice to Inovalon of their intent to terminate the Services at the end of the then current term at least sixty (60) days prior to the end of the Initial Term or Renewal Term, as applicable. If the Services are terminated prior to the end of the Initial Term or any Renewal Term either improperly by Customer or by Inovalon, due to Customer's breach of the Agreements or this Order Form, Customer agrees to pay Inovalon, upon receipt of an invoice, the total of the then applicable Monthly Recurring Amount multiplied by the number of months remaining in the then current term as of the effectiveness of such termination.

Authorization to Use Services. Customer is authorized to make the Services listed on this Order Form available only to Authorized End Users. Customer is not authorized to use the Services for purposes outside of the rights granted herein.

Invoicing. The One Time Fee shall be invoiced as of the Service Period Start Date. The Monthly Recurring Amount will be invoiced at the commencement of each month this Order Form is in effect, beginning as of the Service Period Start Date.

Electronic Submitter Credentials from Payers. Certain Payers require enrollment to process Transactions, which must be completed and approved by such Payer before Transactions can be sent electronically. To the extent required by Payers, Customer must secure electronic submitter login credentials, which may include user ID, password and submitter ID, directly from the Payers. Customer understands and agrees that Inovalon has no control over the issuance of such Payer credentials and bears no liability with respect to issues regarding the same or the impact it may have on Customer's use of the Services. Failure of Customer or an Authorized End User to obtain electronic submitter login credentials from Payers may delay the Customer's ability to utilize the Services for the specific Payer Transactions but will not relieve Customer of its payment obligations hereunder.

Confidentiality. Customer agrees to keep in confidence the terms of this Order Form, including any information concerning price, except where applicable to Authorized End Users so long as such Authorized End Users in turn agree to the confidentiality of such information.

NOTE: ALL PAGES OF THIS DOCUMENT MUST BE SUBMITTED TOGETHER TO CONSTITUTE A COMPLETE ORDER.

THIS IS A BINDING AGREEMENT SUBJECT TO THE TERMS AND CONDITIONS OF THE SERVICE AGREEMENT AND BUSINESS ASSOCIATE AGREEMENT EXECUTED BY THE PARTIES ("AGREEMENTS"). THE AGREEMENTS ARE INCORPORATED HEREIN AND MADE A PART OF THIS ORDER FORM. IN THE EVENT OF A CONFLICT IN TERMS BETWEEN THIS ORDER FORM AND THE AGREEMENTS, THE TERMS OF THIS ORDER FORM SHALL CONTROL; OTHERWISE, THE TERMS OF THIS ORDER FORM ARE IN ADDITION TO AND SUPPLEMENT THE TERMS OF THE AGREEMENTS.

Payment is due within Net 30 days of the invoice date regardless of whether usage has begun for any or all Services listed on this Order Form.

Tax Status: Taxable

If exempt (Non Taxable), a state tax exemption certificate is required with this signed Order Form.

Customer hereby authorizes Inovalon to provide the Services as described above and warrants and represents that the authorized representative signing below has the requisite authority to legally bind and approve payment of forthcoming invoices.

AGREED AND ACCEPTED

Kern Medical Center

Authorized Signature

Printed Name
Chairman, Board of Governors

Title
April 17, 2024

Date

Inovalon Provider, Inc.

DocuSigned by:

A13A41DA0BBD481...

Authorized Signature
Sharon Cook

Printed Name
SVP

Title
4/8/2024

Date

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Shannon Hochstein
Kern County Hospital Authority

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“**BAA**”) is entered into by and between the Kern County Hospital Authority on behalf of Kern Medical Center (“**Covered Entity**”) and Inovalon Provider, Inc. (“**Business Associate**”) (each a “**Party**” and collectively the “**Parties**”), effective as of April 1, 2024 (the “**Effective Date**”).

RECITALS

WHEREAS, Covered Entity is a “Covered Entity” as that term is defined under the Health Insurance Portability and Accountability Act of 1996 (Public Law 104-91), as amended, (“**HIPAA**”), and the regulations promulgated thereunder by the Secretary of the U.S. Department of Health and Human Services (“**Secretary**”), including, without limitation, the regulations codified at 45 C.F.R. Parts 160, 162, and 164 (“**HIPAA Rules**”);

WHEREAS, Business Associate performs Services for or on behalf of Covered Entity, and in performing said Services, Business Associate creates, receives, maintains, or transmits Protected Health Information (“**PHI**”);

WHEREAS, the Parties intend to protect the privacy and provide for the security of PHI Disclosed by Covered Entity to Business Associate, or received or created by Business Associate, when providing Services in compliance with HIPAA, the Health Information Technology for Economic and Clinical Health Act (Public Law 111-005) (the “**HITECH Act**”) and its implementing regulations and guidance issued by the Secretary; and

WHEREAS, the Privacy and Security Rules (defined below) require Covered Entity and Business Associate to enter into a BAA that meets certain requirements with respect to the Use and Disclosure of PHI, which are met by this BAA.

AGREEMENT

NOW THEREFORE, in consideration of the Recitals and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS

1.1 “**Breach**” shall have the meaning given under [45 C.F.R. § 164.402](#).

1.2 “**Breach Notification Rule**” shall mean the Breach Notification for Unsecured Protected Health Information interim final rule at 45 C.F.R. Parts 160 and 164, Subpart D, as may be amended from time to time.

1.3 “**Designated Record Set**” shall have the meaning given such term under [45 C.F.R. § 164.501](#).

1.4 “**Disclose**” and “**Disclosure**” mean, with respect to PHI, the release, transfer, provision of access to, or divulging in any other manner of PHI outside of Business Associate or to other than members of its Workforce, as set forth in [45 C.F.R. § 160.103](#).

1.5 “**Electronic PHI**” or “**e-PHI**” means PHI that is transmitted or maintained in electronic media, as set forth in [45 C.F.R. § 160.103](#).

1.6 “**Protected Health Information**” and “**PHI**” mean any information created, received or maintained by Business Associate on behalf of Covered Entity, whether oral or recorded in any form or medium, that: (a) relates to the past, present or future physical or mental health or condition of an Individual; the provision of health care to an Individual, or the past, present or future payment for the provision of health care to an individual; (b) identifies the Individual (or for which there is a reasonable basis for believing that the information can be used to identify the Individual); and (c) shall have the meaning given to such term under the Privacy Rule at [45 C.F.R. § 160.103](#). Protected Health Information includes e-PHI.

1.7 “**Privacy Rule**” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R. Parts 160 and 164, Subparts A and E, as may be amended from time to time.

1.8 “**Security Rule**” shall mean the Security Standards at 45 C.F.R. Parts 160 and 164, Subparts A and C, as may be amended from time to time.

1.9 “**Services**” shall mean the services for or functions on behalf of Covered Entity performed by Business Associate pursuant to any service agreement(s) between Covered Entity and Business Associate which may be in effect now or from time to time (the “**Underlying Agreement**”), or, if no such agreements are in effect, then the services or functions performed by Business Associate that constitute a Business Associate relationship, as set forth in [45 C.F.R. § 160.103](#).

1.10 “**SubContractor**” shall have the meaning given to such term under [45 C.F.R. § 160.103](#).

1.11 “**Unsecured PHI**” shall have the meaning given to such term under [42 U.S.C. § 17932\(h\)](#), [45 C.F.R. § 164.402](#), and guidance issued pursuant to the HITECH Act including, but not limited to the guidance issued on April 17, 2009 and published in 74 Federal Register 19006 (April 27, 2009) by the Secretary.

1.12 “**Use**” or “**Uses**” mean, with respect to PHI, the sharing, employment, application, utilization, examination or analysis of such PHI within Business Associate’s internal operations, as set forth in [45 C.F.R. § 160.103](#).

1.13 “**Workforce**” shall have the meaning given to such term under [45 C.F.R. § 160.103](#)

Capitalized terms not otherwise defined in this Agreement shall have the meanings given to them in HIPAA or the HITECH Act, as applicable.

ARTICLE II OBLIGATIONS OF BUSINESS ASSOCIATE

2.1 Permitted Uses and Disclosures of Protected Health Information. Business Associate shall not Use or Disclose PHI other than as permitted or required by any Underlying Agreement, this BAA, or as Required by Law. Business Associate shall not Use or Disclose PHI in any manner that would constitute a violation of the Privacy Rule if so Used or Disclosed by Covered Entity, except that Business Associate may Use or Disclose PHI (i) for the proper management and administration of Business Associate; (ii) to carry out the legal responsibilities of Business Associate, provided that with respect to any such Disclosure either: (a) the Disclosure is Required by Law; or (b) Business Associate obtains a written agreement from the person to whom the PHI is to be Disclosed that such person will hold the PHI in confidence and shall not Use and further Disclose such PHI except as Required by Law and for the purpose(s) for which it was Disclosed by Business Associate to such person, and that such person will notify Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached. Business Associate may perform Services, including Data Aggregation for the Health Care Operations purposes of Covered Entity and de-identification of PHI in accordance with 45 C.F.R. § 164.514, if required by any Underlying Agreement or with the advance written permission of Covered Entity.

2.2 Adequate Safeguards of PHI. Business Associate shall implement and maintain appropriate safeguards to prevent Use or Disclosure of PHI other than as provided for by this BAA. Business Associate shall reasonably and appropriately protect the confidentiality, integrity, and availability of e-PHI that it creates, receives, maintains or transmits on behalf of Covered Entity and shall comply with Subpart C of 45 C.F.R. Part 164 to prevent Use or Disclosure of PHI other than as provided for by this BAA.

2.3 Reporting Non-Permitted Use or Disclosure.

2.3.1 Reporting Security Incidents and Non-Permitted Use or Disclosure. Business Associate shall report to Covered Entity in writing each Security Incident or Use or Disclosure that is made by Business Associate, members of its Workforce, or SubContractors that is not specifically permitted by this BAA no later than seven (7) days after becoming aware of such Security Incident or non-permitted Use or Disclosure, in accordance with the notice provisions set forth herein. Notwithstanding the foregoing, Business Associate and Covered Entity acknowledge the ongoing existence and occurrence of attempted but ineffective Security Incidents that are trivial in nature, such as pings and other broadcast service attacks, and Covered Entity acknowledges and agrees that no additional notification to Covered Entity of such ineffective Security Incidents is required, as long as no such incident results in unauthorized access, Use or Disclosure of PHI. Business Associate shall investigate each Security Incident or non-permitted Use or Disclosure of Covered Entity's PHI that it discovers to determine whether such Security Incident or non-permitted Use or Disclosure constitutes a reportable Breach of Unsecured PHI and shall provide a summary of its investigation and risk assessment to Covered Entity. Business Associate shall document and retain records of its investigation of any suspected Breach, including its reports to Covered Entity under this Section 2.3.1. Business Associate shall take prompt corrective action and any action required by applicable state or federal laws and regulations relating to such Security Incident or non-permitted disclosure. If Business Associate or Covered Entity, in its review of this initial report, determines that such Security Incident or non-permitted Use or Disclosure constitutes a reportable Breach of Unsecured PHI, then Business Associate shall comply with the additional requirements of Section 2.3.2 below.

2.3.2 Breach of Unsecured PHI. If Business Associate or Covered Entity determines that a reportable Breach of Unsecured PHI has occurred, Business Associate shall provide a written report to Covered Entity without unreasonable delay but no later than seven (7) calendar days after discovery of the Breach. To the extent that information is available to Business Associate, Business Associate's written report to Covered Entity shall be in accordance with 45 C.F.R. §164.410(c). Business Associate shall cooperate with Covered Entity in meeting Covered Entity's obligations under the HIPAA Rules with respect to such Breach. Covered Entity shall have sole control over the timing and method of providing notification of such Breach to the affected individual(s), the Secretary and, if applicable, the media. If Covered Entity is required to provide notice pursuant to 45 C.F.R. §§ 164.404 to 164.408 then, subject to the limitations of liability set forth herein, Business Associate shall pay the actual, reasonable costs incurred by Covered Entity in providing such notifications to the extent that: (A) the Unsecured PHI was in Business Associate's possession, custody, or under Business Associate's control at the time of the Breach; and (B) such Breach did not arise out of or in connection with any act or omission by Covered Entity to comply with applicable laws and regulations.

2.3.3 Data Breach Notification and Mitigation Under Other Laws. In addition to the requirements of Sections 2.3.1 and 2.3.2, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach of individually identifiable information (including but not limited to PHI, and referred to hereinafter as "Individually Identifiable Information") that, if misused, disclosed, lost or stolen, Covered Entity believes would trigger an obligation under applicable state security breach notification laws ("State Breach") to notify the individuals who are the subject of the information. Business Associate agrees to: (i) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach; (ii) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach conducted by a state agency or Attorney General; (iii) comply with Covered Entity's determinations regarding Covered Entity's and Business Associate's obligations to mitigate to the extent practicable any potential harm to the individuals impacted by the State Breach; and (iv) assist with the implementation of any decision by Covered Entity or any State agency to provide information necessary for Covered Entity to notify individuals impacted or potentially impacted by a State Breach.

2.4 Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the requirements of this BAA.

2.5 Use of SubContractors. Business Associate shall require each of its SubContractors that creates, maintains, receives, or transmits PHI on behalf of Business Associate, to execute a Business Associate Agreement that imposes on such SubContractors substantially the same restrictions, conditions, and requirements that apply to Business Associate under this BAA with respect to PHI.

2.6 Access to Protected Health Information. To the extent that Business Associate maintains a Designated Record Set on behalf of Covered Entity and within fifteen (15) days of a request by Covered Entity, Business Associate shall make the PHI it maintains (or which is maintained by its SubContractors) in Designated Record Sets available to Covered Entity for inspection and copying, or to an Individual to enable Covered Entity to fulfill its obligations under 45 C.F.R. § 164.524. If Business Associate maintains PHI in a Designated Record Set electronically, Business Associate shall provide such information in the electronic form and format requested by the Covered Entity if it is readily reproducible in such form and format, and, if not, in such other form and format agreed to by Covered Entity to enable Covered Entity

to fulfill its obligations under 45 C.F.R. § 164.524(c)(2). Business Associate shall notify Covered Entity within five (5) days of receipt of a request for access to PHI from an Individual.

2.7 Amendment of Protected Health Information. To the extent that Business Associate maintains a Designated Record Set on behalf of Covered Entity and within fifteen (15) days of a request by Covered Entity, Business Associate shall amend the PHI it maintains (or which is maintained by its SubContractors) in Designated Record Sets to enable the Covered Entity to fulfill its obligations under 45 C.F.R. § 164.526. Business Associate shall notify Covered Entity within five (5) days of receipt of a request for amendment of PHI from an Individual.

2.8 Accounting. Within thirty (30) days of receipt of a request from Covered Entity or an Individual for an accounting of disclosures of PHI, Business Associate and its SubContractors shall make available to Covered Entity the information required to provide an accounting of disclosures to enable Covered Entity to fulfill its obligations under 45 C.F.R. § 164.528 and 42 U.S.C. § 17935(c). Business Associate shall notify Covered Entity within five (5) days of receipt of a request by an Individual or other requesting party for an accounting of disclosures of PHI from an Individual.

2.9 Delegated Responsibilities. To the extent that Business Associate carries out one or more of Covered Entity's obligations under Subpart E of 45 C.F.R. Part 164, Business Associate must comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligations.

2.10 Availability of Internal Practices, Books, and Records to Government. Business Associate agrees to make internal practices, books, and records, including policies and procedures and PHI, relating to the use and disclosure of PHI received from, created, maintained, or transmitted by Business Associate on behalf of Covered Entity promptly available for inspection and copying to the Secretary, in a time and manner designated by the Secretary, for purposes of the Secretary determining Covered Entity's or Business Associate's compliance with the HIPAA Rules.

2.11 Minimum Necessary. Business Associate (and its SubContractors) shall, to the extent practicable, limits its request, Use, or Disclosure of PHI to the minimum amount of PHI necessary to accomplish the purpose of the request, Use or Disclosure, in accordance with 42 U.S.C. § 17935(b) and 45 C.F.R. § 164.502(b)(1) or any other guidance issued thereunder.

2.12 Acknowledgement. Business Associate acknowledges that it is obligated by law to comply, and represents and warrants that it shall comply, with HIPAA, the HITECH Act, and the HIPAA Rules. Business Associate shall comply with all applicable state privacy and security laws, to the extent that such state laws are not preempted by HIPAA or the HITECH Act.

ARTICLE III OBLIGATIONS OF COVERED ENTITY

3.1 Covered Entity's Obligations.

3.1.1 Covered Entity shall notify Business Associate of any limitation(s) in the Notice of Privacy Practices of Covered Entity under 45 C.F.R. 164.520, to the extent that such limitation may affect Business Associate's Use or Disclosure of PHI.

3.1.2 Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an individual to Use or Disclose his or her PHI, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI.

3.1.3 In the event Covered Entity agrees with an Individual to any restrictions on Use or Disclosure of PHI pursuant to 45 C.F.R. § 164.522(a) or if Covered Entity determines that it is obligated to accommodate a reasonable request of an Individual to receive communications of PHI pursuant to 45 C.F.R. § 164.522(b), Covered Entity promptly shall notify Business Associate of the same, as well as any revocation or modification of the same, and Business Associate thereupon shall observe such restriction or accommodation (or revocation or modification, if any, thereof) to the extent applicable to its Use or Disclosure of PHI hereunder, notwithstanding any other provision hereof, except as otherwise required by law.

3.1.4 Covered Entity agrees to obtain any consent or authorization that may be required under HIPAA or any other applicable law and/or regulation prior to furnishing Business Associate with PHI.

3.1.5 Covered Entity shall not request Business Associate to make any Use or Disclosure of PHI that would not be permitted under HIPAA if made by Covered Entity. Covered Entity agrees to fulfill its obligations under this BAA in a timely manner.

ARTICLE IV TERM AND TERMINATION

4.1 Term. Subject to the provisions of Section 4.1, the term of this BAA shall be the term of any Underlying Agreement.

4.2 Termination of Underlying Agreement.

4.2.1 A breach by Business Associate of any provision of this BAA, as determined by Covered Entity, shall constitute a material breach of the Underlying Agreement and shall provide grounds for immediate termination of the Underlying Agreement, any provision in the Underlying Agreement to the contrary notwithstanding.

4.2.2 Covered Entity may terminate the Underlying Agreement, effective immediately, if: (i) Business Associate is named as a defendant in a criminal proceeding for a violation of HIPAA, the HITECH Act, the HIPAA Rules or other security or privacy laws or (ii) a finding or stipulation that the Business Associate has violated any standard or requirement of HIPAA, the HITECH Act, the HIPAA Rules or other security or privacy laws is made in any administrative or civil proceeding in which the party has been joined.

4.3 Termination for Cause. In addition to and notwithstanding the termination provisions set forth in any Underlying Agreement, upon Covered Entity's knowledge of a material breach or violation of this BAA by Business Associate, Covered Entity shall either:

4.3.1 Notify Business Associate of the breach in writing, and provide an opportunity for Business Associate to cure the breach or end the violation within ten (10) business days of such notification; provided that if Business Associate fails to cure the breach or end the violation within such time period to the satisfaction of Covered Entity, Covered Entity may terminate this BAA and any Underlying Agreement upon thirty (30) calendar days written notice to Business Associate; or

4.3.2 Upon thirty (30) calendar day written notice to Business Associate, immediately terminate this BAA and any Underlying Agreement if Covered Entity determines that such breach cannot be cured.

4.4 Disposition of Protected Health Information Upon Termination or Expiration.

4.4.1 Upon termination or expiration of this BAA, Business Associate shall destroy all PHI received from, or created or received by Business Associate on behalf of Covered Entity, that Business Associate still maintains in any form and retain no copies of such PHI.

4.4.2 If destruction is not feasible, Business Associate shall: (a) retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities; (b) continue to extend the protections of this BAA to the PHI for as long as Business Associate retains the PHI; (c) limit further Uses and Disclosures of such PHI to those purposes that make destruction of the PHI not feasible and subject to the same conditions set out in Sections 2.1 and 2.2 above, which applied prior to termination; and (d) destroy any PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

ARTICLE V MISCELLANEOUS

5.1 Regulatory References. A reference in this BAA to a section or other part of HIPAA, the HIPAA Rules, or the HITECH Act means, as of any point in time, the section or part as it may be amended or in effect at such time.

5.2 Amendment. The Parties agree to take such action as is necessary to amend this BAA from time to time as necessary for Covered Entity to implement its obligations pursuant to HIPAA, the HIPAA Rules, or the HITECH Act.

5.3 Relationship to Underlying Agreement Provisions. In the event that a provision of this BAA is contrary to a provision of an Underlying Agreement, the provision of this BAA shall control. Otherwise, this BAA shall be construed under, and in accordance with, the terms of such Underlying Agreement, and shall be considered an amendment of and supplement to such Underlying Agreement.

5.4 Headings. The headings of the paragraphs and sections of this BAA are inserted solely for convenience of reference and are not a part or intended to govern, limit or aid in the construction of any term or provision hereof.

5.5 Equitable Relief. Business Associate understands and acknowledges that any Disclosure or misappropriation of any PHI in violation of this BAA will cause Covered Entity irreparable harm, the amount of which may be difficult to ascertain, and therefore agrees that Covered Entity shall have the right to apply to a court of competent jurisdiction for specific performance and/or an order restraining and enjoining any such further Disclosure or Breach and for such other relief as Covered Entity shall deem appropriate. Such right of Covered Entity is to be in addition to the remedies otherwise available to Covered Entity at law or in equity. Business Associate expressly waives the defense that a remedy in damages will be adequate and further waives any requirement in an action for specific performance or injunction for the posting of a bond by Covered Entity.

5.6 Insurance. In addition to any general and/or professional liability insurance required of Business Associate, Business Associate agrees to obtain and maintain, at its sole expense, liability insurance , covering claims, liabilities, damages, losses, costs and expenses arising from a breach of the security or privacy obligations of Business Associate, its officers, employees, agents and SubContractors under this BAA. Such insurance coverage will be maintained for the term of this BAA, and a copy of such policy or a certificate evidencing the policy shall be provided to Covered Entity at Covered Entity's request.

5.7 Assistance in Litigation or Administrative Proceedings. To the extent Business Associate is directly responsible, Business Associate shall make itself and members of its Workforce assisting Business Associate in the performance of its obligations under this BAA available to Covered Entity, at no cost to , to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers or employees based upon a claim of violation of the HIPAA or other applicable laws relating to privacy or security.

5.8 Indemnification. Business Associate hereby agrees to indemnify and hold harmless Covered Entity and its respective officers, directors, managers, members, employees and agents from and against any and all third party claims that result in or could result in Covered Entity incurring any losses, liabilities, costs, attorney's fees and other , damages, fines, penalties, claims or causes of action and associated expenses incurred as a result of or arising directly out of or in connection with Business Associate's intentional or negligent breach of this BAA including any breach of this BAA by its employees, directors, officers, agents, or other members of its Workforce, and its SubContractors. Business Associate's responsibility for indemnification under this BAA shall be limited to the amounts payable pursuant to Business Associate's applicable insurance policies.

5.9 Legal Actions. Promptly, but no later than five (5) business days after notice thereof, Business Associate shall advise Covered Entity of any actual or potential action, proceeding, regulatory or governmental orders or actions, or any material threat thereof that becomes known to it that may affect the interests of Covered Entity or jeopardize this BAA, and of any facts and circumstances that may be pertinent to the prosecution or defense of any such actual or potential legal action or proceeding, except to the extent prohibited by law.

5.10 Notice of Request or Subpoena for Data. Business Associate agrees to notify Covered Entity promptly, but no later than five (5) business days after Business Associate's receipt of any request or subpoena for PHI or an accounting thereof. Business Associate shall promptly comply with Covered Entity's instructions for responding to any such request or subpoena, unless such Covered Entity instructions would prejudice Business Associate. To the extent that Covered Entity decides to assume responsibility for challenging the validity of such request, Business Associate agrees to reasonably cooperate with Covered Entity in such challenge. The provisions of this Section shall survive the termination of this BAA.

5.11 Requests from Secretary. Promptly, but no later than five (5) calendar days after notice thereof, Business Associate shall advise Covered Entity of any inquiry by the Secretary concerning any actual or alleged violation of the Privacy Rule or the Security Rule.

5.12 Notices. Any notices required or permitted to be given hereunder by either Party to the other shall be given in writing: (1) by personal delivery; (2) by electronic mail or facsimile with confirmation sent by United States first class registered or certified mail, postage prepaid, return receipt requested; (3) by bonded courier or by a nationally recognized overnight delivery service; or (4) by United States first class registered or certified mail, postage prepaid, return receipt, in each case, addressed to a Party on the signature page(s) to this BAA, or to such other addresses as the Parties may request in writing by notice given pursuant to this Section 5.12. Notices shall be deemed received on the earliest of personal delivery; upon delivery by electronic facsimile with confirmation from the transmitting machine that the transmission was completed; twenty-four (24) hours following deposit with a bonded courier or overnight delivery service; or seventy-two (72) hours following deposit in the U.S. mail as required herein.

Covered Entity's Notice Address:

Kern Medical Center
1700 Mount Vernon Avenue
Bakersfield, CA 93306
Attn: Chief Executive Officer

Business Associate's Notice Address:

Inovalon Provider, Inc.
100 N 6th St #900a,
Minneapolis, MN 55403
Attn: General Counsel,
Chief Compliance and Privacy Officer

5.13 Relationship of Parties. Notwithstanding anything to the contrary in any Underlying Agreement, Business Associate is an independent Consultant and not an agent of Covered Entity under this BAA. Business Associate has the sole right and obligation to supervise, manage, contract, direct, procure, perform or cause to be performed all Business Associate obligations under this BAA.

5.14 Survival. To the extent that Business Associate retains PHI, the respective rights and obligations of the Parties set forth in Sections 2.3, 4.4, 5.8, and 5.10 of this BAA shall survive the termination, expiration, cancellation, or other conclusion of the BAA or any Underlying Agreement.

5.15 Interpretation. Any ambiguity in this BAA shall be interpreted to permit the Parties to comply with HIPAA, the HITECH Act, and the HIPAA Rules.

5.16 Governing Law; Applicable Law and Venue. Intentionally omitted.

5.17 Waiver of Provisions. Any waiver of any terms and conditions hereof must be in writing and signed by the Parties hereto. A waiver of any of the terms and conditions hereof shall not be construed as a waiver of any other term or condition hereof.

5.18 Assignment and Delegation. Neither this BAA nor any of the rights or duties under this BAA may be assigned or delegated by either Party hereto.

5.19 Disclaimer. Neither Party represents or warrants that compliance by the other Party with this BAA, HIPAA, the HIPAA Rules, or the HITECH Act will be adequate or satisfactory for the other Party's own purposes. Each Party is solely responsible for its own decisions regarding the safeguarding of PHI.

5.20 Certification. Business Associate engages an independent third party, the Electronic Healthcare Network Accreditation Commission (EHNAC), to conduct biennial audits and risk assessment of its security infrastructure and data integrity measures. Upon Covered Entity's request, Business Associate will provide a copy of its EHNAC Certificate of Accreditation, which indicates that Business Associate has met or exceeded industry-established standards and complies with HIPAA regulations.

5.21 Counterparts. This BAA may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement, binding on both Parties hereto.

The Parties hereto have executed this BAA as of the Effective Date.

COVERED ENTITY:

The Kern County Hospital Authority on
behalf of Kern Medical Center

Title: Chairman

Date: _____

BUSINESS ASSOCIATE:

Inovalon Provider, Inc.

DocuSigned by:
Sharon Cook

Title: SVP

Date: 4/8/2024

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Shannon Hochstein
Kern County Hospital Authority



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

April 17, 2024

Subject: Proposed acceptance of donation of travel and related expenses from AAHAM for the AAHAM Spring Conference

Recommended Action: Approve; Adopt Resolution

Summary:

The Authority's conflict of interest policy prohibits employees from receiving or accepting money or any other considerations from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment.

American Association of Healthcare Administrative Management ("AAHAM") is the premier professional organization in healthcare administrative management. The Wisconsin Chapter of the AAHAM is a source of education and advocacy in the areas of Reimbursement, Patient Relations, Collections, Admitting and Registration, Data Management and Medical Records.

The primary goal of the Wisconsin AAHAM chapter, formerly known as the Revenue Cycle Co-op, is the professional development of its members through conferences, newsletters, professional certification and networking offer opportunities for increasing the skills and knowledge necessary to function effectively in today's healthcare environment. AAHAM has offered to donate travel and related expenses for one Kern Medical employee to attend and speak at the AAHAM conference in Madison, Wisconsin on Friday, May 17, 2024.

Therefore, Kern Medical recommends your Board adopt the attached proposed resolution to accept the travel donation from AAHAM for travel and related expenses and authorize the Chief Executive Officer to designate one employee to attend this important conference.

**BEFORE THE BOARD OF GOVERNORS
OF THE KERN COUNTY HOSPITAL AUTHORITY**

In the matter of:

Resolution No. 2024-____

**ACCEPTANCE OF DONATION OF
TRAVEL AND RELATED EXPENSES
FROM AAHAM FOR THE WISCONSIN
AAHAM SPRING CONFERENCE**

I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 17th day of April, 2024, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

RESOLUTION

Section 1. WHEREAS:

(a) The conflict of interest policy for the Kern County Hospital Authority (“Authority”) prohibits Authority employees from receiving or accepting money or any other consideration from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment; and

(b) American Association of Healthcare Administrative Management (“AAHAM”) is the premier professional organization in healthcare administrative management; and

(c) AAHAM has offered to donate to the Authority travel and related expenses for up to one Authority employee to attend the AAHAM’s Spring Conference in Madison, Wisconsin, on May 17, 2024; and

(d) The training session is necessary in connection with official Authority business; and

(f) The Authority desires to obtain the donation of travel and related expenses from AAHAM to the Authority and will retain full control over the use of the donation; and

(g) AAHAM has not made any restrictions as to how the donation may be used.

Section 2. NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Governors of the Kern County Hospital Authority, as follows:

1. This Board finds the facts recited herein are true, and further finds that this Board has jurisdiction to consider, approve, and adopt the subject of this Resolution.

2. This Board hereby accepts from AAHAM the donation of travel and related expenses for one Authority employee to travel to Madison, Wisconsin, to attend the AAHAM’s Spring Conference on May 17, 2024.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend the AAHAM’s Spring Conference on May 17, 2024 in Madison, Wisconsin.

4. The Authority Board Coordinator shall provide copies of this Resolution to the following:

Chief Financial Officer
Legal Services Department
Patient Access Department



BOARD OF GOVERNORS KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

April 17, 2024

Subject: Proposed Pro Testing Services Supplement Agreement to the Master Agreement 496-2016 with Ultimate Kronos Group (UKG)

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical seeks your Board's approval to add additional services with the Ultimate Kronos Group (UKG), Kern Medical's Human Resources Information System (HRIS) vendor. This proposed supplemental agreement aims to incorporate Pro Testing services to facilitate the testing and development of Application Programming Interfaces (APIs). The establishment of a test system, mirroring Kern Medical's operational system, enables Kern Medical to conduct testing and implement system modifications securely, without jeopardizing the integrity of the current live Human Resources and payroll system.

Therefore, it is recommended that your Board approve the proposed supplemental agreement for Pro Testing Services, with an estimated cost of \$15,000, increasing the maximum payable from \$1,379,108 to \$1,394,108, for a term effective upon signing and terminating on November 13, 2024, consistent with the terms of the master services agreement, and approve the Chairman to sign.

**ORDER**

Effective Date: Effective as of the date of last signature of this Order
Customer Name: Kern County Hospital Authority
AR or Contract#: KER1002
UKG Representative: Chris Kearney
UKG Division: Healthcare

Billing Start Date: ninety (90) days from the Effective Date
Payment Term: Net 30 Days
Initial Term: Commencing on Effective Date through November 13, 2024
Subscription Offering Billing Frequency: Based on the same time frame as the Subscription Fees as set forth in the Master Agreement

1. Subscription Offering

Application	Current Number of Employees	Minimum Quantity	Employee Type	Subscription Fee
UKG Pro Testing Services	<u>2,362</u>	<u>1900</u>	<u>Compensated Employees</u>	USD <u>\$0.50</u>

The monthly subscription amount (number of employees multiplied by the Subscription Fee) may increase or decrease if the number of employees increases or decreases but in no event, shall the monthly Subscription Fee be calculated on less than the Minimum Quantity above.

To reconcile for actual employee counts vs. the monthly Minimum Quantity, promptly following the end of each quarter term starting from the Billing Start Date, UKG will invoice Customer for the actual number of employees in each month of the previous quarter term that exceeded the Minimum Quantity.

2. Payment Terms

The Subscription Fee is due on the Billing Start Date.

3. Unless otherwise indicated herein, this Order is subject to the terms and conditions of that certain master agreement between the parties with an effective date on or about April 18, 2016 ("Master Agreement") along with various addenda, supplements, amendments, etc. to same (collectively referred to as the "Agreement"). This Order, and the Exhibits, attached hereto and made a part hereof, constitutes an integral part of the Agreement and represents, together with the Agreement, the entire understanding of the parties with respect to its subject matter, and supersedes and extinguishes all prior oral or written communications between the parties about its subject matter. All other terms and conditions of the Agreement are reaffirmed and remain unchanged by this Order. Termination or expiration of this Order shall not terminate the Master Agreement between the parties. Capitalized terms not otherwise defined in this Order shall have the same meanings ascribed to them in the Agreement. In the event of a conflict between the terms of this Order and the Agreement, the terms of this Order will govern.

This Order is subject to applicable taxes. The actual tax amount to be paid by Customer will be show on Customer's invoice. If you are tax exempt; please provide a copy of your "Tax Exempt Certificate".

The parties agree that any signature (including but not limited to any electronic symbol attached to, or associated with, a contract or other record and adopted by a person with the intent to sign, authenticate or accept such contract or record) hereto shall have the same legal validity and enforceability as a manually executed signature to the fullest extent permitted by applicable law, and the parties hereby waive any objection to the contrary.

Please note that the UKG application names are in the process of being rebranded. While UKG works towards rebranding, references to the previous names may appear in certain content, including the online documentation, invoices, and certain sections or exhibits to this Order.

The Parties executing this Order below certify that they have the proper authority to bind their respective entities to all terms and conditions set forth in this Order. The Parties hereby confirm and agree that this Order is effective at the Effective Date as set forth above and that all terms and conditions have been agreed to.

Kern County Hospital Authority

Signature:

Name:

Title: Chairman, Board of Governors

Signature Date: April 17, 2024

UKG Inc.

Signature:

Name:

Title: Supervisor, Sales Operations

Signature Date: 4/5/2024 | 2:03 PM EDT

DocuSigned by:
Adriana Pereira
2CF4FAC387284DF...

Adriana Pereira

APPROVED AS TO FORM:
Legal Services Department

By *Shannon Hochstein*
Kern County Hospital Authority

Customer - Mid-Market

Exhibit 1
UKG Pro Testing Services

- i. UKG shall provide certain Testing Services for human resources, payroll administration and time applications as applicable.
- ii. Customer will receive up to a maximum of four (4) Restores (initial and/or subsequent loading of Customer's data from Customer's production environment to Customer's test environment) per twelve (12) month period commencing on the Billing Start Date ("Test Period"). Any additional Restores in the same Test Period will be performed at a rate of USD\$500.00 per Restore, which shall be due and billed as incurred.
- iii. UKG requires a minimum of five (5) business days advanced notice to complete Customer's request for a Restore. Such requests for Restores are to be processed by Customer through the UKG Pro Support Portal.
- iv. Customer acknowledges that the Test Environment, while functionally the same as the production environment is not scaled for, nor designed to replicate a fully operational production environment.
- v. Customer will Identify the key contact personnel who will be responsible for scheduling and coordinating all activities related to the implementation and ongoing maintenance of the test environment.



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

April 17, 2024

Subject: Proposed Third Amendment to the RightSourcing Supplier Managed Services Client Terms and Conditions 034-2019 with RightSourcing, LLC

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests that your Board approve the proposed Third Amendment to extend the term of the current Agreement with RightSourcing, LLC by five (5) years and adjust rates. This Third Amendment is intended to manage the continuance of our outsourced workforce from May 29, 2024, to May 28, 2029.

Since December 2008, RightSourcing, LLC has been a provider of services for Kern Medical, handling all aspects of the contingent workforce, including traveling registered nurses, locum tenens physicians, ancillary healthcare professionals and direct hires, as specified. These services are necessary to keep adequate staffing and provide continuous services for our patients.

Therefore, it is recommended that your Board approve the proposed Third Amendment with RightSourcing, LLC, extending the term for five (5) years May 29, 2024 through May 28, 2029, for contingent workforce support, increasing the maximum payable by \$124,811,637, from \$153,224,407 to \$278,033,044 to cover the extended term, and approve the Chairman to sign.

**THIRD AMENDMENT
TO THE RIGHTSOURCING® SUPPLIER MANAGED SERVICES
CLIENT TERMS AND CONDITIONS**

This **Third Amendment** (the “**Third Amendment**”) to the **RightSourcing® Supplier Managed Services Client Terms and Conditions**, effective May 29, 2019, (the “**Agreement**”), by and between **RightSourcing, LLC** (formerly Magnit RS, Inc., and RightSourcing, Inc., (“**RightSourcing**”)) and **Kern County Hospital Authority** (“**Client**”) is entered into and hereby amends and supersedes certain terms and conditions of the Agreement. All capitalized terms used herein without definition have the meanings set forth in the Agreement.

For good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. All references in the Agreement to “RightSourcing, Inc.”, “Magnit RS, Inc.” or “Magnit” are hereby replaced with “RightSourcing, LLC” or “RightSourcing”.
2. The parties hereby agree to extend the Agreement for an additional five (5) years from May 29, 2024, to May 28, 2029.
3. Schedule A, Section 7 (Cancellations), subsections (1) and (2) of the Agreement shall be deleted in its entirety and replaced with the following:

“CANCELLATIONS

1. Long term Traveler Supplier Employees:

- (a) For long-term assignments equaling four weeks or longer (“**Traveler Supplier Employees**”) with a specified start date, Supplier will give Client at least seven (7) days prior notice if the Traveler Supplier Employee is not able to start on the agreed upon start date (due to lack of documentation or for any other reasons). If Client does not receive at least seven (7) days prior notification, Supplier will credit Client for three (3) shifts of fees based on that individual's rate. If Supplier can fill the position with the same start date, then no penalty will be charged. Client may cancel an assignment prior to Supplier Employee's start date by providing at least seven (7) days' notice to Supplier.
- (b) After a Traveler Supplier Employee has begun working on a long-term assignment, in case of low census or other call-offs, either Client or the Supplier may cancel within a thirteen (13) week assignment, two (2) previously scheduled shifts. Said shifts are defined as a regular shift (i.e., twelve (12) hours in one (1) workday or eight (8) hours in a day or as otherwise agreed to among Client, RightSourcing and Supplier). Client cannot break down the two (2) shift cancellations into hourly increments. Make up of lost time will be at the mutual agreement of Client and Supplier Employee. Client will not pay Supplier for shifts that are not made up or any penalties that Supplier may impose.
- (c) After a Traveler Supplier Employee has begun working on a long-term assignment, either Client or the Supplier may cancel one (1) long-term assignment within Client's pay period without any penalty if at least fourteen (14) days advance notice is provided to the other party. If less than fourteen (14) days advance notice is given within such pay period by

the canceling party, then the canceling party will reimburse the other party for one (1) week for Supplier Employee at the appropriate rate.”

4. Schedule B (Payment and Pricing) will be amended to add a new Section 7 (Rebates) as follows:

“7. Rebates

Client will receive a rebate in the amount of 1% percent of total program spend on contingent staffing desk management. The rebate amount is based on the total annualized spend that has been invoiced to Client. The rebate will be calculated and paid as follows: (i) measured on an annual basis*; (ii) ends on the last Monday of each calendar year; (iii) paid within thirty (30) days following the close of the measurement period; and (iv) excludes expense reimbursements, background check fees, taxes, and other pass-through costs.

The rebate is \$10,000 (Spend x rebate percentage or \$1,000,000 * 1%).

*Prorated for first year if based on effective date.”

5. Any conflict between this Amendment and the Agreement, the terms and conditions of this Third Amendment control. Except as otherwise set forth herein, the term and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed this Third Amendment. The effective date of this 3rd Amendment shall be May 29, 2024, (the “Third Amendment Effective Date).

KERN COUNTY HOSPITAL AUTHORITY:

Signature

Name

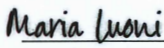
Chairman, Board of Governors

Title

April 17, 2024

Date

RIGHTSOURCING, LLC:

DocuSigned by:


Signature

Maria Luoni

Name

President

Title

April 5, 2024 | 7:43:58 AM PDT

Date

APPROVED AS TO FORM:
Legal Services Department

By Shannon Hochstein
Kern County Hospital Authority



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

April 17, 2024

Subject: Proposed Agreement to Purchase Draeger Jaundice Meter JM 105

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Sales Order Agreement with Draeger, Inc. for the purchase of a Draeger Jaundice Meter JM 105 in the amount of \$6,500.72. This non-invasive bilirubin measuring device will accurately identify at-risk infants as young as 35 weeks gestational age, decrease readmission rates and durations of hospital stay with effective screening by providing dependable results in seconds, and help keep track of patients in need of special attention and comply with jaundice management protocols.

The purchase Agreement includes the unmodified nonstandard terms of the vendor which Counsel is unable to approve to form. Some of the nonstandard terms include: limited indemnification, the Agreement is governed by the laws of the Commonwealth of Pennsylvania, a waiver of jury trial, a waiver of statute of limitations in favor of a one-year time limit to sue for actions arising under the Agreement. Counsel attempted to negotiate with the Vendor but was unsuccessful.

Despite the nonstandard terms, Kern Medical has existing relationship with Draeger and they have proven to be a reliable vendor.

Therefore, it is recommended that your Board approve the purchase of Draeger Jaundice Meter JM 105, with an amount not-to-exceed \$6,500.72 and authorize the Chairman to sign.

Quotation



Customer no.
91040856

Quotation no. 136282712
Date of offer 04/03/2024

Please reference on inquiries

Customer
KERN COUNTY HOSPITAL AUTHORITY
ACCOUNTS PAYABLE
PO BOX 3519
BAKERSFIELD CA 93385-3519

Payer 91040856
KERN COUNTY HOSPITAL AUTHORITY
ACCOUNTS PAYABLE
PO BOX 3519
BAKERSFIELD CA 93385-3519

Your request

04/03/2024
(1) JM105

Ship-To party 91216415
KERN MEDICAL CTR
1700 MOUNT VERNON AVE
BAKERSFIELD CA 93306-4018

Your contact person

CHRIS PURCELL
Tel.: 949-629-5836
chris.purcell@draeger.com

Chairman, Board of Governors

April 17, 2024

Dear Customer,

Thank you for your inquiry. Please find enclosed our corresponding offer.
If you have any further questions, please do not hesitate to contact us.

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Phillips Jenkins
Kern County Hospital Authority

Quotation no.: 136282712
Responsible: CHRIS PURCELL

Telephone: 949-629-5836
Fax:
E-mail: chris.purcell@draeger.com

Best regards
Dräger Inc.

This document has been electronically generated and is valid without a signature.

Dräger Inc.
Our Tax ID: 23-1699096
3135 Quarry Road; Telford, PA 18969
An Equal Opportunity Employer M / F / V / H
Telephone 800-437-2437
<http://www.draeger.com>

Remit to:
LOCKBOX (Standard USPS)
Dräger, Inc.
PO Box 13369
Newark, New Jersey
07101-3362

Remit to:
LOCKBOX (Overnight)
FIS Lockbox Processing
Lockbox #13369
100 Grove Road
Suite E
West Deptford, NJ 08066

Remit US Wire Transfers to:
Account Name: Dräger Inc.
Account Number: 00-494-936
Transit Routing: 021001033
SWIFT: BKTRUS33
Deutsche Bank Trust Company Americas
60 Wall Street 25th Fl, New York, NY 10005

Quotation



Customer no.
91040856

Quotation no. 136282712
Date of offer 04/03/2024

Please reference on inquiries

Payer
91040856

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Pos.	Quant.	Part no.	Description	Unit price USD	%	Total price USD
National account: Preferred Price NCT						
HEALTHTRUST FOB DESTINATION DI WILL PREPAY AND ADD FREIGHT TO CUSTOMER INVOICE PAYMENT TERMS: NET 30 DAYS						
0010	1 EA	MU20105	Dräger Jaundice Meter JM-105 Non-invasive bilirubin measuring device Dräger Jaundice Meter JM-105 includes: - hand-held jaundice meter - charger base - USB cable - reading checker - training video - PC application software - instructions for Use - barcode scanner **Specif.national properties** Target country USA St. NEMA 5-15P, ANSI C73 5-15P ** Jaundice Meter JM-105 **			
	1 EA	OPC4181	JM-105 Barcode Scanner	5,960.00		5,960.00
	1 EA	OPC4182	** Accessories ** AC adapter	0.01		0.01
Value Dräger Jaundice Meter JM-105						5,960.01
0020	1 EA	1979831	ICON Complete	1,040.00	100.00	0.01
0030	1 EA	1940260	Freight charges mt-pnc	49.00		49.00

Quotation



Customer no.
91040856

Quotation no. 136282712 Date of offer 04/03/2024

Please reference on inquiries

Payer
91040856

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Pos.	Quant.	Part no.	Description	Unit price USD	%	Total price USD
			-----	-----	-----	-----
			Net value excl. Sales Tax			6,009.02
			+ Net Sales Tax			491.70
			-----	-----	-----	-----
			Total amount			6,500.72
			=====	=====	=====	=====
			Customer is hereby informed that section 1128B(b) of the Social Security Act may apply, which requires that discounts and other reductions in price or the existence of discount programs be properly disclosed and reflected in the costs claimed or charges made by a provider under Medicare or a Federal or State Health Program.			
			PLEASE CHECK THIS QUOTE / ORDER CAREFULLY FOR ACCURACY IN PRICING, PART # AND DESCRIPTION. Contact Customer Service immediately if there are any discrepancies. This acknowledgement and note constitutes the entire agreement with respect to the contemplated transaction and supersedes all previous negotiations, proposals, writings, advertisements, or publications.			
			Draeger, Inc. and the Customer agree that the purchase of any product or service pursuant to this document is subject to the attached terms and conditions, which are incorporated by reference. In the event the purchases are being made under a GPO identified in this document, those terms and conditions are also incorporated by reference. If there is a conflict between the GPO terms and conditions and the attached terms and conditions, the GPO terms and conditions shall control.			

Quotation



Customer no.
91040856

Quotation no. 136282712 Date of offer 04/03/2024

Please reference on inquiries

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Payer
91040856

Pos.	Quant.	Part no.	Description	Unit price USD	%	Total price USD
			<p>Delivery time</p> <p>1- Week/s after rec. of order *</p> <p>* After receipt of order, ready for dispatch ex works, subject to prior sale.</p> <p>Date is subject to change upon receipt of order.</p> <p>Please let us know if you prefer partial delivery.</p> <p>Payment terms: 30 days after invoice date</p> <p>Offer valid until: 05/03/2024</p> <p>In the event Customer is not ready for product to be delivered on the confirmed delivery date, Customer must notify Draeger, Inc. 30 days prior to confirmed delivery date to reschedule. If Customer fails to provide notification, Draeger, Inc. may invoice Customer for products and any additional costs to hold product until Customer is ready for delivery.</p>			

DRAEGER, INC. TERMS AND CONDITIONS OF SALE (MEDICAL)

1. GENERAL. These terms and conditions are integral to the agreement governing the sale and purchase of goods ("Goods") and service ("Service") between the seller, Draeger, Inc. ("Draeger"), and the purchaser ("Customer"). Goods and Service are referred to herein collectively as "Product." The agreement governing this sale and purchase of Product ("Agreement") consists of the following, all of which are hereby incorporated herein by reference: (i) these terms and conditions, (ii) the written sale or service agreement, if any, signed by Draeger and Customer (referred to herein singularly as "Party" and collectively as the "Parties"), including schedules thereto, that is in effect on the date the applicable Purchase Order ("PO") is delivered to Draeger, and any amendments thereto ("Contract Document"), (iii) any price quote ("Quote"), and (iv) any PO submitted by Customer with respect to a Quote; provided, however, Draeger shall not be bound by any terms, conditions, or other provisions in a PO that are different from, in addition to, or inconsistent with, the other provisions of this Agreement.

2. PRICES.

(a) Prices are as stated in the Contract Document. If no Contract Document is in effect at the time the order is filled, the prices shall be as stated on the applicable Quote; provided, that such Quote is valid at that time. In all other cases, prices are those currently in effect on Draeger's standard price list at time of shipment. Unless otherwise stated in writing by Draeger, prices include the cost of standard domestic packing. Prices exclude charges for freight, unloading, storage, insurance, taxes, excises, fees, duties, or other charges related to Product. Customer shall bear the cost of all applicable sales, use, property, excise, and manufacturer's taxes and any duties, license, or similar fees, which may be imposed upon the sale, use, or performance of the Product.

(b) If this Agreement is for multiple years, then the prices set forth herein are fixed only for the first 12 months hereof. Thereafter, Draeger may adjust the prices ("Price Adjustment") if there has been an increase in the "Producer Price Index by Industry: Medical Equipment and Supplies Manufacturing," calculated from the effective date of the then-current prices to the date of the proposed Price Adjustment notice ("Price Adjustment Notice"). Draeger shall provide the Price Adjustment Notice to Customer, in writing, specifying the adjustment, not less than 90 days in advance of a proposed Price Adjustment ("Price Adjustment Notice Period"). If Customer objects to the proposed Price Adjustment during the Price Adjustment Notice Period, then, notwithstanding anything else in this Agreement to the contrary, Draeger may cancel this Agreement with 60 days' notice without penalty ("Price Termination Notice"). During the 60-day Price Termination Notice period, Customer may continue to purchase Products at the then-current price. If Customer does not object to the proposed Price Adjustment, then such proposed Price Adjustment shall go into effect on the date stated in the proposed Price Adjustment Notice and shall be incorporated herein by reference. Draeger shall fill all POs received prior to the effective date of the Price Adjustment or, if earlier, the termination of this Agreement, at the then-current prices. Draeger may only provide for a Price Adjustment one time in any 12-month period. Unless otherwise agreed to by Draeger and Customer, all other terms, conditions, and provisions of this Agreement shall continue unchanged and remain in full force and effect after any such Price Adjustment. A Price Adjustment does not obligate any of the Parties to agree to any other modification of this Agreement.

3. PAYMENT TERMS.

(a) Unless otherwise agreed in writing, Customer shall make payment in full without any set-off (for any reason) no later than 30 days from the date of invoice in United States Dollars ("USD"). Partial shipments of Goods shall be invoiced as shipped. Draeger reserves the right to require (i) payment in advance, (ii) cash on delivery, or (iii) a modification of credit terms.

(b) Notwithstanding the foregoing, payment on advance orders paid by credit card shall be charged and paid for at that time of the order. All payments made with personal credit cards may include an administrative fee of up to 2.8% of the value on the invoice. Payments made through corporate purchasing credit cards may include an administrative fee of up to 2.5% of the value on the invoice.

(c) Draeger reserves the right in the event of late payment: (i) to suspend all deliveries or Service or to cancel any of its outstanding obligations under this Agreement; or (ii) to charge interest on the late payment calculated on a day-to-day basis until the actual date of payment at the lower of (A) an annual rate of 12% or (B) the maximum rate allowed by law. Such remedies are in addition to any other rights or remedies available to Draeger under the law.

(d) If Customer pays less than the full amount due, the payment will be applied toward the outstanding balance. Draeger's acceptance of part of the amount due shall not interfere with Draeger's right to recover the balance of the amount due or right to pursue any other right or remedy under the law.

(e) All POs are subject to credit approval by Draeger.

4. DELIVERY, INSTALLATION, RISK, AND TITLE.

(a) Title to, and risk of loss for, the Goods shall pass to Customer upon delivery as determined on the basis of FCA (INCOTERMS 2020) prepay and add all related transportation and insurance costs as a separate line item to the invoice to Customer unless Customer provides their own transportation provider and/or account number in which case the delivery is determined on the basis of EXW (INCOTERMS 2020). Upon passage of title of the Goods from Draeger to Customer or, if earlier, the date as of which Draeger makes a commercially reasonable attempt to deliver Goods, Customer shall be responsible and liable for, and agrees to defend and indemnify Draeger against, all claims,

injuries, losses, fines, penalties, damages, or costs resulting from Customer's storage, handling, disposal, release, use, or resale of the Goods or their containers.

(b) Delivery, installation, and completion dates are only approximate and Draeger will not be liable for failure to meet such dates. Notwithstanding the foregoing, Draeger shall use reasonable efforts to meet quoted delivery, installation, and completion dates. Partial shipments may be made at Draeger's sole discretion or, with Draeger's consent, at Customer's request.

(c) Customer shall use commercially reasonable efforts to allow for timely delivery of Goods, including, without limitation, providing instructions, granting access during Customer's business hours (or such other time agreed by the Parties), and obtaining any required licenses or permits.

(d) Installation costs, if applicable, are included in the price of Goods, unless indicated as a separate Service on the Contract Document or Quote.

(e) Customer is responsible for ensuring that the installation site is fully prepared prior to installation and for bearing all costs necessary to prepare site for installation in accordance with Draeger's instructions, including, without limitation, (i) engaging in any required labor, (ii) acquiring any required materials, (iii) to the extent applicable, ensuring that the Customer's network (A) meets any Draeger specific requirements, and (B) is fully functioning as mandated by all manuals and other instructions requested of Customer by Draeger, and (iv) ensuring compliance with all governmental requirements, including without limitation, all certifications and approvals for installation and operation. Customer shall provide to Draeger or its subcontractor, as applicable, access to the installation site and, if required, safe and secure space on site for storage of Goods and equipment prior to and during installation.

5. ACCEPTANCE. Customer shall inspect Goods received and notify Draeger of any Nonconforming Goods prior to acceptance. Goods shall be deemed to be accepted by Customer 15 days from date of delivery; provided, however, that (i) if earlier, acceptance shall occur immediately on the first day Customer uses Product, or (ii) with respect to Goods requiring installation (other than connection to Customer network), acceptance shall occur on the earlier of 5 days after installation or 30 days after delivery. Installation shall be deemed to be completed upon final verification under Draeger's standard procedures that Goods meet all applicable written performance obligations. For this purpose, "Nonconforming Goods" means (i) Goods that are different from those identified on the PO confirmation or (ii) Goods with label or packaging that incorrectly identifies contents. Draeger shall, at its sole discretion, replace Nonconforming Goods with conforming Goods or credit or refund the price of Nonconforming Goods. Such remedy is the exclusive remedy for Nonconforming Goods. Draeger shall bear the shipping costs related to return and replacement of Nonconforming Goods.

6. CHANGES AND RETURNS.

(a) POs may not be changed or canceled after PO is accepted by Draeger.

(b) Draeger reserves the right, subject to written notice, to substitute Goods or change specifications of Goods, which, in Draeger's judgment, does not materially affect the installation, performance, function, or price thereof. Goods may only be returned with prior authorization from Draeger. Eligible returns must follow the Customer Material Return Process in effect at the time of return as specified at <https://www.draeger.com/Library/Content/RMA-Process-Medical-2023.pdf> and which is hereby incorporated herein by reference ("RMA Process"). Unless warranty applies or in the case of a Nonconforming Good, restocking fees of up to 25% may apply.

7. DELAY OR FAILURE TO PERFORM OBLIGATIONS.

(a) Draeger shall not be deemed to be in breach or otherwise liable for any delay or failure in performance of any of its obligations under this Agreement caused, in whole or in part, by any act or omission of Customer or its agents, subcontractors, or employees.

(b) Neither Party shall be liable for failure to perform obligations (except for payment obligations) under this Agreement to the extent that such failure arises out of events beyond its reasonable control including, but not limited to, acts of government or compliance with any governmental laws, rules or regulations, acts of God, war, terrorist threats or acts, civil disturbance, fire, or other casualty, pandemic, strike, labor dispute, or unavailability of labor, carriers, raw materials, power, or supplies. Any delivery date may be extended, at Draeger's option, to the extent of any delay resulting from any such event.

8. SECURITY INTEREST. Customer grants to Draeger a security interest in all of the right, title, and interest of Customer to Goods (and all accessories and replacements thereto and all proceeds thereof), until full payment is made for such Goods. If Customer fails to pay for Goods when due, in whole or in part, Draeger may, in its sole discretion, declare all obligations of Customer immediately due and payable. In such event, Draeger will have all the rights and remedies of a secured party under applicable law. Customer authorizes Draeger or its agent to file UCC-1 financing statements naming Customer as debtor and describing any Goods, and any other documentation relating to the security interest granted hereunder. In addition, Customer specifically authorizes Draeger to file financing statements in appropriate jurisdictions naming Customer as the debtor and describing Goods as "all assets." Customer agrees (a) to keep Goods in working order until the purchase price has been paid and (b) not to attempt to transfer any interest in Goods until the purchase price is fully paid.

9. WARRANTY.

(a) Goods. Draeger warrants that under normal use and with prescribed maintenance, storage, and care, Goods are free from defects in material and workmanship for the warranty period. Except as provided in a separate warranty statement in Goods

manual or otherwise provided with Goods, the warranty period for new capital equipment is 12 months from date of delivery and disposable and consumable Goods (excluding sensors) are warranted at time of delivery only. All other Goods are warranted for 90 days from (i) date of delivery or (ii) in the case of software, date of implementation sign-off, or first productive use. Warranty is conditioned on (i) Customer providing immediate written notice of warranty-related claim to Draeger and following RMA Process, (ii) no repairs, modifications, or alterations being made to Goods other than by Draeger or its authorized representatives, (iii) Customer handling, using, storing, installing, operating, cleaning, and maintaining Goods in compliance with the instructions and specifications provided with Goods or incorporated into this Agreement, (iv) use of Goods only for the use intended by Draeger, (v) defect not related to the attachment of Goods to non-Draeger supplied equipment or to Customer's network issues, (vi) Customer having fulfilled its payment obligations for Goods, and (vii) an inspection by Draeger that reveals that Customer's claim is valid under the terms of the warranty. Customer's remedy for a breach of this warranty is limited to repair, replacement, credit, or refund, at the sole option of Draeger. Repair or replacement may be with parts or product that are new, used, or refurbished. Repairs or replacements shall not interrupt, extend, or prolong the warranty period.

(b) *Service.* Draeger warrants that the Service shall be performed in a professional manner in accordance with generally recognized industry standards for similar service. Claims for breach of this Service warranty must be submitted to Draeger in writing within 90 days of the completion of Service. Customer's remedy for breach of Service warranty is limited to reperformance, credit, or refund, at the sole option of Draeger.

(c) *Third-Party Product.* If this Agreement includes the sale of third-party product not manufactured by Draeger or any of its affiliates, such products are provided to Customer solely at the direction of Customer with no recommendation by Draeger. Draeger makes no warranty for any third-party product. Customer's sole warranty for any third-party product, if any, is the original manufacturer's warranty, which Draeger agrees to pass on to Customer, as applicable. The obligation of Customer to pay Draeger for the third-party product is absolute and unconditional, and Customer waives and releases Draeger from all claims, damages, and losses arising out of such third-party product regardless of any claims Customer may have regarding such third-party product.

(d) *No Other Warranties.* **THE WARRANTIES IN THIS SECTION 9 ARE THE SOLE AND EXCLUSIVE WARRANTIES MADE WITH RESPECT TO PRODUCT. DRAEGER MAKES NO OTHER WARRANTY EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE, TITLE, THIRD-PARTY NONINFRINGEMENT, COURSE OF DEALING, AND USAGE OF TRADE. DRAEGER DOES NOT WARRANT OR GUARANTEE THAT ANY PRODUCT WILL BE SECURE FROM CYBER THREATS, HACKING, OR SIMILARLY MALICIOUS ACTIVITY. DRAEGER DOES NOT WARRANT ANY CUSTOMER OR THIRD-PARTY PROVIDED NETWORK OR THE PERFORMANCE OF PRODUCT AS IMPACTED BY SUCH NETWORK CONNECTION.**

10. SERVICE BRIDGE SOLUTION. If Customer's use of Goods purchased is likely to be interrupted or delayed for an extended period due to the need to service the Goods, delay in delivery, or recall, upon Customer's request, Draeger may, to the extent available, temporarily place reasonably comparable equipment with Customer for its use until such time as the affected Goods are returned, repaired, or delivered, as applicable. Such placement is part of Draeger's warranty, contracted Service, or recall obligations, as applicable, and provided at no additional charge to Customer. Customer's option for such temporary use of equipment shall mitigate any damages or losses, if any, that would otherwise be incurred by Customer for such period.

11. INDEMNITY. To the extent permitted under applicable law, Draeger and Customer (each as "Indemnitor") shall indemnify the other Party and its affiliates (collectively "Indemnitee") from and against all third-party claims alleging bodily injury, death, or damage to the third-party's tangible property, but only to the extent caused by the Indemnitor's negligence or willful misconduct. No part of Customer's sites is considered third-party property for purposes of this indemnity. Indemnitee shall provide Indemnitor with prompt written notice of any third-party claims covered by this Section 11. Indemnitor has the unrestricted right to select and hire counsel and the exclusive right to conduct the legal defense or settle the claim on the Indemnitee's behalf; subject to Indemnitee's consent, which shall not be unreasonably withheld or delayed. Indemnitor shall not make any admissions that might be prejudicial to the Indemnitee.

12. INSURANCE. If during the term of this Agreement Draeger may need access to Customer's premises to perform Service or for other reasons, Customer shall, at its own expense, maintain and carry insurance in full force and effect which includes, but is not limited to, commercial general liability in a sum no less than \$1,000,000 per occurrence and \$5,000,000 in the aggregate with financially sound and reputable insurers. Upon Draeger's request, Customer shall provide Draeger with a certificate of insurance from Customer's insurer evidencing the insurance coverage specified in this Agreement and which names Draeger as an additional insured. Customer shall provide Draeger with 30 days advance written notice in the event of a cancellation or material change in Customer's insurance policy. Except where prohibited by law, Customer shall require its insurer to waive all rights of subrogation against Draeger's insurers and Draeger.

13. LIMITATION OF LIABILITY. IN NO EVENT SHALL ANY PARTY BE LIABLE TO THE OTHER PARTY OR THEIR AFFILIATES, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, INDEMNITY, OR ANY OTHER LEGAL THEORY, FOR LOST PROFITS OR LOST STORED, TRANSMITTED, OR RECORDED DATA, OR FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, PUNITIVE, OR EXEMPLARY DAMAGES, EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, WITH RESPECT TO ANY MATTERS RELATING TO THIS AGREEMENT, REGARDLESS OF WHETHER THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF THE SAME. **DRAEGER'S MAXIMUM LIABILITY UNDER THIS AGREEMENT IS THE ACTUAL PURCHASE PRICE RECEIVED BY DRAEGER FOR THE PRODUCT THAT GIVES RISE TO THE CLAIM.**

14. PATENT, TRADEMARK, AND OTHER INFRINGEMENT CLAIMS. In the event of any claim, suit, or proceeding brought against Customer alleging any Draeger manufactured Good violates any patent, trademark, or copyright about which Customer notifies Draeger in writing within 5 days after Customer becomes aware of the allegation, Draeger shall, at its option and expense, (i) defend such claim, suit, or proceeding, (ii) procure the Customer's right to use the Good, (iii) remove or modify the Good to avoid infringement, or (iv) allow Customer to return the Good and refund the purchase price paid to Customer less reasonable depreciation for Customer's use of the Good. In the event of defense of such claim, suit, or proceeding, Customer shall give Draeger information, assistance, and exclusive authority to fully control the defense and settlement of such claim, suit or proceeding. This indemnity shall not apply if Customer modifies or combines, operates, or uses the Good with any product, data, software, apparatus, or program not provided by Draeger and Customer shall indemnify and hold Draeger harmless against any liability or expense, including reasonable attorneys' fees, incurred by Draeger in connection therewith.

15. RIGHTS IN SOFTWARE, DOCUMENTATION, AND INTELLECTUAL PROPERTY. To the extent software, data, or other documentation or information (collectively, "Software") is embedded in or delivered with any Goods sold under this Agreement, the sale of such Goods shall not constitute the transfer of the ownership rights in such Software. The Software shall remain Draeger's property and Draeger grants to Customer a non-exclusive, non-transferable license solely to use the Software for the purpose, and in the manner, for which the Software was designed and produced. Customer shall not modify, reverse engineer, or create derivative works based on any of the Software, or permit any third party to do so. In addition, to the extent any third-party software is included in the Software, Customer will comply with any third-party software license terms provided by Draeger to Customer. Software that is provided separately to Customer as a Product is not included under this Section 15, but is governed under a separate license agreement, and may be subject to a licensing fee.

16. DATA PROTECTION. The Parties agree to comply with any privacy and data protection laws, including without limitation the General Data Protection Regulation (GDPR), to the extent relevant to the exchange of data between the Parties or storage or exchange of data in connection with Product provided hereunder.

17. TERMINATION. In addition to any remedies that may be provided under these terms and conditions, Draeger may terminate this Agreement or any part thereof with immediate effect upon written notice to Customer, if Customer: (i) fails to pay any amount when due under this Agreement and such failure continues for 30 days after Customer's receipt of written notice of nonpayment; (ii) has not otherwise performed or complied with any obligations of this Agreement, in whole or in part; (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors; or (iv) undergoes a change of control or ownership.

18. CONFIDENTIAL INFORMATION. All non-public, confidential, or proprietary information of Draeger disclosed by Draeger to Customer, whether disclosed orally or disclosed or accessed in written, electronic, or other form or media, and whether or not marked, designated, or otherwise identified as "confidential" in connection with this Agreement is confidential, solely for the use of performing this Agreement and may not be disclosed or copied unless authorized in advance by Draeger in writing. This Section does not apply to information that is: (a) in the public domain; (b) known to Customer at the time of disclosure without any confidentiality or restriction on use; or (c) rightfully obtained by Customer on a non-confidential basis from a third-party.

19. OTHER TERMS.

(a) **Compliance with Laws.** The Parties shall comply with all applicable laws and regulations, including, but not limited to, any laws and regulations relating to the import, or export, of any Product or associated technical data.

(b) **Benefit and Assignment.** Neither Party may assign, subcontract, or delegate any rights or obligations under this Agreement, without the prior written consent of the other Party, unless otherwise stated in this Agreement. Notwithstanding the foregoing, Draeger may assign any of its rights and obligations under this Agreement to one of its affiliates without notice to, or consent of, Customer. This Agreement shall inure to and be binding on the Parties and their respective successors, permitted assigns, and legal representatives. This Agreement is for the sole benefit of the Parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.

(c) **Modification.** This Agreement may not be changed, modified, or amended, except in writing signed by duly authorized representatives of the Parties.

(d) **Governing Law, Venue, and Waiver of Jury Trial.** This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to any conflict of law provisions. The Parties hereto hereby agree that the application of the United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement and is expressly excluded. Any legal suit, action, or proceeding arising out of or relating to this Agreement shall be brought before a court of competent jurisdiction located in the Commonwealth of Pennsylvania. The Parties irrevocably submit to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. **EACH PARTY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH ANY DISPUTE ARISING UNDER THIS AGREEMENT.**

(e) **Integration and Survival.** This Agreement together with any attachments or other documents incorporated by reference herein, constitute the entire agreement. The terms of this Agreement that by their nature are intended to survive its expiration or termination will continue in full force and effect after its expiration or termination.

(f) **Severability; Headings.** No provision of this Agreement, which may be deemed unenforceable, will in any way invalidate any other portion or provision of this Agreement. Section headings are for reference only and will have no substantive effect.

(g) **Waiver.** No waiver of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by the Parties. No failure and no delay in exercising, on the part of any Party, any right under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right preclude the further exercise of any other right.

(h) **Relationship of the Parties.** The Parties are independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the Parties, and neither Party shall have authority to contract for or bind the other Party in any manner whatsoever.

(i) **Injunction.** Customer agrees that the remedies at law may be inadequate to protect Draeger against any actual or threatened breach of Sections 15 or 18 of this Agreement, and, without prejudice to any other rights and remedies otherwise available, Draeger will be entitled to seek injunctive relief.

(j) **Limitation of Actions.** Any action against Draeger arising out of this Agreement shall be commenced within one year from the date such cause of action has accrued, otherwise the same shall be barred.

(k) **Notices.**

Notices shall be in writing and shall be deemed served upon receipt and shall be delivered in person or by nationally recognized courier or certified mail to Draeger, Inc. 3135 Quarry Road, Telford, PA 18969, Attention President with a copy to the same address to the attention of General Counsel (such copy shall not constitute service of process).

End of Terms and Conditions of Sale (Medical)



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

April 17, 2024

Subject: Proposed acceptance of donation of travel and related expenses from Garden Pathways for the Community Violence Intervention Conference

Recommended Action: Approve; Adopt Resolution

Summary:

The Authority's conflict of interest policy prohibits employees from receiving or accepting money or any other consideration from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment.

Garden Pathways partners with Kern Medical Center for hospital-based violence intervention. Garden Pathway has offered to donate to the Authority all travel and related expenses for one Kern Medical employee to attend the Community Violence Intervention Conference in Los Angeles, California, from June 24-25, 2024. This training session is necessary in connection with official Authority business.

Therefore, Kern Medical recommends your Board adopt the attached proposed resolution to accept the travel donation from Garden Pathways for travel and related expenses and authorize the Chief Executive Officer to designate one employee to attend this important conference.

**BEFORE THE BOARD OF GOVERNORS
OF THE KERN COUNTY HOSPITAL AUTHORITY**

In the matter of:

Resolution No. 2024-____

**ACCEPTANCE OF DONATION OF
TRAVEL AND RELATED EXPENSES
FROM GARDEN PATHWAYS FOR THE
COMMUNITY VIOLENCE INTERVENTION
CONFERENCE**

I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 17th day of April, 2024, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

RESOLUTION

Section 1. WHEREAS:

(a) The conflict of interest policy for the Kern County Hospital Authority (“Authority”) prohibits Authority employees from receiving or accepting money or any other consideration from anyone other than the Authority for the performance of an act which the employee would be required or expected to render in the regular course of his or her employment; and

(b) Garden Pathways partners with Kern Medical Center for hospital-based violence intervention; and

(c) Garden Pathways has offered to donate to the Authority travel and related expenses for up to one Authority employee to attend the Community Violence Intervention Conference in Los Angeles, California, from June 24-25, 2024; and

(d) The training session is necessary in connection with official Authority business; and

(f) The Authority desires to obtain the donation of travel and related expenses from Garden Pathways to the Authority and will retain full control over the use of the donation; and

(g) Garden Pathways has not made any restrictions as to how the donation may be used.

Section 2. NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Governors of the Kern County Hospital Authority, as follows:

1. This Board finds the facts recited herein are true, and further finds that this Board has jurisdiction to consider, approve, and adopt the subject of this Resolution.

2. This Board hereby accepts from Garden Pathways the donation of travel and related expenses for one Authority employee to travel to Los Angeles, California, to attend the Community Violence Intervention Conference from June 24-25, 2024.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend the Community Violence Intervention Conference from June 24-25, 2024, in Los Angeles, California.

4. The Authority Board Coordinator shall provide copies of this Resolution to the following:

Chief Financial Officer
Legal Services Department
Patient Access Department



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

April 17, 2024

Subject: Proposed reappointment of Cynthia Pollard to the Kern County Hospital Authority Board of Governors, term to expire June 30, 2027

Recommended Action: Refer to Kern County Board of Supervisors to make appointment

Summary:

On May 9, 2023, Director Cynthia Pollard was appointed to the Board of Governors to fill the vacancy created by the resignation of Jacqui Kitchen effective December 31, 2022. Her current term expires June 30, 2024. Members may serve an unlimited number of terms if reappointed by the Kern County Board of Supervisors.

Director Pollard, as required by the authority's Bylaws for Governance, has notified your Board Chairman in writing (attached) of her intent to seek reappointment to the Board of Governors. She is not required to submit a new application for reappointment. The Bylaws requires your Board to notify the Board of Supervisors of a member's intent to continue to serve on the Board of Governors.

Therefore, it is recommended that your Board refer this item to the Kern County Board of Supervisors to make the reappointment of Director Pollard for a three-year term expiring June 30, 2027.



April 9, 2024

HAND DELIVERED

Members, Board of Governors
Kern County Hospital Authority
1700 Mount Vernon Avenue
Bakersfield, CA 93306

Re: Reappointment to Kern County Hospital Authority Board of Governors

Dear Honorable Board Members:

As you may know, my term of office on the Kern County Hospital Authority Board of Governors expires June 30, 2024. Please accept this letter as notice of my intent to seek reappointment to the Board of Governors, term to expire June 30, 2027. Such notice is provided pursuant to Section 2.05 of the Kern County Hospital Authority Bylaws for Governance. Please take appropriate measures to ensure the Kern County Board of Supervisors is notified timely of my intent to continue to serve on the Board of Governors, as required by the Bylaws for Governance.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Cynthia Pollard", written over a light blue circular stamp.

Cynthia Pollard



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

April 17, 2024

Subject: Proposed Value Rental Agreement with UBEO West, LLC for the lease of printer and copier equipment

Recommended Action: Approve; Adopt Resolution; Authorize Chairman to sign; Authorize Chief Executive Officer to approve changes in equipment not to exceed 10% of the maximum payable and upon approval as to form by Hospital Counsel

Summary:

Kern Medical is requesting your Board approve the proposed value rental agreement with UBEO West, LLC for the lease of our print management and maintenance services in support of the long-term technology strategy for Kern Medical. This agreement will leverage the “follow me print” security services that will also allow Kern Medical to secure and manage print output.

Kern Medical contacted several vendors who provide the needed print equipment and services to compare quality of services and pricing. After reviewing several proposals, we found that our current vendor, UBEO West, LLC, formally Ray A Morgan Company, still maintains the best price for the services we both need and want.

Current average monthly print spend is \$45,985.

New monthly spend will be \$45,184 which includes supplies and print images.

Counsel is unable to approve as to form due to non-standard terms which include late charges, early termination penalties, attorney fees for prevailing party, waiver of jury trial, limitation of liability, and no liability for third party suppliers. Efforts were made to negotiate with the vendor, but to no avail.

Therefore, it is recommended that your Board approve the proposed Value Rental Agreement with UBEO West, LLC, effective May 1, 2024 through April 30, 2027, in an amount not to exceed \$1,626,606, which includes all hardware technology and services, authorize the Chairman to sign, adopt the Resolution, and authorize the Chief Executive Officer to approve changes in equipment not to exceed 10% of the maximum payable (\$162,661) upon approval as to form by Hospital Counsel.



APPLICATION NO.

2989168

AGREEMENT NO.

VALUE RENTAL
AGREEMENT

3131 Esplanade • Chico, CA 95973 • Phone: 530.343.6065 • Fax: 530.343.9470

The words "User," "Lessee," "you" and "your" refer to Customer. The words "Owner," "Lessor," "we," "us" and "our" refer to UBEO West, LLC.

CUSTOMER INFORMATION

FULL LEGAL NAME

Kern County Hospital Authority

STREET ADDRESS

1700 Mt Vernon Ave

CITY

Bakersfield

STATE

CA

ZIP

93306

PHONE

661-326-2000

FAX

BILLING NAME (IF DIFFERENT FROM ABOVE)

BILLING STREET ADDRESS

CITY

STATE

ZIP

E-MAIL

EQUIPMENT LOCATION (IF DIFFERENT FROM ABOVE)

EQUIPMENT DESCRIPTION

MAKE/MODEL/ACCESSORIES

SERIAL NO.

STARTING METER

NOT FINANCED
UNDER THIS
AGREEMENT

See Schedule A

☐ See attached Schedule A☐ See attached Billing Schedule

TERM AND PAYMENT INFORMATION

36

Payments* of \$

43,306.49

If you are exempt from sales tax, attach your certificate.

*plus applicable taxes

The payment ("Payment") period is monthly unless otherwise indicated.

Payment includes Sched A B&W images per month

Overages billed at \$ Sched A per B&W image*

Payment includes Sched A General Color images per month

Overages billed at \$ Sched A per General Color image*

Payment includes Pro. Color images per month

Overages billed at \$ per Pro. Color image*

Payment includes scans per month

Overages billed at \$ per scan*

Please check one: **Meter Readings verified:** ☐ Monthly ☒ Quarterly ☐ Other: (If nothing is selected, then Quarterly will be your Meter Reading option.)

Upon acceptance of the Equipment, THIS AGREEMENT IS NONCANCELABLE, IRREVOCABLE AND CANNOT BE TERMINATED.

OWNER ACCEPTANCE

UBEO West, LLC

OWNER

DocuSigned by

Richard Whitlock

SIGNATURE

President West Region

TITLE

4/30/2024

DATED

CUSTOMER ACCEPTANCE

BY SIGNING BELOW OR AUTHENTICATING AN ELECTRONIC RECORD HEREOF, YOU CERTIFY THAT YOU HAVE REVIEWED AND DO AGREE TO ALL TERMS AND CONDITIONS OF THIS AGREEMENT ON THIS PAGE AND ON PAGE 2 ATTACHED HERETO.

Kern County Hospital Authority

X

SIGNATURE

Chairman, Board of Governors

TITLE

4/17/2024

DATED

CUSTOMER (as referenced above)

47-5618278

FEDERAL TAX I.D. #

PRINT NAME

TERMS AND CONDITIONS (Continued on Page 2)

1. **AGREEMENT:** You agree to rent from us the goods, together with all replacements, parts, repairs, additions, and accessions incorporated therein or attached thereto and any and all proceeds of the foregoing, including, without limitation, insurance recoveries ("Equipment") and, if applicable, finance certain software, software license(s), software components and/or professional services in connection with software (collectively, the "Financed Items," which are included in the word "Equipment" unless separately stated) from software licensor(s) and/or supplier(s) (collectively, the "Supplier"), all as described in this Agreement and in any attached schedule, addendum or amendment hereto ("Agreement"). You represent and warrant that you will use the Equipment for business purposes only. You agree to all of the terms and conditions contained in this Agreement, which, with the acceptance certification, is the entire agreement between you and us regarding the Equipment and which supersedes any purchase order, invoice, request for proposal, response or other related document. This Agreement becomes valid upon execution by us. In order to facilitate an orderly transition, the start date of this Agreement will be the date the Equipment is delivered to you or a date designated by us, as shown on the first invoice. If a later start date is designated, in addition to all Payments and other amounts due hereunder, you agree to pay us a transitional payment equal to 1/30th of the Payment, multiplied by the number of days between the date the Equipment is delivered to you and the designated start date. The first Payment is due 30 days after the start of this Agreement and each Payment thereafter shall be due on the same day of each month. In addition, should this Agreement replace a previous UBEO West, LLC generated equipment rental, a CLOSING BILL on the agreement being replaced, up to the installation date of the new equipment, will be sent approximately (10) days after delivery of the new equipment. You agree to pay this CLOSING BILL charges as they represent valid charges for product and services provided under the prior agreement up to the installation date of the new equipment. If any provision of this Agreement is declared unenforceable, the other provisions herein shall remain in full force and effect to the fullest extent permitted by law.

2. **OWNERSHIP; PAYMENTS; TAXES AND FEES:** We own the Equipment, excluding any Financed Items. Ownership of any Financed Items shall remain with Supplier thereof. You will pay all Payments, as adjusted, when due, without notice or demand and without abatement, set-off, counterclaim or deduction of any amount whatsoever. If any part of a Payment is more than 5 days late, you agree to pay a late charge of 10% of the Payment which is late or, if less, the maximum charge allowed by law. The Payment may be adjusted proportionately upward or downward: (i) if the shipping charges or taxes differ from the estimate given to you; and/or (ii) to comply with the tax laws of the state in which the Equipment is located. You shall pay all applicable taxes, assessments and penalties related to this Agreement, whether levied or assessed on this Agreement, on us (except on our income) or you, or on the Equipment, its rental, sale, ownership, possession, use or operation. If we pay any taxes or other expenses that are owed hereunder, you agree to reimburse us when we request. You agree to pay us a yearly processing fee of up to \$50 for personal property taxes we pay related to the Equipment. You agree to pay us a fee of up to \$50 for filing and/or searching costs required under the Uniform Commercial Code ("UCC") or other laws. You agree to pay us an origination fee of \$125 for all closing costs. We may apply all sums received from you to any amounts due and owed to us under the terms of this Agreement. If for any reason your check is returned for insufficient funds, you will pay us a service charge of \$30 or, if less, the maximum charge allowed by law. We may make a profit on any fees, estimated tax payments and other charges paid under this Agreement.

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REVIEWED ONLY
NOT APPROVED AS TO FORM

Rev. 11/03/2022

By Shannon Hochstein
Kern County Hospital Authority

3. **EQUIPMENT; SECURITY INTEREST:** At your expense, you shall keep the Equipment: (i) in good repair, condition and working order, in compliance with applicable laws, ordinances and manufacturers' and regulatory standards; (ii) free and clear of all liens and claims; and (iii) at your address shown on page 1, and you agree not to move it unless we agree in writing. You grant us a security interest in the Equipment to secure all amounts you owe us under this Agreement or any other agreement with us ("Other Agreements"), except amounts under Other Agreements which are secured by land and/or buildings. You authorize and ratify our filing of any financing statement(s) to show our interest. You will not change your name, state of organization, headquarters or residence without providing prior written notice to us. You will notify us within 30 days if your state of organization revokes or terminates your existence.

4. **INSURANCE; COLLATERAL PROTECTION; INDEMNITY; LOSS OR DAMAGE:** You agree to keep the Equipment fully insured against all risk, with us named as lender's loss payee, in an amount not less than the full replacement value of the Equipment until this Agreement is terminated. You also agree to maintain commercial general liability insurance with such coverage and from such insurance carrier as shall be satisfactory to us and to include us as an additional insured on the policy. You will provide written notice to us within 10 days of any modification or cancellation of your insurance policy(s). You agree to provide us certificates or other evidence of insurance acceptable to us. If you do not provide us with acceptable evidence of property insurance within 30 days after the start of this Agreement, we may, at our sole discretion, to do so as provided in either (A) or (B) below, as determined in our discretion: (A) We may obtain insurance covering our interest (and only our interest) in the Equipment for the Agreement term and renewals. Any insurance we obtain will not insure you against third party or liability claims and may be cancelled by us at any time. You may be required to pay us an additional amount each month for the insurance premium and an administrative fee. The cost may be more than the cost of obtaining your own insurance; or (B) We may charge you a monthly property damage surcharge of up to .0035 of the Equipment cost as a result of our credit risk and administrative and other costs, as would be further described on a letter from us to you. We may make a profit on this program. **NOTHING IN THIS PARAGRAPH WILL RELIEVE YOU OF RESPONSIBILITY FOR LIABILITY INSURANCE ON THE EQUIPMENT.** We are not responsible for, and you agree to hold us harmless and reimburse us for and to defend on our behalf against, any claim for any loss, expense, liability or injury caused by or in any way related to delivery, installation, possession, ownership, renting, manufacture, use, condition, inspection, removal, return or storage of the Equipment. All indemnities will survive the expiration or termination of this Agreement. You are responsible for any loss, theft, destruction or damage to the Equipment ("Loss"), regardless of cause, whether or not insured. You agree to promptly notify us in writing of any Loss. If a Loss occurs and we have not otherwise agreed in writing, you will promptly pay to us the unpaid balance of this Agreement, including any future Payments to the end of the term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. Any proceeds of insurance will be paid to us and credited against the Loss. You authorize us to sign on your behalf and appoint us as your attorney-in-fact to endorse in your name any insurance drafts or checks issued due to a Loss.

5. **ASSIGNMENT: YOU SHALL NOT SELL, TRANSFER, ASSIGN, ENCUMBER, PLEDGE OR SUBRENT THE EQUIPMENT OR THIS AGREEMENT, without our prior written consent which will not be unreasonably withheld.** You shall not consolidate or merge with or into any other entity, distribute, sell or dispose of all or any substantial portion of your assets other than in the ordinary course of business, without our prior written consent, and the surviving, or successor or entity or the transferee of such assets, as the case may be, shall assume all of your obligations under this Agreement by a written instrument acceptable to us. No event shall occur which causes or results in a transfer of majority ownership of you while any obligations are outstanding hereunder. We may sell, assign, or transfer this Agreement without notice to or consent from you. You agree that if we sell, assign or transfer this Agreement, our assignee will have the same rights and benefits that we have now and will not have to perform any of our obligations. **You agree that our assignee will not be subject to any claims, defenses, or offsets that you may have against us.** This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns.

6. **DEFAULT AND REMEDIES:** You will be in default if: (i) you do not pay any Payment or other sum due to us or you fail to perform in accordance with the covenants, terms and conditions of this Agreement or any other agreement with us or any of our affiliates or fail to perform or pay under any material agreement with any other entity; (ii) you make or have made any false statement or misrepresentation to us; (iii) you or any guarantor dies, dissolves, liquidates, terminates existence or is in bankruptcy; (iv) you or any guarantor suffers a material adverse change in its financial, business or operating condition; or (v) any guarantor defaults under any guaranty for this Agreement. If you are ever in default, at our option, we can cancel this Agreement and require that you pay the unpaid balance of this Agreement, including any future Payments to the end of term plus the anticipated residual value of the Equipment, both discounted to present value at 2%. We may recover default interest on any unpaid amount at the rate of 12% per year. Concurrently and cumulatively, we may also use any remedies available to us under the UCC and any other law and we may require that you immediately stop using any Financed Items. If we take possession of the Equipment, you agree to pay the costs of repossession, moving, storage, repair and sale. The net proceeds of the sale of any Equipment will be credited against what you owe us under this Agreement and you will be responsible for any deficiency. In the event of any dispute or enforcement of our rights under this Agreement or any related agreement, you agree to pay our reasonable attorneys' fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee. **WE SHALL NOT BE RESPONSIBLE TO PAY YOU ANY CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES FOR ANY DEFAULT, ACT OR OMISSION BY ANYONE.** Any delay or failure to enforce our rights under this Agreement will not prevent us from enforcing any rights at a later time. You agree that this Agreement is a "Finance Lease" as defined by Article 2A of the UCC and your rights and remedies are governed exclusively by this Agreement. You waive all rights under sections 2A-508 through 522 of the UCC. If interest is charged or collected in excess of the maximum lawful rate, we will refund such excess to you, which will be your sole remedy.

7. **INSPECTIONS AND REPORTS:** We have the right, at any reasonable time, to inspect the Equipment and any documents relating to its installation, use, maintenance and repair. Within 30 days after our request (or such longer period as provided herein), you will deliver all requested information (including tax returns) which we deem reasonably necessary to determine your current financial condition and faithful performance of the terms hereof. This may include: (i) compiled, reviewed or audited annual financial statements (including, without limitation, a balance sheet, a statement of income, a statement of cash flow, a statement of changes in equity and notes to financial statements) within 120 days after your fiscal year end, and (ii) management-prepared interim financial statements within 45 days after the requested reporting period(s). Annual statements shall set forth the corresponding figures for the prior fiscal year in comparative form, all in reasonable detail without any qualification or exception deemed material by us. Unless otherwise accepted by us, each financial statement shall be prepared in accordance with generally accepted accounting principles consistently applied and shall fairly and accurately present your financial condition and results of operations for the period to which it pertains. You authorize us to obtain credit bureau reports for credit and collection purposes and to share them with our affiliates and agents.

8. **END OF TERM:** At the end of the initial term, this Agreement shall renew for successive 12-month renewal term(s) under the same terms hereof unless you send us written notice between 90 and 150 days before the end of the initial term or at least 30 days before the end of any renewal term that you want to return the Equipment, and you timely return the Equipment. You shall continue making Payments and paying all other amounts due until the Equipment is returned. As long as you have given us the required written notice, you will return all of the Equipment to a location we specify, at your expense, in retail re-saleable condition, full working order and complete repair. At the end of the term or upon repossession of the Equipment after a default, you agree to pay us a minimum return fee of \$250, which will cover up to 10 units of returned Equipment and will not be prorated, and in addition, a supplemental return fee of up to \$50 per each unit of returned Equipment in excess of 10 units (collectively, the "Return Fee"). If, in our sole discretion, we allow you to return any Equipment prior to the end of the term, you shall pay us the Return Fee each time you return Equipment. **YOU ARE SOLELY RESPONSIBLE FOR REMOVING ANY DATA THAT MAY RESIDE IN THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO HARD DRIVES, DISK DRIVES OR ANY OTHER FORM OF MEMORY.**

9. **USA PATRIOT ACT NOTICE; ANTI-TERRORISM AND ANTI-CORRUPTION COMPLIANCE:** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each customer who opens an account. When you enter into a transaction with us, we ask for your business name, address and other information that will allow us to identify you. We may also ask to see other documents that substantiate your business identity. You and any other person who you control, own a controlling interest in, or who owns a controlling interest in or otherwise controls you in any manner ("Representatives") are and will remain in full compliance with all laws, regulations and government guidance concerning foreign asset control, trade sanctions, embargoes, and the prevention and detection of money laundering, bribery, corruption, and terrorism, and neither you nor any of your Representatives is or will be listed in any Sanctions-related list of designated persons maintained by the U.S. Department of Treasury's Office of Foreign Assets Control or successor or the U.S. Department of State. You shall, and shall cause any Representative to, provide such information and take such actions as are reasonably requested by us in order to assist us in maintaining compliance with anti-money laundering laws and regulations.

10. **MISCELLANEOUS:** Unless otherwise stated in an addendum hereto, the parties agree that: (i) this Agreement and any related documents hereto may be authenticated by electronic means; (ii) the "original" of this Agreement shall be the copy that bears your manual, facsimile, scanned or electronic signature and that also bears our manually or electronically signed signature and is held or controlled by us; and (iii) to the extent this Agreement constitutes chattel paper (as defined by the UCC), a security interest may only be created in the original. You agree not to raise as a defense to the enforcement of this Agreement or any related documents that you or we executed or authenticated such documents by electronic or digital means or that you used facsimile or other electronic means to transmit your signature on such documents. Notwithstanding anything to the contrary herein, we reserve the right to require you to sign this Agreement or any related documents hereto manually and to send to us the manually signed, duly executed documents via overnight courier on the same day that you send us the facsimile, scanned or electronic transmission of the documents. You agree to execute any further documents that we may request to carry out the intents and purposes of this Agreement. Whenever our consent is required, we may withhold or condition such consent in our sole discretion, except as otherwise expressly stated herein. From time to time, Supplier may extend to us payment terms for Equipment financed under this Agreement that are more favorable than what has been quoted to you or the general public, and we may provide Supplier information regarding this Agreement if Supplier has assigned or referred it to us. All notices shall be mailed or delivered by facsimile transmission or overnight courier to the respective parties at the addresses shown on this Agreement or such other address as a party may provide in writing from time to time. By providing us with a telephone number for a cellular phone or other wireless device, including a number that you later convert to a cellular number, you are expressly consenting to receiving communications, including but not limited to prerecorded or artificial voice message calls, text messages, and calls made by an automatic telephone dialing system, from us and our affiliates and agents at that number. This express consent applies to each such telephone number that you provide to us now or in the future and permits such calls for non-marketing purposes. Calls and messages may incur access fees from your cellular provider. You authorize us to make non-material amendments (including completing and conforming the description of the Equipment) on any document in connection with this Agreement. Unless stated otherwise herein, all other modifications to this Agreement must be in writing and signed by each party or in a duly authenticated electronic record. This Agreement may not be modified by course of performance.

11. **WARRANTY DISCLAIMERS:** WE ARE RENTING THE EQUIPMENT TO YOU "AS-IS." YOU HAVE SELECTED SUPPLIER AND THE EQUIPMENT BASED UPON YOUR OWN JUDGMENT. IN THE EVENT WE ASSIGN THIS AGREEMENT, OUR ASSIGNEE DOES NOT TAKE RESPONSIBILITIES FOR THE INSTALLATION OR PERFORMANCE OF THE EQUIPMENT. SUPPLIER IS NOT AN AGENT OF OURS AND WE ARE NOT AN AGENT OF SUPPLIER, AND NOTHING SUPPLIER STATES OR DOES CAN AFFECT YOUR OBLIGATIONS HEREUNDER. **YOU WILL MAKE ALL PAYMENTS UNDER THIS AGREEMENT REGARDLESS OF ANY CLAIM OR COMPLAINT AGAINST ANY SUPPLIER, LICENSOR OR MANUFACTURER, AND ANY FAILURE OF A SERVICE PROVIDER TO PROVIDE SERVICES WILL NOT EXCUSE YOUR OBLIGATIONS TO US UNDER THIS AGREEMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, OF, AND TAKE ABSOLUTELY NO RESPONSIBILITY FOR, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, CONDITION, QUALITY, ADEQUACY, TITLE, DATA ACCURACY, SYSTEM INTEGRATION, FUNCTION, DEFECTS, INFRINGEMENT OR ANY OTHER ISSUE IN REGARD TO THE EQUIPMENT, ANY ASSOCIATED SOFTWARE AND ANY FINANCED ITEMS. SO LONG AS YOU ARE NOT IN DEFAULT UNDER THIS AGREEMENT, WE ASSIGN TO YOU ANY WARRANTIES IN THE EQUIPMENT GIVEN TO US.**

12. **LAW; JURY WAIVER:** This Agreement will be governed by and construed in accordance with the law of the principal place of business of Owner or, if assigned, its assignee. You consent to jurisdiction and venue of any state or federal court in the state of the Owner or, if assigned, its assignee has its principal place of business and waive the defense of inconvenient forum. For any action arising out of or relating to this Agreement or the Equipment, **BOTH PARTIES WAIVE ALL RIGHTS TO A TRIAL BY JURY.**

13. **MAINTENANCE AND SUPPLIES:** You have elected to enter into a separate arrangement with Supplier for maintenance, inspection, adjustment, parts replacement, drums, cleaning material required for proper operation and toner and developer ("Arrangement"). You agree to pay all amounts owing under this Agreement regardless of any claim you have against Supplier relating to the Arrangement. Supplier will be solely responsible for performing all services and providing all supplies under the Arrangement. You agree not to hold Owner (if different from Supplier) or any assignee of this Agreement responsible for Supplier's obligations under the Arrangement. As a convenience to you, we will provide you with one invoice covering amounts owing under this Agreement and the Arrangement. If necessary, Supplier's obligations to you under the Arrangement may be assigned by us. You have been informed that a surge protector is recommended to protect your electronic investment from harmful high voltage power disturbances. Said surge protectors should have network protection when connected in a network environment. Units that provide network protection are available through UBEQ West, LLC. You are responsible for providing manufacturer recommended adequate power supply. Check one of the following: ☐ Purchased ☐ Has existing ☐ Declined and will be responsible for damage caused by not having a surge protector. You agree to pay a monthly supply freight fee to cover the costs of shipping supplies to you. An image/scan is equal to a single sized 8.5" x 11" copy or print. Each month, you are entitled to produce the minimum number of images/scans shown on page 1 of this Agreement for each applicable image/scan type. Regardless of the number of images/scans made, you will never pay less than the minimum Payment. You agree to provide periodic meter readings on the Equipment. If at any time during the term of this Agreement meter readings are not collected electronically there will be a \$5 fee assessed per device, per month for the term of this Agreement or until the meter readings are set-up electronically. You agree to pay the applicable overage charge for each metered image/scan that exceeds the applicable minimum number of images/scans. Images/scans made on equipment marked as not financed under this Agreement will be included in determining your image/scan and overage charges. At the end of the first year of this Agreement, and once each successive 12-month period thereafter, the maintenance and supplies portion of the Payment and the overage charges may be increased by a maximum of 15% of the existing payment or charge. If you have multiple devices at the installation address, which use the same supplies provided under this Agreement, all devices using the same supplies must be covered under an active agreement with Supplier. UBEQ West, LLC agrees not to disclose any customer information to manufacturers or competitors that is not required by law.

14. **EXCLUSIONS:** Maintenance service under the Arrangement is contingent upon proper use of the device. The Arrangement does not include: a) Repairs resulting from causes other than normal use; your willful act, use of any paper stock that does not meet device specifications, negligence or misuse including, without limitation, damage to any part or mechanisms and/or use or supplies or spare parts not manufactured and/or use or supplies or spare parts not manufactured by the original equipment manufacturer and which cause abnormally high service calls or service problems; accident, transportation, failure of electrical power, air conditioning or humidity control related problems, acts of nature (fire, flood etc.), theft, or any other unusual circumstance. b) Repairs made necessary by service performed by personnel other than UBEQ West, LLC representative. c) Work which you request to be performed outside regular business hours. d) Reconditioning or modification to the Equipment except those specified by UBEQ West, LLC's Technical Service Department to assure greater performance of the Equipment. e) Any and all work related to data flow between the covered device and your computers, software or computer network; or work on your computers, software or computer network independent of the Equipment. f) Repairs to the Equipment that is past the manufacturer's end of service life.

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Agreement Number
2989168

								Black and White				Color Pool			
Model #	Serial #	Ownership	Location	Address	City	ST	Zip	Start Meter	Pool #	Covered Copies	Overage Rate	Start Meter	Pool #	Covered Copies	Overage Rate
HP E55040	JPBCM1J15G	Lessor	Kern County Hospital Authority	1111 Columbus St Ste 1000	Bakersfield	CA	93305		BW Printer	400000	\$0.0100		CLR Printer	19000	\$0.0600
HP E55040	JPBCM1J10H	Lessor	Kern County Hospital Authority	1111 Columbus St Ste 3000	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J02X	Lessor	Kern County Hospital Authority	1111 Columbus St Ste 3000	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J10B	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J109	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J106	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J105	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J10C	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J104	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J02Q	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J077	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J027	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J103	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J025	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J023	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J03C	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J14C	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J148	Lessor	Kern County Hospital Authority	1830 Flower St	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E55040	JPBCM1J10G	Lessor	Kern County Hospital Authority	2700 M St Ste 200	Bakersfield	CA	93301		BW Printer	Included	\$0.0100		CLR Printer	Included	\$0.0600
HP E60055	CN1CMC182GV	Lessor	Kern County Hospital Authority	1111 Columbus St Ste 1000	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC183H	Lessor	Kern County Hospital Authority	1111 Columbus St Ste 1000	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC187N	Lessor	Kern County Hospital Authority	1111 Columbus St Ste 1000	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC182N	Lessor	Kern County Hospital Authority	1111 Columbus St Ste 3000	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC111GV	Lessor	Kern County Hospital Authority	1111 Columbus St Ste 3000	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC111GT	Lessor	Kern County Hospital Authority	1111 Columbus St Ste 3000	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC111GC	Lessor	Kern County Hospital Authority	1111 Columbus St Ste 3000	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC182GC	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC183JJ	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC1833S	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC111CQ	Customer	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC111G3	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC190PN	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC190NY	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC190PP	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055 - Svc Only	CN1CMC190QC	Customer	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC190RV	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CLCV29N	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC187Q	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC187FX	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC182QM	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC1821N	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC1810X	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC1821K	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC1821T	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC1820L	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC1820W	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC1821B	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC1820J	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC1820N	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60055	CN1CMC1820G	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A

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Model #	Serial #	Ownership	Location	Address	City	ST	Zip	Black and White				Color Pool			
								Start Meter	Pool #	Covered Copies	Overage Rate	Start Meter	Pool #	Covered Copies	Overage Rate
HP E4004DN	PHBCH05755	Lessor	Kern County Hospital Authority	2222 19th St	Bakersfield	CA	93301		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E4004DN	PHBCH05753	Lessor	Kern County Hospital Authority	2222 19th St	Bakersfield	CA	93301		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E4004DN	PHBCH05756	Lessor	Kern County Hospital Authority	2222 19th St	Bakersfield	CA	93301		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E4004DN	PHBCH05721	Lessor	Kern County Hospital Authority	3551 Q St	Bakersfield	CA	93301		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E4004DN	PHBCH05719	Lessor	Kern County Hospital Authority	3551 Q St	Bakersfield	CA	93301		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E4004DN	PHBCH05715	Lessor	Kern County Hospital Authority	3551 Q St	Bakersfield	CA	93301		BW Printer	Included	\$0.0100		N/A	N/A	N/A
IMC-4500	3129M140398	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305		BW MFP	73000	\$0.0068	CLR MFP	110000	\$0.0060	
IMC-4500	3129M111142	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-300	3920P200701	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M140468	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-300	3920P200702	Lessor	Kern County Hospital Authority	14401 Sierra Way	Kernville	CA	93236		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3118R700932	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M140579	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3118R800710	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3118R800708	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M140429	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M140413	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M140448	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3118R800741	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M140465	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M140397	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500 - Svc Only	3118R000046	Customer	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M140472	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M140303	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M101183	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3118R000004	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3118R000078	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
MP-8503-RS	C086C100130	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3118R800749	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3120R201531	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3110R200714	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3120R201052	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3120R201516	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3110R200741	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-2000	3140P200886	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-300	3920P201107	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-300	3920P200734	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3112P470057	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3110R200739	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-300	3920P200689	Lessor	Kern County Hospital Authority	17695 Industrial Farm Rd	Bakersfield	CA	93308		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-300	3920P200687	Lessor	Kern County Hospital Authority	17624 Quality Dr	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-300	3920P200735	Lessor	Kern County Hospital Authority	2003 Ridge Rd	Bakersfield	CA	93305		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-6000	3149M100281	Lessor	Kern County Hospital Authority	2201 Mount Vernon Dr	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3110P200811	Lessor	Kern County Hospital Authority	2201 Mt Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3118R800781	Lessor	Kern County Hospital Authority	2700 M St. Ste 200	Bakersfield	CA	93301		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M140359	Lessor	Kern County Hospital Authority	5101 Office Park Dr	Bakersfield	CA	93309		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3118R800626	Lessor	Kern County Hospital Authority	9300 Stockdale Hwy	Bakersfield	CA	93311		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-3500	3118R800661	Lessor	Kern County Hospital Authority	9300 Stockdale Hwy	Bakersfield	CA	93311		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3129M140397	Lessor	Kern County Hospital Authority	9330 Stockdale Hwy Ste 400	Bakersfield	CA	93311		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3122R790353	Lessor	Kern County Hospital Authority	2222 19th St	Bakersfield	CA	93301		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
IMC-4500	3122R790360	Lessor	Kern County Hospital Authority	3551 Q St	Bakersfield	CA	93301		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	
PROC5000S	3850C100079	Lessor	Kern County Hospital Authority	900 Trunfan Ave Ste 300	Bakersfield	CA	93301		BW MFP	Included	\$0.0068	CLR MFP	Included	\$0.0060	



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Model #	Serial #	Ownership	Location	Address	City	ST	Zip	Black and White				Color Pool			
								Start Meter	Pool #	Covered Copies	Overage Rate	Start Meter	Pool #	Covered Copies	Overage Rate
IM430F	3350P01872	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F - Svc Only	3350P01870	Customer	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F - Svc Only	3350P01854	Customer	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00676	Lessor	Kern County Hospital Authority	17695 Industrial Farm Rd	Bakersfield	CA	93308		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01875	Lessor	Kern County Hospital Authority	17695 Industrial Farm Rd	Bakersfield	CA	93308		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01876	Lessor	Kern County Hospital Authority	17695 Industrial Farm Rd	Bakersfield	CA	93308		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01874	Lessor	Kern County Hospital Authority	17695 Industrial Farm Rd	Bakersfield	CA	93308		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP402	Y178HA05670	Lessor	Kern County Hospital Authority	2201 Mt Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00534	Lessor	Kern County Hospital Authority	2201 Mt Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP2555SP-RS	C298RC00676	Lessor	Kern County Hospital Authority	2700 M St Ste 200	Bakersfield	CA	93301		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C348RC00018	Lessor	Kern County Hospital Authority	2700 M St Ste 200	Bakersfield	CA	93301		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP6055SP-RS	C348RC00010	Lessor	Kern County Hospital Authority	2700 M St Ste 200	Bakersfield	CA	93301		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP2555SP-RS	C298RC00296	Lessor	Kern County Hospital Authority	2700 M St Ste 200	Bakersfield	CA	93301		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP402	Y178HA05634	Lessor	Kern County Hospital Authority	2920 F St Ste B2	Bakersfield	CA	93301		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP2555SP-RS - Svc Only	C298RC00262	Customer	Kern County Hospital Authority	3551 Q St	Bakersfield	CA	93301		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP2555SP-RS - Svc Only	C298RC00161	Customer	Kern County Hospital Authority	3551 Q St	Bakersfield	CA	93301		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP2555SP-RS	C298RC00171	Lessor	Kern County Hospital Authority	3551 Q St	Bakersfield	CA	93301		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00487	Lessor	Kern County Hospital Authority	5101 Office Park Dr	Bakersfield	CA	93309		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00483	Lessor	Kern County Hospital Authority	5101 Office Park Dr	Bakersfield	CA	93309		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00503	Lessor	Kern County Hospital Authority	5101 Office Park Dr	Bakersfield	CA	93309		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00563	Lessor	Kern County Hospital Authority	820 34th St Ste 202	Bakersfield	CA	93301		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01877	Lessor	Kern County Hospital Authority	920 34th St Ste 202	Bakersfield	CA	93301		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP402	Y178HA05575	Lessor	Kern County Hospital Authority	9300 Stockdale Hwy	Bakersfield	CA	93311		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01879	Lessor	Kern County Hospital Authority	9300 Stockdale Hwy	Bakersfield	CA	93311		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01891	Lessor	Kern County Hospital Authority	9300 Stockdale Hwy	Bakersfield	CA	93311		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01878	Lessor	Kern County Hospital Authority	9300 Stockdale Hwy	Bakersfield	CA	93311		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00478	Lessor	Kern County Hospital Authority	9330 Stockdale Hwy Ste 400	Bakersfield	CA	93311		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP402	Y178HA05574	Lessor	Kern County Hospital Authority	9330 Stockdale Hwy Ste 400	Bakersfield	CA	93311		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01877	Lessor	Kern County Hospital Authority	9330 Stockdale Hwy Ste 400	Bakersfield	CA	93311		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01879	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00588	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C348RC00003	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP2555SP-RS - Svc Only	C298RC00293	Customer	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP2555SP-RS - Svc Only	C298RC00289	Customer	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00550	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP2555SP-RS	C298RC00170	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00592	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00569	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00535	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01895	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01698	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
IM430F	3350P01956	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	3350P01869	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C348RC00146	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP402	Y178HA03123	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00567	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP2555SP-RS	C298RC00274	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00513	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP5055SP-RS	C338RC00603	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP2555SP-RS	C298RC00598	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	
MP402	Y178HA05589	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066	N/A	N/A	N/A	



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Model #	Serial #	Ownership	Location	Address	City	ST	Zip	Black and White				Color Pool			
								Start Meter	Post #	Covered Copies	Overage Rate	Start Meter	Post #	Covered Copies	Overage Rate
MP402	Y178HA05581	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05467	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05503	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05500	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05555	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05570	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05021	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402 - Svc Only	Y178HA05221	Customer	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402 - Svc Only	Y178HA05474	Customer	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05466	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05435	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402 - Svc Only	Y178HA05471	Customer	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05458	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05480	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP5055SP-RS	C338RC00574	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP6055SP-RS	C348RC00031	Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP5055SP-RS	C338RC00511	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 1000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP2555SP-RS	C298RB00528	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 1000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05468	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 1000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP2555SP-RS	C298RB00553	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP2555SP-RS	C298RB00638	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP2555SP-RS	C298RB00611	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05442	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05440	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05460	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402 - Svc Only	Y178HA05449	Customer	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05441	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05255	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402 - Svc Only	Y178HA05259	Customer	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05448	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP2555SP-RS	C298RC00303	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
IM430F	3350P30192	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
IM430F	3350P301953	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
IM430F	3350P301868	Lessor	Kern County Hospital Authority	1111 Columbus St. Ste 3000	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP5055SP-RS	C338RC00531	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402 - Svc Only	Y178HA05309	Customer	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP402	Y178HA05479	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP5055SP-RS	C338RC00667	Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305			BW MFP	Included	\$0.0066	N/A	N/A	N/A
MP5055SP-RS	C338RC00490	Lessor	Kern County Hospital Authority	1415 Truxtun Ave	Bakersfield	CA	93301			BW MFP	Included	\$0.0066	N/A	N/A	N/A
IM430F	3350P301873	Lessor	Kern County Hospital Authority	1415 Truxtun Ave	Bakersfield	CA	93301			BW MFP	Included	\$0.0066	N/A	N/A	N/A
Tungsten Output Manager		Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			N/A	N/A	N/A	N/A	N/A	N/A
Rightfax Software		Lessor	Kern County Hospital Authority	1700 Mount Vernon Ave	Bakersfield	CA	93306			N/A	N/A	N/A	N/A	N/A	N/A

CUSTOMER ACCEPTANCE

This Equipment Schedule A is hereby Verified as correct by the undersigned Lessee, who acknowledges receipt of a copy:

Chairman,

Date: 4/30/2024 Customer: Kern County Hospital Authority Signature: Board of Governors Print Name:

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Shannon Hochstein
Kern County Hospital Authority



AGREEMENT NO.
2989168

VALUE RENTAL AGREEMENT ADDENDUM

Addendum to Agreement # 2989168 and any future supplements/schedules thereto, between **KERN COUNTY HOSPITAL AUTHORITY**, as Customer ("Customer") and **UBEO West, LLC**, as Owner. The words "you" and "your" refer to Customer. The words "we" and "us" refer to Owner. In the event of any conflict between the terms and conditions of the Agreement and this Addendum, the terms and conditions of this Addendum shall control.

1. The parties wish to amend the above-referenced Agreement by adding the following language:

REPRESENTATIONS AND WARRANTIES OF CUSTOMER: You hereby represent and warrant to us that: (i) you have been duly authorized under the Constitution and laws of the applicable jurisdiction and by a resolution or other authority of your governing body to execute and deliver this Agreement and to carry out your obligations hereunder; (ii) all legal requirements have been met, and procedures have been followed, including public bidding, in order to ensure the enforceability of this Agreement; (iii) this Agreement is in compliance with all laws applicable to you, including any debt limitations or limitations on interest rates or finance charges; (iv) the Equipment will be used by you only for essential governmental or proprietary functions of you consistent with the scope of your authority, will not be used in a trade or business of any person or entity, by the federal government or for any personal, family or household use, and your need for the Equipment is not expected to diminish during the term of this Agreement; (v) you have funds available to pay Payments until the end of your current appropriation period, and you intend to request funds to make Payments in each appropriation period, from now until the end of the term of this Agreement; and (vi) your exact legal name is as set forth on page one of this Agreement.

INITIAL TERM AND RENEWAL TERM(S): The term of the Agreement consists of an initial term beginning on the date we pay Supplier and ending at the end of your fiscal year in which we pay Supplier, and a series of renewal terms, each co-extensive with your fiscal year. Except to the extent required by applicable law, if you do not exercise your right to terminate the Agreement under the Non-Appropriation or Renewal paragraph as of the end of any fiscal year, the Agreement will be deemed automatically renewed for the next succeeding renewal term.

An election by you to terminate the Agreement under the Non-Appropriation or Renewal paragraph is not a default.

Notwithstanding anything to the contrary set forth in the Agreement, if we cancel the Agreement following a default by you, we may require that you pay the unpaid balance of Payments under the Agreement through the end of your then-current fiscal year, but we may not require you to pay future Payments due beyond that fiscal year or the anticipated residual value of the Equipment. If we sell the Equipment following a default by you, you will not be responsible for a deficiency, except to the extent of our costs of repossession, moving, storage, repair and sale, and our attorneys' fees and costs.

NON-APPROPRIATION OR RENEWAL: If either sufficient funds are not appropriated to make Payments or any other amounts due under this Agreement or (to the extent required by applicable law) this Agreement is not renewed either automatically or by mutual ratification, this Agreement shall terminate and you shall not be obligated to make Payments under this Agreement beyond the then-current fiscal year for which funds have been appropriated. Upon such an event, you shall, no later than the end of the fiscal year for which Payments have been appropriated or the term of this Agreement has been renewed, deliver possession of the Equipment to us. If you fail to deliver possession of the Equipment to us, the termination shall nevertheless be effective but you shall be responsible, to the extent permitted by law and legally available funds, for the payment of damages in an amount equal to the portion of Payments thereafter coming due that is attributable to the number of days after the termination during which you fail to deliver possession and for any other loss suffered by us as a result of your failure to deliver possession as required. You shall notify us in writing within seven days after (i) your failure to appropriate funds sufficient for the payment of the Payments or (ii) to the extent required by applicable law, (a) this Agreement is not renewed or (b) this Agreement is renewed by you (in which event this Agreement shall be mutually ratified and renewed), provided that your failure to give any such notice under clause (i) or (ii) of this sentence shall not operate to extend this Agreement or result in any liability to you.

SUPPLEMENTS; SEPARATE FINANCINGS: To the extent applicable, in the event that the parties hereafter mutually agree to execute and deliver any supplement or schedule ("Supplement") under the above-referenced Agreement, such Supplement, as it incorporates the terms and conditions of the Agreement, shall be a separate financing distinct from the Agreement or other Supplements thereto. Without limiting the foregoing, upon the occurrence of an event of default or a non-appropriation event with respect to the Agreement or a Supplement (each, a separate "Contract"), as applicable, we shall have the rights and remedies specified in the Agreement with respect to the Equipment financed and the Payments payable under such Contract, and we shall have no rights or remedies with respect to Equipment financed or Payments payable under any other Contract unless an event of default or non-appropriation event has also occurred under such other Contract.

SELF-INSURANCE: This Agreement imposes certain obligations on you with respect to maintaining property and liability insurance on the Equipment to cover risk of loss or damage to such Equipment and any liability caused by or in any way related to the Equipment. You have indicated to us that you will not carry property insurance or liability insurance from an insurance carrier. Rather, you will self-insure for property loss and liability by maintaining sufficient liquid assets and overall financial strength to fully cover such risks of loss, damage and/or liability caused by or in any way related to the Equipment.

You acknowledge and confirm that, notwithstanding the foregoing, you shall remain solely responsible for any and all risk of loss or damage to the Equipment and all liability caused by or in any way related to the Equipment, in accordance with the terms of this Agreement. Furthermore, upon any event of default or if we determine, at our sole discretion, that you do not have sufficient liquid assets or overall financial strength to adequately self-insure for property loss and/or liability, we reserve the right to require you to obtain: (1) a property insurance policy from an insurance carrier in an amount not less than the full replacement value of the Equipment with us named as lender's loss payee; and (2) a commercial general liability insurance policy with such coverage and from such insurance carrier as shall be satisfactory to us and to include us as additional insured on the policy.

CALIFORNIA JUDICIAL REFERENCE ADDENDUM:

- Any and all disputes, claims and controversies arising out of, connected with or relating to this Agreement or the transactions contemplated thereby (individually, a "Dispute") that are brought before a forum in which pre-dispute waivers of the right to trial by jury are invalid under applicable law shall be subject to the terms contained in this provision in lieu of the jury trial waiver otherwise provided in the Agreement. Disputes may include, without limitation, tort claims, counterclaims, claims brought as class actions, claims arising from schedules, supplements, exhibits or other documents to the Agreement executed in the future, disputes as to whether a matter is subject to judicial reference, or claims concerning any aspect of the past, present or future relationships arising out of or connected with the Agreement.
- Any and all Disputes shall be heard by a referee and resolved by judicial reference pursuant to California Code of Civil Procedure ("CCCP") §§ 638 et seq. The referee shall be a retired California state court judge or an attorney licensed to practice law in the State of California with at least 10 years' experience practicing commercial law. The parties shall not seek to appoint a referee that may be disqualified pursuant to CCCP §641 or 641.2 without the prior written consent of all parties. If the parties are unable to agree upon a referee within 10 calendar days after one party serves a written notice of intent for judicial reference upon the other parties, then the referee will be selected by the court in accordance with CCCP § 640(b).
- The referee shall render a written statement of decision and shall conduct the proceedings in accordance with the CCCP, the Rules of Court, and the California Evidence Code, except as otherwise specifically agreed by the parties and approved by the referee. The referee's statement of decision shall set forth findings of fact and conclusions of law. The decision of the referee shall be entered as a judgment in the court in accordance with the provisions of CCCP §§644 and 645. The decision of the referee shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the superior court.
- Notwithstanding the preceding agreement to submit Disputes to a judicial referee, the parties preserve, without diminution, certain rights and remedies at law or equity and under the Agreement that such parties may employ or exercise freely, either alone or in conjunction with or during a Dispute. Each party shall have and hereby reserves the right to proceed in any court of proper jurisdiction or by self-help to exercise or prosecute the following remedies, as applicable: (A) all rights to foreclose against any real or personal property or other security by exercising a power of sale granted in the Agreement or under applicable law or by judicial foreclosure and sale, including a proceeding to confirm the sale, (B) all rights of self-help including peaceful occupation of property and collection of rents, setoff, and peaceful possession of property, (C) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment,

NOTE: CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.

appointment of receiver and in filing an involuntary bankruptcy proceeding, and (D) when applicable, a judgment by confession of judgment. Preservation of these remedies does not limit the power of a judicial referee to grant similar remedies that may be requested by a party in a Dispute. No provision in the Agreement regarding submission to jurisdiction and/or venue in any court is intended or shall be construed to be in derogation of the provisions in this Addendum for judicial reference of any Dispute. The parties do not waive any applicable federal or state substantive law except as provided herein.

5. If a Dispute includes multiple claims, some of which are found not subject to this Agreement, the parties shall stay the proceedings of the claims not subject to this Agreement until all other claims are resolved in accordance with this Agreement. If there are Disputes by or against multiple parties, some of which are not subject to this Agreement, the parties shall sever the Disputes subject to this Agreement and resolve them in accordance with this Agreement.
6. During the pendency of any Dispute that is submitted to judicial reference in accordance with this Agreement, each of the parties to such Dispute shall bear equal shares of the fees charged and costs incurred by the referee in performing the services described in this Agreement. The compensation of the referee shall not exceed the prevailing rate for like services. The prevailing party shall be entitled to reasonable court costs and legal fees, including customary attorneys' fees, expert witness fees, paralegal fees, the fees of the referee and other reasonable costs and disbursements charged to the party by its counsel, in such amount as is determined by the referee.
7. In the event of any challenge to the legality or enforceability of this Agreement, the prevailing party shall be entitled to recover the costs and expenses from the non-prevailing party, including reasonable attorneys' fees, incurred by it in connection therewith.
8. THIS PROVISION CONSTITUTES A "REFERENCE AGREEMENT" BETWEEN THE PARTIES WITHIN THE MEANING OF AND FOR PURPOSES OF CCCP § 638.

2. The parties wish to amend the above-referenced Agreement by restating certain language as follows:

Any provision in the Agreement stating that you shall indemnify and hold us harmless is hereby amended and restated as follows: "You shall not be required to indemnify or hold us harmless against liabilities arising from this Agreement. However, as between you and us, and to the extent permitted by law and legally available funds, you are responsible for and shall bear the risk of loss for, shall pay directly, and shall defend against any and all claims, liabilities, proceedings, actions, expenses, damages or losses arising under or related to the Equipment, including, but not limited to, the possession, ownership, lease, use or operation thereof, except that you shall not bear the risk of loss of, nor pay for, any claims, liabilities, proceedings, actions, expenses, damages or losses that arise directly from events occurring after you have surrendered possession of the Equipment in accordance with the terms of this Agreement to us or that arise directly from our gross negligence or willful misconduct."

Any provision in the Agreement stating that the Agreement is governed by a particular state's laws and you consent to such jurisdiction and venue is hereby amended and restated as follows: "This Agreement will be governed by and construed in accordance with the laws of the state where you are located. You consent to jurisdiction and venue of any state or federal court in such state and waive the defense of inconvenient forum."

Any provision in the Agreement stating this Agreement supersedes any invoice and/or purchase order is hereby amended and restated as follows: "You agree that the terms and conditions contained in this Agreement, which, with the acceptance certification, is the entire agreement between you and us regarding the Equipment and which supersedes any purchase order, invoice, request for proposal, response or other related document."

Any provision in the Agreement stating that this Agreement shall automatically renew unless the Equipment is purchased, returned or a notice requirement is satisfied is hereby amended and restated as follows: "Unless the purchase option is \$1.00 or \$101.00, you agree to return the Equipment at the end of the final renewal term."

Any provision in the Agreement stating that we may assign this Agreement is hereby amended and restated as follows: "We may sell, assign, or transfer this Agreement without notice to or consent from you, and you waive any right you may have to such notice or consent."

Any provision in the Agreement stating that you grant us a security interest in the Equipment to secure all amounts owed to us under any agreement is hereby amended and restated as follows: "To the extent permitted by law, you grant us a security interest in the Equipment to secure all amounts you owe us under this Agreement and any supplements hereto. You authorize and ratify our filing of any financing statement(s) and the naming of us on any vehicle title(s) to show our interest."

Any provision in the Agreement stating that a default by you under any agreement with our affiliates or other lenders shall be an event of default under the Agreement is hereby amended and restated as follows: "You will be in default if: (i) you do not pay any Payment

or other sum due to us under this Agreement when due or you fail to perform in accordance with the covenants, terms and conditions of this Agreement; (ii) you make or have made any false statement or misrepresentation to us; or (iii) you dissolve, liquidate, terminate your existence or are in bankruptcy.

Any provision in the Agreement stating that you shall pay our attorneys' fees is hereby amended and restated as follows: "In the event of any dispute or enforcement of rights under this Agreement or any related agreement, the non-prevailing party shall pay, to the extent permitted by law and to the extent of legally available funds, the prevailing party's reasonable attorney's fees (including any incurred before or at trial, on appeal or in any other proceeding), actual court costs and any other collection costs, including any collection agency fee."

Any provision in the Agreement requiring you to pay amounts due under the Agreement upon the occurrence of a default, failure to appropriate funds or failure to renew the Agreement is hereby amended to limit such requirement to the extent permitted by law and legally available funds.

3. The parties wish to amend the above-referenced Agreement as follows:

Paragraph 2. OWNERSHIP; PAYMENTS; TAXES AND FEES:

Sentence 4 has been modified to read as follows:

"If any part of a Payment is more than 15 days late, you agree to pay a late charge of 5% of the Payment which is late or, if less, the maximum charge allowed by law."

Sentences 8-10, as stated below, have been removed in their entirety:

"You agree to pay us a yearly processing fee of up to \$50 for personal property taxes we pay related to the Equipment."

"You agree to pay us a fee of up to \$50 for filing and/or searching costs required under the Uniform Commercial Code ("UCC") or other laws."

"You agree to pay us an origination fee of \$125 for all closing costs."

Sentence 12, as stated below, has been removed in its entirety:

"If for any reason your check is returned for insufficient funds, you will pay us a service charge of \$30 or, if less, the maximum charge allowed by law."

Paragraph 4. INSURANCE; COLLATERAL PROTECTION; INDEMNITY; LOSS OR DAMAGE:

Sentences 1 and 2 have been modified to read as follows:

"You agree to keep the Equipment fully insured against all risk, in an amount not less than the full replacement value of the Equipment until this Agreement is terminated."

Sentence 15 has been modified to read as follows:

"Subject to non-appropriation as provided in the State and Local Government Addendum to this Agreement and to the extent permitted by applicable law, if a Loss occurs and we have not otherwise agreed in writing, you will promptly pay to us the unpaid balance of this Agreement, including any future Payments to the end of the term plus the anticipated residual value of the Equipment, both discounted to present value at 2%."

The last sentence in this paragraph, as stated below, has been removed in its entirety:

"You authorize us to sign on your behalf and appoint us as your attorney-in-fact to endorse in your name any insurance drafts or checks issued due to a Loss."

Paragraph 6. DEFAULT AND REMEDIES:

Sentence 3 has been modified to read as follows:

"We may recover default interest, to the extent appropriated, on any unpaid amount at the rate of 8% per year."

Paragraph 8. END OF TERM:

Sentences 4 and 5, as stated below, have been removed in their entirety:

"At the end of the term or upon repossession of the Equipment after a default, you agree to pay us a minimum return fee of \$250, which will cover up to 10 units of returned Equipment and will not be prorated, and in addition, a supplemental return fee of up to \$50 per each unit of returned Equipment in excess of 10 units (collectively, the "Return Fee")."

"If, in our sole discretion, we allow you to return any Equipment prior to the end of the term, you shall pay us the Return Fee each time you return Equipment."

NOTE: CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.

Paragraph 13. MAINTENANCE AND SUPPLIES:

Sentence 20, as stated below, has been removed in its entirety:

"At the end of the first year of this Agreement, and once each successive 12-month period thereafter, the maintenance and supplies portion of the Payment and the overage charges may be increased by a maximum of 15% of the existing payment or charge."

4. If your end-of-term option is the purchase of all Equipment for \$1.00 or \$101.00, the following applies: Unless otherwise required by law, upon your acceptance of the Equipment, title to the Equipment shall be in your name, subject to our interest under this Agreement.

5. With respect to any "Financed Items," the following provisions shall be applicable to such Financed Items:

This Addendum concerns the granting to you of certain software and/or software license(s) ("Licensed Software"), the purchase by you of certain software components, including but not limited to, software maintenance and/or support ("Products") and/or the purchase by you of certain implementation, integration, training, technical consulting and/or professional services in connection with software ("Services") (collectively, the "Financed Items") from software licensor(s) and/or supplier(s) (collectively, the "Supplier"), all as further described in the agreement(s) between you and Supplier (collectively, the "Product Agreement"). For essential governmental purposes only, you have requested and we have agreed that instead of you paying the fees pursuant to the Product Agreement to Supplier for the Financed Items, we will satisfy your obligation to pay such fees to Supplier, and in consideration thereof, you shall repay the sums advanced by us to Supplier by promptly making certain installment payments to us, which are included in the Payments set forth in the Agreement.

To the extent permitted by law, you grant us a security interest in the license(s), including without limitation, all of your rights in the Licensed Software granted thereunder, the Products, all rights to payment under the Product Agreement, the Financed Items, and all proceeds of the foregoing to secure all amounts you owe us under this Agreement. You authorize and ratify our filing of any financing statement(s) to show our interest.

Ownership of any Licensed Software shall remain with Supplier thereof. All Financed Items shall be provided by a Supplier unrelated to us, and your rights with respect to such Financed Items shall be governed by the Product Agreement between you and Supplier, which shall not be affected by this Agreement. IN NO EVENT SHALL WE HAVE ANY OBLIGATION TO PROVIDE ANY FINANCED ITEMS, AND ANY FAILURE OF SUPPLIER TO PROVIDE ANY FINANCED ITEMS SHALL NOT EXCUSE YOUR OBLIGATIONS TO US IN ANY WAY. YOU HAVE SELECTED SUPPLIER AND THE FINANCED ITEMS

By signing this Addendum, Customer acknowledges the applicable changes noted above are incorporated by reference into the Agreement. In all other respects, the terms and conditions of the Agreement remain in full force and effect and remain binding on Customer. Customer has caused this Addendum to be executed by its duly-authorized officer as of the date below.

UBEO West, LLC

Owner

DocuSigned by:

Richard Whitlock

Signature - D793D0A3A42C4EC...

President West Region

4/9/2024

Title

Date

KERN COUNTY HOSPITAL AUTHORITY

Customer

X

Signature

Chairman, Board of Governors

April 17, 2024

Title

Date

REVIEWED ONLY
NOT APPROVED AS TO FORM

By *Shannon Hochstein*
Kern County Hospital Authority

NOTE: CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.

**LESSEE'S GENERAL AND
INCUMBENCY CERTIFICATE****AGREEMENT #**

2989168

GENERAL CERTIFICATE

Re: Lease Agreement # 2989168, between Kern County Hospital Authority, as Lessee ("Lessee") and UBEO West LLC, as Lessor.

The undersigned, being the duly elected, qualified and acting official of Lessee holding the title stated in the signature line below, does hereby certify as of the date of this Certificate and the date of the Agreement (as defined below), as follows:

1. Lessee did, at a meeting of the governing body of the Lessee, by resolution or ordinance duly enacted, in accordance with all requirements of law, approve and authorize the execution and delivery of the above-referenced Lease Agreement (the "Agreement") by the undersigned.
2. The meeting(s) of the governing body of the Lessee at which the Agreement was approved and authorized to be executed was duly called, regularly convened and attended throughout by the requisite quorum of the members thereof, and the enactment approving the Agreement and authorizing the execution thereof has not been altered or rescinded. All meetings of the governing body of Lessee relating to the authorization and delivery of the Agreement have been: (a) held within the geographic boundaries of the Lessee; (b) open to the public, allowing all people to attend; (c) conducted in accordance with internal procedures of the governing body; and (d) conducted in accordance with the charter of the Lessee, if any, and the laws of the state where Lessee is located.
3. No event or condition that constitutes, or with the giving of notice or the lapse of time or both would constitute, an event of default or a nonappropriation event exists at the date hereof with respect to this Agreement.
4. The acquisition of all of the Equipment under the Agreement has been duly authorized by the governing body of Lessee.
5. Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current budget year to make the Payments scheduled to come due during the current budget year under the Agreement and to meet its other obligations for the current budget year and such funds have not been expended for other purposes.
6. As of the date hereof, no litigation is pending, (or, to my knowledge, threatened) against Lessee in any court (a) seeking to restrain or enjoin the delivery of the Agreement or of other agreements similar to the Agreement; (b) questioning the authority of Lessee to execute the Agreement, or the validity of the Agreement; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Agreement; or (d) affecting the provisions made for the payment of or security for the Agreement.

IN WITNESS WHEREOF, the undersigned has signed this Certificate on the date stated below.

Kern County Hospital Authority



Lessee

Signature of Person to Sign Agreement

Print Title of Person to Sign Agreement

4/30/2024

Print Name of Person to Sign Agreement

Print Date that Above Person Signed this Certificate

INCUMBENCY CERTIFICATE

Re: Lease Agreement # 2989168, between Kern County Hospital Authority, as Lessee ("Lessee") and UBEO West LLC, as Lessor.

The undersigned, being the duly elected, qualified and acting Secretary, Clerk, or other duly authorized official or signatory of the Lessee does hereby certify, as of the date of this Certificate and the date of the Agreement (as defined in the General Certificate above) as follows:

As of the date of the meeting(s) of the governing body of the Lessee at which the above-referenced Agreement was approved and authorized to be executed, and as of the date hereof, the below-named representative of the Lessee held and holds the office set forth below, and the signature set forth below is his/her true and correct signature.

NAME OF PERSON SIGNING AGREEMENT	TITLE OF PERSON SIGNING AGREEMENT	SIGNATURE OF PERSON SIGNING AGREEMENT
	Chairman, Board of Governors	

IN WITNESS WHEREOF, the undersigned has signed this Certificate on the date stated below.



Signature of Secretary, Clerk or other duly authorized official or signatory of Lessee (Cannot be same as Person Signing Agreement)

Print Title of Person who signed this Certificate

4/30/2024

Print Name of Person Signing this Certificate

Print Date that Above Person Signed this Certificate

NOTE: CAPITALIZED TERMS IN THIS DOCUMENT ARE DEFINED AS IN THE AGREEMENT, UNLESS SPECIFICALLY STATED OTHERWISE.

APPLICATION NO.
3081270

MASTER AGREEMENT NO.

SUPPLEMENT NO.

VALUE RENTAL
SUPPLEMENT

CUSTOMER INFORMATION

FULL LEGAL NAME

Kern County Hospital Authority

STREET ADDRESS

1700 Mt Vernon Ave

CITY

Bakersfield

STATE

CA

ZIP

93306

PHONE

661-326-2000

FAX

EQUIPMENT LOCATION (IF DIFFERENT FROM ABOVE)

EQUIPMENT DESCRIPTION

MAKE/MODEL/ACCESSORIES

SERIAL NO.

STARTING METER

NOT FINANCED
UNDER THIS
AGREEMENT

See Schedule A

☒ See attached Schedule A☐ See attached Billing Schedule

EQUIPMENT REMOVED FROM ABOVE-REFERENCED MASTER AGREEMENT AND/OR PREVIOUS SUPPLEMENT(S), AS APPLICABLE

MAKE/MODEL/ACCESSORIES

SERIAL NO.

ENDING METER

NOT FINANCED
UNDER THIS
AGREEMENT

TERM (Complete One Term Option)

Mos. Term applies to this Agreement (as defined below) only.

35 Mos. The end of term of this Agreement shall coincide with the end of term date set forth in the above-referenced Master Agreement and/or previous supplement(s), as applicable.

PAYMENT (Complete One Payment Option) (Note: The payment period is monthly unless otherwise indicated.)

Payment Amount* \$ 1,887.00 (amounts due under this Agreement only). If you are exempt from sales tax, attach your certificate. *plus applicable taxes

Consolidated Payment Amount* \$ (amounts due under this Agreement, the above-referenced Master Agreement, and/or previous supplement(s), as applicable).

ALLOWANCES & OVERAGES (Select One Option) (Note: If no box is checked, then Allowances and Overages shall apply to the Equipment on this Agreement only.)

☐ Amounts apply to the Equipment on this Agreement only.

B&W Images Included

Sched A

Overages billed at \$ Sched A per B&W image*

☒ Amounts apply to the Equipment on this Agreement, together with the Equipment listed on the above-referenced Master Agreement previous and/or referenced Master Agreement and/or supplement(s), as applicable.

General Color Images Included

Sched A

Overages billed at \$ Sched A per General Color image*

Pro. Color Images Included

Overages billed at \$ per Pro. Color image*

Scans Included

Overages billed at \$ per scan*

Please check one: Meter Readings verified: ☐ Monthly ☒ Quarterly ☐ Other: (If nothing is selected, then Quarterly will be your Meter Reading option.)

OWNER ACCEPTANCE

DocuSigned by:

UBEO West, LLC

OWNER

SIGNATURE

Richard Whitlock

President West Region

TITLE

DATED

4/30/2024

CUSTOMER ACCEPTANCE

The "Master Agreement" refers to the Value Rental Agreement between Customer and Owner identified in Owner's records by the Master Agreement no. referenced above. This Value Rental Supplement incorporates by reference the terms and conditions of the Master Agreement and constitutes an agreement between you and us with respect to the Equipment referenced herein, separate and distinct from the Master Agreement. We agree to rent to you the Equipment described above on the terms set forth in this Value Rental Supplement, together with the terms and conditions set forth in the Master Agreement (collectively, the "Agreement"). If any provision in this Value Rental Supplement conflicts with a provision in the Master Agreement, the provision in this Value Rental Supplement shall control. BY SIGNING BELOW OR AUTHENTICATING AN ELECTRONIC RECORD HEREOF, YOU CERTIFY THAT YOU HAVE REVIEWED AND DO AGREE TO ALL TERMS AND CONDITIONS OF THE MASTER AGREEMENT AND THIS VALUE RENTAL SUPPLEMENT.

Kern County Hospital Authority

X

SIGNATURE

Chairman, Board of Governors

TITLE

4/17/2024

DATED

CUSTOMER (as referenced above)

36242 (2017)

Rev. 11/03/2022

REVIEWED ONLY
NOT APPROVED AS TO FORMBy Shannon Hochstein
Kern County Hospital Authority

								Black and White				Color Pool			
Model #	Serial #	Ownership	Location	Address	City	ST	Zip	Start Meter	Pool #	Covered Copies	Overage Rate	Start Meter	Pool #	Covered Copies	Overage Rate
HP E60155DN		Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60155DN		Lessor	Kern County Hospital Authority	1700 Mt Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60155DN		Lessor	Kern County Hospital Authority	1111 Columbus St	Bakersfield	CA	93305		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60155DN		Lessor	Kern County Hospital Authority	1700 Mt Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60155DN		Lessor	Kern County Hospital Authority	1700 Mt Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60155DN		Lessor	Kern County Hospital Authority	2700 M St Ste 200	Bakersfield	CA	93301		BW Printer	Included	\$0.0100		N/A	N/A	N/A
HP E60155DN		Lessor	Kern County Hospital Authority	1700 Mt Vernon Ave	Bakersfield	CA	93306		BW Printer	Included	\$0.0100		N/A	N/A	N/A
Ricoh IM4510		Lessor	Kern County Hospital Authority	1700 Mt Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066		CLR MFP	Included	\$0.0060
Ricoh IM460F		Lessor	Kern County Hospital Authority	1700 Mt Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066		N/A	N/A	N/A
Ricoh IM460F		Lessor	Kern County Hospital Authority	1111 Columbus St Ste 3000	Bakersfield	CA	93305		BW MFP	Included	\$0.0066		N/A	N/A	N/A
Ricoh IM460F		Lessor	Kern County Hospital Authority	1700 Mt Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066		N/A	N/A	N/A
Ricoh IM460F		Lessor	Kern County Hospital Authority	1111 Columbus St Ste 3000	Bakersfield	CA	93305		BW MFP	Included	\$0.0066		N/A	N/A	N/A
Ricoh IM460F		Lessor	Kern County Hospital Authority	1111 Columbus St Ste 3000	Bakersfield	CA	93305		BW MFP	Included	\$0.0066		N/A	N/A	N/A
Ricoh IM460F		Lessor	Kern County Hospital Authority	1700 Mt Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066		N/A	N/A	N/A
Ricoh IM460F		Lessor	Kern County Hospital Authority	1700 Mt Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066		N/A	N/A	N/A
Ricoh IM460F		Lessor	Kern County Hospital Authority	1700 Mt Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066		N/A	N/A	N/A
Ricoh IM4000		Lessor	Kern County Hospital Authority	1700 Mt Vernon Ave	Bakersfield	CA	93306		BW MFP	Included	\$0.0066		N/A	N/A	N/A
Ricoh IM4000		Lessor	Kern County Hospital Authority	3551 Q Street	Bakersfield	CA	93301		BW MFP	Included	\$0.0066		N/A	N/A	N/A
Ricoh IM4000		Lessor	Kern County Hospital Authority	3551 Q Street	Bakersfield	CA	93301		BW MFP	Included	\$0.0066		N/A	N/A	N/A

CUSTOMER ACCEPTANCE

This Equipment Schedule A is hereby Verified as correct by the undersigned Lessee, who acknowledges receipt of a copy:

Chairman,

Dated: 4/30/2024 Customer: Kern County Hospital Authority Signature: _____ Title: Board of Governors Print Name: _____

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Shannon Hochstein
Kern County Hospital Authority

**BEFORE THE BOARD OF GOVERNORS
OF THE KERN COUNTY HOSPITAL AUTHORITY**

In the matter of:

Resolution No. 2024-____

**LEASE OF PERSONAL PROPERTY
FROM UBEO WEST, LLC**

I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Governors the Kern County Hospital Authority at an official meeting thereof on the 17th day of April, 2024, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

RESOLUTION

Section 1. WHEREAS:

(a) The Kern County Hospital Authority Act (Health & Saf. Code, §101852 et seq.) provides that the Kern County Hospital Authority (“Authority”) has the power “*to purchase, **lease**, trade, exchange, or otherwise acquired, maintain, hold, improve, mortgage, lease, sell, and dispose of real and **personal property** of any kind necessary or convenient to perform its functions and fully exercise its powers.*” (Emphasis added.) (Health & Saf. Code, §101855(a)(5).); and

(b) The Authority has negotiated with UBEO West, LLC for the lease of printing and copying equipment as described in the Value Rental Agreement, attached hereto and incorporated herein

by this reference as (Agreement) which includes a schedule of equipment to be leased ("Equipment"); and

(c) The Authority has advised the Board of Governors that the terms of the proposed lease are as follows:

- 1) The lease requires 36 payments of \$43,307 and 35 payments of \$1,887;
- 2) The lease is for Equipment, service and maintenance; and
- 3) The lease will constitute a savings of \$801 per month over the cost of the current lease for the same equipment.

(d) It is in the best interest of the Authority that the lease of the Equipment be completed on the terms set forth in the Agreement.

Section 2. NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Governors of the Kern County Hospital Authority, as follows:

1. This Board finds the facts recited herein are true, and further finds that this Board has jurisdiction to consider, approve, and adopt the subject of this Resolution.

2. This Board hereby approves and authorizes the execution and delivery of the Agreement.

3. This Board hereby authorizes the Chairman to sign the following: Agreement, Value Rental Supplement, and Lessee's General and Incumbency Certificate.

4. This Board hereby authorizes the Chief Executive Officer to sign other related lease documents, as applicable.

4. The Authority Board Coordinator shall provide copies of this Resolution to the following:

Kern Medical Center
Legal Services Department
UBEO West, LLC



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

April 17, 2024

Subject: Proposed Hospital Services Agreement with Total Renal Care, Inc., a subsidiary of DaVita Inc., for the provision of acute dialysis services

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests that your Board approve the proposed Hospital Services Agreement with Total Renal Care, Inc., a subsidiary of DaVita Inc., for the provision of acute dialysis services for a term of three (3) years.

The services provided by Total Renal Care, Inc., a subsidiary of DaVita Inc., are essential for our patients and Kern Medical does not have the resources to provide such services. Total Renal Care, Inc., a subsidiary of DaVita Inc., has been providing acute dialysis services for patients of Kern Medical for over a decade and has become a partner in Kern Medical's mission of providing the highest quality cost effective healthcare to the entire community

Therefore, it is recommended that your Board approve the proposed Hospital Services Agreement with Total Renal Care, Inc., a subsidiary of DaVita Inc. to provide acute dialysis services, for a term of three (3) years, from May 1, 2024 to April 30, 2027, with an estimated maximum payable (dependent on need of services) of \$3,750,000, and authorize the Chairman to sign.

DaVita Facility
#1100

HOSPITAL SERVICES AGREEMENT

This Hospital Services Agreement (this "Agreement") is made and entered into as of the date of last signature (the "Effective Date"), between **Total Renal Care, Inc.** ("Company"), a subsidiary of DaVita Inc. ("DaVita"), and **Kern County Hospital Authority**, a local unit of government, which owns and operates Kern Medical Center ("Hospital"). Company and Hospital may each be referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

- A. Company is engaged in the business, among other things, of providing hospitals with certain services, including providing necessary non-physician professional personnel, including registered nurses and patient care technicians, for certain in-patient and out-patient services that treat blood, such as hemodialysis, peritoneal dialysis ("PD"), continuous renal replacement therapies ("CRRT"), apheresis, and isolated ultrafiltration therapies for renal failure and non-renal failure patients (collectively, and as applicable, the "Treatment Services").
- B. Hospital has requested that Company provide Hospital with the specific Treatment Services listed in the fee schedule set forth on Exhibit B (the "Fee Schedule") and to provide related supplies, equipment and general administrative services in accordance with the operational processes and responsibilities set forth on Exhibit A (together with the Treatment Services, collectively, the "Services").
- C. Hospital desires to engage Company to provide the Services for adult patients under the terms and conditions of this Agreement. Services provided by Company do not include or replace Hospital's staffing or care for non-dialysis related monitoring or treatment of patients, including but not limited to, monitoring or providing treatment for non-dialysis related services such as patients' ventilators, wound care, sepsis, and non-dialysis related medication. Services shall not include physician services.
- D. Company will provide the Services to Hospital on its own or through a DaVita related entity, subsidiary, affiliate or related organization. References to Company are intended to include DaVita Inc., its subsidiaries and affiliates.
- E. Hospital and Company have determined that an exclusive arrangement is necessary to accomplish the objectives under this Agreement.
- F. Hospital has all licenses required to effectuate this Agreement.
- G. The Services will be provided at the following licensed acute care facility/ies operated by Hospital (each such location, a "Facility"):

Kern Medical Center
1700 Mount Vernon Ave.
Bakersfield, CA 93306

In consideration of the mutual covenants and promises contained herein and intending to be legally bound, the Parties agree as follows:

1. Incorporation of Recitals and Exhibits

The recitals set forth above and all Exhibits and Schedules attached hereto, are incorporated into this Agreement.

2. Appointment of Company

2.1 Exclusive Appointment. Hospital appoints Company as its provider of Services during the Term (as defined below). Company accepts said appointment and agrees to provide the Services under and subject to the terms and conditions of this Agreement.

2.2 Right of First Refusal for Additional Services. Hospital hereby grants to Company the right of first refusal to provide any additional renal replacement and other blood treatment related therapies that are not listed in Exhibit B, which Hospital decides to outsource to a third party during the Term. Due to changes in medical practice and the application of new technologies, such therapies shall be subject to addition or revision and shall include, but not be limited to, the following: hemodialysis; peritoneal dialysis (CAPD & CCPD), continuous renal replacement therapies (CRRT, CVVH, CVVHD, CVVHDF, SLED); isolated ultrafiltration for the treatment of non-renal related congestive heart failure (CHF); apheresis including therapeutic plasma exchange; and other blood component depletion procedures. Should Company choose to not provide such services, Hospital will have the right to pursue the matter with other vendors.

3. Provision of the Services

3.1 Performance of the Services. Company will perform the Services in accordance with generally recognized standards of care and applicable federal, state, and local laws and regulations, as such may be amended from time to time. As used herein, "Company Staff" shall mean properly trained and qualified non-physician personnel, which may include, but not be limited to, registered nurses, licensed vocational nurses, and certified dialysis technicians.

(a) Services. Company shall make Company Staff available to Hospital to perform the Services for patients in accordance with Exhibit A and to provide related supplies and equipment and general administrative services as set forth herein.

(b) Accreditation. DaVita is a Joint Commission accredited organization. As such, it will be subject to Joint Commission surveys, including annual refresher surveys. Hospital agrees to permit access to the Joint Commission in conjunction with such survey activities.

3.2 Policies and Procedures.

(a) All Company Staff shall comply with the policies and procedures of Hospital in effect on the date hereof that relate to the provision of the Services, to the extent not inconsistent with applicable laws or regulations, the express terms of this Agreement, and/or Company's own policies and procedures; provided that copies of same are delivered to Company. During the Term, Hospital may provide Company Administrator (defined below), from time to time, with additional ethical and administrative policies and procedures as they become effective, and with updates and/or additional information related to same, at least sixty (60) days prior to any requirement for Company to comply with such policies and procedures. If Company determines, in its reasonable discretion, that any such policies or procedures are not acceptable to the provision of the Services under this Agreement for any material reason, Company shall notify Hospital of the reason(s) for Company's objection and the Parties agree to work toward a mutually agreeable solution. In the event that Company's objection relates to a conflict with Company's own policies and procedures, Hospital understands that Company will continue to follow Company's own policies until the conflict is resolved, and in any case will perform the Services in accordance with applicable laws, regulations and standards of care. If the Parties are unable to come to a resolution within sixty (60) days, either Party may terminate this Agreement by providing at least sixty (60) days' prior written notice to the other Party.

(b) Upon execution of this Agreement, Hospital and Company agree, upon request of Hospital, to jointly establish medical care policies and procedures governing the provision of the Services hereunder. Such policies and procedures include, but are not limited to, clinical procedures, administration of medication, medical record documentation, and responsibilities for patient care in emergency situations.

3.3 Authority. Subject to all applicable laws, at all times Hospital and the patient's physician shall retain ultimate authority over and responsibility for each patient's care and treatment.

3.4 Regulatory Approval. Company will reasonably assist Hospital in obtaining all necessary regulatory approvals with respect to provision of the Services in Hospital. Company shall be permitted to participate in any related exit interview process or receive a formal exit interview report following a survey by a regulatory agency (e.g., CMS, TJC, HHS) that involves one or more of the Services described in this Agreement.

3.5 Company Staff Qualifications.

(a) Company Staff Documentation. Upon reasonable request by Hospital, Company shall provide information and documentation regarding the licensure, certification, and experience of its Company Staff. If Hospital requires Company to supply it with information regarding Company Staff, including background checks, Hospital shall guarantee the confidentiality of such information in compliance with the Fair Credit Reporting Act Title VII, the Americans with Disabilities Act, and all other applicable state and federal laws, rules, and regulations, including those governing the maintenance and destruction of such information. Hospital shall treat these records as though they were the records of its own employees. If Hospital requires Company to submit Company Staff credentials through a third-party vendor, it shall be at no additional cost to Company and Hospital shall guarantee the confidentiality of such information as outlined above.

(b) Facility Orientation and Additional Training. Company Staff assigned to each Facility shall complete an initial orientation of the Facility ("Initial Facility Orientation") of up to six (6) hours at no additional cost to Hospital. In addition to the Initial Facility Orientation, each Company Staff may also attend up to six (6) hours of relevant, applicable, and necessary Hospital-required additional training ("Additional Training") per year, at no additional cost to Hospital. Hospital agrees to coordinate scheduling of such Additional Training in a manner that does not interfere with Company Staff providing Services. If Hospital requires that Company Staff attend Additional Training in excess of six (6) hours per Company Staff per year, then Hospital shall (i) memorialize its request for Additional Training in writing prior to its implementation, (ii) provide such Additional Training at its own expense and (iii) reimburse Company for any labor costs incurred by Company incident to such Additional Training, which shall be invoiced by Company as "RN Consultation" in accordance with the Fee Schedule. Company will utilize Hospital's written request and documentation of Company Staff completion of Additional Training to invoice Hospital as described above. Training due to new applicable laws, regulations and standards of care will not be considered Additional Training.

(c) Additional Health Screening and/or Monitoring. Subject to all applicable state and federal laws, if Hospital desires or requires any screening or monitoring of the health of Company Staff beyond that which is required by Company, then Hospital shall memorialize any request for additional health monitoring in writing at least thirty (30) days prior to its implementation. The Parties agree to discuss in good faith such additional requirements, and for any screening or monitoring beyond that which is customarily performed by Company and/or required by state and federal regulatory entities, Hospital understands that Company may require reimbursement for all expenses incurred by Company or its personnel (including, but not limited to, labor costs, which shall be invoiced by Company as "RN Consultation" in accordance with the Fee Schedule). Company will document completion of, and other expenses incurred for, any such additional health screening or monitoring to invoice Hospital for such expenses. Services in accordance with the Fee Schedule. To the extent Hospital requests documentation concerning the additional health monitoring of Company Staff, Hospital shall comply with the terms of this Section 3.5 concerning the maintenance of such documentation.

3.6 Supplies. The Parties shall each provide those specific items listed in each Section of Exhibit A at its sole cost and expense and at no additional cost to the other Party.

3.7 Company Training of Hospital Staff. The Parties hereby acknowledge that Company has no obligation under this Agreement to provide any training to any Hospital staff other than that specified in this Section 3.7. However, in the event that Hospital requests that Company provide any additional training to any Hospital staff and Company, in its sole discretion, agrees to provide such training, Company shall provide notice to Hospital outlining any associated additional fees, and such expenses shall be the responsibility of Hospital. Hospital understands that Company makes no representations or warranties respecting the training, and Company will not be responsible for the acts of Hospital's staff in the exercise of such staff's duties. Company agrees to provide the following training to Hospital staff:

(a) Care of the Patient. Upon request, Company Staff will be available to provide in-services for Hospital personnel regarding general nursing care of the dialysis patient.

(b) Peritoneal Dialysis. Company will train Hospital's designated nurses to successfully monitor PD patients and equipment in order to maintain continuity of PD care. Hospital will ensure that Company's PD equipment and supplies will be used according to Company policy or mutually established policies and procedures for peritoneal dialysis. Hospital agrees to make no material modifications of Hospital policies and procedures for peritoneal dialysis without Company's prior written consent, except to the extent such revisions are required to comply with applicable laws or regulations; provided however, that in all cases (i) Hospital shall provide prior written notice to Company of any proposed changes to Hospital's policies and procedures for peritoneal dialysis and (ii) the proposed changes shall be discussed in good faith and mutually agreed-upon, to ensure proper alignment in patient care and/or as may be necessary to address applicable accreditation survey recommendations.

(c) CRRT. Company has no obligation to provide continuous nursing coverage for Hospital's CRRT patients, therefore, CRRT services will not be provided until such time that Hospital and Company mutually establishes policies and procedures for the CRRT Program and Company provides CRRT training for Hospital's designated Intensive Care Unit ("ICU Nurses"). Company will train Hospital's designated ICU nurses to monitor CRRT patients and equipment in order to maintain continuity of CRRT. Additionally, as a part of Company's duties, Company will hold up to four (4) CRRT classes each year of the Term. CRRT Training Classes have no maximum class size but minimum enrollment of five (5) per class and must be arranged and scheduled in advance. Any additional classes or class cancellations will be billed as "RN Consultation" hours. Hospital assumes responsibility for associated Hospital Staff labor costs. Hospital will ensure that Company's CRRT equipment and supplies will be used according to Company policy or mutually established policies and procedures for CRRT. Hospital agrees to make no material modifications of Hospital policies and procedures for CRRT without Company's prior written consent, except to the extent such revisions are required to comply with applicable laws or regulations; provided however, that in all cases (i) Hospital shall provide prior written notice to Company of any proposed changes to Hospital's policies and procedures for CRRT and (ii) the proposed changes shall be discussed in good faith and mutually agreed-upon, to ensure proper alignment in patient care and/or as may be necessary to address applicable accreditation survey recommendations.

3.8 Patient and Family Education. In conjunction with the terms of this Agreement, Company will provide education to patients and family members. Such education may include dialysis related education and/or chronic kidney disease education, as well as catheter and fistulas, vascular access, modalities and dialysis care generally. Company, including those providing services on behalf of Company, may collect, analyze and use data from patients, providers, Hospital and other sources regarding the provision of and effectiveness of such education, as well as utilization of such information for operational purposes of Company.

3.9 Oversight of Services.

(a) Hospital Liaison. Hospital will designate one Hospital employee to act as the liaison between the Parties (the “Liaison”). The Liaison shall meet, as reasonably requested, with Company’s Administrator, Hospital’s administrators, Hospital’s physicians, and others as required to discuss matters affecting the provision of the Services.

(b) Company Administrator. Company shall designate a member of its Company Staff as its administrator (“Company Administrator”). Company Administrator shall meet, as reasonably requested, with the Liaison, Hospital’s administrators, Hospital’s physicians, and others as required to discuss matters affecting the provision of the Services.

(c) Joint Dialysis Oversight Committee. Hospital and Company may establish a Joint Dialysis Oversight Committee (“JDOC”) which shall be responsible for the operational, clinical quality, and performance improvement components of this Agreement. The chairperson of the JDOC shall be a Hospital nursing executive, and the JDOC should meet at least quarterly. JDOC participants shall consist of appropriate Hospital leadership, Company’s director of operations, and Company Administrator. In conjunction with the JDOC meetings or through separate meetings that occur at least on a quarterly basis, participants will discuss clinical metrics, including but not limited to quality metrics and scores, using standard reporting tools of Company.

(d) Medical Director. The Services shall not include the provision of medical director oversight services.

3.10 Quality Management.

(a) Quality Improvement (“QI”). Company agrees, at Hospital’s request, to participate in Hospital’s QI Program, in order to comply with applicable standards of The Joint Commission, and any federally funded health care program. Company will monitor mutually agreed upon quality aspects of patient care and safety and provide regular reports to a designated person or department as directed, in compliance with federal, state, and other regulatory agencies. Company may provide survey forms to patients regarding the Services. Company will monitor mutually agreed upon quality indicators of patient care and safety and provide regular reports to a designated person or department as directed, in compliance with federal, state, and other regulatory agencies. Company will report on such quality indicators using its Pyramid Report (a current template of which is attached as Exhibit 3.11(a), subject to revision from time to time). In addition, Company will assist Hospital by providing clinical and treatment information in its possession to Hospital for use by Hospital for its own reporting format.

(b) Performance Indicators (“PI”). To ensure that the Services are provided in a safe, timely, effective, efficient, and patient-centered manner, Hospital and Company agree to establish mutually agreed upon PI on an annual basis, which shall be documented in connection with the JDOC and/or separate meetings contemplated in Section 3.9(c) above. To continually improve the quality and efficiency of patient care, Hospital shall, on an annual basis, use PI’s to review Company’s performance of the Services. Beginning on the first day of the calendar quarter after the Effective Date, the PI’s specified in Exhibit 3.11(b) (the “KPI’s”) will be implemented by Company in accordance with Exhibit 3.11(b). On a bi-annual basis, the Parties shall reevaluate the KPI’s and, if appropriate, reset or replace a KPI to implement focused operational, quality and efficiency improvements with respect to the Services, which shall be documented in connection with the JDOC and/or separate meetings contemplated in Section 3.10(c) above. Company agrees to collect and report to Hospital data of importance to the quality of care and utilization of dialysis and renal replacement therapies. Company will also utilize this data for its own operational and clinical purposes. The Parties agree that any failure to meet any PI goals shall not constitute a breach of this Agreement, but rather the Parties will work collaboratively to develop an action plan. Failure to report or collaborate between the Parties may constitute a breach under the terms of this Section.

4. Records and Reports

4.1 Records and Reports. Upon request from Hospital, Company shall cause to be prepared and filed with Hospital's medical records administrator reports of all the Services rendered by Company. At the request of Hospital, such reports and records shall be prepared on forms proposed by Company and approved by Hospital. Hospital shall maintain an accurate and complete file of all such records and reports, including but not limited to treatment orders and records and make available to Company such records at Company's request. Company may maintain copies of these records and reports for operational purposes.

4.2 Additional Reports. Company shall prepare such additional or supplementary reports as Hospital's medical records administrator may reasonably request or as Company may deem necessary or appropriate. If preparation of additional reports as a result of Hospital's requests materially increases Company's expenses in providing the Services, Company shall be entitled to recover its expenses or require Hospital to prepare said reports. Company may also develop additional reports for internal review and assessment purposes, including, but not limited to, the effectiveness of activities and initiatives associated with Services rendered to the Hospital.

4.3 Confidential Information.

(a) Confidential, Proprietary and Trade Secret Information ("Confidential Information"). For purposes of this Section 4.3, Confidential Information will be deemed to include (i) any information, in whatever form, relating directly or indirectly to the provision of the Services, either Party or any affiliate of either Party, prepared and made available by a Party or by any other person (the "Disclosing Party") to the other Party or any of its employees, contractors or agents (the "Receiving Party"); and (ii) any of the terms of this Agreement, including without limitation the compensation payable hereunder. Confidential Information will not be deemed to include (A) any information that is or becomes generally available to the public other than as a direct or indirect result of the disclosure of any of such information by the Receiving Party; (B) any information that becomes available to the Receiving Party from a source other than the Disclosing Party, provided that such source is not bound by any contractual or other obligation of confidentiality to the Disclosing Party or any other person with respect to any of such information; (C) any information previously known to the Receiving Party, subject to the Receiving Party's patient privacy and security obligations; or (D) any information that Company is authorized to use pursuant to the terms of this Agreement.

(b) Limitations on Use and Disclosure of Confidential Information. The Receiving Party acknowledges that it may receive Confidential Information during the Term of this Agreement and that it will not use the Confidential Information for any purpose except as necessary to provide Services under this Agreement. The Receiving Party further agrees that it will not divulge, directly or indirectly, any Confidential Information in any manner whatsoever, in whole or in part, without the prior written consent of the Disclosing Party. The Receiving Party will promptly notify the Disclosing Party of any breach of this Agreement which becomes known to the Receiving Party.

(c) Required Disclosure. In the event that the Receiving Party is requested or required, in connection with any proceeding, to disclose any Confidential Information, the Receiving Party will give the Disclosing Party prompt written notice of such request or requirement so that the Disclosing Party may seek an appropriate protective order or other remedy and/or waive compliance with the provisions of this Section 4.3, and the Receiving Party will cooperate with the Disclosing Party to obtain such protective order. In the event that such protective order or other remedy is not obtained or the Disclosing Party waives compliance with the relevant provisions of this Section 4.3, the Receiving Party will furnish only that portion of the Confidential Information which, in the written opinion of the Receiving Party's counsel, is legally required to be disclosed and will use its, his or her best efforts to obtain assurances that confidential treatment will be accorded to such information. Company is aware that Hospital is a government entity and is subject to the California Public Records Act, *Cal.Govt.Code §6250 et seq.*, the Brown Act, *Cal.Govt.Code §54950 et seq.*, and other laws pertaining to

government entities. Information required by law to be disclosed will not be considered Proprietary and Confidential by the Parties and will be disclosed only to the extent required to comply with that legal obligation.

(d) Enforcement. The Receiving Party acknowledges that the breach or threatened breach of the provisions of this Section would cause irreparable injury to the Disclosing Party that could not be adequately compensated by monetary damages. Accordingly, the Disclosing Party may obtain a restraining order and/or injunction prohibiting a breach or threatened breach of the provisions of this Section, in addition to any other legal or equitable remedies that may be available. In the event the Disclosing Party finds it necessary to seek injunctive or other relief to prevent a violation of this Section by the Receiving Party, the Disclosing Party, in addition to all other legal and/or equitable remedies, will be entitled to recovery of the costs of the action, including but not limited to reasonable attorneys' fees.

(e) This Section 4.3 shall survive the expiration or termination of this Agreement.

4.4 HIPAA. Company and Hospital acknowledge and agree that Company providing the Services to Hospital may constitute a Business Associate relationship as defined by the Health Insurance Portability and Accountability Act of 1996 and 45 CFR Parts 160 and 164, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH Act") (collectively, as may be amended from time to time, "HIPAA"). Terms of such relationship are contained in Exhibit C. Notwithstanding the terms of the Business Associate Agreement, the Parties agree that Company and its Affiliates and related entities may utilize such information for on-going treatment purposes of Hospital patients, including for continuity of care when patients are being seen by/at other providers, and/or for Company's internal operations, if such use is otherwise consistent with law (e.g., limited to the minimum amount necessary to achieve its purpose).

4.5 Company Records. Company shall have the right to maintain its own records of activities and services, including, but not limited to, actions by Company Staff, Services performed and clinical and related results associated with those Services. Such information may be used for purposes of Company's operations and quality initiatives, as well as in preparation of reports provided to Hospital.

5. Insurance

5.1 Company Insurance. With respect to performance of work under this Agreement, Contractor shall maintain insurance as described in Exhibit "D," attached hereto and incorporated herein by this reference.

5.2 Hospital Insurance. Hospital shall, at its expense, provide and maintain (a) workers' compensation coverage in amounts required by State law, (b) property damage insurance or equivalent coverage, and (c) professional liability and commercial general liability or equivalent coverage in amounts not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) annual aggregate. Such insurance shall be maintained during the Term and, if such insurance is written on a claims-made form, for one (1) year after termination of this Agreement, covering all work, duties, or obligations of Hospital in connection with this Agreement and, as applicable, for its employees who perform any work, duties, or obligations in connection with this Agreement. Hospital reserves the right to self-insure this coverage. Hospital's obligation under this Section 5.2 shall survive termination of this Agreement.

5.3 Certificates of Insurance. Each Party agrees (a) to provide to the other Party certificates of insurance evidencing the coverage required hereby, upon request, and (b) to notify the other Party immediately of the cancellation, termination, or non-renewal of, or material change in, such insurance coverage.

6. Indemnification

6.1 Parties' Obligations to Indemnify.

(a) Each Party ("Indemnifying Party") agrees to defend, indemnify, and hold harmless the other Party and its shareholders, affiliates, officers, directors, employees, and agents ("Indemnitees") for, from and against any claim, loss, liability, cost, and expense (including reasonable attorneys' fees) (collectively, "Losses") arising out of third-party claims resulting from any act or omission of the Indemnifying Party, including, without limitation, any injury to a person or to property. The Indemnifying Party's obligations under this Section 6.1(a) shall not apply to the extent any such Losses were caused by the acts or omissions of the Indemnitees.

(b) Company's indemnification obligations do not extend to regulatory or accreditation survey deficiencies, unless such deficiencies were solely caused by the actions or inactions of Company. With the exception of the aforementioned, the obligations of the Parties under this Section 6.1 shall survive termination of this Agreement.

6.2 LIMITATION OF LIABILITY. NEITHER PARTY NOR ITS AFFILIATES SHALL BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR PUNITIVE, EXEMPLARY, CONSEQUENTIAL, SPECIAL, INCIDENTAL OR INDIRECT DAMAGES, INCLUDING LOSS OF PROFITS, WHETHER IN TORT, CONTRACT OR ANY OTHER LEGAL THEORY, AS A RESULT OF THIS AGREEMENT, EVEN IF SUCH PARTY IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

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

7. Fees for Services

7.1 Fee Schedule. Hospital will pay Company compensation for the Services at the fees set forth in Exhibit B (the "Fee Schedule"). On November 30th of each year during the Term, the Fee Schedule shall be increased by three percent (3%). Company will use commercially reasonable efforts to provide a courtesy copy of the updated fee schedule. Regardless of the timing of Hospital's receipt of such updated fee schedule, Hospital will be responsible for paying the new fees as soon as they take effect, according to the fee increase schedule described in this Section 7.1. Except as otherwise provided in this Section 7.1, the Fee Schedule may only be modified upon the written agreement of the Parties.

7.2 Billing Schedule. On a monthly basis, Company will bill Hospital for Services provided in the preceding month, on a fee-for-service basis in accordance with the Fee Schedule. Notwithstanding the foregoing, (a) any failure by Company to issue an invoice within the aforementioned timeframe shall not relieve Hospital of its obligation to pay Company in accordance with Section 7.5 below and (b) Company reserves the right, if a missed or incorrect charge is found, to issue invoices at any time and/or to appropriately credit Hospital as necessary to adjust for any under- or over-billing. Company shall not bill or collect from any patient or third-party payor any fee or charge for the Services rendered hereunder. Company hereby assigns to Hospital any and all right Company may possess to bill and collect from any patient or third-party payor any fee for the Services rendered hereunder.

7.3 Hospital Billing Instructions

(a) Billing Address. In connection with the terms of Section 7.1 and 7.2 above, Company will send copies of all invoices and/or fee schedule courtesy notifications to Hospital at the email address listed below:

Hospital email address: _____

(b) Billing Format. Company will send invoices to Hospital in the following format (**Hospital to select one of the following**):

- ☐ PDF (via email)
- ☐ Excel (via email)
- ☐ upload to Hospital portal (if this option is selected, Company's billing department will contact Hospital via email to obtain necessary details)

(c) Changes in Billing Instructions. Hospital may change its preferred billing format and/or designated email address(es) for billing and/or fee schedule courtesy notifications by emailing Company at DaVita.HSG.CustomerExperience@davita.com. Hospital will allow up to two billing cycles for any such change(s) in billing format and/or delivery address to take effect.

7.4 Hospital Collections. Hospital may seek and retain payment from any available source, in compliance with all applicable laws and regulations, for Services for which Company receives payment pursuant to Section 7.2 above.

7.5 Payment. Amounts not disputed in good faith will be paid by Hospital and must be received by Company within sixty (60) calendar days from the date of invoice. Hospital will pay all invoices under this Agreement via Automated Clearing House (ACH) electronic payment. Company will provide to Hospital its ACH instructions and allow Hospital to validate such instructions following its usual and customary process prior to the due date of the initial invoice issued under this Agreement. Payments for outstanding invoices are only considered received once funds have been deposited to a Company/DaVita bank account, regardless of check date. Company will not accept credit card payments from Hospital. Hospital agrees to pay all costs and expenses (including but not limited to reasonable attorneys' fees) incurred by Company in connection with the collection of fees owed by Hospital.

7.6 Invoice Dispute Process. Hospital shall not adjust, short pay, offset, retract, recoup, or otherwise reduce any claims against any fees owed to Company for Services as set forth in the Fee Schedule. In the event Hospital, in good faith, disputes any amount charged by Company, Hospital will notify Company in writing on or before the date payment is due to Company under Section 7.5 above. Hospital will remain obligated to timely pay in full all amounts not so disputed in good faith. The Parties will use best efforts to resolve any disputed amounts within thirty (30) days following the date of the good faith dispute notice. Once resolved, and upon receipt from Company of an invoice reflecting the resolved amounts, such previously disputed amounts shall be paid by Hospital within the timeframes outlined in Section 7.5 above.

7.7 Supporting Clinical Documentation. At Hospital's request, Company will document clinical interactions associated with Services in Hospital's electronic medical record. Company shall also record documentation of Services rendered pursuant to hard copy clinical flow sheets. The Parties agree that Company shall use its clinical flow sheets to evidence work rendered in support of this Agreement and as its tool for invoicing Hospital.

8. Term

8.1 Term. The term of this Agreement shall commence on Effective Date and shall continue in effect for a period of three (3) years, unless earlier terminated pursuant to its terms (the "Term"). The Term may be extended by written mutual agreement of the Parties. In all cases, the fees charged for Services must be consistent with fair market value, and as such, the Parties may need to renegotiate rates at the time of any such extension.

8.2 Mutual Right to Terminate for Cause. This Agreement may be terminated by either Party by written notice ("Notice") by the non-breaching Party to the breaching Party, subject to the time periods set

forth below, unless the breaching Party cures the default or condition specified in the Notice within such period of time (if any):

(a) Upon thirty (30) days' Notice for breach by a Party of any material provision of this Agreement, which the breaching Party fails to cure within the Notice period;

(b) Effective immediately upon Notice to the other Party, in the event a Party becomes an Excluded Provider, as defined in Section 10.13(c);

(c) Effective immediately upon Notice to the other Party, upon receipt of notice that a Party (i) is generally unable to pay its debts as they become due or (ii) has admitted in a writing its inability to pay its debts generally; or

(d) In the event performance by either Party of any term, covenant, condition, or provision of this Agreement shall: (i) jeopardize the licensure of either Party; (ii) jeopardize either Party's participation in any federally funded health care program, including, but not limited to, Medicare and Medicaid, any other governmental reimbursement or payment programs, or any other state or nationally recognized accrediting organization; or (iii) violate any statute or ordinance, or be otherwise deemed illegal, unethical, invalid, or unenforceable by any recognized body, agency, or association in the medical fields, either Party shall have the immediate right to initiate the renegotiation of the affected term(s) of this Agreement, upon notice to the other Party, to remedy such condition. The Parties shall thereafter use their best efforts to renegotiate in good faith to restructure this relationship so as to: (x) bring any provision in compliance so as not to jeopardize any Party's licensure, participation in government reimbursement programs, or accrediting organizations; or (y) make the same lawful, valid enforceable, or ethical, and to the extent possible, to maintain the economic benefits to any Party as contemplated hereunder. Should the Parties be unable to renegotiate the term(s) so affected so as not to jeopardize any Party's licensure, participation in government reimbursement programs, or accrediting organizations, or to bring it/them into compliance with the statute, rule, regulation, principle, or interpretation that rendered it/them unlawful or unenforceable within ninety (90) days of the date on which notice of a desired renegotiation is given, then either Party shall be entitled, after the expiration of said initial ninety (90) day period, to terminate this Agreement immediately. In all cases, the Parties shall comply with applicable laws during the renegotiation period.

8.3 Company's Right to Terminate. This Agreement may be terminated by Company when Notice is given, subject to the time periods set forth below, unless Hospital cures the default or condition set forth in the Notice within such period of time (if any):

(a) Upon thirty (30) days' Notice that Hospital is not complying with the payment provisions of this Agreement; or

(b) Upon ninety (90) days' Notice that, in Company's reasonable determination, the continuation of Services is financially untenable for Company. For purposes of this subsection 8.3(b), "financially untenable" means that Company has determined that the last twelve (12) months of profitability with respect to this Agreement is less than the minimum margin that is fair market value as set by a third-party valuation firm for similar hospital services arrangements.

8.4 Non-Appropriation. Hospital reserves the right to terminate this Agreement in the event insufficient funds are appropriated or budgeted for this Agreement in any fiscal year. Upon such termination, Hospital will be released from any further financial obligation to Company, except for services performed prior to the date of termination or any liability due to any default existing at the time this clause is exercised. Company will be given ninety (90) days' prior written notice in the event that Hospital requires such an action.

8.5 Mutual Right to Terminate Without Cause. At any time following the first anniversary of the Effective Date, either Party may exercise the right to terminate this Agreement by providing at least ninety

(90) days' Notice, stating the intended last date of Services. For clarity, the earliest date either Party may terminate the Agreement pursuant to this Section 8.4 is after fifteen (15) months from the Effective Date.

8.6 Effects of Termination.

(a) If this Agreement is terminated within one (1) year of the Effective Date, then the Parties will not enter into any similar agreement with each other for the services covered hereunder before the first anniversary of the Effective Date.

(b) Termination of this Agreement shall not relieve either Party of obligations incurred prior to the effective date of termination, including, but not limited to, obligations of payment of monies or credits owed at the time of such termination.

8.7 Equipment Removal. Upon termination, Company will promptly remove all of its equipment and supplies from Hospital.

9. Dispute Resolution

9.1 Dispute Resolution/Arbitration. The Parties shall use commercially reasonable good faith efforts to resolve any dispute, controversy or claim arising out of or relating to this Agreement amicably by agreeing to meet in person or telephonically within thirty (30) days of a request by either Party under this Section 9.1. If the Parties cannot reach agreement on any issue no later than thirty (30) days after such meeting (or such extension of time that may be mutually agreed by the Parties in writing), such issue may be settled by binding arbitration in accordance with the arbitration rules of JAMS, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction. Such arbitration shall occur in Los Angeles County, California, unless the Parties mutually agree to have such proceedings in some other location. The arbitrator(s) may in any such proceeding award attorneys' fees and costs to the prevailing Party. Notwithstanding any other terms contained herein, this Section 9.1 will survive the expiration or termination of this Agreement.

9.2. Injunctive Relief To Prevent Irreparable Harm. Nothing in Section 9.1 above shall prevent any Party from seeking temporary restraining orders or preliminary or permanent relief to enjoin conduct which may cause that Party irreparable harm pending the outcome of the procedures set forth in this Section 9.

10. General Provisions

10.1 Independent Contractor. It is mutually understood and agreed that Company is at all times acting and performing as an independent contractor, and nothing in this Agreement shall be construed to place the Parties in the relationship of principal and agent, employer and employee or joint venturers. Hospital will not pay or withhold on behalf of Company or Company Staff any sums for income taxes, unemployment insurance, social security or any other withholding, contributions or benefits provided by Hospital to its employees. Neither Party will have the power or right to bind or obligate the other Party, or to hold itself out as having such authority.

10.2 Assignment and Delegation. This Agreement shall not be assigned in whole or in part by either Party without the express written consent of the other Party, except that Company may assign this Agreement to any successor, affiliate or subsidiary of Company or DaVita, without the prior written consent of Hospital. In addition, Company may assign its rights to receive payment under this Agreement to its bank or other lending institution, without the prior written consent of Hospital.

10.3 Governing Law. This Agreement shall be governed by the laws of the Hospital's state, excluding choice of law rules.

10.4 Entire Agreement. This Agreement and the Exhibits attached hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede specifically that certain Hospital Services Agreement, as amended or extended, between the Parties, dated November 30, 2010 and, in addition, any and all other agreements, either oral or written, between the Parties (including, without limitation, any prior agreement between Hospital and Company or any of its subsidiaries or affiliates) with respect to the subject matter hereof.

10.5 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Copies of signatures sent by facsimile or email transmission shall be deemed to be originals.

10.6 Headings. The headings appearing in this Agreement are for convenience and reference only, and are not intended to, and shall not, define or limit the scope of the provisions to which they relate.

10.7 Notices. All notices, requests, and other communications to any Party shall be in writing and shall be addressed to the receiving Party's address set forth below or to any other address as a Party may designate by notice hereunder, and shall either be (a) delivered by hand, (b) sent by recognized overnight courier, or (c) sent by certified mail, return receipt requested, postage prepaid.

If to Hospital: Kern Medical Center
1700 Mount Vernon Ave.
Bakersfield, CA 93306
Attention: Chief Executive Officer

If to Company: DaVita Inc.
5200 Virginia Way
Brentwood, TN 37027
Attention: Hospital Services Group Paralegal

All notices, requests, and other communication hereunder shall be deemed effective (a) if by hand, at the time of the delivery thereof to the receiving Party at the address of such Party set forth above, (b) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (c) if sent by certified mail, five (5) business days following the day such mailing is made.

10.8 Access to Books and Records. This Section 10.8 is included herein because of the possible application of Section 1861 (v)(1)(I) of the Social Security Act to this Agreement; if Section 1861 (v)(1)(I) of the Social Security Act should not be found applicable to this Agreement, then this Section 10.8 shall be deemed not to be a part of this Agreement and shall be null and void. Until the expiration of four (4) years after the furnishing of the Services pursuant to this Agreement, Company shall make available, upon written request of the Secretary of Health and Human Services or the United States Comptroller General or any of their duly authorized representatives, this Agreement, and any books, documents and records of Company that are necessary to certify the nature and extent of costs incurred by Hospital under this Agreement. If Company is requested to disclose books, documents or records pursuant to this Section, Company shall notify Hospital of the nature and scope of such request, and Company shall make available, upon written request of Hospital, all such books, documents and records during regular business hours of Company.

10.9 No Discrimination. All services provided by Hospital and Company hereunder shall be in compliance with all federal and state laws prohibiting discrimination on the basis of race, color religion, sex national origin, handicap, or veteran status.

10.10 Binding Agreement. All of the terms and provisions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by each of the Parties, their respective legal representatives and their permitted successors and assigns.

10.11 Amendments and Waivers. This Agreement may only be amended or modified in a written document signed by both Parties. To the extent that any provision of any purchase order, invoice, or any other document, or the terms of any of Hospital's rules, regulations, policies, or procedures, conflict with or materially alter any term of this Agreement, this Agreement shall govern and control. The failure of any Party to insist in any one or more instances upon performance of any terms or conditions of this Agreement shall not be construed as a waiver of future performance of any such term, covenant, or condition, and the obligations of such Party with respect thereto shall continue in full force and effect.

10.12 Non-Solicitation. During the Term and for twelve (12) months following termination of this Agreement for any reason, (a) Hospital shall not knowingly directly or indirectly, for itself or on behalf of, or in conjunction with, any other person, company, partnership, corporation, or business of whatever nature: solicit or hire, or permit anyone else on its premises to solicit or hire, any employee of Company (or any of its successors, affiliates, or subsidiaries) who are or were involved in connection with the Services under this Agreement, and (b) Company shall not knowingly solicit any employee of Hospital to leave the employ of Hospital to work for Company or any of its affiliates; provided that general solicitations (e.g., the placement of employment advertising in a newspaper or any other media) not specifically directed at the other Party's (or its successors', affiliates' or subsidiaries') employees shall not be deemed to violate the provisions of this Section. The Parties specifically acknowledge, represent, and warrant that the covenants set forth in this Section 10.12 are reasonable and necessary to protect the legitimate business interests of Company and Hospital, and that Company and Hospital would not have entered into this Agreement in the absence of such covenants.

10.13 Compliance Related Matters. Hospital and Company will comply with all applicable statutes, rules, and regulations as promulgated by federal and state regulatory agencies or legislative authorities having jurisdiction over the Parties.

(a) Company's Code of Conduct. For informational purposes, upon Hospital's reasonable request, Company shall provide Hospital access to a copy of DaVita's Code of Conduct and relevant policies and procedures, in either hard copy or electronic form, which are designed to ensure compliance with relevant Federal health care program requirements.

(b) Anti-Kickback Statute Compliance. Each Party certifies that: (i) it shall not violate the Anti-Kickback Statute with respect to the performance of this Agreement; (ii) the compensation provided under this Agreement has been determined in arm's-length bargaining and reflects fair market value in arm's-length transactions; (iii) the compensation is not and has not been determined in a manner that takes into account the volume or value of any referrals or business otherwise generated for or with respect to or between the Parties for which payment may be made in whole or in part under Medicare, Medicaid, or any Federal or State health care program or under any other third party payor program.

(c) Excluded Provider. Each of Hospital and Company hereby represents and warrants that neither it nor any of its employees, contractors or subcontractors related to this Agreement is an Excluded Provider, where "Excluded Provider" shall mean any individual or entity who/that: (i) is currently excluded from participation in an federal health care program, as defined under 42 U.S.C. § 1320a – 7; (ii) is currently excluded, debarred, suspended, or otherwise ineligible to participate in Federal procurement or non-procurement programs, or a state health care program; or (iii) has been convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a – 7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

(d) Removal Requirement. Each Party agrees to notify the other Party within two (2) business days of learning of any such exclusion or event described in Section 10.13(c) above, and (i) such Excluded Provider shall be immediately removed from the performance of any obligations under this Agreement and/or (ii) if the Excluded Provider is a Party to this Agreement, the other Party shall have the right to terminate this Agreement in accordance with the terms of Section 8.2(b) above.

10.14 Joint Preparation. Each Party (a) has participated in the preparation of this Agreement; (b) has read and understands this Agreement; and (c) has been represented by counsel of its own choice in the negotiation and preparation of this Agreement. Each Party represents that this Agreement is executed voluntarily and should not be construed more strictly against any Party solely by reason of the rule of construction that it drafted all or a portion hereof.

10.15 Approval by DaVita as to Form. The Parties acknowledge and agree that this Agreement shall take effect and be legally binding upon the Parties only upon full execution hereof by the Parties and upon approval by DaVita as to the form hereof.

[Signature page follows]

IN WITNESS WHEREOF, the Parties hereby enter into this Agreement effective as of the Effective Date, having executed this Agreement by their duly authorized officers or representatives:

Kern County Hospital Authority

By: _____

Name: _____

Title: Chairman, Board of Governors

Date: April 17, 2024

APPROVED AS TO FORM:
Legal Services Department

By Shannon Hochstein
Kern County Hospital Authority

Total Renal Care, Inc.

DocuSigned by:
By: Tim Souza
10BF37709C20149F

Name: Tim Souza

Title: Division Vice President

Date: April 9, 2024

APPROVED AS TO FORM ONLY:
DaVita Inc.

By: _____
David M. Carr
Associate General Counsel



April 10, 2024

Kern Medical Center
1700 Mount Vernon Avenue
Bakersfield, CA 93306

RE: Clarification of the Commencement Date for Services rendered pursuant to the Hospital Services Agreement between Total Renal Care, Inc. ("Company") and Kern County Hospital Authority ("Hospital") (each a "Party" and, collectively, the "Parties"), effective on or about April 17, 2024 (the "Agreement")

Dear Chairman, Board of Governors,

This Commencement Date Letter Agreement memorializes the Parties' intention and agreement to clarify the date in which Company begins to provide Services to Hospital. Notwithstanding the Effective Date set forth in the preamble of the Agreement, the Parties agree that Company will begin to provide Services to Hospital on May 1, 2024 (the "Commencement Date"). As the provision of Services will not begin until the Commencement Date, the Parties agree that Company will not charge Hospital for the monthly Program Maintenance Fee described in Exhibit B of the Agreement for the month of April 2024 and will charge Hospital for the Program Maintenance Fee based upon the Commencement Date. All other terms and obligations set forth in the Agreement remain in full force and effect.

The Parties agree and certify that this Commencement Date Letter Agreement is not intended to generate referrals for services or supplies for which payment may be made in whole or in part under any federal, state or other health care payment or reimbursement program. The Parties enter into this Commencement Date Letter Agreement with the intent of conducting their relationship in full compliance with applicable federal, state, and local law, including without limitation the Anti-Kickback Statute and certify that neither party shall violate the Anti-Kickback Statute with respect to the performance of this Implementation Date Letter Agreement. Neither Party is or at any time has been excluded from participation in any federally funded health care program, including but not limited to Medicare and Medicaid; nor is any party not currently excluded, debarred, suspended, or otherwise ineligible to participate in Federal procurement or non-procurement programs; nor has either Party been convicted of a criminal offense that falls within the scope of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Commencement Date Letter Agreement.

Sincerely,

Acknowledged and Agreed to by Hospital:

Name
Title:
Date:

Name
Title: Chairman, Board of Governors
Date: April 17, 2024

APPROVED AS TO FORM:
Legal Services Department

By Shannon Hochstein
Kern County Hospital Authority

Approved as to Form (Company only):

EXHIBIT A**Services**

1. **Orders.** Company shall provide the Treatment Services only upon receipt of an order of a nephrologist or physician who has been authorized by Hospital to make such requests ("Order"). If requested by Company, Hospital shall provide Company with a list of nephrologists or physicians authorized and qualified to order Treatment Services (the "Physicians"). In order to initiate treatment, Hospital agrees to promptly contact Company upon receipt of an Order and after the patient has received a functioning vascular or peritoneal access for treatment. If contact is made by telephone, Hospital will call the dedicated phone number Company will give to Hospital for placing an Order. Hospital's call to Company with Orders for the Treatment Services is Hospital's authorization for Company to provide such Treatment Services on Hospital's behalf. If Company receives a verbal or read back Order for the provision of the Treatment Services, Hospital shall provide to Company a written Order from the Physician within forty-eight (48) hours of such verbal or read-back Order. Hospital shall ensure that necessary, appropriate and proper written informed consent specific to the Treatment Services has been obtained in accordance with Hospital policies. Hospital shall make such documents available to Company Staff immediately prior to the performance of the Treatment Services. Hospital and Company agree that the Physician(s) shall be responsible for discussing the risks and benefits of treatments involving any of the Treatment Services in conjunction with obtaining the written informed consent. The Parties agree that Company may obtain additional consent from patient specific to his/her treatments and the Treatment Services, at Company's discretion. If questions arise from any documentation to be provided under this Section, Company may delay the performance of the Treatment Services until it has the required information. Company Staff shall monitor and regulate the Treatment Services in conformity with Physician's orders and the patient's condition.
2. **Hours.** Company shall make its Company Staff available on an "on call" basis seven (7) days per week, twenty-four (24) hours per day to provide the Treatment Services ordered in accordance with the terms of this Agreement. "Normal Operating Hours" shall be 7AM – 7PM Monday through Saturday. All other days and times, including Holidays (which shall occur on New Year's Eve, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve, and Christmas Day) shall be considered "Non-Normal Operating Hours."
3. **Response Time.** Company agrees to demonstrate commercially reasonable efforts in providing Treatment Services within eight (8) hours following the receipt of an Order from Hospital for treatment, or within a later specified time frame as set by a patient's Physician. Company agrees to demonstrate commercially reasonable efforts in responding on-site at Hospital within two (2) hours of receipt of an Order that requires emergency or urgent provision of Treatment Services (a "STAT Order"). However, factors such as weather conditions, traffic conditions, available Company Staff's proximity to Hospital at the time the STAT Order is received, the day and hour of the request, and other facts and circumstances beyond the Company's control may make such response time impractical or impossible in a given instance. Accordingly, Company's failure to satisfy the two (2) hour response time for STAT Orders due to such mitigating factors shall not be considered a breach of this Agreement.
4. **Treatment Location.** Company shall provide the ordered Treatment Services at patient bedside or in a designated dialysis room made available by Hospital. The determination of the medically appropriate location of each treatment shall be made in the sole and absolute discretion of a particular patient's Physician and shall be expressed in an Order. In the event that the Physician orders Company to provide the Treatment Services to a patient in the dialysis treatment room,

Hospital shall be solely responsible for transferring the patient to and from the dialysis treatment room.

5. Staffing. Company shall provide Company Staff in adequate numbers to provide the ordered Treatment Services. Whenever patients are receiving the Treatment Services, Company shall provide on duty at least one (1) nurse, currently licensed in Hospital's state and experienced in rendering the Treatment Services, to oversee the provision of the Treatment Services and such additional Company Staff to maintain an appropriate patient/staff ratio.
6. Treatment Services. General duties and responsibilities of Company's Staff include:
 - (a) Company Staff will communicate with Hospital nurse at time of arrival and departure from location where procedure is being performed.
 - (b) Company Staff will be responsible for provision of the ordered Treatment Services, including, as applicable and/or except as otherwise specified in the Agreement: (i) set-up and safety check of machine and water treatment system; (ii) initiating treatment, monitoring of treatment, and termination of treatment; (iii) documentation of treatment on Hospital approved forms; and (iv) clean-up of equipment used in the Treatment Services and proper storage of machine and supplies.
 - (c) Communication between Hospital and Company Staff will include but not be limited to the following specific information: (i) patient's pertinent condition; (ii) tolerance of procedure, medications and transfusions; (iii) medications administered or transfusions given; and (iv) lab tests or other services required by Hospital staff to be performed for dialysis patients before, during, or after the Treatment Services.
 - (d) Company Staff will complete any and all reports required in accordance with this Agreement. Also, Company Staff will document any fluids and medications added to dialysate, any other medications administered, or blood products transfused.
 - (e) Company Staff will secure all equipment and supplies in the storage area designated within Hospital when procedure is completed.
7. Care Coordination. Hospital shall provide Company Staff with a daily listing of inpatients requiring dialysis or related services. Hospital shall provide nurses who will provide general nursing support during each treatment for each patient receiving the Treatment Services. These nurses shall be responsible for the non-Treatment Service related care of the patient during the treatment, which may include, without limitation, responsibility for administering medications, performing activities of daily living (ADLs) and baseline assessments, and assisting Company Staff in achieving hemodynamic stability in the event the patient becomes unstable during the treatment. Hospital shall provide emergency support services including emergency facility personnel, equipment and supplies. Hospital shall provide or otherwise arrange for blood banking, laboratory and x-ray services as required for patient care both on an emergent and non-emergent basis.
8. Equipment and Related Functions.
 - (a) Company Obligations. Company shall provide, maintain in good operating condition, and repair all dialysis and related equipment necessary for the provision of the Treatment Services. All equipment provided by Company will be maintained by Company to meet requirements of applicable codes.

(b) Hospital Obligations.

- (i) Hospital will provide Company with a Company-approved locked area for storage of equipment and materials associated with provision of Treatment Services, as further described in Section 10(a) (Other Hospital Obligations/Space) below.
- (ii) Hospital acknowledges and agrees that items of equipment may require preventive maintenance and/or repair from time to time, and Hospital agrees to make available to Company's Staff and its authorized agents appropriately located work areas that are suited to the making of such repairs.
- (iii) Hospital shall be responsible for the maintenance of its own equipment which is not provided by Company, including, without limitation, maintenance and water testing of equipment owned by Hospital.
- (iv) Hospital shall provide access to and all necessary connections to obtain incoming water appropriate for the provision of dialysis treatments. Incoming water shall be at the appropriate temperature and quantity, delivered with adequate pressure for the proper functioning of the dialysis machines and related equipment.
- (v) Hospital shall provide access to and all necessary code-compliant connections to a drain into a sewer system appropriate for the disposal of effluent solutions from dialysis procedures.
- (vi) Hospital shall provide utilities including electricity, gas, and HVAC. Hospital shall also provide access to sufficient dedicated GFI electrical outlets necessary for the proper functioning of dialysis equipment, water purification devices, and any other electrical device that may be required for patient care.
- (vii) Hospital shall provide telecommunications including emergency call systems. Telephone and fax lines will include outside line usage located in the space provided for the provision of the Treatment Services. Hospital shall provide to Company Staff direct access to the public internet via a publicly routable IP address that is assigned to Company by Hospital's Internet Service Provider or a private IP address from Hospital network with appropriate accommodations made on Hospital's internet firewall to allow connectivity to Company's VPN. Company will pay (or reimburse Hospital) for the connectivity charges and network change requirements.
- (viii) Hospital's biomedical or maintenance department shall monitor electrical safety of dialysis equipment according to Joint Commission requirements.

9. Supplies.

- (a) Company shall provide the following supplies:
 - (i) Commercially available dialysate solutions ordered for Treatment Services.
 - (ii) Tubing Sets required for Company provided equipment or for the provision of Treatment Services.

- (iii) Filters required for Company provided equipment including Transducer Protectors and filters for portable RO equipment.
 - (iv) Fistula Needles, dialysis end caps and/or catheter adaptors, as applicable. Product selection to be made in Company's sole discretion unless Hospital desires to provide alternate products at its own expense.
 - (v) Water Quality Analysis Supplies.
- (b) Hospital shall provide the following supplies:
- (i) Pharmaceuticals, medical supplies and other supplies not listed in this Section that are necessary and appropriate for the provision of the Treatment Services, including all intravenous replacement solutions, saline, peripheral fluids and plasma.
 - (ii) All equipment and supplies necessary for Company to comply with all Hospital policies and procedures with respect to the treatment of patients with communicable diseases and/or infections in conjunction with the provision of Services, as long as such policies and procedures are consistent with CDC recommendations and Company's policies and procedures for the provision of Services.

10. Other Hospital Obligations.

(a) Space.

- (i) Hospital shall provide adequate space, consistent with all applicable guidelines and regulations, to store sufficient equipment, water systems and medical supplies required, at Company's sole discretion, by the patient volume, complexity of Treatment Services, and consistent with response time and scheduling requirements set forth in this Agreement. The size and location of the storage space must be reasonably acceptable to Company.
- (ii) Hospital shall provide a locked and secure file cabinet, drawer, or other storage space for the retention of patient health information by Company.
- (iii) Hospital will provide hospital beds and dialysis chairs in a dedicated dialysis space with such equipment, furniture and other equipment and devices as are necessary for the proper care of patients during the provision of Treatment Services, as determined by Company. Hospital provides all patient transport to and from dedicated dialysis space.

(b) Safety.

- (i) Adequate and Safe Space (as defined herein), consistent with all applicable guidelines and regulations, to perform Services. "Safe Space" shall mean that Hospital will use commercially reasonable efforts to provide an environment where Company personnel will be free from any real or threatened acts of physical violence from, but not limited to, Hospital patients. If Company has reason to believe its personnel may be subject to any kind of physical abuse, Hospital agrees to work with Company to establish and maintain "Safe Space" by, for example,

providing security personnel, though the exact measures taken will be mutually agreed upon by both Parties at that specific time. Safe Space shall also mean appropriate access of Company Staff to eye wash stations and related safety mechanisms.

- (ii) All physical restraints, chemical restraints and other personnel/equipment necessary or appropriate to restrain patients to protect the safety of Company Staff and other patients.
 - (iii) Free parking in a safe environment within close proximity to Hospital for all Company Staff.
 - (iv) The Parties shall work together to ensure there is an appropriate emergency management plan in place to address Company Staff and those receiving Treatment Services.
- (c) Miscellaneous. Hospital shall be responsible for:
- (i) Orientation to all Company Staff with respect to Hospital's policies and procedures applicable to the provision of the Services (e.g., fire safety, evacuation procedure, hazardous materials, communication, safety, etc.).
 - (ii) All patient transport.
 - (iii) Annual testing for Company Staff to ensure tuberculosis respirators fit properly.
 - (iv) Pre and post dialysis weights for patients.
 - (v) Janitorial, in-house messenger, laundry, medical records, and environmental services, all as related to the Services including, without limitation, medical and hazardous waste removal.
 - (vi) A mutually agreed upon STAT protocol.
 - (vii) All necessary medical record charting forms.
 - (viii) For purposes of utilization of billing and documentation purposes, Hospital will permit Company access to its network or allow Company to put in its own network access for the Term of the Agreement.

EXHIBIT B**FEE SCHEDULE**

NOTE: the fees listed in the schedule set forth below include services provided to admitted and non-admitted persons for whom such persons' treatments are being billed by Facility to any third party payors (or otherwise paid for by Facility).

Hemodialysis:

Hemodialysis: 1:1 patient to staff ratio, up to 4 hours	\$788.30 per treatment
Hemodialysis: 2:1 ¹ patient to staff ratio, up to 4 hours	\$556.46 per treatment
Hemodialysis: additional charge per half-hour for treatments ordered longer than 4 hours	\$57.97 per half-hour
Hemodialysis Differential: (initiated during non-Normal Operating Hours or Holidays), up to 4 hours ^{4, 5}	\$57.97 per treatment
Hemodialysis: Extra Dialyzer	\$20.00 per dialyzer
Hemodialysis: Pre Set Up Cancellation (labor)	\$57.97 per cancellation
Hemodialysis: Post Set Up Cancellation (labor and supplies, if costs incurred)	\$120.97 per cancellation

Peritoneal Dialysis (PD: CAPD, CCPD)

CCPD: Cycler Set Up and Discontinue differential: (Up to 15 liters, initiated during non-Normal Operating Hours or Holidays) ^{4, 5}	\$57.97 per treatment
CCPD: Additional liters greater than 15 liters	\$30.00 per 5 liter bag
CAPD: Per manual exchange	\$428.93 per exchange
CAPD: Per manual exchange differential (initiated during non-Normal Operating Hours) ⁵	\$57.97 per exchange
PD: Transfer Set Change	\$115.00 per change
PD: Catheter Flush	\$115.00 per flush
PD: Fluid Sample Culture	\$57.97 per sample
PD: Pre Set Up Cancellation (labor)	\$57.97 per cancellation
‡CCPD Support Visit	\$428.93 per visit
CAPD Support Visit	\$428.93 per visit

Continuous Renal Replacement Therapy (CRRT: SCUF, CVVH, CVVHD, CVVHDF)

CRRT Full Service: Initial set-up of CRRT machine (supplies not included)	\$754.08 per day
CRRT Full Service: Cartridge Change	\$293.76 per cartridge
CRRT Full Service: Initial Cartridge	\$293.76 per cartridge
CRRT Full Service: Pre Set Up Cancellation (labor)	\$112.55 per cancellation
CRRT Full Service: Post Set Up Cancellation (labor and supplies, if costs incurred)	\$281.39 per cancellation
CRRT: Visit	\$754.08 per visit
CRRT Differential (initiated during Holidays) ⁴	\$57.97 per treatment
CRRT Differential (initiated during non-Normal Operating Hours) ⁵	\$57.97 per treatment

Apheresis

Therapeutic Plasma Exchange	\$1,391.13 per treatment
Therapeutic Plasma Exchange Differential (initiated during non-Normal Operating Hours or Holidays) ^{4, 5}	\$57.97 per treatment
Cytapheresis: White Cell Depletion	\$1,391.13 per treatment
Cytapheresis: White Cell Depletion Differential (initiated during non-Normal Operating Hours or Holidays) ^{4, 5}	\$57.97 per treatment
Cytapheresis: Red Cell Exchange	\$1,391.13 per treatment
Cytapheresis: Red Cell Exchange Differential (initiated during non-Normal Operating Hours or Holidays) ^{4, 5}	\$57.97 per treatment
Cytapheresis: Platelet Depletion	\$1,391.13 per treatment
Cytapheresis: Platelet Depletion Differential (initiated during non-Normal Operating Hours or Holidays) ^{4, 5}	\$57.97 per treatment
Therapeutic Plasma Exchange: Cartridge Change	\$250.00 per cartridge
Pre Set Up Cancellation of Apheresis, White Cell, Red cell, Platelet exchange (labor)	\$57.97 per cancellation
Post Set Up Cancellation of Apheresis, White Cell, Red cell, Platelet exchange (labor and supplies, if costs incurred)	\$307.97 per cancellation

Miscellaneous

Blood Product Administration (Not in conjunction with a dialysis treatment)	\$57.97 per unit
TPA Administration	\$57.97 per administration
Waiting Time (after 30 minute grace period beginning on 31 st minute)	\$57.97 per ½ hour
RN Consultation ²	\$57.97 per ½ hour
Company Staff Training of Hospital Staff ³	\$57.97 per ½ hour per Company nurse
Hospital Required Orientation or Training billed after 8 hours annually	\$57.97 per ½ hour per Company Staff member
Hospital Required Health Monitoring of Company Staff	\$57.97 per ½ hour
STAT Order Surcharge	\$57.97 increase per order
Program Maintenance Fee	\$1000 per month
Reports	Standard Quarterly reports are included in the rates set forth in this Fee Exhibit

Fee Schedule Footnoted Descriptions and Definitions:

1. **Definition of 2:1:** A ratio of 2 patients to 1 clinician, where the treatment is performed in a designated dialysis suite and the longer of the 2 patient treatments must overlap the other treatment by at least 50%.
2. **Definition of RN Consultation:** Any nursing service outside of the scope of dialysis related services set forth in this Agreement. This includes, but is not limited to, the following: Initiation/Discontinuation of IV infusion via dialysis access (not in conjunction with a dialysis treatment); dressing changes; etc.
3. **Definition of Company Staff Training of Hospital Staff:** A Company supplied Subject Matter Expert nurse for troubleshooting and education for Hospital nursing staff. Company's modality of training of Hospital Staff as requested by Hospital per 1/2 hour.
4. **Definition of Holidays:** As defined in Exhibit A, Section 2.
5. **Definition of Normal Operating Hours:** As defined in Exhibit A, Section 2.

EXHIBIT C

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (“BAA”) is entered into as of the last date of signature (the “Effective Date”), by and between **Kern County Hospital Authority** (“Covered Entity”) and **Total Renal Care, Inc.**, by and on behalf of its subsidiaries, affiliates, and related organizations (collectively, the “Business Associate”).

R E C I T A L S

WHEREAS, Business Associate provides certain services (“Services”) to Covered Entity, set forth in the Hospital Services Agreement to which this BAA is an Exhibit, as may be amended from time to time (“Services Agreement”) that may require Business Associate to access, create, receive, maintain, use or transmit health information that is protected by state and/or federal law; and

WHEREAS, the Business Associate is obligated to protect the privacy and security of individually identifiable health information (“Protected Health Information” or “PHI”), including but not limited to electronic protected health information (“ePHI”), created on behalf of, received from, maintained on behalf of, or transmitted by or on behalf of Covered Entity in accordance with the Health Insurance Portability and Accountability Act of 1996 and its implementing privacy and security regulations at 45 C.F.R. Parts 160 and 164 promulgated by the U.S. Department of Health and Human Services (“HHS”), as amended by the federal Health Information Technology for Economic and Clinical Health Act (“HITECH Act”) and its implementing regulations, including but not limited to the federal breach notification rule at 45 C.F.R. Part 164, subpart D (collectively “HIPAA”); and

WHEREAS, Covered Entity and Business Associate desire to enter into this BAA in order to comply with HIPAA, as may be modified or amended, including future issuance of regulations and guidance by HHS, and reflect their understanding of the use, disclosure and general confidentiality obligations of Business Associate regarding PHI that it creates on behalf of, receives from or on behalf of, maintains on behalf of, or transmits by or on behalf of Covered Entity in furtherance of the Services Agreement.

NOW, THEREFORE, in consideration of the mutual promises and other consideration contained in this BAA, the parties agree as follows:

1. DEFINITIONS

Capitalized terms used herein but not otherwise defined in this BAA shall have the same meanings as set forth in HIPAA, as may be modified or amended, including future issuance of regulations and guidance by HHS.

2. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

2.1 **Permitted Uses.** Business Associate agrees to not use or disclose PHI other than as permitted or required by this BAA, the Services Agreement or as permitted or Required by Law.

2.2 **Permitted Disclosures.** Business Associate may use and disclose PHI for the proper management and administration of Business Associate; provided that with respect to any disclosures of PHI, such disclosures are Required by Law or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person agrees to notify the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached. Business Associate may, in accordance with the Privacy Rule, de-identify Covered Entity’s PHI and further use and disclose such de-identified health information without regard to this BAA or HIPAA. Without limitation of the foregoing, Covered Entity acknowledges that, to the extent Business Associate is also a covered entity (as such term is defined by HIPAA), the legal structure of the Business

Associate and its covered entity affiliates affords Business Associate the opportunity to be designated as a participant in an affiliated covered entity arrangement (“HIPAA Arrangement”). To the extent Business Associate is not a covered entity (as such term is defined by HIPAA), the Business Associate is a subsidiary, affiliate, and/or related organization of its covered entity affiliates. Business Associate represents and warrants that it has been designated as a participant in such HIPAA Arrangement or is a subsidiary, affiliate, and/or related organization of its covered entity affiliates. As such, Covered Entity agrees that Business Associate may use or disclose Covered Entity’s PHI, in compliance with the terms of this BAA, (i) to other participants in the HIPAA Arrangement or their business associates, or (ii) as a subsidiary, affiliate, and/or related organization of its covered entity affiliates.

2.3 Obligations of Business Associate.

- 2.3.1 Safeguards. Business Associate agrees to use appropriate physical, administrative and technical safeguards to prevent the use or disclosure of Covered Entity’s PHI for any purpose other than the provision of Services.
- 2.3.2 Agents and Subcontractors. In the event Business Associate engages any agent or Subcontractor to perform any Services and discloses PHI to such agent or Subcontractor, Business Associate will require any such agent or Subcontractor to agree to the same restrictions and conditions required in this BAA that may be applicable to such agent or Subcontractor.
- 2.3.3 Inspection and Copies. Upon written request from the Covered Entity, Business Associate agrees to make PHI available to Individuals in accordance with 45 C.F.R. Section 164.524, governing access of Individuals to their PHI.
- 2.3.4 Amendments. Upon written request from the Covered Entity, Business Associate agrees to make PHI available for amendment and incorporate any amendments in accordance with 45 C.F.R. Section 164.526, governing amendments to PHI.
- 2.3.5 Accounting of Disclosures. Upon written request from the Covered Entity, Business Associate agrees to make any and all information available for the purpose of providing Individuals an accounting of disclosures of their PHI in accordance with 45 C.F.R. Section 164.528, governing accounting of disclosures of PHI.
- 2.3.6 Access to Books and Records. Business Associate agrees to make its internal practices, books and records related to the use and disclosure of Covered Entity PHI hereunder available to the Secretary of HHS for the purposes of determining Covered Entity’s compliance with HIPAA and California privacy laws.
- 2.3.7 Security Rule Obligations. Business Associate shall implement and maintain administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Covered Entity’s ePHI in accordance with the Security Rule.
- 2.3.8 Breach Notification. Business Associate will report to Covered Entity, within seven (7) calendar days: (a) any material breach of this BAA (“material breach”); or (b) Breach as defined at 45 C.F.R. Part 164, Subpart D. Business Associate may supplement its initial report as information becomes available in order to identify:
 - a. The nature of the material breach or Breach, including how such material breach or Breach was made;

- b. The PHI that was the target of the material breach, or the unsecured PHI involved in the Breach, including the types of identifiers involved and the likelihood of re-identification;
- c. If known, the identity of the person/entity who used or received the PHI;
- d. Whether PHI was actually acquired or viewed;
- e. What corrective action Business Associate took, if any;
- f. What Business Associate did to mitigate any risk or deleterious effect; and
- g. Such other information as Covered Entity may reasonably request.

2.3.9 Data Breach Notification and Mitigation Under Other Laws. In addition to the requirements of Section 2.3, Business Associate agrees to implement reasonable systems for the discovery and prompt reporting of any breach of individually identifiable information (including but not limited to PHI, and referred to hereinafter as "Individually Identifiable Information") that, if misused, disclosed, lost or stolen, Covered Entity believes would trigger an obligation under applicable state security breach notification laws ("State Breach") to notify the individuals who are the subject of the information. Business Associate agrees to: (i) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach; (ii) cooperate and assist Covered Entity with any investigation into any State Breach or alleged State Breach conducted by a state agency or Attorney General; (iii) comply with Covered Entity's determinations regarding Covered Entity's and Business Associate's obligations to mitigate to the extent practicable any potential harm to the individuals impacted by the State Breach; and (iv) assist with the implementation of any decision by Covered Entity or any State agency to notify individuals impacted or potentially impacted by a State Breach.

2.3.10 Compliance with Law. At all times during the Term, Business Associate will comply with all applicable federal, state and local laws, rules and regulations pertaining to patient records and the confidentiality of patient information, including Covered Entity's PHI. To the extent Business Associate is to carry out Covered Entity's obligation under the Privacy Rule, Business Associate will comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of the obligation.

3. OBLIGATIONS OF COVERED ENTITY

3.1. Restrictions Requests and Confidential Communications. Covered Entity will notify Business Associate of any agreement Covered Entity makes regarding any restriction or requirement for confidential communication with respect to the use or disclosure of PHI, to the extent that such restriction agreement or confidential communication requirement may affect Business Associate's use or disclosure of PHI.

3.2. Safeguards. Covered Entity will employ appropriate safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to Business Associate pursuant to this BAA and the Services Agreement, in accordance with the standards and requirements of HIPAA, the Privacy Rule and Security Rule, until such PHI is received by Business Associate.

3.3. Withdrawal of Consent. Covered Entity will inform Business Associate of any consent or authorization, including any changes in or withdrawal of any such consent or authorization, provided to the Covered Entity by an Individual that would affect Business Associate's use or disclosure of the PHI.

4. TERM AND TERMINATION

4.1. Term. This BAA shall commence on the Effective Date and remain in effect until terminated in accordance with Section 4.2.

4.2. Termination.

4.2.1. This BAA will terminate automatically upon termination or expiration of the Services Agreement.

4.2.2. Covered Entity may terminate this BAA or the Services Agreement, for Business Associate's material breach of this BAA, where such breach is not corrected to the reasonable satisfaction of the Covered Entity within thirty (30) days of receiving Covered Entity's written notice of such breach.

4.3. Effect of Termination. Upon termination of this BAA, Business Associate shall return or destroy all PHI received from or created or received on behalf of Covered Entity. In the event Business Associate determines that return or destruction is not feasible, Business Associate will extend the protections required in this BAA to the PHI and limit further uses and disclosures to only those purposes that make the return or destruction of the information infeasible.

5. MISCELLANEOUS

5.1. Regulatory References. A reference to HIPAA or the HITECH Act, or a section thereof, and its regulations and requirements means the provisions and section(s) in effect, as may be modified or amended, including by the issuance of regulations and guidance by HHS.

5.2. Amendment. Each party will cooperate reasonably to amend this BAA in the event that such amendment is necessary for Covered Entity and/or Business Associate to comply with any new final regulation or amendment to final regulation promulgated by HHS during the term of this BAA. Both parties agree that the provisions of HIPAA and the HITECH Act, including any implementing regulations to be published by HHS, which apply to business associates, that are not otherwise addressed herein, and that are required to be incorporated into a HIPAA business associate agreement, are hereby incorporated into this BAA as if set forth in this BAA in their entirety and are effective as of the applicable compliance date.

5.3. Insurance. In addition to any general and/or professional liability insurance required of Business Associate, Business Associate agrees to obtain and maintain, at its sole expense, liability insurance on an occurrence basis, covering any and all claims, liabilities, demands, damages, losses, costs and expenses arising from a breach of the security or privacy obligations of Business Associate, its officers, employees, agents and Subcontractors under this BAA. Such insurance coverage will be maintained for the term of this BAA, and a copy of such policy or a certificate evidencing the policy shall be provided to Covered Entity at Covered Entity's request.

5.4. Assistance in Litigation or Administrative Proceedings. Business Associate shall make itself and any Subcontractors or members of its Workforce assisting Business Associate in the performance of its obligations under this BAA available to Covered Entity, at Covered Entity's expense, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers or employees based upon a claim of violation of the HIPAA or other applicable laws relating to privacy or security.

5.5. Indemnification. Notwithstanding anything to the contrary which may be contained in any Underlying Agreement, including but not limited to any limitations on liability contained therein, Business

Associate hereby agrees to indemnify and hold harmless Covered Entity and its respective officers, directors, managers, members, employees and agents from and against any and all losses, damages, fines, penalties, claims or causes of action and associated expenses (including, without limitation, costs of judgments, settlements, court costs and attorney's fees) resulting from Business Associate's (including its employees, directors, officers, agents, or other members of its Workforce, and its Subcontractors) breach of PHI or violation of the terms of this BAA, including but not limited to failure of Business Associate to perform its obligations under this BAA, or to comply with HIPAA or applicable state privacy or security law.

- 5.6. **Legal Actions.** Promptly, but no later than ten (10) calendar days after notice thereof, Business Associate shall advise Covered Entity of any actual, proceeding, regulatory or governmental orders or actions, or any material threat thereof that becomes known to it that may affect the interests of Covered Entity or jeopardize this BAA, and of any facts and circumstances that may be pertinent to the prosecution or defense of any such actual or potential legal action or proceeding, except to the extent prohibited by law.
- 5.7. **Notice of Request or Subpoena for Data.** Business Associate agrees to notify Covered Entity promptly, but no later than ten (10) calendar days after Business Associate's receipt of any request or subpoena for PHI or an accounting thereof. Business Associate shall promptly comply with Covered Entity's instructions for responding to any such request or subpoena, unless such Covered Entity instructions would prejudice Business Associate. To the extent that Covered Entity decides to assume responsibility for challenging the validity of such request, Business Associate agrees to reasonably cooperate with Covered Entity in such challenge. The provisions of this Section shall survive the termination of this BAA.
- 5.8. **Requests from Secretary.** Promptly, but no later than ten (10) calendar days after notice thereof, Business Associate shall advise Covered Entity of any inquiry by the Secretary concerning any actual or alleged violation of the Privacy Rule or the Security Rule.
- 5.9. **Notices.** Any notices to be delivered hereunder shall be delivered to the addresses set forth in and consistent with the requirements for delivery contained in, the Services Agreement; provided, that a copy of any notice to Business Associate hereunder shall also be delivered to: DaVita Inc., 2000 16th Street, Denver, CO 80202, Attention: Privacy Office, and to Privacy@davita.com. Notice shall be in writing and shall be deemed effective when personally delivered or, if mailed, three (3) calendar days after the date deposited in the United States mail, first class, postage prepaid, to the addressee at its current business address.
- 5.10. **Governing Law.** All issues and questions concerning the validity, enforcement and interpretation of this BAA shall be governed by, and construed in accordance with, the laws of the state identified in the Services Agreement.
- 5.11. **Joint Preparation.** Each party (i) has participated in the preparation of this BAA; (ii) has read and understands this BAA; (iii) has been represented by counsel of its own choice in the negotiation and preparation of this BAA; and (iv) represents that this BAA is executed voluntarily and should not be construed against any party solely because it drafted some or all of this document.
- 5.12. **Severability.** Whenever possible, each provision of this BAA shall be interpreted in such manner to be effective and valid under applicable law, but if any provision of this BAA is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision in any other jurisdiction, but this BAA will be reformed, construed, and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.

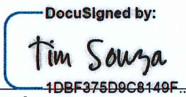
5.13. Entire Agreement. This BAA supersedes any and all prior business associate agreements and understandings related to its subject matter whether oral or written between the parties.

5.14. Independent Contractor. Nothing in this BAA shall be deemed or construed to create, any relationship between the parties hereto other than that of independent entities contracting with each other solely for the purpose of effecting the provisions of this BAA, or to create any partnership, joint venture, legal association, or other operating relationship other than that of independent contractors. The governing bodies of each party shall have exclusive control of the policies, management, assets, and affairs of their respective organization.

5.15. Disclaimer. Neither Party represents or warrants that compliance by the other Party with this BAA, HIPAA, the HIPAA Rules, or the HITECH Act will be adequate or satisfactory for the other Party’s own purposes. Each Party is solely responsible for its own decisions regarding the safeguarding of PHI.

IN WITNESS WHEREOF, the parties hereto have caused this Business Associate Agreement to be executed and delivered as of the day and year first above written.

BUSINESS ASSOCIATE:
Total Renal Care, Inc.

By:  _____
Name: Tim Souza
Title: Division Vice President
Date: April 9, 2024

COVERED ENTITY:
Kern County Hospital Authority

By: _____
Name: _____
Title: Chairman, Board of Governors
Date: April 17, 2024

APPROVED AS TO FORM:
Legal Services Department

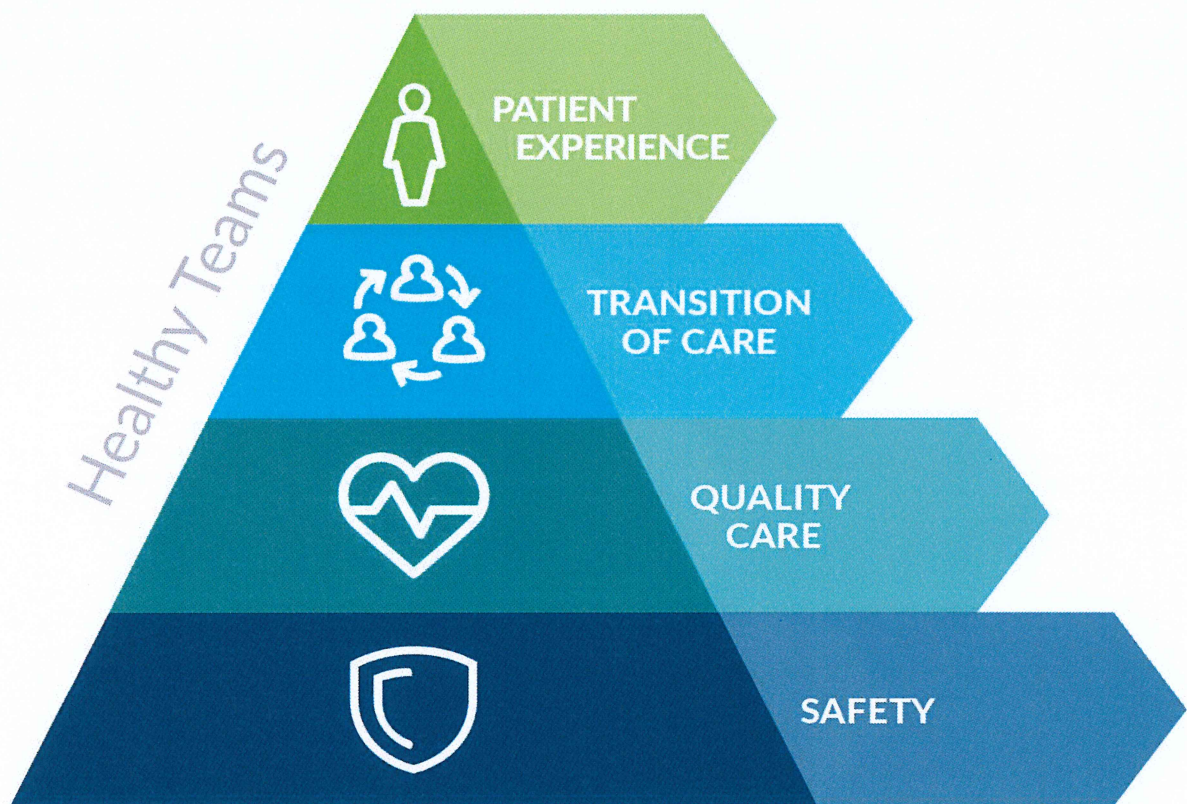
By Shannon Hochstein
Kern County Hospital Authority

Exhibit 3.11(a)
Form of Pyramid Report
[follows this page]



Patient Quality Pyramid Report

Sample Pyramid Report, April 2019





Meeting Minutes

Sample Pyramid Report

Date of Meeting April 12, 2019

Time Period Covered -

Committee Members

DaVita Hospital Services Administrator

Hospital Liaison

DaVita Regional Operations Director

Hospital Staff

DaVita Clinical Services Specialist

N/A
Medical Director (if applicable)

DaVita Biomedical Specialist

Additional Participant(s)

Additional Participant(s)

**Patient Satisfaction
Comments**

**Minutes Reviewed
from Last Meeting**

**Please note: This committee may collaborate in determining target scores for the metrics in this report, where applicable. DaVita can provide recommendations for some metrics. If incorporated, this committee should also determine rules around the use of these targets (e.g., just general guidance; number of consecutive month misses that require a plan of action, etc.)*

Minutes Submitted By:

Samantha Guess RN, BSN H.S.A.

Treatment Volumes



Total Treatment Volume

Comments

0	0	0
Oct 18	Nov 18	Dec 18

Hemodialysis - 1:1

Comments

0	0	0
Oct 18	Nov 18	Dec 18

Hemodialysis - 2:1

Comments

0	0	0
Oct 18	Nov 18	Dec 18

Peritoneal Dialysis (PD)

Comments

0	0	0
Oct 18	Nov 18	Dec 18

Continuous Renal Replacement Therapy (CRRT)

Comments

0	0	0
Oct 18	Nov 18	Dec 18

Apheresis

Comments

0	0	0
Oct 18	Nov 18	Dec 18

Safety



Treatment Procedures

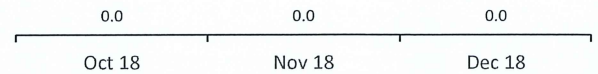
Complete orders present when DaVita teammate arrived to perform treatment

Target: 95%
% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments

Biweekly physician email sent to nephrologists. Metrics included on orders & what constitutes a complete order. Compliance is exceptional at this facility.



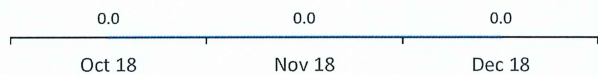
Time-Out/Safety Process per DaVita Policy & Procedures performed and documented

Target: 100%
% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments

Time-Out required per policy & procedure. Documentation per patient flowsheet reflects time out completed, however ACOI question answered incorrectly. Nurse re-educated on ACOI documentation.



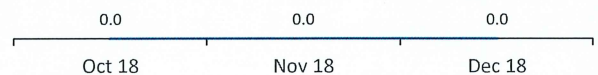
Observation of DaVita or Hospital staff adherence to Hand Hygiene procedures

% of responses: Compliant

Total Dec 18 Responses _

Plan of Action
/ Comments

See attached hand hygiene breakdown for compliance ratios.

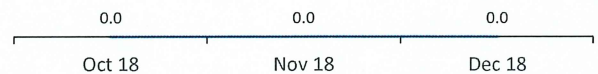


HepB Antigen Status listed "Unknown"

% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments

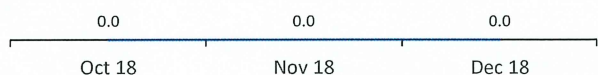


HepB Antigen Status Blank

% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments



Safety



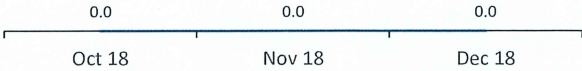
Fluid Status

Treatment terminated early due to Hypotension

% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments

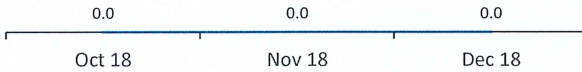


Hypotensive episode leading to a decrease in Ultrafiltration Goal

% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments

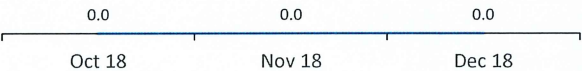


Hypotensive episode leading to Albumin administration

% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments

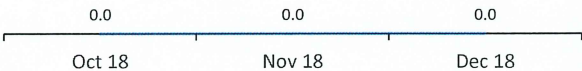


Hypotension leading to Vasopressors initiated / titrated during HD

% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments

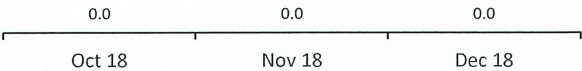


Hypotensive episode leading to Normal Saline administration

% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments



Safety



Physical Plant, Equipment & Water Cultures

Environment of Care - Physical Plant Issues/Concerns

Comments

Emergency Equipment present, complete, and functional

Yes

Comments

Hospital has processes in place to check in/out dialysis-related equipment

Yes

Comments

Preventative maintenance up-to-date on all DaVita equipment

Yes

Comments

Electrical safety tests up-to-date on all DaVita equipment

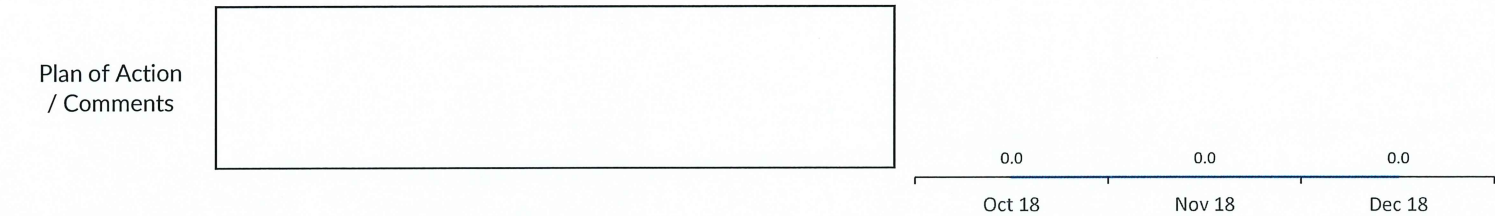
Yes

Comments

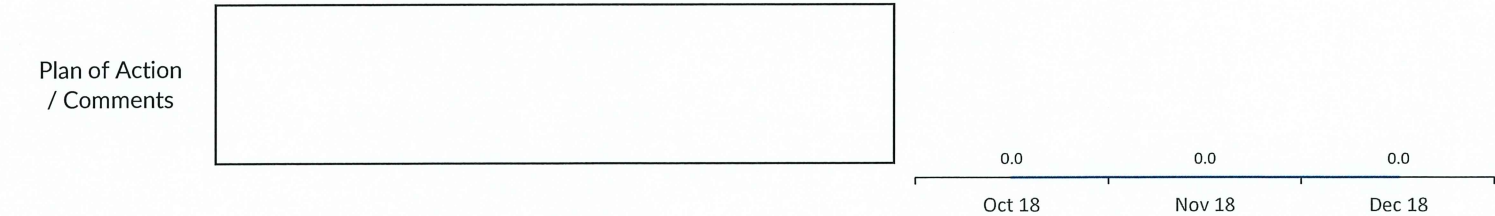
Number of Reverse Osmosis & Dialysis Delivery Systems currently on site

0

Percent of Reverse Osmosis & Dialysis Delivery Systems within acceptable culture/LAL range from *initial* sample



Percent of Reverse Osmosis & Dialysis Delivery Systems within acceptable culture/LAL range at *end of the month*





Management Indicators

Patient Safety Strategies provided by both DaVita & Hospital and reviewed by Joint Dialysis Oversight Committee (JDOC)

Comments

Emergency Policies & Plans provided by both DaVita & Hospital and reviewed by JDOC

Comments

Infection Control Policies & Plans provided by both DaVita & Hospital and reviewed by JDOC

Comments

Medication Management Policies provided by both DaVita & Hospital and reviewed by JDOC

Comments

Incapacitated Teammate Policy provided by DaVita and reviewed by JDOC

Comments

New or Updated Policies & Procedures provided by DaVita &/or Hospital and reviewed by JDOC

Comments

Both Recall or Safety Notices received by Hospital &/or DaVita Reviewed by JDOC

Comments

Adverse Occurrences reviewed, trends assessed, and DaVita plan of action in place (if necessary)

(Sentinel Events: Patient, Machine, Physical Plant, Product)

Comments

DaVita in compliance with Hospital's HR Requirements

Comments

Hospital has provided up-to-date Credentialed Physician / Nurse Practitioner List to DaVita

Comments

Physician Comments/Concerns

Comments

Quality Care



Patient Treatment

Pre-Weight performed per contract guidelines & physician orders

Target: 95%

Total Dec 18 Responses _

% of responses: Yes or N/A

Plan of Action
/ Comments

0.0 0.0 0.0

Oct 18 Nov 18 Dec 18

Post-Weight performed per contract guidelines & physician orders

Target: 95%

Total Dec 18 Responses _

% of responses: Yes or N/A

Plan of Action
/ Comments

0.0 0.0 0.0

Oct 18 Nov 18 Dec 18

Ordered Time = Run Time

Target: 98%

Total Dec 18 Responses _

% of responses: Yes

Plan of Action
/ Comments

0.0 0.0 0.0

Oct 18 Nov 18 Dec 18

Ordered Ultrafiltration Goal = Net Ultrafiltration

Target: 90%

Total Dec 18 Responses _

% of responses: Yes

Plan of Action
/ Comments

0.0 0.0 0.0

Oct 18 Nov 18 Dec 18

Pain assessed and documented prior to treatment initiation

Target: 75%

Total Dec 18 Responses _

% of responses: Yes or N/A

Plan of Action
/ Comments

0.0 0.0 0.0

Oct 18 Nov 18 Dec 18

Response to pain medication documented

Target: 95%

Total Dec 18 Responses _

% of responses: Yes or N/A

Plan of Action
/ Comments

0.0 0.0 0.0

Oct 18 Nov 18 Dec 18

Quality Care

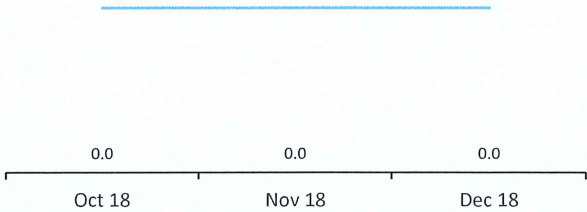


Vascular Access

Physician notified of vascular access issues ----- Target: 95%
% of responses: Yes or N/A

Total Dec 18 Responses _

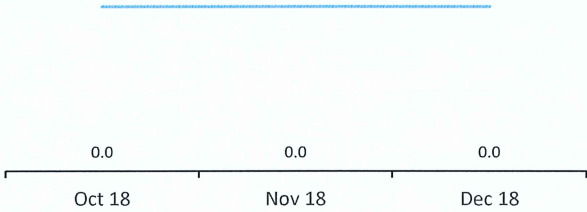
Plan of Action
/ Comments



Evidence of non-dialysis use of vascular access ----- Target: 5%
% of responses: Yes

Total Dec 18 Responses _

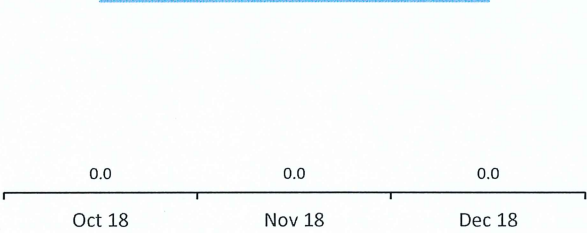
Plan of Action
/ Comments



Vascular access without signs or symptoms of infection ----- Target: 98%
% of responses: Yes

Total Dec 18 Responses _

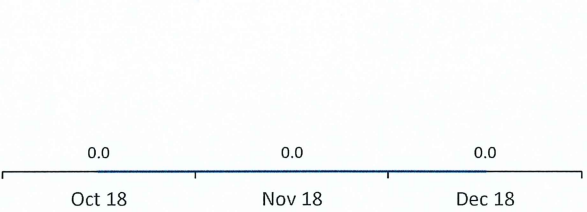
Plan of Action
/ Comments



Vascular access functional upon initial assessment ----- Target: 98%
% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments



Transition of Care

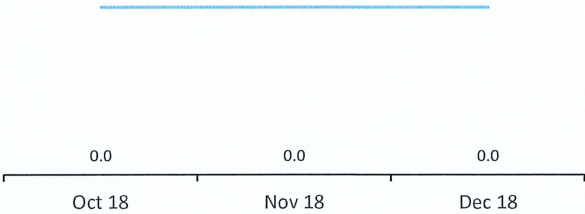


Treatment delayed due to Patient, Floor, Escort or other Departments

----- Target: 10%
% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments

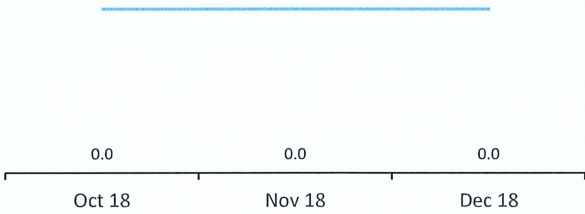


Treatment delayed due to vascular access, dialysis machine or dialysis staffing

----- Target: 10%
% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments

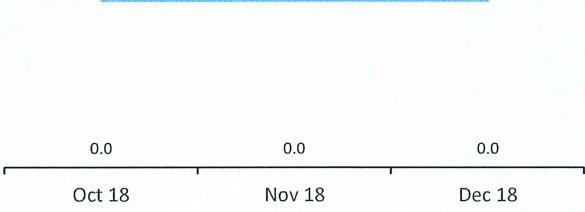


Education provided by DaVita teammate to patient and/or family and documented

----- Target: 95%
% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments

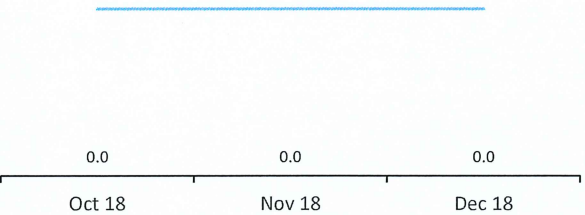


Pre treatment report provided from hospital RN to DaVita teammate

----- Target: 100%
% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments

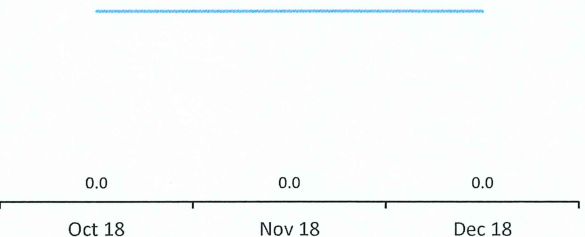


Post treatment report provided to hospital RN by DaVita teammate

----- Target: 100%
% of responses: Yes

Total Dec 18 Responses _

Plan of Action
/ Comments



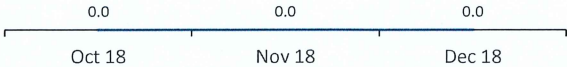
Audits & Regulatory Activity



DaVita-completed Monthly Acute Technical Audit results

% Score

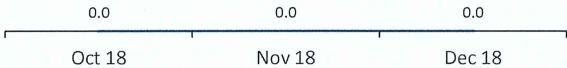
Plan of Action /
Comments



DaVita-completed Monthly meercat Audit results

% Score

Plan of Action /
Comments



DaVita-completed Annual Acute Clinical Audit (CAT) results

Score

Date

Plan of Action /
Comments

Regulatory Activity

Survey Type

Date of last survey

Survey results reviewed? N/A

Plan of Action /
Comments

Additional site-specific Review Items

Comments

Exhibit 3.11(b)
Key Performance Indicators (KPI's)

Metric	Metric Definition	Target Performance Threshold (specific # selected by ops)	Measurement	Frequency
Time Out	% of time outs performed prior to each HD treatment per Company P&P as reported in the ACOI data	95%	Based on 100% of the HD treatments as reported via the ACOIs	Monthly on Pyramid Report
Hand Hygiene	% of hand hygiene observations of Company Staff that are hand hygiene compliant as reported in the monthly hand hygiene audits	90%	Based on observation threshold of ≥ 30 hand hygiene observations submitted via hand hygiene audit app	Monthly on Pyramid Report
Patient Education	% of HD treatments where education was provided to patient and/or family and documented, or education was documented as not appropriate for that treatment	93%	Based on ACOI data	Monthly on Pyramid Report
Water & Dialysate Quality Testing	% of reverse osmosis and dialysis delivery systems within acceptable culture/LAL range at end of month per Company P&P	92%	Based on DaVita lab data of final results in the month	Monthly on Pyramid Report
Pre- and post-treatment report	Pre- and post-treatment report is completed for every HD treatment as reported in the ACOI data	93%	Based on ACOI data	Monthly on Pyramid Report
Preventive maintenance	% of machines with Preventative Maintenance that is current by month end	93%	Based on BART data of 100% of machines in service	Monthly on Pyramid Report

Beginning with the first day of the first calendar quarter following the Effective Date, Company will measure these KPI's as specified in the frequency column, and report on each of these KPI's to Hospital at the next quarterly JDOC for the prior quarter in accordance with Section 3.11(b).

EXHIBIT "D"

INSURANCE

With respect to performance of work under this Agreement, Company shall maintain insurance as described below unless such insurance has been expressly waived in writing by KCHA. Any requirement for insurance to be maintained after completion of the work shall survive the termination or expiration of this Agreement.

. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Company from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement. Company reserves the right to self-insure for any or all of the coverages listed in this Exhibit C.

1. Workers' Compensation and Employers Liability Insurance:

- (a) Required if Company has employees. If Company currently has no employees, Company's written confirmation of such will be required before execution of this Agreement. If Company engages any employees during the term of this Agreement or any extensions thereof, Company agrees to obtain the specified Workers' Compensation and Employers Liability insurance.
- (b) Workers' Compensation insurance with statutory limits as required by the California Labor Code.
- (c) Employers Liability with limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- (d) Waiver of Subrogation: The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of KCHA for all work performed by Company, its employees, agents and subcontractors.
- (e) Required Evidence of Insurance: Certificate of Insurance.

2. General Liability Insurance:

- (a) Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
- (b) Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Umbrella Liability Insurance.
- (c) If Company has no Owned automobiles, the General Liability policy shall include Non-Owned and Hired Automobile Liability in the amount of \$1,000,000 combined single limit per accident.
- (d) KCHA shall be named as an additional insured for liability arising out of operations by or on behalf of Company in the performance of this Agreement. See section 6 below for full Additional Insured wording.
- (e) The insurance provided to KCHA as an additional insured shall be primary to and non-contributory with any insurance or self-insurance program maintained by KCHA.

- (f) The policy definition of “insured contract” shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the “f” definition of insured contract in ISO form CG 00 01, or equivalent).
- (g) The policy shall cover inter-insured suits between KCHA and Company and include a “separation of insureds” or “severability” clause, which treats each insured separately.
- (h) Required Evidence of Insurance: (i) Copy of the additional insured endorsement or policy language granting additional insured status; and (ii) Certificate of Insurance.

3. Automobile Liability Insurance:

- (a) Minimum Limits: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (b) Insurance shall apply to all Owned autos. If Company currently owns no autos, Company agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions thereof.
- (c) Insurance shall include coverage for Non-Owned and Hired autos. (See requirements in section 1(c) above if there is no separate Automobile Liability coverage.)
- (d) KCHA shall be named as an additional insured for liability arising out of operations by or on behalf of Company in the performance of this Agreement. See section 6 for full Additional Insured wording.
- (e) Required Evidence of Insurance: Certificate of Insurance.

4. Professional Liability Insurance (Errors and Omissions):

- (a) Professional Liability Insurance (Errors and Omissions) appropriate to Company’s profession.
- (b) Minimum Limits: \$1,000,000 per Occurrence or Claim; \$3,000,000 Annual Aggregate.
- (c) Any deductible or self-insured retention shall be shown on the Certificate of Insurance. Company is responsible for any deductible or self-insured retention.
- (d) Required Evidence of Coverage: Certificate of Insurance.

5. Standards for Insurance Companies: Insurers shall have an A.M. Best’s rating of at least A;VII.

6. Additional Insured Wording: “**Kern County Hospital Authority, its officers, officials, employees and volunteers**” are to be named as Additional Insureds as per each section where noted above.

7. Claims Made Policies: If any of the required policies provide coverage on a claims-made basis:

- (a) The Retroactive Date must be shown and must be before the Effective Date of the Agreement or the beginning of contract work.
- (b) Insurance must be maintained and evidence of insurance must be provided *for at least three (3) years after completion of the contract work.*

- (c) If coverage is canceled or non-renewed, and *not replaced with another claims-made policy form with a Retroactive Date* prior to the contract effective date, Company must purchase “extended reporting” coverage for a minimum of *three (3) years* after completion of the contract work.

8. Documentation:

- (a) The Certificate of Insurance must include the following reference: “**Agreement for Professional Services – Master Facility Plan.**”
- (b) All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Company agrees to maintain current Evidence of Insurance on file with KCHA for the entire term of this Agreement and any additional periods if specified in sections 1, 2, 3 or 4 above.
- (c) The name and address for the Certificates of Insurance and Additional Insured endorsements is: Kern County Hospital Authority, c/o Kern Medical Center, 1700 Mount Vernon Avenue, Bakersfield, California 93306.
- (d) Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least 10 days before expiration or other termination of the existing policy.
- (e) Company shall provide immediate written notice if: (i) any of the required insurance policies is terminated; (ii) the limits of any of the required policies are reduced; or (iii) the deductible or self-insured retention is increased.
- (f) Upon written request, certified copies of required insurance policies must be provided to KCHA within 30 days.

9. Policy Obligations: Company’s indemnity and other obligations shall not be limited by the foregoing insurance requirements.

10. Primary Coverage: For any claims related to this Agreement, Company’s insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects KCHA, its officers, directors, officials, employees, and volunteers. Any insurance or self-insurance maintained by KCHA, its officers, directors, officials, employees, or volunteers shall be excess of Company’s insurance and shall not contribute with it.

11. Waiver of Subrogation: Solely with respect to general liability, workers’ compensation and automobile insurance coverages specified herein, Company hereby grants to KCHA a waiver of any right to subrogation, which any insurer of said Company may acquire against KCHA by virtue of the payment of any loss under such insurance. Company agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not KCHA has received a waiver of subrogation endorsement from the insurer.

12. Material Breach: If Company fails to maintain the insurance required by this Agreement, it shall be deemed a material breach of this Agreement subject to cure in accordance with the Agreement.

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Signatures: 2

Envelope Originator:

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Initials: 0

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2000 16th Street

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Denver, CO 80202

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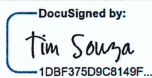
Tim Souza

Timothy.Souza@davita.com

Division Vice President

Security Level: Email, Account Authentication
(None)**Signature**

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Tabitha Kennedy

Tabitha.Kennedy@davita.com

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Security Checked

4/9/2024 4:58:09 PM

Completed

Security Checked

4/9/2024 4:58:12 PM

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Electronic Record and Signature Disclosure		

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From time to time, DaVita (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

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At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact DaVita:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: jarvis@davita.com

To advise DaVita of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at jarvis@davita.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from DaVita

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to jarvis@davita.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with DaVita

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to jarvis@davita.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

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The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

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To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify DaVita as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by DaVita during the course of your relationship with DaVita.



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

April 17, 2024

Subject: Proposed retroactive Resolution Revising the Extension of Excess Medical Professional Liability Coverage to Kern Medical Employed and Independent Contractor Physicians

Recommended Action: Approve; Adopt Resolution

Summary:

Kern County Hospital Authority provides professional liability coverage in the form of indemnification for all claims relating to the professional medical services rendered on behalf of the Authority; provided, however, that the indemnification does not extend to any services rendered at any location other than Kern Medical Center and its affiliated practice sites without approval of your Board. Effective July 1, 2022, the Authority has self-insured the first \$2,000,000 per medical incident or occurrence and has purchased umbrella coverage of \$25,000,000 in excess of the self-insured retention through MagMutual Insurance Company.

On March 15, 2023, your Board adopted Resolution No. 2023-003, which revised the extension of excess professional liability coverage to Kern Medical employed and independent contractor physicians at specific authorized off-site locations. Kern Medical is recommending the following be added to the list of authorized off-site locations to facilitate the provision of on-site medical care to homeless patients: 1) City of Bakersfield Emergency Homeless Shelter (a/k/a Mercy House: Brundage Lane Navigation Center); and 2) Kern County M Street Navigation Center.

Extending excess medical professional liability coverage to employed and independent contractor physicians at these additional off-site locations will allow Kern Medical to further its mission of maintaining and improving the health of all county residents and continue to build its reputation as a hospital of excellence. There is no added cost to the Authority's medical professional liability program to extend the requested coverage.

The Authority will administer/submit claims, if any, in excess of the \$2,000,000 self-insured retention to CNA, the Authority's excess medical professional liability carrier.

Therefore, it is recommended that your Board retroactively approve the recommendation and adopt the attached resolution revising the extension of excess medical professional liability coverage for employed and independent contractor physicians, when providing professional medical services on behalf of Kern Medical Center at the facilities listed in the resolution, effective May 18, 2020.

**BEFORE THE BOARD OF GOVERNORS
OF THE KERN COUNTY HOSPITAL AUTHORITY**

In the matter of:

Resolution No. 2024-____

**REVISED EXTENSION OF EXCESS MEDICAL
PROFESSIONAL LIABILITY COVERAGE
FOR KERN COUNTY HOSPITAL AUTHORITY
EMPLOYED AND INDEPENDENT
CONTRACTOR PHYSICIANS**

I, MONA A. ALLEN, Authority Board Coordinator for the Kern County Hospital Authority, hereby certify that the following Resolution, on motion of Director _____, seconded by Director _____, was duly and regularly adopted by the Board of Governors of the Kern County Hospital Authority at an official meeting thereof on the 17th day of April, 2024, by the following vote, and that a copy of the Resolution has been delivered to the Chairman of the Board of Governors.

AYES:

NOES:

ABSENT:

MONA A. ALLEN
Authority Board Coordinator
Kern County Hospital Authority

Mona A. Allen

RESOLUTION

Section 1. WHEREAS:

(a) The Kern County Hospital Authority (“Authority”) provides professional liability coverage in the form of indemnification for all claims relating to the services rendered on behalf of the Authority; provided, however, that the indemnification does not extend to any services rendered at any location other than Kern Medical Center and its affiliated clinics without approval of the Board of Governors; and

(b) On June 22, 2016, the Board of Governors adopted Resolution No. 2016-012, which extended excess professional liability coverage to Kern Medical Center employed and independent contractor physicians at specific authorized off-site locations; and

(c) On September 21, 2016, the Board of Governors adopted Resolution No. 2016-018, which revised the extension of excess professional liability coverage to include Millennium Surgery Center, Physicians Plaza Surgical Center, Northwest Surgery Center, and Southwest Surgical Center to the list of authorized off-site locations; and

(d) On March 21, 2018, the Board of Governors adopted Resolution No. 2018-004, which revised the extension of excess professional liability coverage to include Southern California Orthopedic Institute, Bakersfield Specialists Surgical Center, LLC, and Kern Medical Surgery Center, LLC to the list of authorized off-site locations; and

(e) On August 21, 2019, the Board of Governors adopted Resolution No. 2019-010, which revised the extension of excess professional liability coverage to include DaVita Casa Del Rio Ht at Home, DaVita Bakersfield Dialysis Center, and DaVita Northeast Dialysis to the list of authorized off-site locations; and

(f) On January 20, 2021, the Board of Governors adopted Resolution No. 2021-002, which revised the extension of excess professional liability coverage to include Omni Family Health to the list of authorized off-site locations; and

(g) On September 21, 2022, the Board of Governors adopted Resolution No. 2022-019, which revised the extension of excess professional liability coverage to include Adventist Health Physicians Network to the list of authorized off-site locations; and

(h) On March 15, 2023, the Board of Governors adopted Resolution No. 2023-003, which revised the extension of excess professional liability coverage to include Empire Eye and Laser Center, Inc., to the list of authorized off-site locations; and

(i) Kern Medical Center is recommending the following be added to the list of authorized off-site locations to facilitate the provision of on-site medical care to homeless patients: 1) City of Bakersfield Emergency Homeless Shelter (a/k/a Mercy House: Brundage Lane Navigation Center), located at 1900 East Brundage Lane, Bakersfield, California 93307; and 2) Kern County M Street Navigation Center, located at 2900 M Street, Bakersfield, California 93301; and

(j) Extending excess medical professional liability coverage to employed and independent contractor physicians at this additional off-site location will enable the physicians to generate additional revenue for Kern Medical Center and will provide Kern Medical Center the opportunity to care for patients and continue to build its reputation as a hospital of excellence; and

(k) The Authority has self-insured the first \$2,000,000 per medical incident or occurrence and has purchased umbrella coverage of \$25,000,000 in excess of the self-insured retention, effective July 1, 2022; and

(l) There is no added cost to the Authority's medical professional liability program to extend the requested coverage to this off-site location; and

(m) The Authority will administer/submit claims, if any, in excess of the self-insured retention to MagMutual Insurance Company, the Authority's excess medical professional liability carrier.

Section 2. NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Governors of the Kern County Hospital Authority, as follows:

1. This Board finds the facts recited herein are true, and further finds that this Board has jurisdiction to consider, approve, and adopt the subject of this Resolution.

2. This Board finds the best interests of the Authority shall be served by extending excess medical professional liability coverage to Kern Medical Center employed and independent contractor physicians at the following authorized off-site locations:

- (a) Comprehensive Blood and Cancer Center;
- (b) Mercy Hospital;
- (c) Bakersfield Memorial Hospital;
- (d) Adventist Health Bakersfield;
- (e) Bakersfield Heart Hospital;
- (f) Millennium Surgery Center;
- (g) Physicians Plaza Surgical Center;
- (h) Northwest Surgery Center;
- (i) Southwest Surgery Center;
- (j) Bahamas Surgery Center;
- (k) Clinica Sierra Vista;
- (l) Southern California Orthopedic Institute;
- (m) Bakersfield Specialists Surgical Center, LLC;
- (n) Kern Medical Surgery Center, LLC;
- (o) Kern County owned and operated correctional facilities;
- (p) Kern County Behavioral Health and Recovery Services;
- (q) DaVita Casa Del Rio Ht at Home;
- (r) DaVita Bakersfield Dialysis Center;
- (s) DaVita Northeast Dialysis;
- (t) Omni Family Health;
- (u) Adventist Health Physicians Network;
- (v) Empire Eye and Laser Center, Inc.;
- (w) City of Bakersfield Emergency Homeless Shelter;
- (x) Kern County M Street Navigation Center; and
- (y) Facilities owned or leased and operated by the Authority.

3. The provisions of this Resolution shall be effective, in force, and operative as of the 18th day of May, 2020.

4. Resolution No. 2023-003, adopted by the Board of Governors on March 15, 2023, is hereby repealed and superseded by this Resolution.

5. The Authority Board Coordinator shall provide copies of this Resolution to the following:

Kern Medical Center
Chief Executive Officer
Chief Financial Officer
Chief Medical Officer
Chief Ambulatory and Outreach Officer
Vice President, Strategic Development
Legal Services Department
Risk Manager
MagMutual Insurance Company
Alliant Insurance Services, Inc.



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

April 17, 2024

Subject: Proposed retroactive Enhanced Care Management / Community Supports Provider Agreement with the Medicaid Division Blue Cross of California doing business as Anthem Blue Cross and Affiliates, containing nonstandard terms and conditions

Recommended Action: Approve; Authorize Chief Executive Officer to sign

Summary:

Kern Medical requests your Board retroactively approve the proposed Enhanced Care Management Care / Community Supports Provider Agreement with Blue Cross of California, containing nonstandard terms and conditions, for recuperative care services for Medi-Cal beneficiaries enrolled in Anthem's Medi-Cal managed care program. The Agreement is for an initial term of one (1) year, effective April 5, 2024, and will continue thereafter unless either party gives 120 days' prior written notice of termination.

Pursuant to Health and Safety Code section 101855(f), those records of the hospital authority that reveal the authority's rates of payment for health care services arranged or provided by the authority or its deliberative processes, strategies, discussions, communications, or any other portion of the negotiations with providers of health care services or Medi-Cal, health care plans, or other payers for rates of payment, shall not be required to be disclosed pursuant to the California Public Records Act (Gov. Code, § 7920.000 et seq.), or any similar local law requiring the disclosure of public records.

Counsel is unable to approve the Agreement as to form. The Agreement requires the parties to settle disputes via arbitration in lieu of seeking relief through the judicial system. Staff attempted to negotiate the non-standard term to no avail.

Therefore, it is recommended that your Board approve the Enhanced Care Management / Community Supports Provider Agreement with the Medicaid Division of Blue Cross of California doing business as Anthem Blue Cross and Affiliates, containing nonstandard terms and conditions, for recuperative care services to Medi-Cal beneficiaries enrolled in Anthem's Medi-Cal managed care program for an initial term of one year from April 5, 2024 through April 4, 2025, and authorize the Chief Executive Officer to sign.

Kern County Hospital Authority
Board of Governors
Regular Meeting
04.17.24
Agenda Item 21

CONFIDENTIAL

**NOT FOR PUBLIC DISCLOSURE
HEALTH AND SAFETY CODE
SECTION 101855(f)**



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

April 17, 2024

Subject: Report on referral to staff to address retroactive contracts and develop a process to minimize the placement of such contracts on future agendas

Recommended Action: Receive and File

Summary:

On March 20, 2024, your Board made a referral to staff to address retroactive contracts and develop a process to minimize the placement of such contracts on future agendas. The following responds to that request.

New prospective internal controls to mitigate the need to process contract agreements retroactively:

- Management will implement an initiative within the PeopleSoft procurement to payment software that will insert vendor contract terms, including maximum payable dollar amounts and termination dates. This process will add greater visibility to contracts that are expiring and have or are about to reach the maximum payable for that vendor. If the contract has expired or the contract maximum payable reached, payments will not be made until a new contract or amendment is in place.
- On a regular basis, the contract database will be reconciled with the contract terms in the procurement to payment PeopleSoft software to mitigate any additional risk.
- Management will implement a reconciliation process to include employment contract terms within the payroll software system. This initiative within the UKG payroll software will include contract terms, including maximum payable dollar amounts and termination dates. On a regular basis, the contract database will be reconciled with the payroll roster to ensure accuracy and address areas of risk.
- Review actionable agreements at Executive Team meetings.
- A follow up report to the Board will be given in approximately six months.



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

April 17, 2024

Subject: Kern County Hospital Authority Chief Financial Officer Report – February 2024

Recommended Action: Receive and File

Summary:

Kern Medical Operations:

Kern Medical key performance indicators:

- Operating gain of \$105,539 for February is \$93,238 more than the February budget of \$12,301 and \$46,085 more than the \$59,454 average over the last three months
- EBIDA of \$1,913,344 for February is \$797,674 more than the February budget of \$1,115,670 and \$416,646 more than the \$1,496,698 average over the last three months
- Average Daily Census of 173 for February is 11 more than the February budget of 162 and 13 more than the 160 average over the last three months
- Admissions of 758 for February are 23 less than the February budget of 781 and 87 less than the 845 average over the last three months
- Total Surgeries of 495 for February are 44 more than the February budget of 451 and 18 more than the 477 average over the last three months
- Clinic Visits of 18,956 for February are 3,477 more than the February budget of 15,479 and 2,154 more than the 16,802 average over the last three months. The total includes 66 COVID-19 vaccination visits

The following items have budget variances for the month of February 2024:

Patient Revenue:

Gross patient revenue has a 15% favorable budget variance for the month and a 8% favorable variance on a year-to-date basis. The large variance is mainly due to a 3.2% charge master price increase that became effective on July 1, 2023. Kern Medical expects strong patient census levels and consistently high gross patient revenue for FY 2024.

Indigent Funding Revenue:

Indigent funding has a favorable budget variance for the month and on a year-to-date basis. Adjustments have been posted to true-up FY 2024 Rate Range Intergovernmental Transfer (IGT) funding based on favorable changes in estimates for this program. In addition, additional revenue has been recognized based on a favorable change in estimate for the FY 2015 Medi-Cal waiver settlement. The year-to-date favorable variance is also due to adjustments posted to true-up FY 2023 Correctional Medicine revenue and to adjust FY 2024 Correctional Medicine revenue based on a reconciliation of costs for these services.

Other Operating Revenue:

Kern Medical is under budget for other operating revenue for the month and on a year-to-date basis. Items such as medical education funding, grants, and Proposition 56 funding are received quarterly or otherwise periodically. Therefore, actual monthly revenue compared to the budget will fluctuate throughout the year.

Other Non-Operating Revenue:

Other non-operating revenue is under budget for the month. On a year-to-date basis, there is a favorable budget variance due to the receipt of \$64 thousand of COVID-19 employee retention funds in July 2023. The COVID-19 retention bonuses were paid out to employees in July and were included in salaries expense.

Salaries Expense:

Salaries expense is \$15.8 million over budget on a year-to-date basis because of several factors including:

- A decrease in nurse registry expense corresponds with an increase in salary expense for nursing.
- Management and administrative positions previously filled by Meridian Healthcare Partners and by Cantu Management were hired by Kern Medical and became full-time employees of the hospital. These staff members fill the same administrative and management positions as before, but now as salaried employees of Kern Medical. A corresponding decrease in other professional fees contracted services offsets this shift in personnel.

Nurse Registry Expense:

Nurse registry expense is 1% under budget for the month and 12% under budget year-to-date. Kern Medical has substantially decreased its usage of contract nurse services. In addition, the hourly rates charged by the staffing agencies that provide registry nurse services are significantly lower than at various COVID-related peaks. Staffing agencies were charging higher-than-average costs per hour due to high demand for nursing staff during the pandemic. Kern Medical plans to continue its need for registry services as appropriate to staff for patient needs.

Medical Fees:

Medical fees are 17% over budget for the month and 10% over budget on a year-to-date basis because of higher-than-average monthly fees paid to Regional Anesthesia Associates and to Acute Care Surgery Medical Group.

Other Professional Fees:

Other professional fees have a favorable budget variance for the month and on a year-to-date basis. Prior to September 2023, Kern Medical administrative and management positions were filled by Meridian Healthcare Partners and by Cantu Management Group. These Meridian and Cantu positions were hired by Kern Medical and became full-time employees of the hospital. These staff members fill the same administrative and management positions as before, but now as salaried employees of Kern Medical. Therefore, throughout FY 2024 other professional fees will be under budget. However, this favorable budget variance will be offset by a corresponding increase in salaries and benefits expenses.

Supplies Expense:

Supplies expense is under budget for the month and on a year-to-date basis due to lower-than-average costs for pharmaceuticals and for general medical supplies.

Purchased Services:

Purchased services are under budget for the month because of a less than average amount of out-of-network costs for health care services provided by outside providers for Kern Medical patients. On a year-to-date basis, higher-than-average expenses for resident education expenses contribute to the unfavorable budget variance.

Other Expenses:

Other expenses are over budget for the month because of annual dues payments to the California Association of Public Hospitals and America's Essential Hospitals. Other expenses are at the budgeted dollar amount on a year-to-date basis.

Interest Expense:

Interest expense is over budget month-to-date and year-to-date due to higher than anticipated certificate of participation (COP) bond interest. In addition, a change in the treatment of accounting for leases under GASB 87 was implemented in 2022 and 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. The decrease in lease expense under the other expenses section of the income statement is offset by increases in amortization expense and in interest expense.

Depreciation and Amortization Expense:

Depreciation and amortization expenses are over budget for the month and on a year-to-date basis because of the implementation of GASB 87. Please see the interest expense section of this memo for an explanation of how leases are accounted for under GASB 87 and how it may affect amortization expense.

Balance Sheet: Long-Term Liabilities:

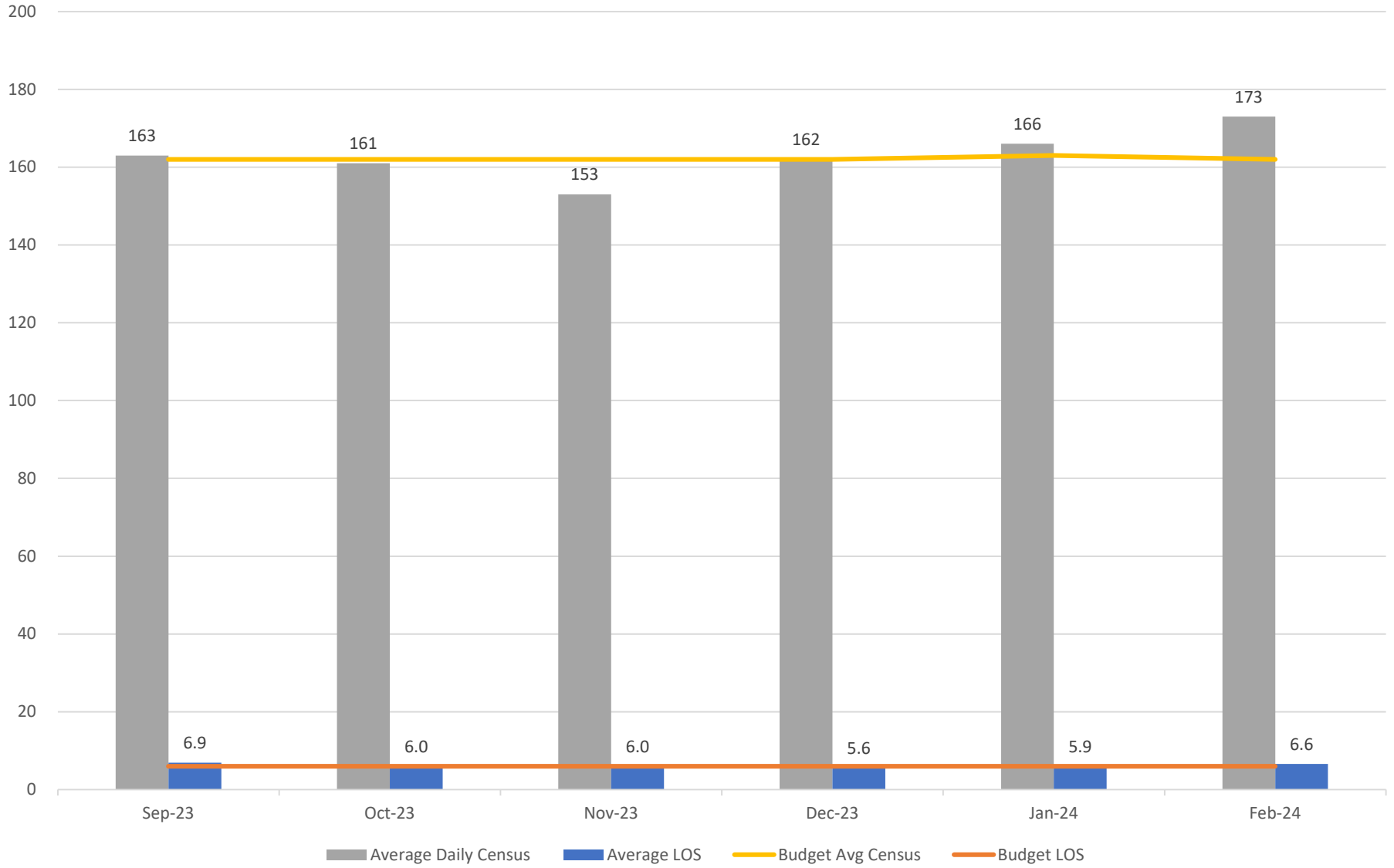
Kern Medical's FY 2023 financial statements audit was completed in January 2024 and the FY 2023 reporting period was closed. The resulting adjustments for long-term liabilities made after fiscal year-ended June 30, 2023 are now reflected in the monthly balance sheet reporting for FY 2024. Among the entries is a \$61.2 million unfavorable accounting adjustment for the unfunded pension obligation. The adjustment is supported by the year-end actuarial report received from KCERA that was based on market conditions at the time the report was compiled. This accounting adjustment does not alter financial profitability or cash position.

In addition to the unfavorable change for the unfunded pension liability, other-long term liabilities reported for February 2024 total \$81,830,738, up from the prior year amount of \$76,191,211. The unfavorable change is due in part to an \$4.9 million unfavorable change in right-of-use liabilities to comply with the new GASB 87 rules for lease accounting referenced under the interest expense section of this memo.

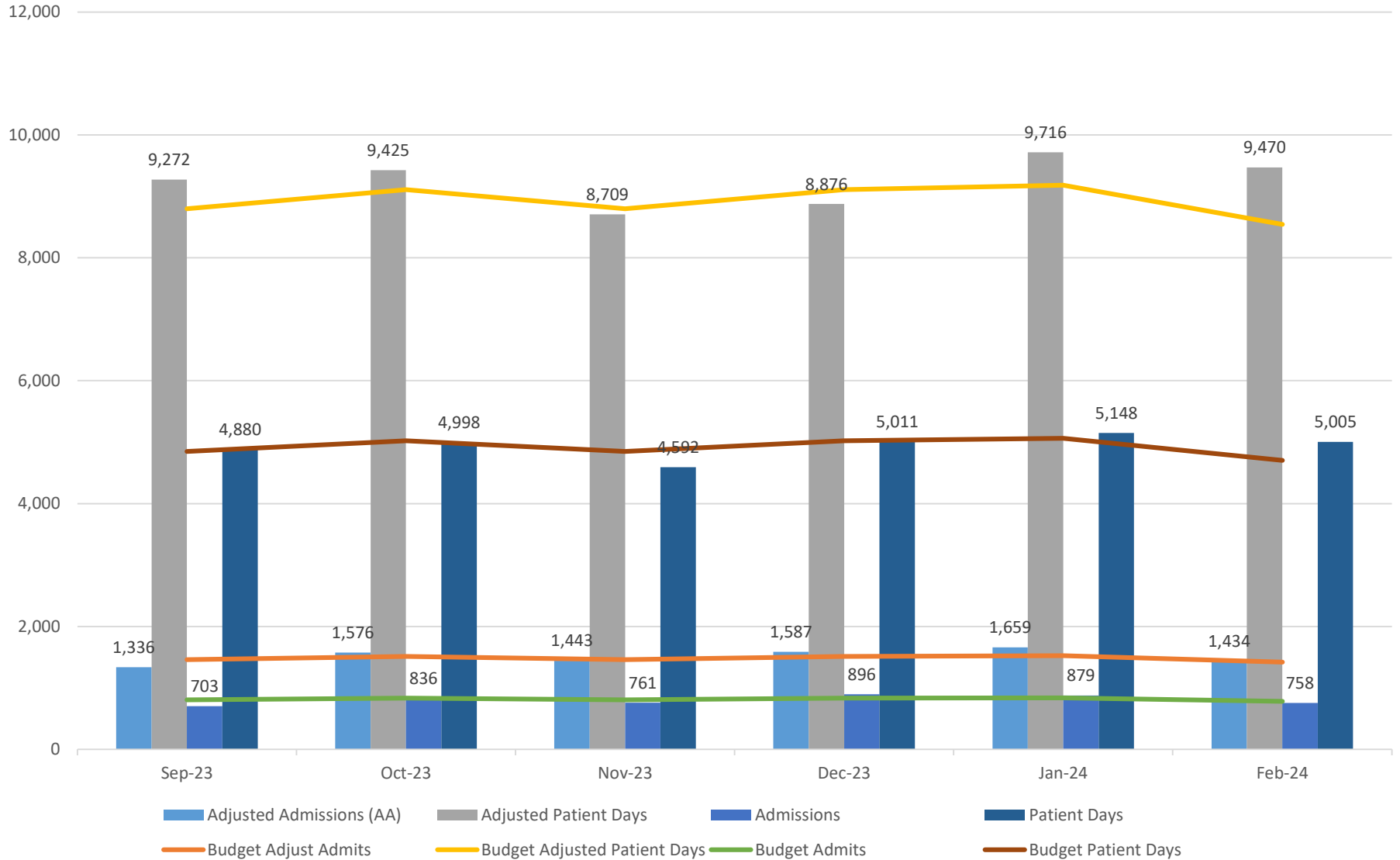


BOARD OF GOVERNORS' REPORT KERN MEDICAL – FEBRUARY 2024

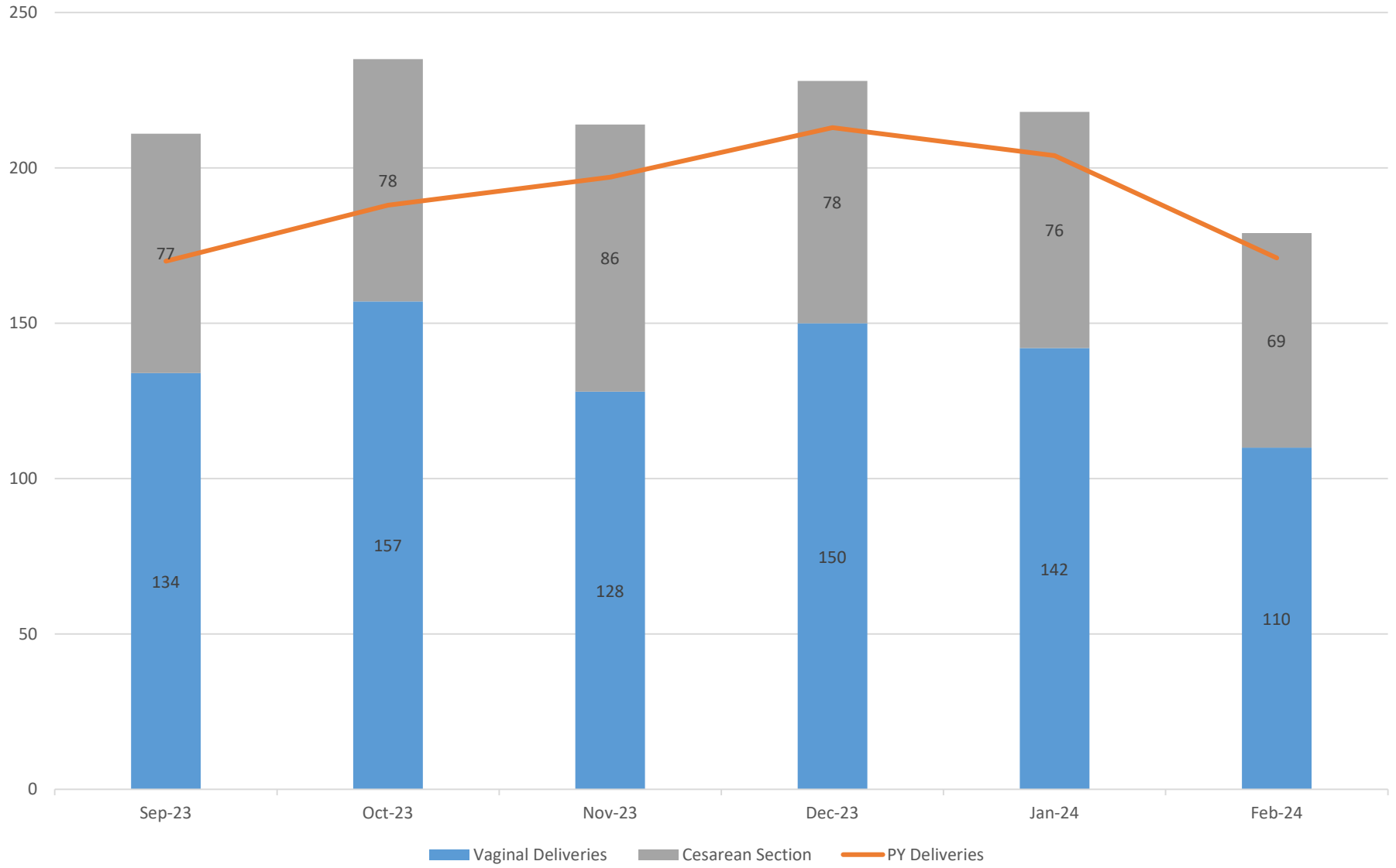
Census & ALOS



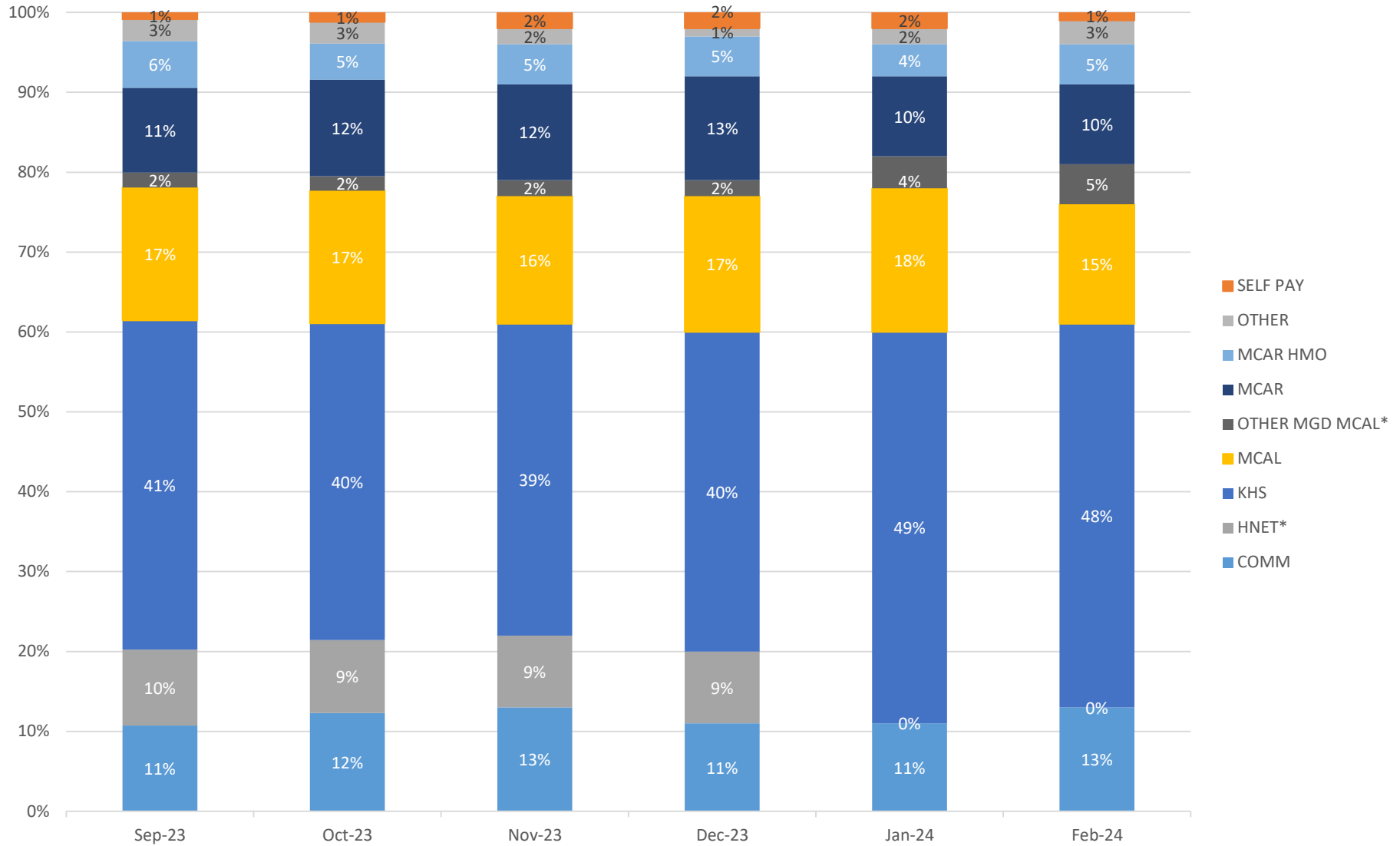
Hospital Volumes



Deliveries

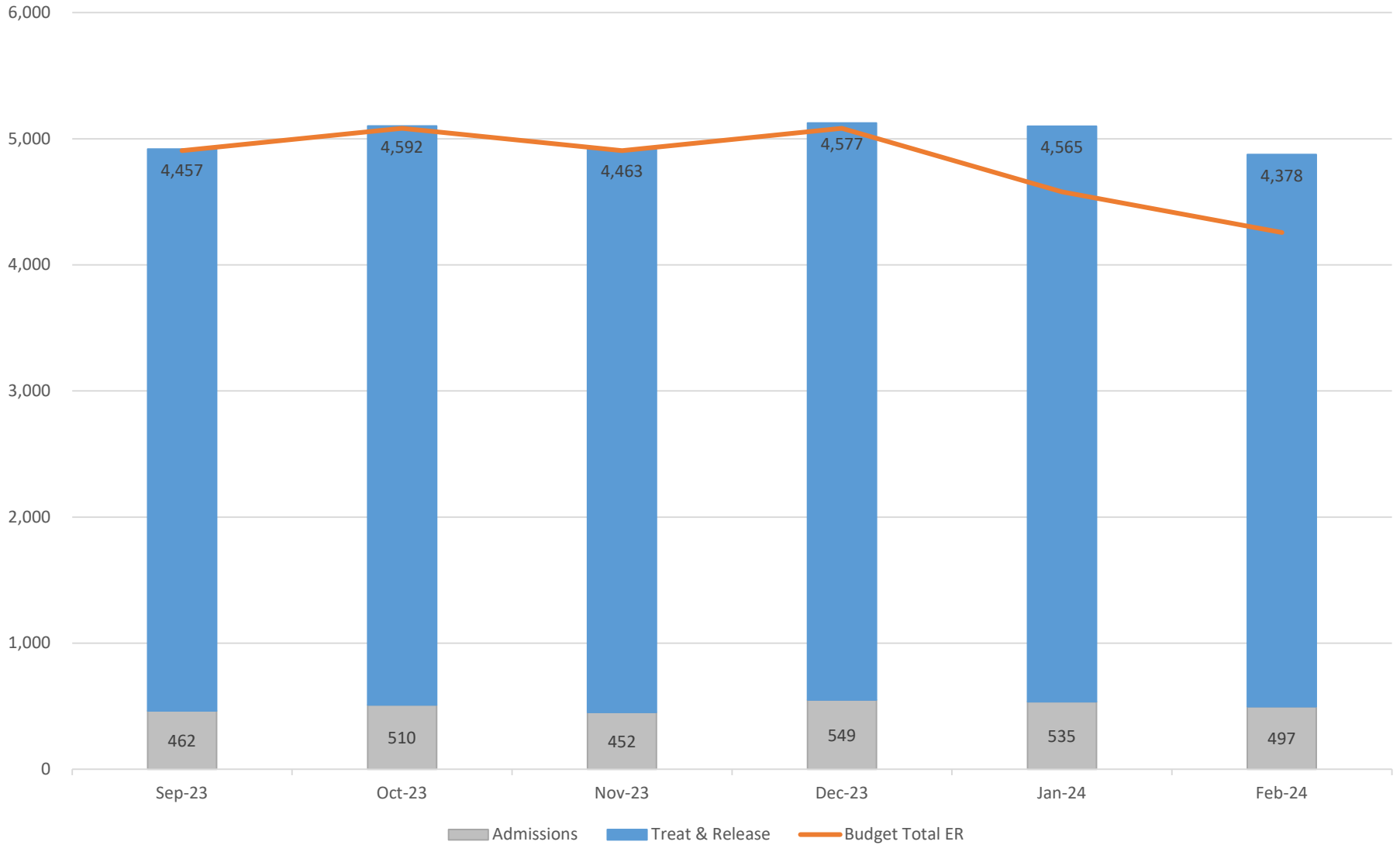


PAYER MIX

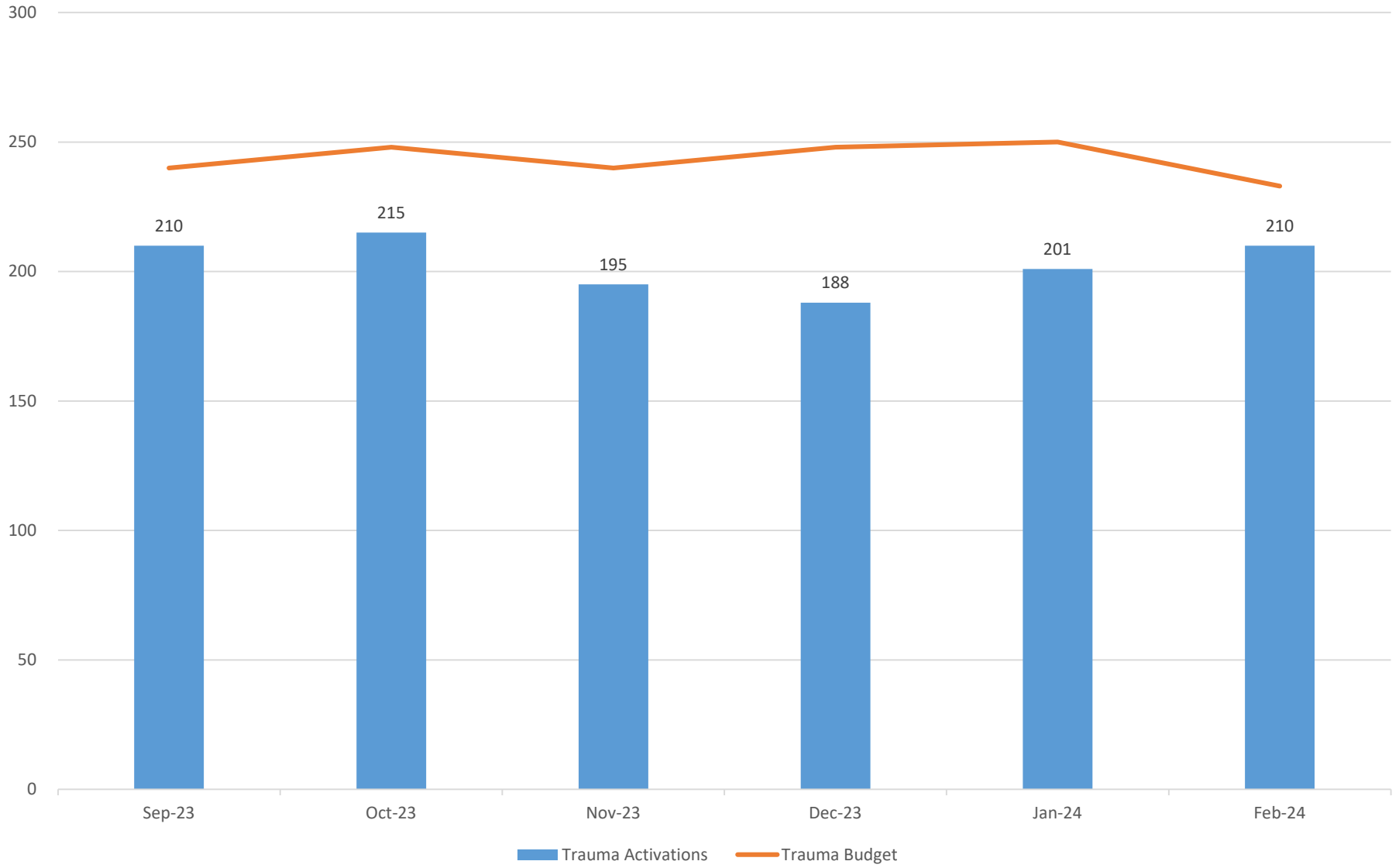


*Indicates change in plans HNET transitioning to Other MGD MCAL starting Jan 1, 2024

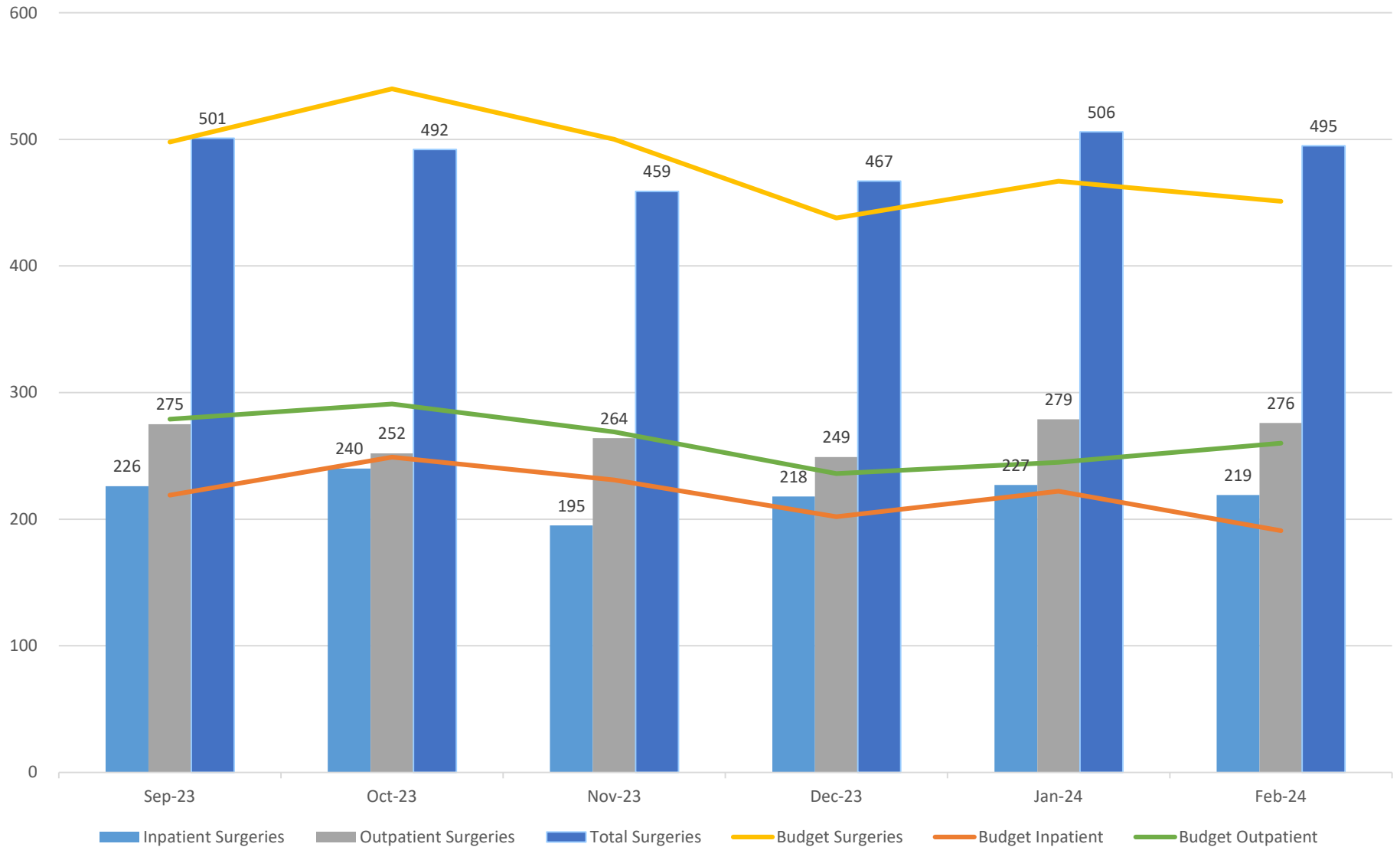
Emergency Room Volume



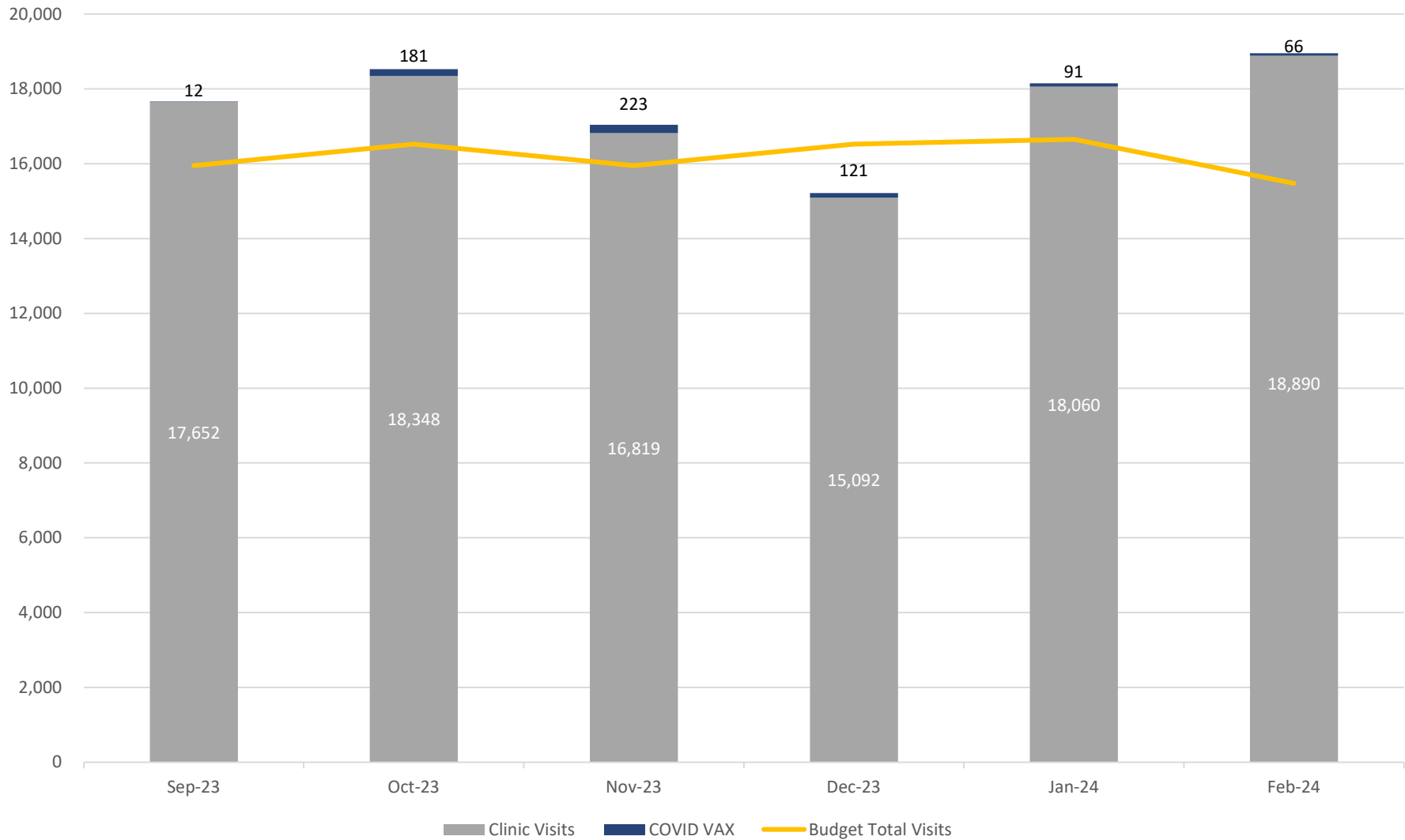
Trauma Activations



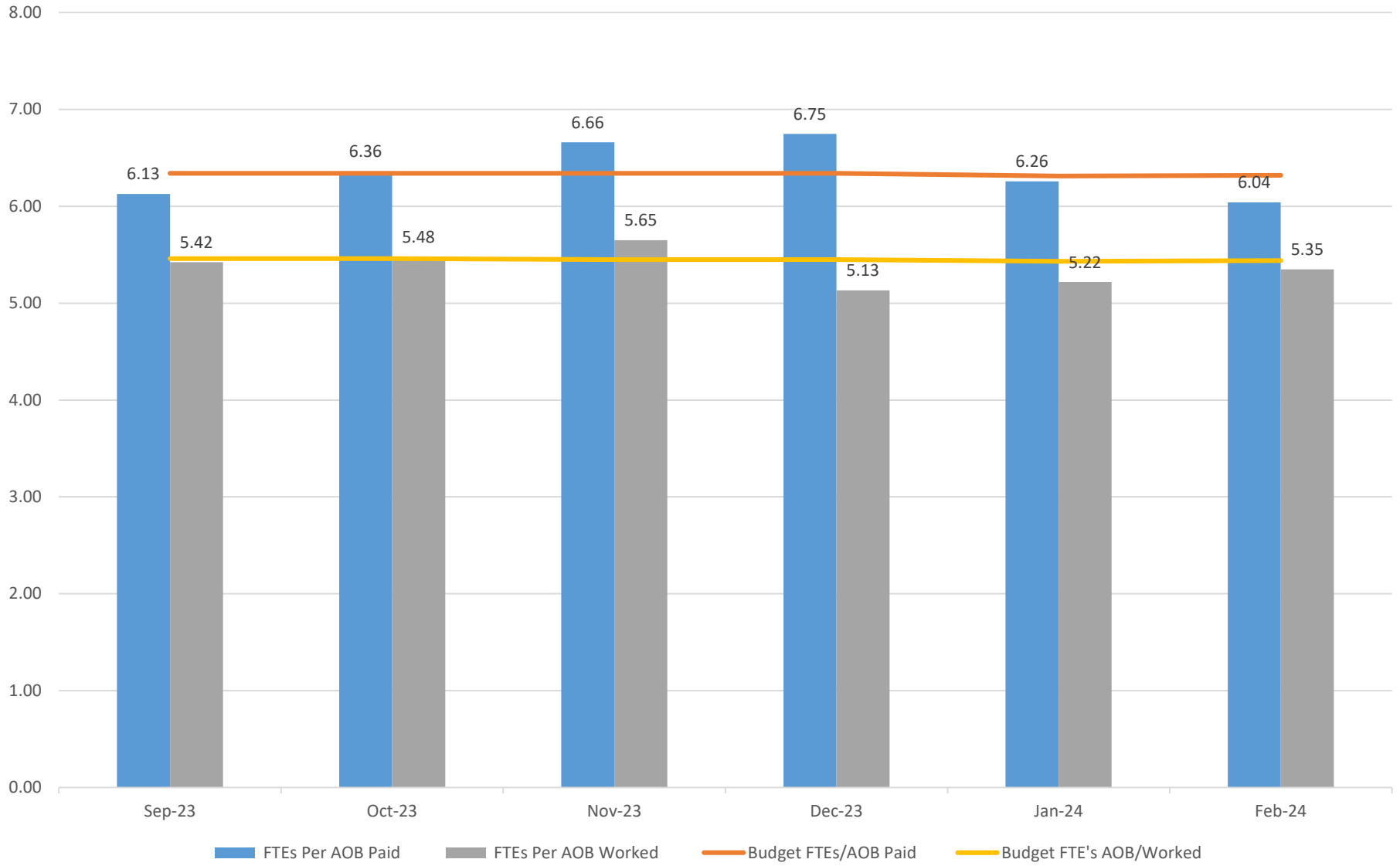
Surgical Volume



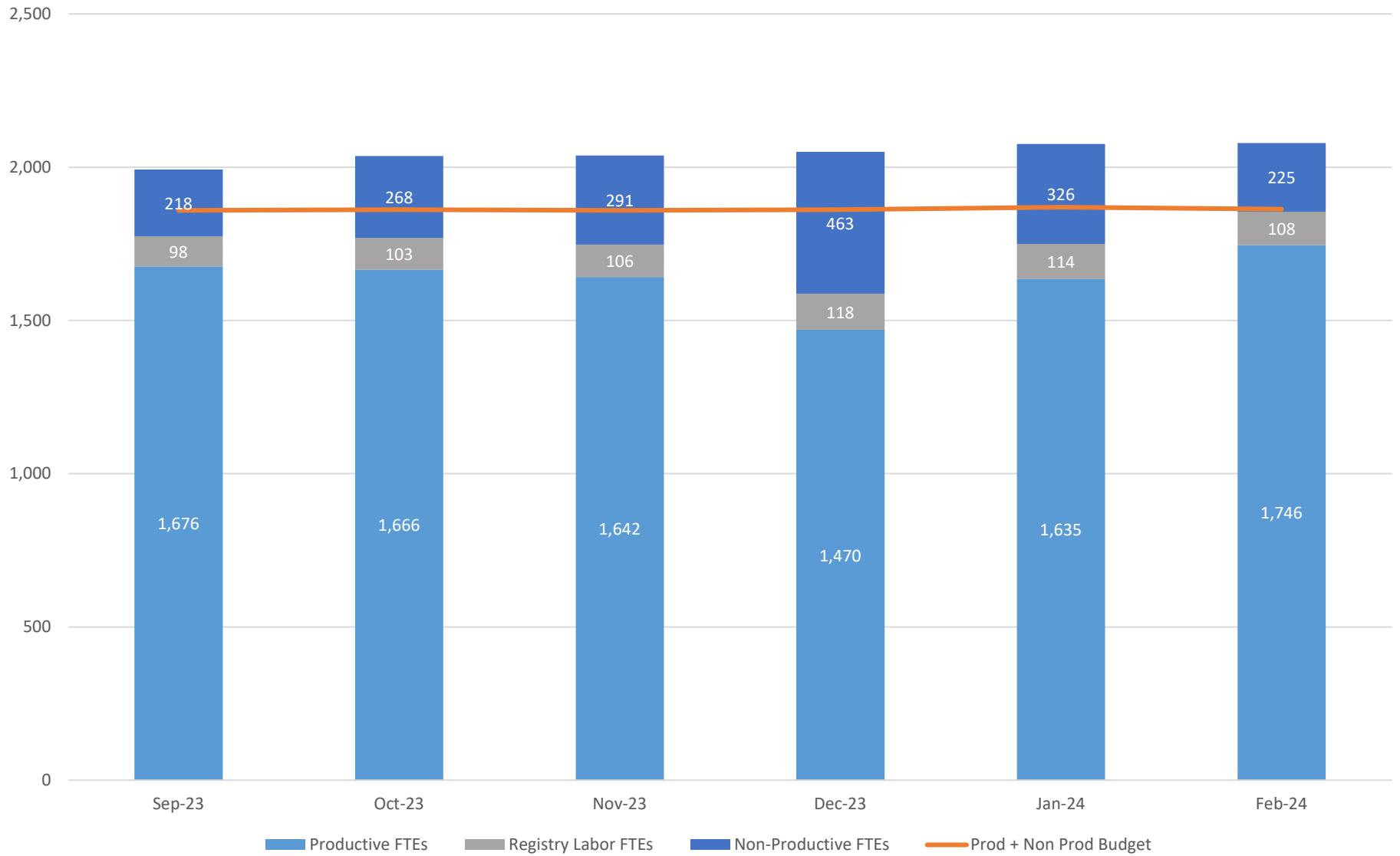
Clinic Visits



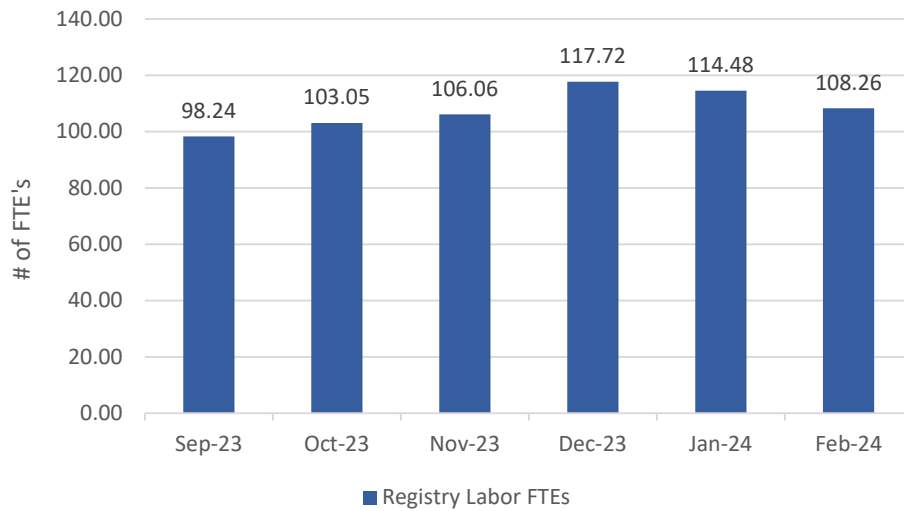
Labor Metrics



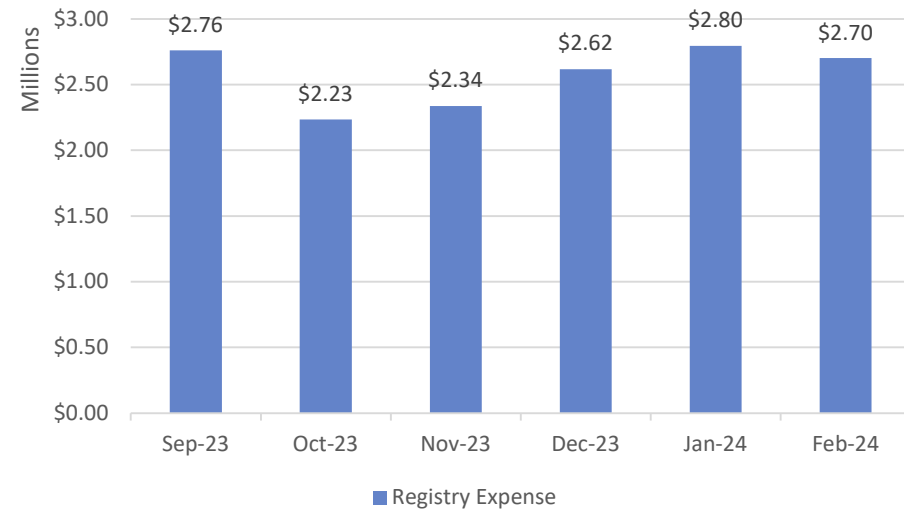
Productivity



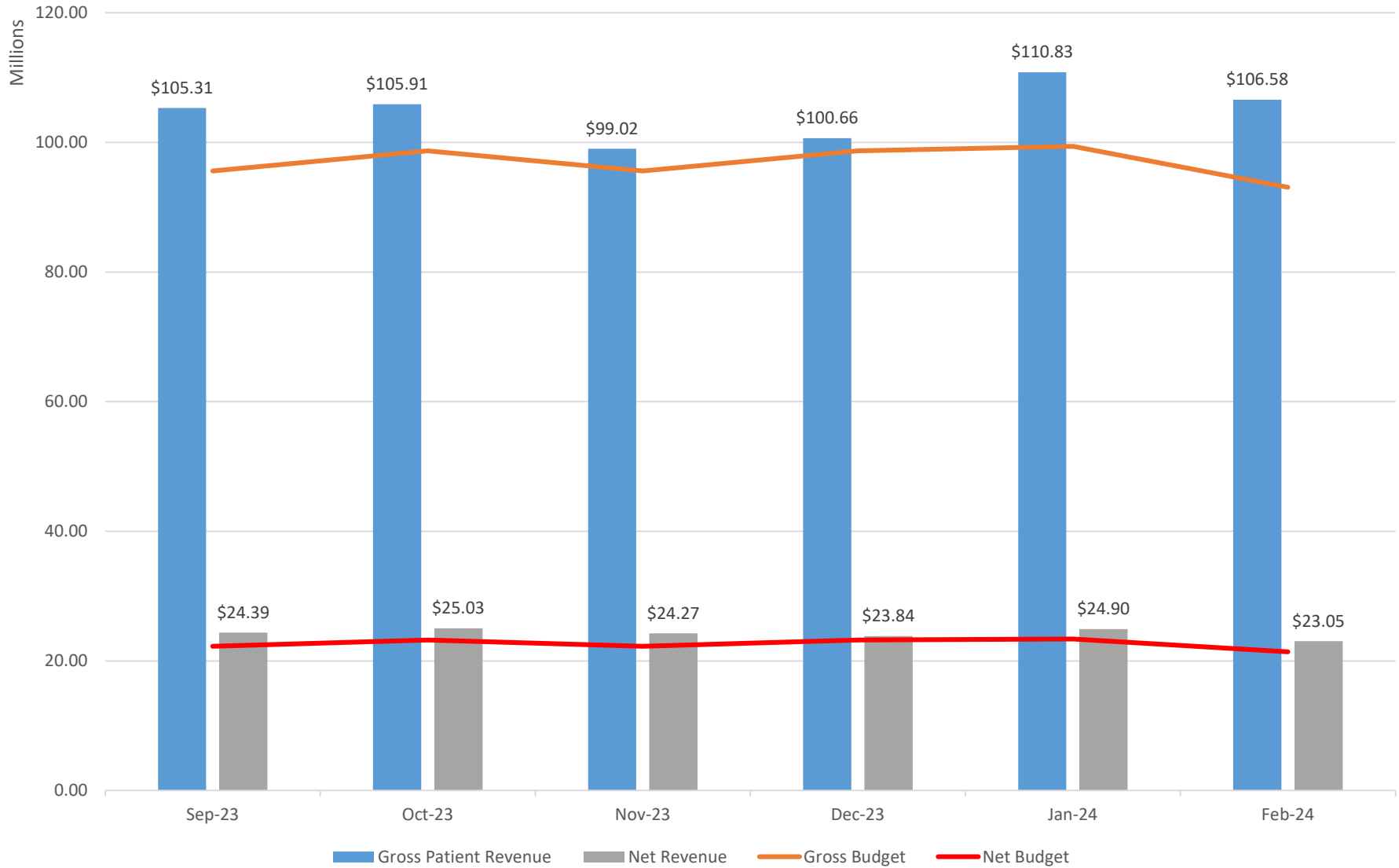
Registry FTE's



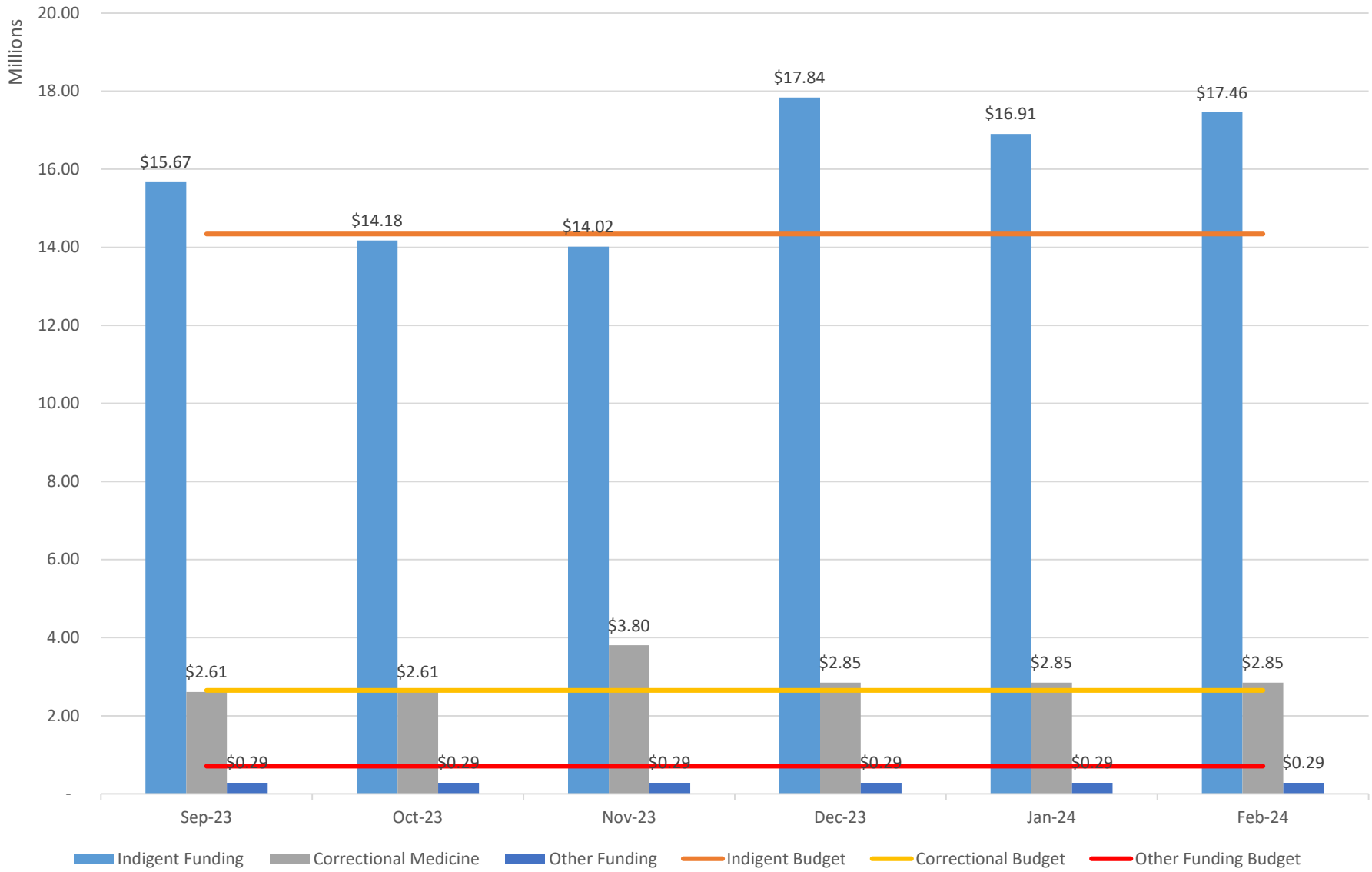
Registry Expense



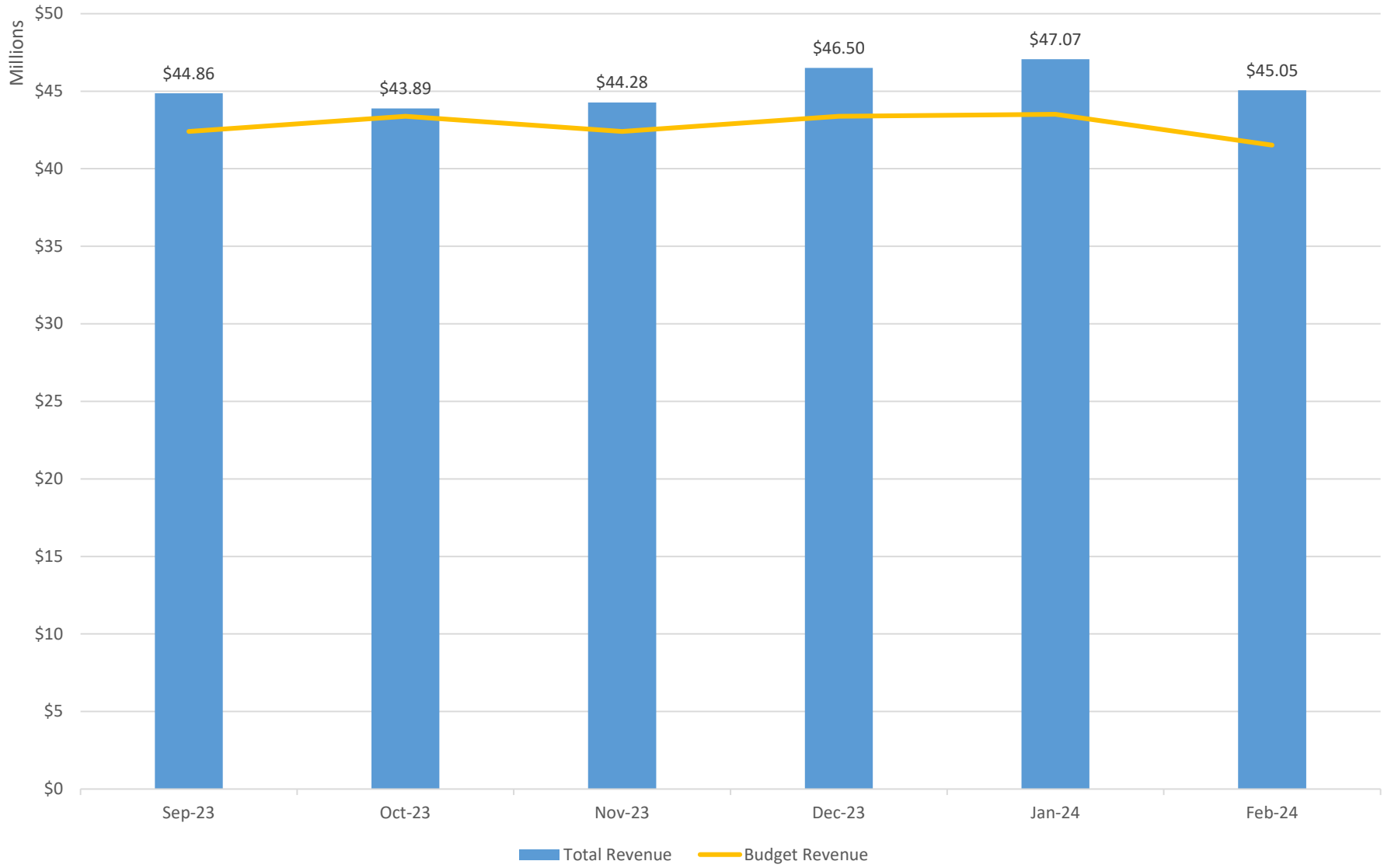
Patient Revenue



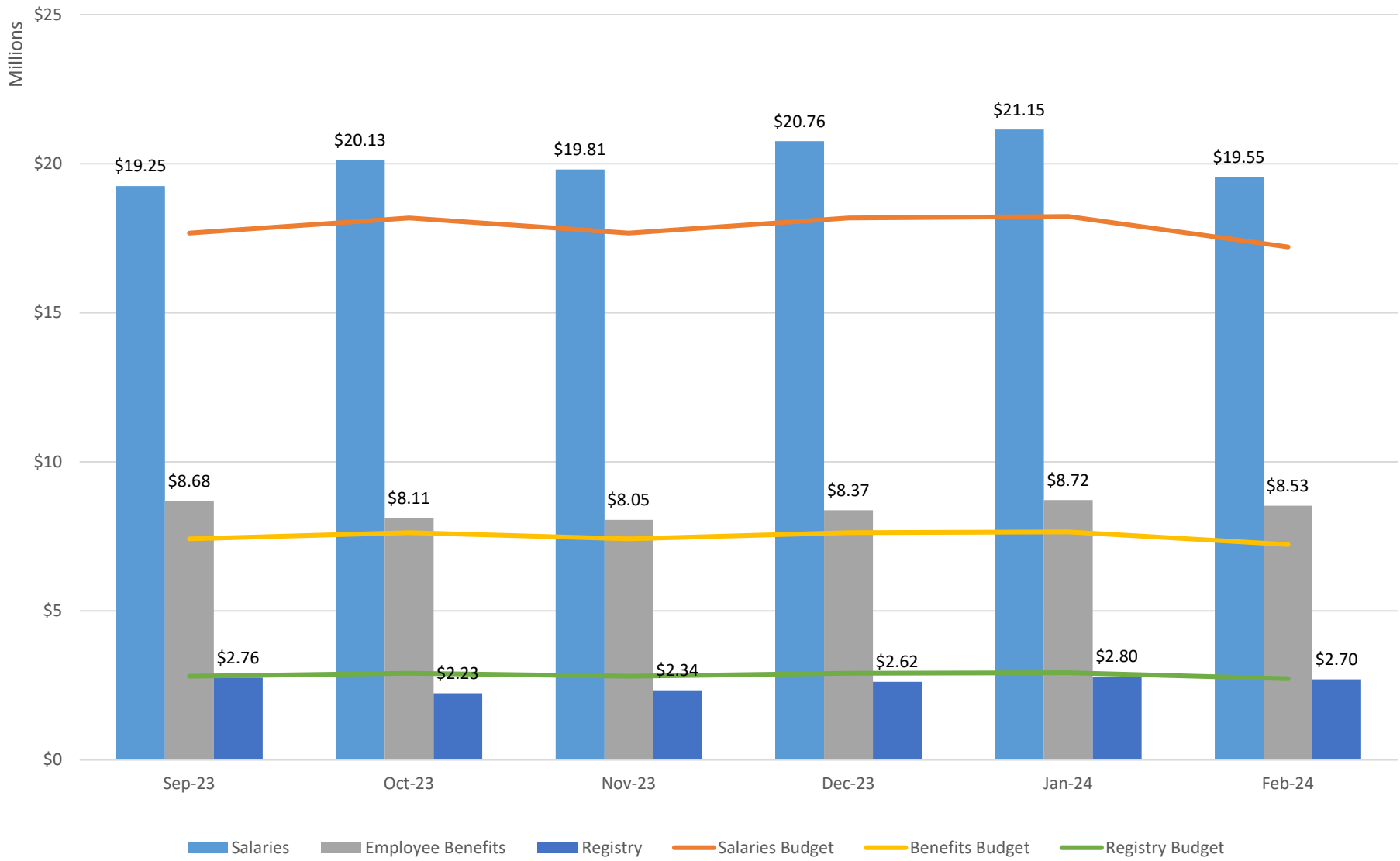
Indigent & Correctional Revenue



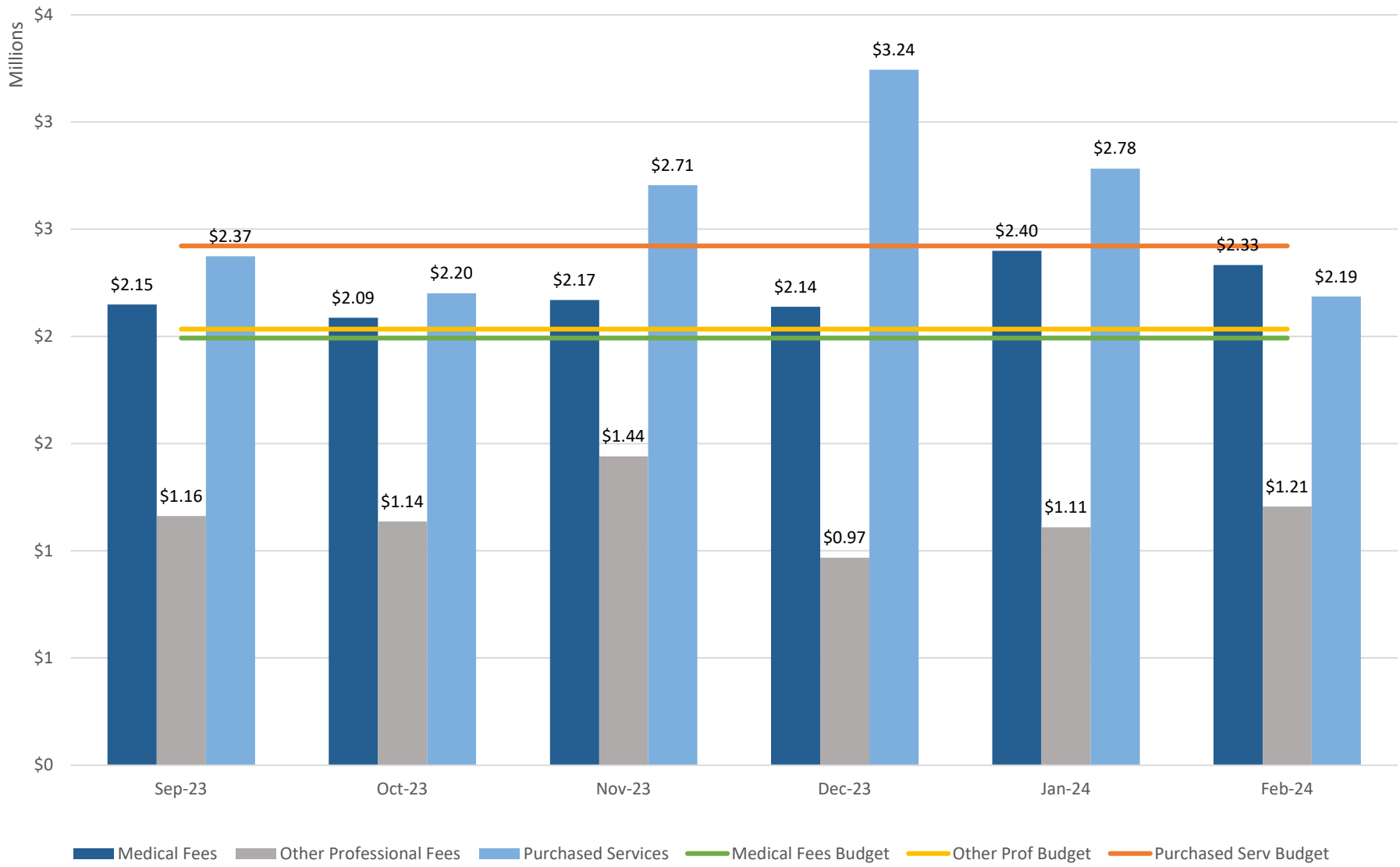
Total Revenue



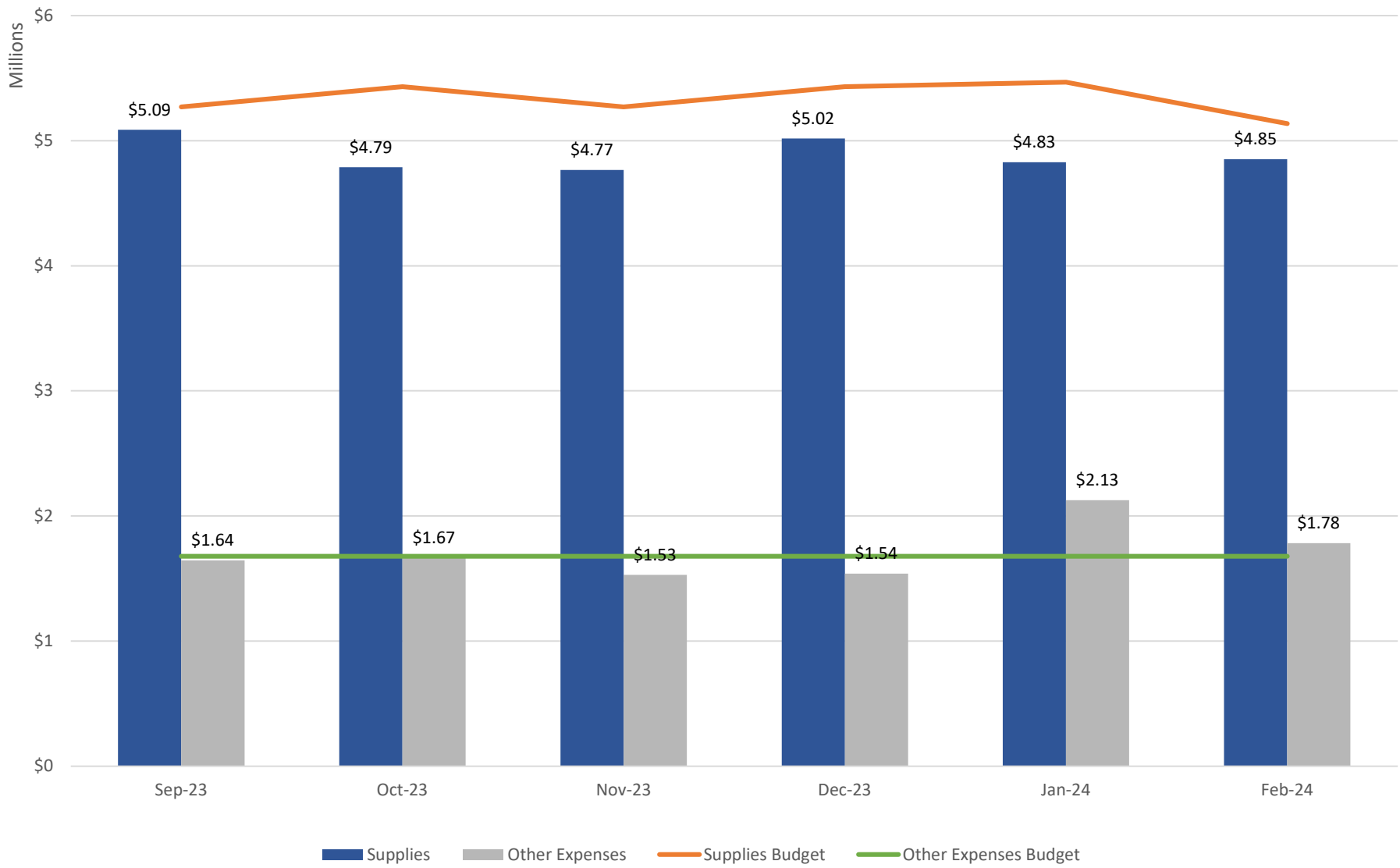
Expenses



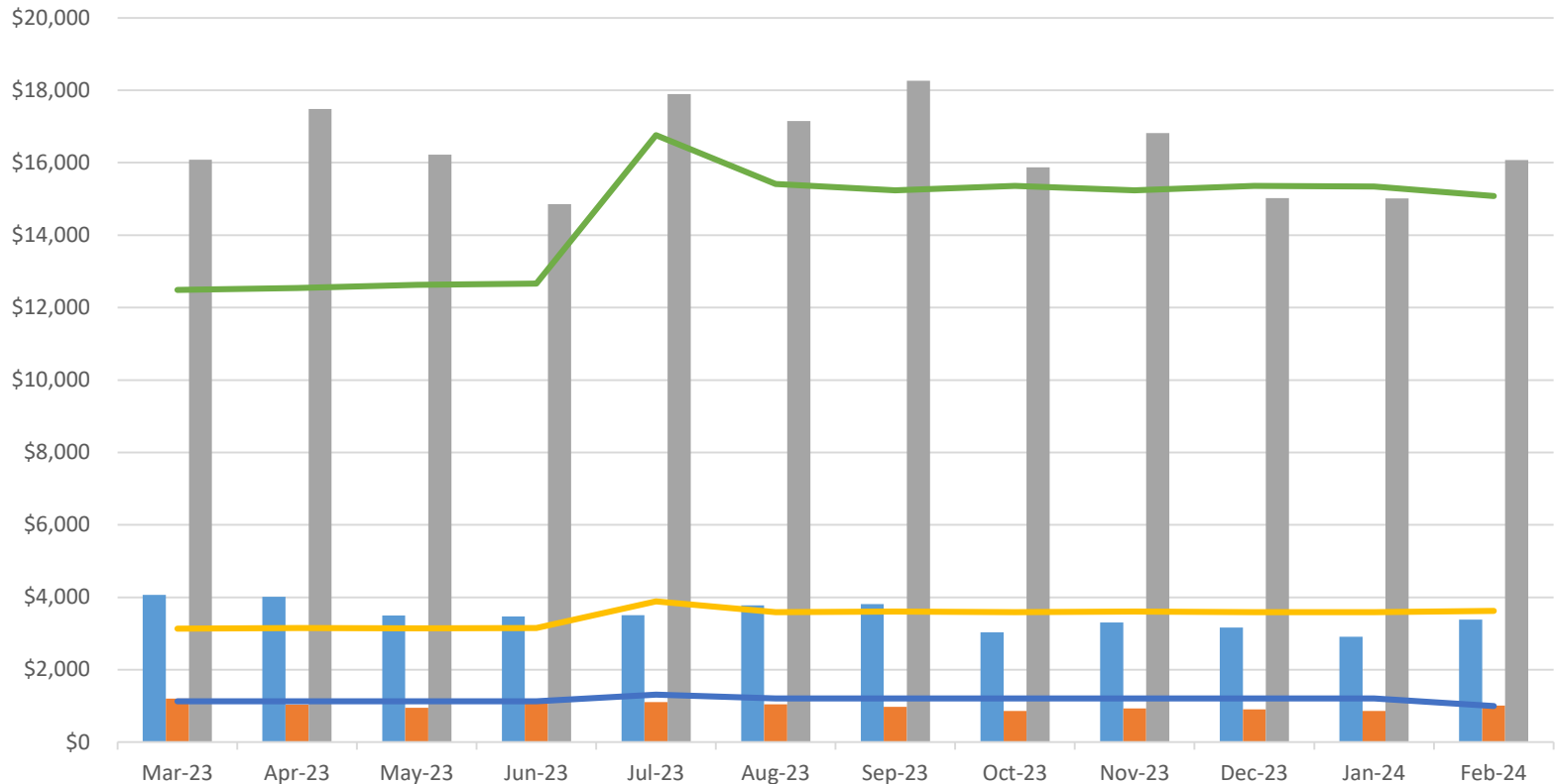
Expenses



Expenses

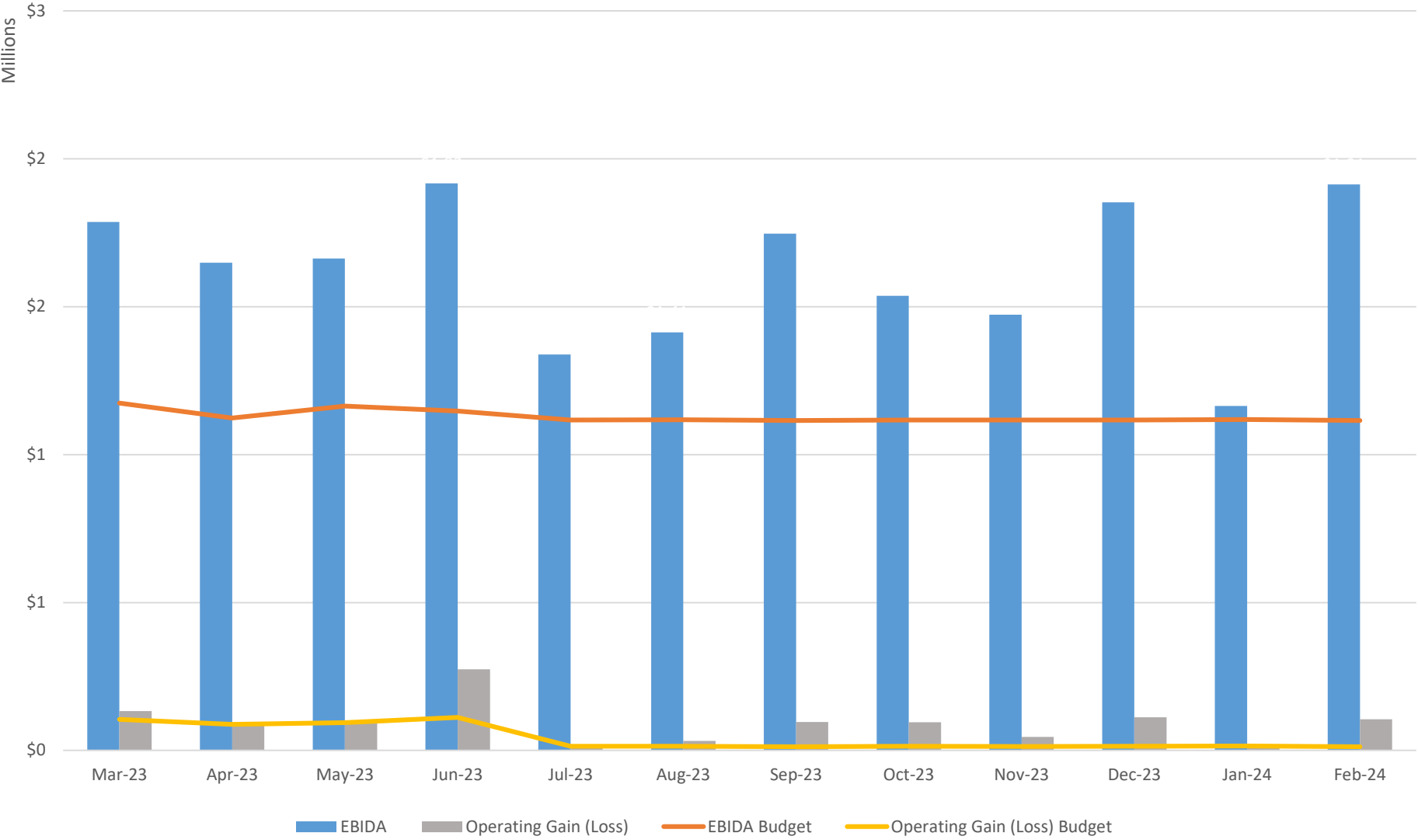


Operating Metrics

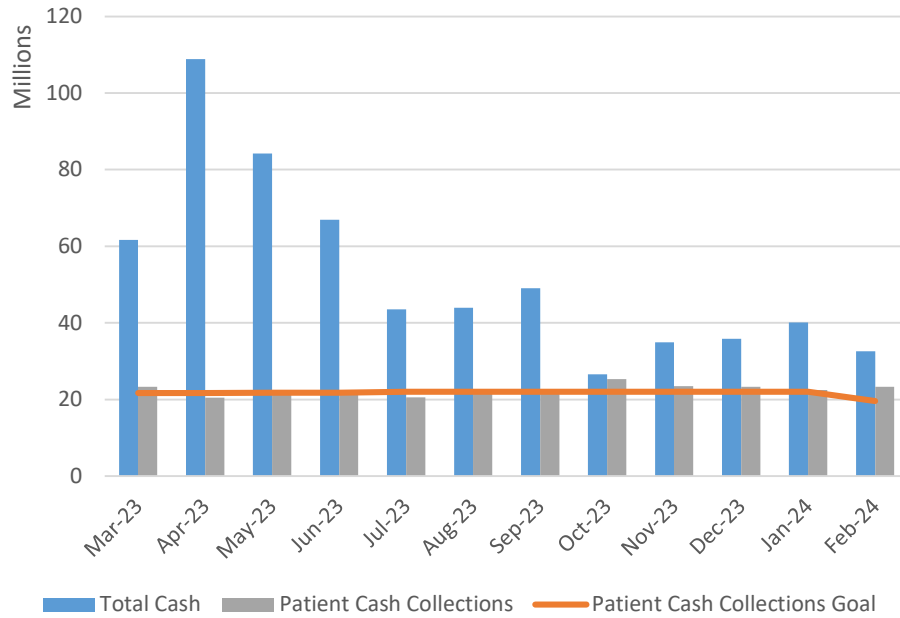


	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24
Supply Expense per AA	\$4,065	\$4,016	\$3,497	\$3,473	\$3,502	\$3,775	\$3,809	\$3,038	\$3,303	\$3,161	\$2,910	\$3,383
Pharm Cost per AA	\$1,199	\$1,037	\$948	\$1,115	\$1,104	\$1,047	\$978	\$866	\$932	\$904	\$865	\$1,011
Net Revenue Per AA	\$16,078	\$17,486	\$16,224	\$14,857	\$17,893	\$17,150	\$18,258	\$15,875	\$16,817	\$15,020	\$15,012	\$16,073
Budget Supp/AA	\$3,133	\$3,151	\$3,145	\$3,153	\$3,891	\$3,590	\$3,606	\$3,589	\$3,606	\$3,589	\$3,589	\$3,621
Budget Pharm/AA	\$1,128	\$1,127	\$1,126	\$1,127	\$1,310	\$1,210	\$1,210	\$1,210	\$1,210	\$1,210	\$1,211	\$999
Budget Net Rev/AA	\$12,483	\$12,539	\$12,624	\$12,661	\$16,765	\$15,413	\$15,234	\$15,361	\$15,235	\$15,361	\$15,341	\$15,077

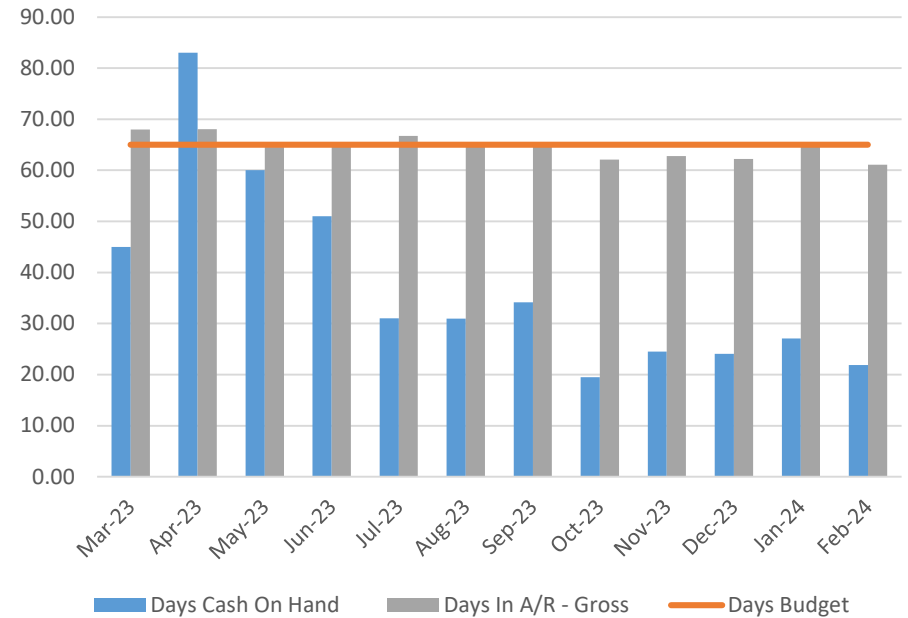
EBIDA Rolling Year



Cash Rolling Year



AR Days Rolling Year



KERN MEDICAL
3-Month Trend Analysis: Revenue & Expense
February 29, 2024

	DECEMBER	JANUARY	FEBRUARY	BUDGET FEBRUARY	VARIANCE POS (NEG)	PY FEBRUARY
Gross Patient Revenue	\$ 100,659,341	\$ 110,832,224	\$ 106,581,614	\$ 93,062,194	15%	\$ 84,259,605
Contractual Deductions	(76,820,725)	(85,927,788)	(83,529,937)	(71,674,488)	17%	(65,769,295)
Net Revenue	23,838,615	24,904,435	23,051,677	21,387,707	8%	18,490,310
Indigent Funding	17,837,788	16,905,758	17,455,758	14,338,567	22%	10,793,007
Correctional Medicine	2,847,714	2,847,714	2,847,714	2,651,620	7%	2,608,481
County Contribution	285,211	285,211	285,211	282,447	1%	285,211
Incentive Funding	0	0	0	425,000	(100%)	0
Net Patient Revenue	44,809,328	44,943,117	43,640,360	39,085,341	12%	32,177,008
Other Operating Revenue	1,682,211	2,112,152	1,397,777	2,428,863	(42%)	6,657,022
Other Non-Operating Revenue	12,619	11,005	11,379	13,060	(13%)	13,485
Total Revenue	46,504,158	47,066,274	45,049,515	41,527,264	8%	38,847,514
Expenses						
Salaries	20,757,137	21,146,166	19,547,347	17,209,730	14%	16,309,458
Employee Benefits	8,371,474	8,716,414	8,529,071	7,219,528	18%	5,449,938
Registry	2,617,740	2,795,394	2,701,171	2,719,949	(1%)	2,684,308
Medical Fees	2,137,776	2,398,660	2,333,226	1,991,696	17%	2,250,226
Other Professional Fees	967,283	1,109,150	1,206,164	2,033,569	(41%)	2,080,624
Supplies	5,017,216	4,827,803	4,851,734	5,136,587	(6%)	4,141,300
Purchased Services	3,243,412	2,782,623	2,185,515	2,422,027	(10%)	2,224,590
Other Expenses	1,539,075	2,125,895	1,781,942	1,678,508	6%	1,960,342
Operating Expenses	44,651,113	45,902,105	43,136,171	40,411,594	6.7%	37,100,785
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 1,853,045	\$ 1,164,168	\$ 1,913,344	\$ 1,115,670	71%	\$ 1,746,729
EBIDA Margin	4%	2%	4%	3%	58%	4%
Interest	224,182	182,576	384,252	117,423	227%	439,404
Depreciation	885,041	673,318	725,583	699,368	4%	857,633
Amortization	631,692	287,963	697,970	286,579	144%	1,296,366
Total Expenses	46,392,028	47,045,963	44,943,976	41,514,963	8%	39,694,188
Operating Gain (Loss)	\$ 112,130	\$ 20,311	\$ 105,539	\$ 12,301	758%	\$ (846,674)
Operating Margin	0.24%	0.04%	0.23%	0.03%	690.9%	(2.2%)

KERN MEDICAL
Year to Date Analysis: Revenue & Expense
February 29, 2024

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 842,036,832	\$ 777,617,275	8%	\$ 755,795,101	11%
Contractual Deductions	(647,944,728)	(595,305,904)	9%	(577,944,247)	12%
Net Revenue	194,092,104	182,311,371	6%	177,850,854	
Indigent Funding	128,236,315	114,708,537	11.8%	109,946,224	17%
Correctional Medicine	22,781,709	21,212,958	7%	20,582,172	11%
County Contribution	2,281,687	2,259,578	1%	2,281,687	0%
Incentive Funding	0	3,400,000	(100%)	1,404,200	0%
Net Patient Revenue	347,391,816	323,892,444	7%	312,065,137	11%
Other Operating Revenue	14,225,995	19,430,907	(27%)	22,730,937	(37%)
Other Non-Operating Revenue	157,424	104,480	51%	105,799	49%
Total Revenue	361,775,235	343,427,832	5%	334,901,873	8%
Expenses					
Salaries	159,213,337	143,444,666	11.0%	137,064,233	16%
Employee Benefits	66,557,808	60,175,227	10.6%	55,651,623	20%
Registry	20,194,263	22,841,094	(12%)	23,919,092	(16%)
Medical Fees	17,571,094	15,933,567	10%	16,677,152	5%
Other Professional Fees	12,046,395	16,268,551	(26%)	16,490,391	(27%)
Supplies	39,459,707	42,824,831	(8%)	39,893,409	(1%)
Purchased Services	20,664,050	19,575,774	6%	19,615,524	5%
Other Expenses	13,630,084	13,428,061	2%	14,159,596	(4%)
Operating Expenses	349,336,738	334,491,769	4%	323,471,021	8%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 12,438,497	\$ 8,936,062	39%	\$ 11,430,852	9%
EBIDA Margin	3%	3%	32%	3%	1%
Interest	1,932,654	939,385	106%	1,269,408	52%
Depreciation	5,647,556	5,594,942	1%	5,801,109	(3%)
Amortization	4,330,327	2,292,631	89%	3,322,047	30%
Total Expenses	361,247,275	343,318,727	5%	333,863,585	8%
Operating Gain (Loss)	\$ 527,960	\$ 109,105	384%	\$ 1,038,288	(49%)
Operating Margin	0.1%	0.0%	359.4%	0.3%	(53%)

KERN MEDICAL BALANCE SHEET

	FEBRUARY 2024	FEBRUARY 2023
ASSETS:		
<i>Total Cash</i>	\$ 32,581,160	\$ 23,132,348
Patient Receivables Subtotal	239,730,471	249,168,767
Contractual Subtotal	(186,131,122)	(191,976,444)
<i>Net Patient Receivable</i>	53,599,348	57,192,323
Total Indigent Receivable	262,297,647	285,442,902
Total Other Receivable	14,996,514	7,714,721
Total Prepaid Expenses	6,853,069	7,216,236
Total Inventory	5,618,750	5,154,081
<i>Total Current Assets</i>	375,946,488	385,852,611
Deferred Outflows of Resources	112,536,013	105,241,458
Total Land, Equipment, Buildings and Intangibles	266,756,718	241,329,209
Total Construction in Progress	7,724,789	9,946,439
<i>Total Property, Plant & Equipment</i>	274,481,507	251,275,648
Total Accumulated Depr & Amortization	(164,427,859)	(149,681,932)
<i>Net Property, Plant, and Equipment</i>	110,053,648	101,593,716
<i>Total Long Term Assets</i>	112,536,013	105,241,458
<i>Total Assets</i>	\$ 598,536,149	\$ 592,687,785

KERN MEDICAL BALANCE SHEET

	FEBRUARY 2024	FEBRUARY 2023
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 18,142,570	\$ 23,301,236
Total Accrued Compensation	30,827,444	25,454,098
Total Due Government Agencies	3,386,308	14,318,339
Total Other Accrued Liabilities	51,758,112	48,059,153
<i>Total Current Liabilities</i>	104,114,434	111,132,826
Unfunded Pension Liability	345,399,109	284,243,193
Other Long-Term Liabilities	81,830,738	130,099,694
<i>Total Long-Term Liabilities</i>	427,229,847	414,342,887
<i>Total Liabilities</i>	531,344,281	525,475,713
Fund Balance	36,714,022	36,714,022
Retained Earnings	30,477,846	30,498,050
<i>Total Fund Balance</i>	67,191,868	67,212,071
<i>Total Liabilities and Fund Balance</i>	\$ 598,536,149	\$ 592,687,785

**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date February 2024	Fiscal Year-End June 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received for patient/current services	\$ 193,908,400	\$ 264,388,064
Cash received for other operations	92,062,101	236,708,950
Cash paid for salaries and benefits	(215,635,602)	(202,912,375)
Cash paid for services and supplies	(113,820,011)	(292,069,170)
Net cash (used in) provided by operating activities	(43,485,113)	6,115,469
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash (provided to) received from various County funds	-	2,070,094
Interest paid - pension obligation bond	-	(365,334)
Principal paid - pension obligation bond	-	(2,938,587)
Interest paid - line of credit	-	(262,368)
Line of credit payment	20,000,000	-
Net cash provided by (used in) noncapital financing activities	20,000,000	(1,496,195)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition or construction of capital assets	(15,519,506)	(12,141,601)
Payments on right-of-usage lease liability	4,878,594	(3,034,901)
Interest paid - right-of-usage lease liability	34,177	
Payments on SBITA liability	(250,717)	(782,410)
Interest paid - SBITA	2,422	-
Net cash used by capital and related financing activities	(10,855,030)	(15,958,912)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on bank deposits and investments	-	181,109
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(34,340,143)	(11,158,529)
CASH AND CASH EQUIVALENTS, beginning of year	66,921,303	78,079,832
CASH AND CASH EQUIVALENTS, year-to-date	\$ 32,581,160	\$ 66,921,303



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

April 17, 2024

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 20, 2024

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.



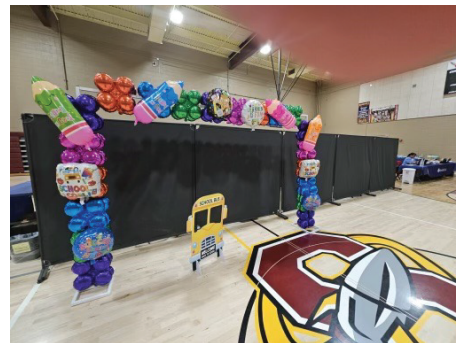
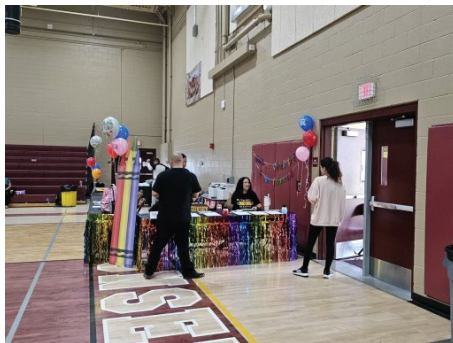
What's Happening?

Patient Safety Week (March 10-16)

Educational activities
all week long!



Vineland Mobile Clinic Event



Kern Medical saw over 80 patients during this 3-day event.

Girl Scouts at Kern Medical



Troop 8132 brightening up our Flower St. entrance!

April 30, 2024



SAVE THE DATE

2024

VALLEY
FEVER
WALK



SAT

8:00 AM

APRIL 13

CSUB DON HART EAST LAWN

9001 STOCKDALE HIGHWAY, BAKERSFIELD, CA 93311

Relay for Life



We are partnering with Adventist Health at Relay for Life on May 4, 2024.

National Recognitions - March

- American Heart Month
- Patient Recognition Week (Feb. 1-7)
- National Wear Red Day (Feb. 3)
- World Cancer Day (Feb. 4)
- Cardiovascular Professionals Week (Feb. 11-17)

National Recognitions - April

- Alcohol Awareness Month
- Sports Eye Safety Month
- National Donate Life Month
- Stress Awareness Month
- Patient Access Week (March 31-April 6)
- National Public Health Week (April 1-7)

Endometriosis Awareness Month

Endometriosis is a condition where tissue similar to the lining of the uterus grows in other places in the body. It is one of the most common gynecological diseases, and its primary symptoms include pain and infertility.



Dr. Soorena Fatehchehr is a board-certified OBGYN surgeon who specializes in endometriosis. Dr. Fatehchehr is an expert in performing advanced minimally invasive and robotic surgeries for complex gynecological conditions. He is certified on the da Vinci robotic surgical platform as well as CO2 laser for laparoscopic excision of endometriosis, and was elected to serve as Endometriosis and Reproductive Surgery board member for two years with the American Association of Gynecologic Laparoscopist (AAGL).

Dr. Fatehchehr wants his patients to understand that pain is not normal. Endometriosis affects 10-15% of women, but is largely misdiagnosed. He strongly believes in educating women and families that a painful menstrual cycle should be investigated further, and if there are signs of endometriosis, Kern Medical is here to help. Dr. Fatehchehr is one of only 100 surgeons across the United States who can excise endometriosis in severe cases.

SCAN THIS CODE
TO WATCH THE FULL
Did You Know VIDEO





**BOARD OF MANAGERS
REGULAR MEETING
KERN MEDICAL SURGERY CENTER, LLC**

April 17, 2024

Subject: Administrative Report for Two-Months Ended February 29, 2024

Recommended Action: Receive and File

Summary:

Kern Medical Surgery Center Operations

Key Performance Indicators:

- The Surgery Center budgets to financially breakeven on operations each month. January resulted in an operating gain of \$15,743.
- January volumes of 184 surgeries are 44 below the January budget of 228 due to holiday closures and surgeon leave time.
- February resulted in an operating gain of \$51,865.
- Total surgeries of 215 for February are 25 above the February budget of 190.

The following items have budget variances for the months of January and February 2024:

Patient Revenue:

For January, gross patient revenue was 20% unfavorable to budget for the month, with the budget at \$1,608,531 and the actual gross patient revenue at \$1,280,554. January net revenue of \$400,855 is \$79,842 less than the January budgeted net revenue of \$480,697.

For February gross patient revenue had a 30.5% favorable budget variance with actual gross of \$1,749,980 compared to the budget of \$1,340,442. February net revenue of \$540,595 is \$140,015 more than the budget of \$400,580 due to higher than budgeted surgery volumes.

On a fiscal year-to-date basis, gross patient revenue of \$10,624,994 is 11% below the budget of \$12,000,485.

Supplies Expense: Supplies were under budget for January. February supplies were over budget in direct relationship with case volume being over budget.

Salary and Benefit Expense:

Salary expenses for January were \$136,275. This was \$24,283 under the budgeted amount of \$160,558. February salary expenses were \$138,310 which were \$4,440 over the February budget of \$133,870. Benefit expenses for January were \$21,234 which were \$14,706 below the budget of \$35,940. Benefit expenses for February were \$20,459 which were \$9,491 below the budget of \$29,950

Purchased Services:

January purchased services in the amount of \$61,711 was below budget by \$5,696. February purchased services of \$94,610 was over budget by \$33,526 as a result of the implementation of the new anesthesia agreement between KMSC and Regional Anesthesia Associates.

Initiatives for Marketing and Growth:

Marketing materials highlight the Surgery Center's specialty services available for patients and surgeons.

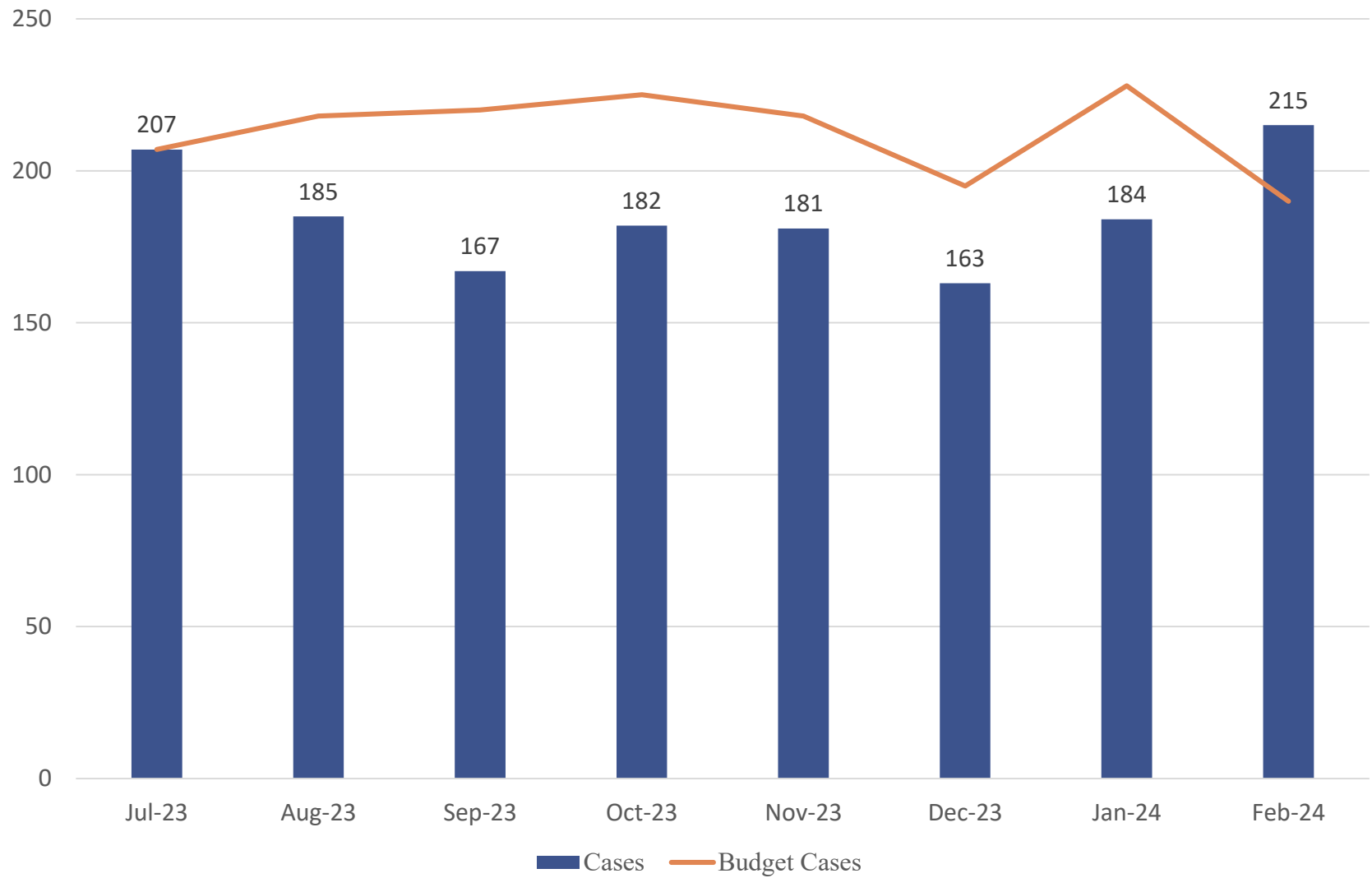
The Director of Nursing frequently meets with prospective surgeons to highlight the ASC's strengths and the benefits to the surgeons and patients alike.

The Surgery Center staff HAS recently enrolled in Elsevier for enhanced education opportunities. We are constantly striving to make our center as safe and efficient as possible for our staff, providers, and patients.

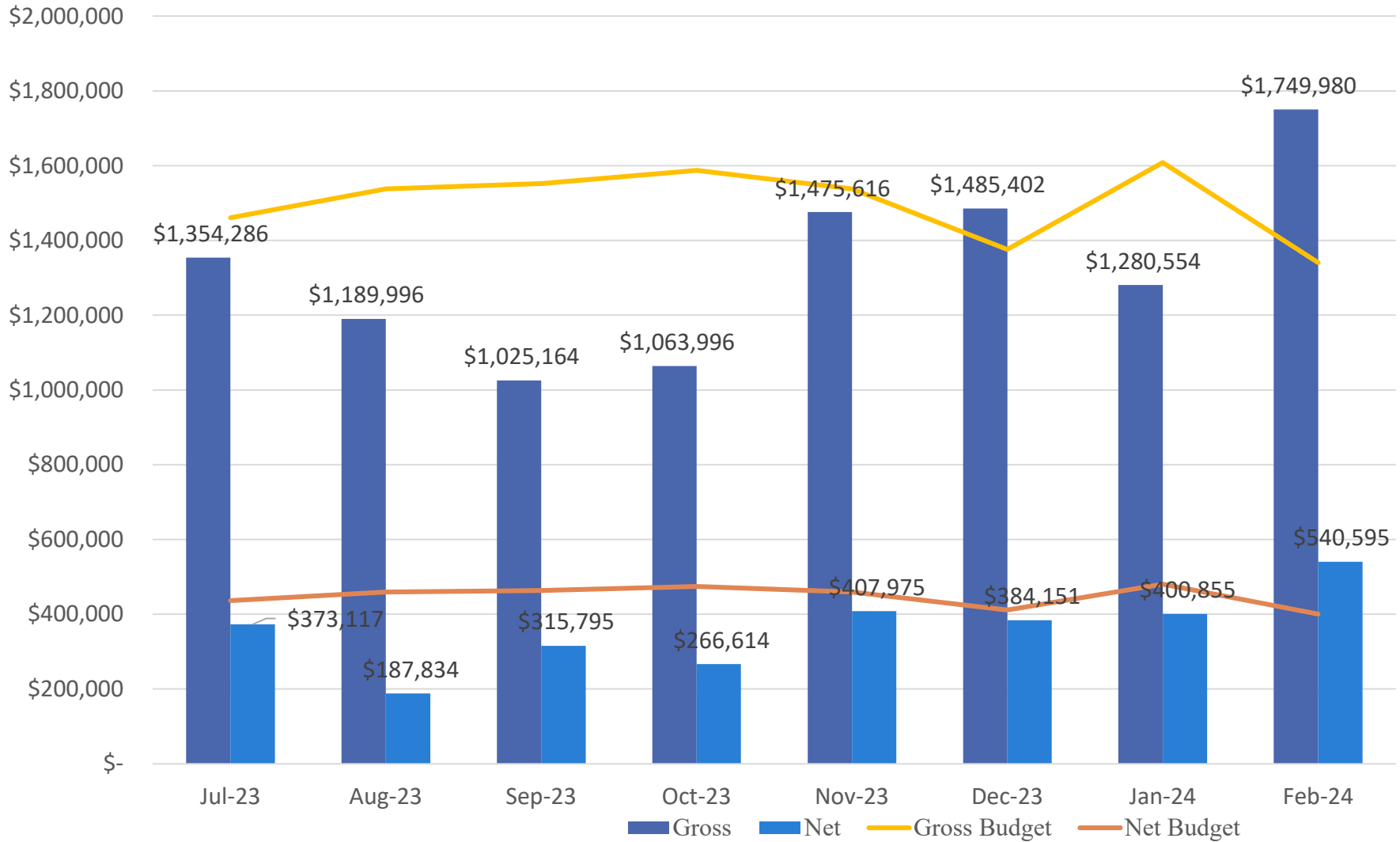


**BOARD OF MANAGERS' REPORT
JULY 2023 – FEBRUARY 2024**

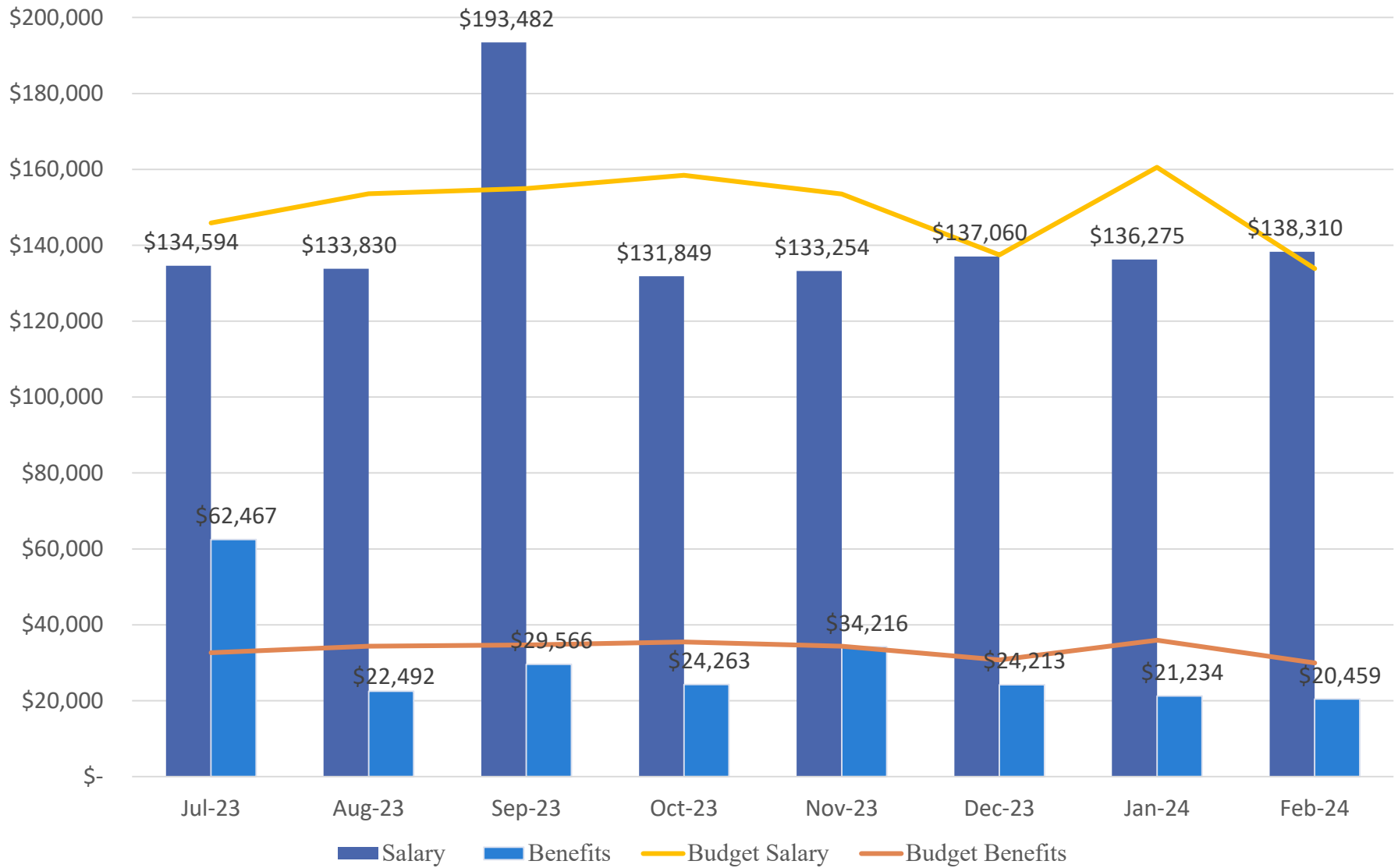
Case Volume



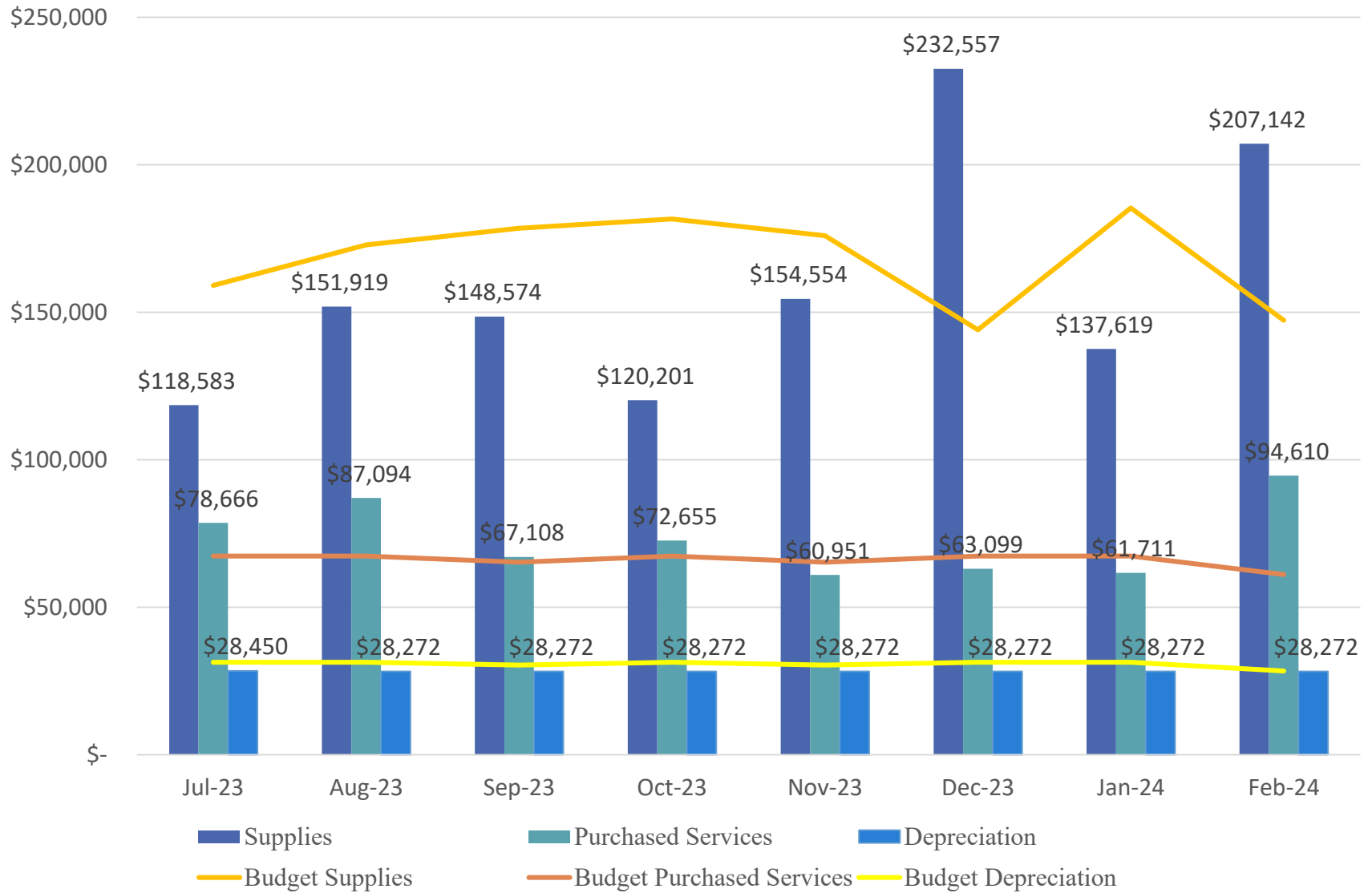
Total Revenue



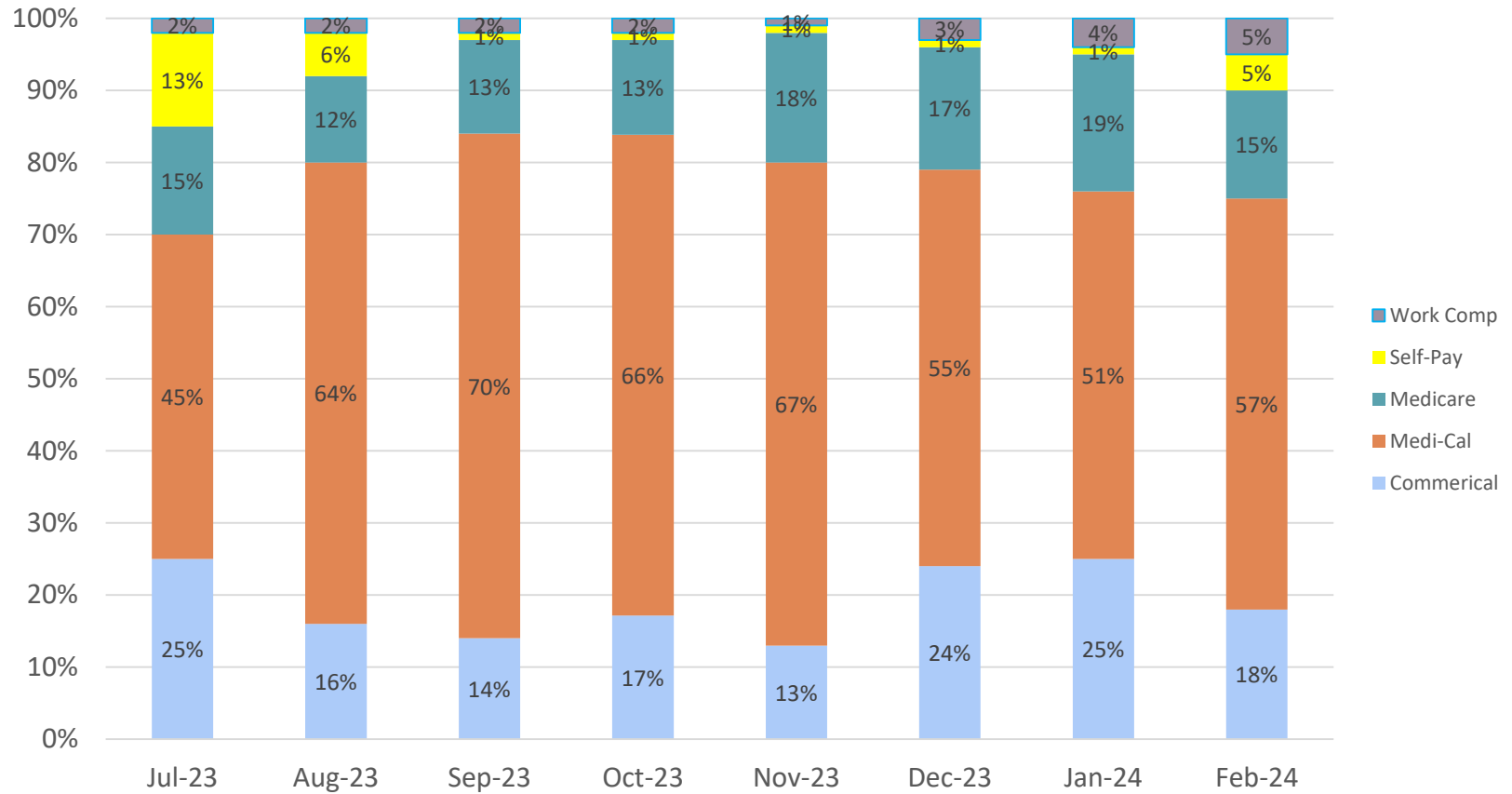
Expenses



Expenses



PAYER MIX



Kern Medical Surgery Center, LLC.
Profit and Loss

	Jan-24	Feb-24	Budget Feb-24	Variance
Gross Revenue	\$ 1,280,554	\$ 1,749,980	\$ 1,340,442	\$ 409,538
Net Revenue	400,855	540,595	400,580	140,015
Salaries	136,275	138,310	133,870	4,440
Benefits	21,234	20,459	29,950	(9,491)
Supplies	137,619	207,142	147,294	59,848
Purchased Services	61,711	94,610	61,084	33,526
Depreciation	28,272	28,272	28,384	(112)
Total Expenses	385,111	488,793	400,682	88,111
Net Operating Gain (Loss)	\$ 15,743	\$ 51,865	\$ -	\$ 228,126

**Kern Medical Surgery Center, LLC.
Profit and Loss**

	Actual FYTD	Budget FYTD
Gross Revenue	\$ 10,624,994	\$ 12,000,485
Net Revenue	2,876,936	3,586,249
Salaries	1,138,654	1,198,230
Benefits	238,910	268,132
Supplies	1,271,149	1,344,839
Purchased Services	585,737	528,721
Depreciation	226,354	246,326
Total Expenses	\$ 3,460,804	\$ 3,586,249
Net Operating Gain (Loss)	\$ (583,868)	\$ -

Balance Sheet
As of February 29,2024

	Jan-24		Feb-24
ASSETS			
Total Cash on Hand	\$ 292,735	\$	299,589
Gross Patient Receivables	1,609,953		2,189,894
Contractual Reserve	(1,143,066)		(1,554,825)
Net Patient Receivables	466,886		635,069
Other Receivables	32,907		47,002
Total Accounts Receivable	499,793		682,071
Total Other Current Assets	10,874		3,585
Total Current Assets	803,402		985,245
Total Fixed Assets	838,285		810,012
TOTAL ASSETS	<u>1,641,686</u>		<u>1,795,258</u>
LIABILITIES AND EQUITY			
Total Accounts Payable	2,527,080		2,628,787
TOTAL LIABILITIES	<u>2,527,080</u>		<u>2,628,787</u>
Total Equity	(885,394)		(833,529)
TOTAL LIABILITIES AND EQUITY	<u>\$ 1,641,686</u>	\$	<u>1,795,258</u>



**BOARD OF MANAGERS
REGULAR MEETING
KERN MEDICAL SURGERY CENTER, LLC**

April 17, 2024

Subject: Proposed retroactive 401(k) Profit Sharing Plan for Kern Medical Surgery Center, LLC employees

Recommended Action: Approve; Authorize Chief Executive Officer to sign

Summary: Kern Medical Surgery Center, LLC (LLC) requests your Board retroactively approve the 401(k) Profit Sharing Plan for LLC employees.

The following is a brief overview of the plan summary as requested to be adopted by the board:

On February 21, 2024, your Board approved the plan document was for one of the agreed upon provisions in the Settlement Agreement referenced below, providing (1) a 100% employer match up to a maximum of 6% of eligible pay. IRS regulations prohibited the addition of (2) a non-elective portion of the provisions and required additional documentation to process the update to the plan. The plan has now satisfied the requirements of the IRS regulations to make the adjustment to the plan to include the 4% non-elective contribution.

In accordance with the Settlement Agreement between Kern County Hospital Authority, Kern Medical Surgery Center, LLC and Service Employees International Union, Local 521 (SEIU), dated December 15, 2023, following mediation to resolve an alleged unfair practice charge filed by the union, we agreed to update the plan to provide (1) a 100% employer match of employee contributions up to a maximum of 6% contribution of base salary, and (2) a non-elective 4% contribution of base salary per eligible LLC employee, subject to the governing IRS regulations. This change is retroactive to January 1, 2024, the beginning of the plan year, in compliance with IRS regulations.

Therefore, it is recommended that your Board retroactively approve the 401(k) Profit Sharing Plan for Kern Medical Surgery Center, LLC employees inclusive of agreed upon provisions and authorize the Chief Executive Officer to sign the Adoption Agreement, and direct Kern County Hospital Authority Human Resources staff to implement.

401(k) Profit Sharing Plan

Nonstandardized Adoption Agreement

EMPLOYER INFORMATION

Complete Parts A and B

Part A. Adopting Employer

Name of Adopting Employer Kern Medical Surgery Center LLC

Address 9300 Stockdale Hwy, Suite 200

City Bakersfield

State CA

Zip 93311

Telephone 661-326-2106

Adopting Employer's Federal Tax Identification Number 35-2572591

Adopting Employer's Tax Year End (specify month and day) 12/31

Type of Business (select one) ☐ Sole Proprietorship ☐ Partnership ☐ C Corporation ☐ S Corporation ☐ LLC ☐ Nonprofit

☒ Other. (Specify a legal entity recognized under federal income tax laws.) LLC - CORPORATION (PEO ONLY)

Name of Plan Kern Medical Surgery Center LLC 401(k) Profit Sharing Plan and Trust

Plan Sequence Number 001

Trust Identification Number (if applicable) _____

Account Number 438891-0741-20010140

Part B. Participating Employers

1. Related Employers

If the Adopting Employer is or becomes part of a controlled group of corporations (as defined in Code section 414(b) as modified by Code section 415(h)), a group of commonly controlled trades or businesses (as defined in Code section 414(c) as modified by Code section 415(h)), an affiliated service group (as defined in Code section 414(m)), or any other entity required to be aggregated with the Adopting Employer pursuant to Code section 414(o), are all Related Employers of the Adopting Employer considered to be Related Participating Employers? (select one.)

Option 1: ☐ Yes, all Related Employers of the Adopting Employer will participate in this Plan.

Option 2: ☒ No, Related Employers of the Adopting Employer will participate in this Plan only if listed on a Participating Employer Election Attachment.

NOTE: If no option is selected, Option 2 will apply. Failure to include Related Employers of the Adopting Employer may cause a violation of the coverage rules under Code section 410(b).

2. Employers That Are Not Related Employers

Will an Employer that is not a Related Employer of the Adopting Employer be allowed to participate in the Plan?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply. If Option 1 is selected this Plan will be a multiple employer plan and will be subject to Code section 413(c) and the regulations thereunder. If this Plan is a multiple employer plan, elections made in this Adoption Agreement will only apply to the Employees of the Adopting Employer and any Participating Employer who has not made a separate election on a Participating Employer Attachment. The defined terms in this Adoption Agreement will be interpreted to conform to this statement.

SECTION ONE: EFFECTIVE DATES

Complete Part A or B

Part A. ☐ New Plan Effective Date

This is the initial adoption of a 401(k) profit sharing plan by the Adopting Employer.

The Effective Date of this Plan is _____. (Must be no earlier than the first day of the Plan Year in which the Plan is adopted.)

If different from the Effective Date above, Elective Deferrals can be made under this Plan effective:

Pre-Tax Elective Deferrals (Select one.)

Option 1: ☐ The next payroll date coinciding with or following the later of the date this Adoption Agreement is signed or the Effective Date.

Option 2: ☐ _____ (Must be on or after the later of the date this Adoption Agreement is signed or the Effective Date.)

NOTE: If no option is selected, Option 1 will apply for Pre-Tax Elective Deferrals.

Roth Elective Deferrals (Select one.)

Option 1: ☐ The next payroll date coinciding with or following the later of the date this Adoption Agreement is signed or the Effective Date.

Option 2: ☐ _____ (Must be on or after the later of the date this Adoption Agreement is signed or the Effective Date.) The effective date for Roth Elective Deferrals must be on or after January 1, 2006.

NOTE: If no option is selected, Option 1 will apply for Roth Elective Deferrals.

NOTE: The Effective Date is usually the first day of the Plan Year in which this Adoption Agreement is signed and may not be earlier than such date. Elective Deferrals, however, cannot be made available before the later of the date this Adoption Agreement is signed or the date specified above for Elective Deferrals.

Part B. ☒ Existing Plan Amendment or Restatement Date

This is an amendment or restatement of an existing qualified plan.

The Initial Plan Document was effective on 01/01/2018.

☐ This Plan is a frozen Plan effective on _____.

If this Plan is a frozen Plan, no Employer Contributions may be made to the Plan with respect to Compensation earned on or after the Effective Date that the Plan is frozen. In addition, no additional contributions (e.g., rollover, transfer) may be accepted by the Plan on or after the date that the Plan is frozen. Furthermore, once the Plan is frozen, no additional Employees shall become Participants. Depending on the facts and circumstances surrounding the freezing of the Plan, other Plan provisions may be affected (e.g., vesting, availability of loans.)

The Effective Date of this amendment or restatement is 01/01/2024 (except as otherwise provided on a Special Effective Date(s) Attachment, if applicable, or in the Basic Plan Document). (Must be no earlier than the first day of the Plan Year in which the Plan is restated.)

If different from the Effective Date above, Elective Deferrals, if added by this amendment or restatement, can be made under this Plan effective:

Pre-Tax Elective Deferrals (Select one.)

Option 1: ☐ The next payroll date coinciding with or following the later of the date this Adoption Agreement is signed or the Effective Date of this amendment or restatement.

Option 2: ☐ _____ (Must be on or after the later of the date this Adoption Agreement is signed or the Effective Date of this amendment or restatement.)

NOTE: If no option is selected, Option 1 will apply for Pre-Tax Elective Deferrals.

Roth Elective Deferrals (Select one.)

Option 1: ☐ The next payroll date coinciding with or following the later of the date this Adoption Agreement is signed or the Effective Date of this amendment or restatement.

Option 2: ☐ _____ (Must be on or after the later of the date this Adoption Agreement is signed or the Effective Date of this amendment or restatement.) The effective date for Roth Elective Deferrals must be on or after January 1, 2006.

NOTE: If no option is selected, Option 1 will apply for Roth Elective Deferrals.

NOTE: Specifying an amendment or restatement Effective Date as any day other than the first day of the Plan Year following the Plan Year in which this Adoption Agreement is signed may result in a reduction or elimination of accrued benefits, violating Code section 411(d)(6).

Notwithstanding the foregoing, Effective Dates for certain legislative and regulatory guidance are governed by the terms specified in the Basic Plan Document. If Elective Deferrals are being made available for the first time as a result of this amendment or restatement, the Elective Deferrals cannot be made available before the later of the date this Adoption Agreement is signed or the date specified above for Elective Deferrals. If different dates are selected for Pre-Tax and Roth Elective Deferrals, the date specified above for Pre-Tax Elective Deferrals must be either the same date or an earlier date than that selected for Roth Elective Deferrals.

SECTION TWO: ELIGIBILITY
Complete Parts A through F

NOTE: Eligibility requirements selected for Pre-Tax Elective Deferrals will also apply to Nondeductible Employee Contributions, if such contributions are made to the Plan. Age and eligibility service requirements and Entry Dates for Pre-Tax Elective Deferrals must be either the same or more liberal than the age and eligibility service requirements for Roth Elective Deferrals. Eligibility requirements selected for Matching Contributions will apply to Qualified Matching Contributions, if such contributions are made to the Plan. There will be no eligibility requirements and entry will be immediate for Employer Prevailing Wage Contributions.

Part A. Age and Eligibility Service

1. Age Requirement.

An Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals), receiving Matching Contributions, or receiving an allocation of any Employer Profit Sharing Contributions, Safe Harbor Contributions and Qualified Nonelective Contributions, as applicable, made pursuant to Section Three of the Adoption Agreement, after attaining the following age (select and complete all that apply):

☐ No age requirement is applicable for the following contributions (select all that apply):

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Profit Sharing Contributions.
- ☐ Safe Harbor/QACA Safe Harbor Contributions.
- ☐ Qualified Nonelective Contributions.

- ☒ The following age shall apply (*select and complete all that apply*):
- ☒ Pre-Tax Elective Deferrals – Age 18 (*not more than 21*).
 - ☒ Roth Elective Deferrals – Age 18 (*not more than 21*).
 - ☒ Matching Contributions – Age 18 (*not more than 21*).
 - ☒ Employer Profit Sharing Contributions – Age 18 (*not more than 21*).
 - ☒ Safe Harbor/QACA Safe Harbor Contributions – Age 18 (*not more than 21*).
 - ☒ Qualified Nonelective Contributions – Age 18 (*not more than 21*).

NOTE: *If no age is specified for a contribution source, there will be no age requirement for such source.*

2. Eligibility Service Requirement.

An Employee will be eligible to become a Participant in the Plan for purposes of becoming a Contributing Participant (and thus eligible to make Elective Deferrals), receiving Matching Contributions, or receiving an allocation of any Employer Profit Sharing Contributions, Safe Harbor Contributions and Qualified Nonelective Contributions, as applicable, made pursuant to Section Three of the Adoption Agreement (*select and complete all that apply*):

- ☒ No eligibility service required.

If this option is selected, there will be no eligibility service requirement for the following contributions (*select all that apply*):

- ☒ Pre-Tax Elective Deferrals.
- ☒ Roth Elective Deferrals.
- ☒ Matching Contributions.
- ☐ Employer Profit Sharing Contributions.
- ☒ Safe Harbor/QACA Safe Harbor Contributions.
- ☒ Qualified Nonelective Contributions.

- ☐ After completing _____ consecutive Months of Eligibility Service (*not more than 12*) beginning on the Employee's date of hire.

If this option is selected, an Employee will be eligible to become a Participant in the Plan for purposes of the following contributions after completing the number of consecutive Months of Eligibility Service specified above (*select all that apply*):

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Profit Sharing Contributions.
- ☐ Safe Harbor/QACA Safe Harbor Contributions.
- ☐ Qualified Nonelective Contributions.

NOTE: *If an Employee does not satisfy the Months of Eligibility Service requirement within the initial period specified above and the Hours of Service method of determining eligibility service applies, such Employee will satisfy the Plan's service requirement and be eligible to become a Participant in the Plan for purposes of the contributions specified above upon completion of 1,000 Hours of Service within the Eligibility Computation Period. If the Elapsed Time method of determining eligibility service applies, an Employee will satisfy the Plan's service requirement and be eligible to become a Participant in the Plan for purposes of the contributions specified above upon completion of the number of consecutive Months of Eligibility Service specified above.*

- ☐ After completing _____ consecutive Months of Eligibility Service (*not more than 12*) beginning on the Employee's date of hire, during which time the Employee completes at least _____ Hours of Service (*not more than 1,000*).

If this option is selected, an Employee will be eligible to become a Participant in the Plan for purposes of the following contributions after completing the number of consecutive Months of Eligibility Service and Hours of Service specified above (*select all that apply*):

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Profit Sharing Contributions.
- ☐ Safe Harbor/QACA Safe Harbor Contributions.
- ☐ Qualified Nonelective Contributions.

NOTE: *If the Hours of Service method of determining eligibility service applies and either an Employee does not satisfy both the Months of Eligibility Service and Hours of Service requirement within the initial period specified above or no Hours of Service are specified, such Employee will satisfy the Plan's service requirement and be eligible to become a Participant in the Plan for purposes of the contributions specified above upon completion of 1,000 Hours of Service within the Eligibility Computation Period. If the Elapsed Time method of determining eligibility service applies, an Employee will be eligible to become a Participant in the Plan for purposes of the contributions specified above after completing the number of consecutive Months of Eligibility Service specified above.*

☒ After completing 1 Year of Eligibility Service (Period of Service, if applicable).

If this option is selected, an Employee will be eligible to become a Participant in the Plan for purposes of the following contributions after completing 1 Year of Eligibility Service (Period of Service, if applicable) *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
☐ Roth Elective Deferrals.
☐ Matching Contributions.
☒ Employer Profit Sharing Contributions.
☐ Safe Harbor/QACA Safe Harbor Contributions.
☐ Qualified Nonelective Contributions.

☐ After completing 2 Years of Eligibility Service (Periods of Service, if applicable).

If this option is selected, an Employee will be eligible to become a Participant in the Plan for purposes of the following contributions after completing 2 Years of Eligibility Service (Periods of Service, if applicable) *(select all that apply)*:

- ☐ Matching Contributions.
☐ Employer Profit Sharing Contributions.

☐ Other.

If this option is selected, an Employee will be eligible to become a Participant in the Plan for purposes of the following contributions after completing the following requirements *(select and complete all that apply)*:

- ☐ Pre-Tax Elective Deferrals. *(Cannot require more than 1 Year of Eligibility Service (Period of Service, if applicable).)*

- ☐ Roth Elective Deferrals. *(Cannot require more than 1 Year of Eligibility Service (Period of Service, if applicable).)*

- ☐ Matching Contributions. *(Cannot require more than 2 Years of Eligibility Service (Periods of Service, if applicable).)*

- ☐ Employer Profit Sharing Contributions. *(Cannot require more than 2 Years of Eligibility Service (Periods of Service, if applicable).)*

- ☐ Safe Harbor/QACA Safe Harbor Contributions. *(Cannot require more than 1 Year of Eligibility Service (Period of Service, if applicable).)*

- ☐ Qualified Nonelective Contributions. *(Cannot require more than 1 Year of Eligibility Service (Period of Service, if applicable).)*

NOTE: If the Hours of Service method of determining eligibility service applies and an Employee does not satisfy the fractional year of service requirement and/or the Hours of Service requirement within the initial period specified above, such Employee will satisfy the Plan's service requirement and be eligible to become a Participant in the Plan for purposes of the contributions specified above upon completion of 1,000 Hours of Service within the Eligibility Computation Period. If the Elapsed Time method of determining eligibility service applies, an Employee will be eligible to become a Participant in the Plan for purposes of the contributions specified above after completing the number of consecutive Months of Eligibility Service specified above.

NOTE: If no eligibility service requirement is selected for any contribution source, there will be no service requirement for such source. If more than one Year of Eligibility Service (Period of Service, if applicable) is selected in this Section Two, Part A for either Matching Contributions or Employer Profit Sharing Contributions, the immediate 100 percent vesting schedule in Section Four will automatically apply to such contribution source. Selecting more favorable eligibility requirements for Elective Deferrals than for Safe Harbor Contributions requires nondiscrimination testing under Treasury Regulation section 1.401(k)-1(b)(4) and 1.401(m)-1(b)(4).

3. Age and Service Waivers

a. Employees Employed as of the Effective Date

An Employee who is employed as of the Effective Date listed in Section One, Part A, of the Adoption Agreement, is included in the classification listed below (other than an Employee who either is part of an excluded class of Employees or is employed by a Related Employer of the Adopting Employer that does not participate in the Plan), and has not otherwise met the age and eligibility service requirements listed above will be considered to have met those requirements as of the Effective Date and be eligible to become a Participant in the Plan *(select one)*:

Option 1: ☐ Yes.

i. Employee Classification

This waiver applies to the following Employees *(select one and complete, if applicable)*:

Suboption (a): ☐ All Employees.

Suboption (b): ☐ Employees who are *(define classifications)*:

ii. **Applicable Contributions**

If Option 1 is selected, the waiver of the age and eligibility service requirements will apply to all contributions that are made pursuant to Section Three of the Adoption Agreement except the following (select all that apply):

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Profit Sharing Contributions.
- ☐ Safe Harbor/QACA Safe Harbor Contributions.
- ☐ Qualified Nonelective Contributions.

Option 2: ☒ Not applicable.

NOTE: If no option is selected, Option 2 will apply. If Option 1 is selected but no contribution source(s) is specified, all contribution sources available in the Plan on the Effective Date will be subject to the waiver. If Option 1 is selected but no Employees are specified, all Employees employed on the Effective Date will be subject to the waiver. This waiver may only be used when this Plan is first adopted.

b. **Employees Employed as of a Specified Date**

An Employee who is employed as of the date specified below, is included in the classification listed below (other than an Employee who either is part of an excluded class of Employees or is employed by a Related Employer of the Adopting Employer that does not participate in the Plan), and has not otherwise met the age and eligibility service requirements will be considered to have met those requirements and be eligible to become a Participant in the Plan (select one):

Option 1: ☒ Yes. An Employee employed on 05/25/2018 (specify a month, day, and year).

i. **Employee Classification**

This waiver applies to the following Employees (select one and complete, if applicable):

Suboption (a): ☒ All Employees.

Suboption (b): ☐ Employees who are (define classifications):

ii. **Applicable Contributions**

If Option 1 is selected, the waiver of the age and eligibility service requirements will apply to all contributions that are made pursuant to Section Three of the Adoption Agreement except the following (select all that apply):

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Profit Sharing Contributions.
- ☐ Safe Harbor/QACA Safe Harbor Contributions.
- ☐ Qualified Nonelective Contributions.

iii. **Entry Date**

The following date will be an Entry Date for an Employee who is subject to this waiver (select one and complete, if applicable):

- ☐ The specified date above.
- ☐ _____ (specify a month, day, and year).

Option 2: ☐ Not applicable.

NOTE: If no option is selected, Option 2 will apply. If Option 1 is selected but no date is specified, no additional age and eligibility service waivers will apply. If Option 1 is selected but no contribution source(s) is specified, all contribution sources available in the Plan on the specified date will be subject to the waiver. If Option 1 is selected but no Employees are specified, all Employees employed on the specified date will be subject to the waiver. This age and eligibility service waiver may be used either when this Plan is adopted or when the Plan is subsequently amended (e.g., to add one or more types of contributions, to add a previously excluded group of Employees).

c. **Mergers and Acquisitions**

An Employee who is employed as of the date specified below, became an Employee as a result of a merger with or acquisition of the predecessor employer(s) listed below, is included in the classification listed below (other than an Employee who either is part of an excluded class of Employees or is employed by a Related Employer of the Adopting Employer that does not participate in the Plan), and has not otherwise met the age and eligibility service requirements, will be considered to have met those requirements and be eligible to become a Participant in the Plan.

Option 1: ☐ Yes. An Employee employed on _____ (specify a month, day, and year).

i. **Employee Classification**

Employees subject to the waiver (define predecessor employers and classifications):

ii. Applicable Contributions

If Option 1 is selected, the waiver of the age and eligibility service requirements will apply to all contributions that are made pursuant to Section Three of the Adoption Agreement except the following (*select all that apply*):

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Profit Sharing Contributions.
- ☐ Safe Harbor/QACA Safe Harbor Contributions.
- ☐ Qualified Nonelective Contributions.

iii. Entry Date

The following date will be an entry date for an Employee who is subject to this waiver (*select one and complete, if applicable*):

- ☐ The specified date above.
- ☐ _____ (*specify a month, day, and year*).

Option 2: ☐ Not applicable.

NOTE: If no option is selected, Option 2 will apply. If Option 1 is selected but either no date and/or no Employees are specified, no additional age and eligibility service waivers will apply. If Option 1 is selected but no contribution source(s) is specified, all contribution sources available in the Plan on the specified date will be subject to the waiver. This age and eligibility service waiver may be used either when this Plan is adopted or when a merger or acquisition occurs. Waivers that include only certain Employees from certain prior employers may create testing implications under Code sections 401(a)(4) or 410(b).

Part B. Exclusion of Certain Classes of Employees

An Employee will be eligible to become a Participant in the Plan unless such Employee is (*select all that apply*):

- ☐ No exclusions apply. All Employees will be eligible to become a Participant in the Plan for the following contributions (*select all that apply*):
 - ☐ Pre-Tax Elective Deferrals and Safe Harbor Contributions.
 - ☐ Roth Elective Deferrals.
 - ☐ Matching Contributions.
 - ☐ Employer Profit Sharing Contributions.
 - ☐ Qualified Nonelective Contributions.
- ☒ Included in a unit of Employees covered by a collective bargaining agreement between the Employer and Employee representatives, if retirement benefits were the subject of good faith bargaining and if two-percent or less of the Employees who are covered pursuant to that agreement are professionals as defined in Treasury Regulation section 1.410(b)-9. For this purpose, the term "Employee representatives" does not include any organization in which more than half of the members are Employees who are owners, officers, or executives of the Employer.

If this exclusion is selected, it will apply to the following contributions (*select all that apply*):

 - ☒ Pre-Tax Elective Deferrals and Safe Harbor Contributions.
 - ☒ Roth Elective Deferrals.
 - ☒ Matching Contributions.
 - ☒ Employer Profit Sharing Contributions.
 - ☒ Qualified Nonelective Contributions.
- ☒ A nonresident alien (within the meaning of Code section 7701(b)(1)(B)) who received no earned income (within the meaning of Code section 911(d)(2)) from the Employer which constitutes income from sources within the United States (within the meaning of Code section 861(a)(3)).

If this exclusion is selected, it will apply to the following contributions (*select all that apply*):

 - ☒ Pre-Tax Elective Deferrals and Safe Harbor Contributions.
 - ☒ Roth Elective Deferrals.
 - ☒ Matching Contributions.
 - ☒ Employer Profit Sharing Contributions.
 - ☒ Qualified Nonelective Contributions.
- ☒ An Employee as the result of a transaction described in Code section 410(b)(6)(C). Such Employee will be excluded during the period beginning on the date of the change in the member(s) of the group and ending on the last day of the first Plan Year beginning after the date of the change. A transaction described in Code section 410(b)(6)(C) is an asset or stock acquisition, merger, or similar transaction involving a change in the employer of the employees of a trade or business.

If this exclusion is selected, it will apply to the following contributions (*select all that apply*):

 - ☒ Pre-Tax Elective Deferrals and Safe Harbor Contributions.
 - ☒ Roth Elective Deferrals.
 - ☒ Matching Contributions.
 - ☒ Employer Profit Sharing Contributions.
 - ☒ Qualified Nonelective Contributions.

☐ A Leased Employee.

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals and Safe Harbor Contributions.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Profit Sharing Contributions.
- ☐ Qualified Nonelective Contributions.

☐ A Highly Compensated Employee.

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals and Safe Harbor Contributions.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Profit Sharing Contributions.
- ☐ Qualified Nonelective Contributions.

☐ Incorrectly determined not to be an Employee *(e.g., erroneously classified as an independent contractor)*.

If this exclusion is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals and Safe Harbor Contributions.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Profit Sharing Contributions.
- ☐ Qualified Nonelective Contributions.

☐ Other.

If this exclusion is selected, it will apply to the following contributions and groups of Employees *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals and Safe Harbor Contributions *(Describe the classification(s) of Employees that will be excluded from the Plan. Classifications cannot be based on time, service, or compensation.)*

- ☐ Roth Elective Deferrals *(Describe the classification(s) of Employees that will be excluded from the Plan. Classifications cannot be based on time, service, or compensation.)*

- ☐ Matching Contributions *(Describe the classification(s) of Employees that will be excluded from the Plan. Classifications cannot be based on time, service, or compensation.)*

- ☐ Employer Profit Sharing Contributions *(Describe the classification(s) of Employees that will be excluded from the Plan. Classifications cannot be based on time, service, or compensation.)*

- ☐ Qualified Nonelective Contributions *(Describe the classification(s) of Employees that will be excluded from the Plan. Classifications cannot be based on time, service, or compensation.)*

NOTE: If elected by the Employer in Employer Information, Part B, a Related Employer of the Adopting Employer will be excluded from the Plan unless such employer signs a Participating Employer Election Attachment.

NOTE: If no option is selected, Option 1 will apply. Exclusions of Employees (other than statutorily excluded Employees under Code section 410(b)(3) and (4)) may result in the Plan needing to be amended to include enough Employees to pass the minimum coverage requirements under Code section 410(b).

Part C. Entry Dates

The Entry Dates will be *(select all that apply)*:

- ☐ Immediately upon meeting age and eligibility service – The day the age and eligibility service requirements in Section Two, Part A, are satisfied.

If this Entry Date option is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
- ☐ Roth Elective Deferrals.
- ☐ Matching Contributions.
- ☐ Employer Profit Sharing Contributions.
- ☐ Safe Harbor/QACA Safe Harbor Contributions.
- ☐ Qualified Nonelective Contributions.

- ☒ Monthly – The first day of each month of the Plan Year.

If this Entry Date option is selected, it will apply to the following contributions *(select all that apply)*:

- ☒ Pre-Tax Elective Deferrals.
☒ Roth Elective Deferrals.
☒ Matching Contributions.
☒ Employer Profit Sharing Contributions.
☒ Safe Harbor/QACA Safe Harbor Contributions.
☒ Qualified Nonelective Contributions.

- ☐ Quarterly – The first day of the Plan Year and the first day of the fourth, seventh, and tenth months of the Plan Year.

If this Entry Date option is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
☐ Roth Elective Deferrals.
☐ Matching Contributions.
☐ Employer Profit Sharing Contributions.
☐ Safe Harbor/QACA Safe Harbor Contributions.
☐ Qualified Nonelective Contributions.

- ☐ Semi-Annually – The first day of the Plan Year and the first day of the seventh month of the Plan Year.

If this Entry Date option is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
☐ Roth Elective Deferrals.
☐ Matching Contributions.
☐ Employer Profit Sharing Contributions.
☐ Safe Harbor/QACA Safe Harbor Contributions.
☐ Qualified Nonelective Contributions.

- ☐ Annually – The first day of the Plan Year. *(Refer to the "NOTE" at the end of this Part C for restrictions that may apply.)*

If this Entry Date option is selected, it will apply to the following contributions *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals.
☐ Roth Elective Deferrals.
☐ Matching Contributions.
☐ Employer Profit Sharing Contributions.
☐ Safe Harbor/QACA Safe Harbor Contributions.
☐ Qualified Nonelective Contributions.

- ☐ Other. *(Refer to the "NOTE" at the end of this Part C for restrictions that may apply.)*

If this Entry Date option is selected, it will apply to the following contributions and dates *(select all that apply)*:

- ☐ Pre-Tax Elective Deferrals *(Define Entry Date(s).)*

- ☐ Roth Elective Deferrals *(Define Entry Date(s).)*

- ☐ Matching Contributions *(Define Entry Date(s).)*

- ☐ Employer Profit Sharing Contributions *(Define Entry Date(s).)*

- ☐ Safe Harbor/QACA Safe Harbor Contributions *(Define Entry Date(s).)*

- ☐ Qualified Nonelective Contributions *(Define Entry Date(s).)*

NOTE: *If no Entry Dates are specified for a contribution source, semi-annual Entry Dates will apply to such source. The "Annually" and "Other" Entry Date options can be selected only if the eligibility requirements and Entry Dates are coordinated such that each Employee will become a Participant in the Plan by the earlier of 1) the first day of the Plan Year beginning after the date the Employee satisfies the age and eligibility service requirements of Code section 410(a) and ERISA section 202, or 2) six months after the date the Employee satisfies such requirements.*

Part D. Service Required for Eligibility Purposes (Select one.)

Option 1: ☒ The Hours of Service method of determining service applies. (May only be selected if one or two Years of Eligibility Service or a fractional year service with hours is required for any source in Part A above.) (Complete the following.)

(a) 1000 Hours of Service (not more than 1,000) will be required to constitute a Year of Eligibility Service.

(b) 500 Hours of Service (not more than 500 and less than the number specified in Option 1(a), above) must be exceeded to avoid a Break in Eligibility Service.

Option 2: ☐ Not applicable. The Elapsed Time method of determining service applies or no eligibility service is required.

NOTE: If no option is selected and the Hours of Service method of determining service applies or if Option 1 is selected and no hours are specified, 1,000 and 500 will apply for items (a) and (b), respectively.

Part E. Eligibility Computation Period

An Employee's Eligibility Computation Periods after their initial Eligibility Computation Period will be (select one):

Option 1: ☒ Each Plan Year commencing with the Plan Year beginning during their initial Eligibility Computation Period.

Option 2: ☐ The 12-consecutive month periods commencing on the anniversaries of their Employment Commencement Date.

Option 3: ☐ Not applicable. The Elapsed Time method of determining service applies or no eligibility service is required.

NOTE: If no option is selected, Option 1 will apply if the Hours of Service method of determining service applies and Option 3 will apply if the Elapsed Time method of determining service applies.

Part F. Participation Following Breaks in Service

Will the rehire hold-out rule described in Plan Section 2.04(C) apply for purposes of determining eligibility (select one)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply.

SECTION THREE: CONTRIBUTIONS

Complete Parts A through M

Part A. Elective Deferrals

1. Authorization of Elective Deferrals

Will Elective Deferrals be permitted under this Plan (select one)?

Option 1: ☒ Yes. (Complete the following.)

Will Roth Elective Deferrals be permitted under this Plan in addition to Pre-Tax Elective Deferrals?

Suboption (a): ☒ Yes.

Suboption (b): ☐ No.

NOTE: If no suboption is selected, Suboption (a) will apply.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply. Complete the relevant portions of the remainder of Part A only if Option 1 is selected.

2. Limits on Elective Deferrals

- a. If Elective Deferrals are permitted under the Plan, a Contributing Participant may elect under a salary reduction agreement to have their Compensation reduced by the amount described below. Such amount will be contributed to the Plan by the Employer on behalf of the Contributing Participant (select one):

Option 1: ☒ An amount equal to a percentage of the Contributing Participant's Compensation from 0 percent to 92 percent in increments of 1 percent.

Option 2: ☐ An amount of the Contributing Participant's Compensation not less than \$_____ and not more than \$_____.

Option 3: ☐ An amount equal to a percentage of the Contributing Participant's Compensation from _____ percent to _____ percent in increments of _____ percent, or an amount of the Contributing Participant's Compensation not less than \$_____ and not more than \$_____.

Option 4: ☐ An amount equal to a dollar amount or percentage of the Contributing Participant's Compensation not to exceed the limits imposed by Code sections 401(k), 402(g), 404, and 415.

NOTE: If no option is selected, Option 4 will apply.

- b. Notwithstanding item (a) above, if Elective Deferrals are permitted under the Plan, a Contributing Participant who is a Highly Compensated Employee may elect under a salary reduction agreement to have his or her Compensation reduced by an amount as described below. (Select one.)

Option 1: ☐ An amount equal to a percentage of the Contributing Participant's Compensation from _____ percent to _____ percent in increments of _____ percent.

Option 2: ☐ An amount of the Contributing Participant's Compensation not less than \$_____ and not more than \$_____.

Option 3: ☐ An amount equal to a percentage of the Contributing Participant's Compensation from _____ percent to _____ percent in increments of _____ percent, or an amount of the Contributing Participant's Compensation not less than \$_____ and not more than \$_____.

Option 4: ☐ An amount equal to a dollar amount or percentage of the Contributing Participant's Compensation not to exceed the limits imposed by Code sections 401(k), 402(g), 404, and 415.

Option 5: ☒ Not applicable. The provisions of item (a) above will apply.

NOTE: If no option is selected, Option 5 will apply.

NOTE: A Contributing Participant's combined Pre-Tax and Roth Elective Deferrals during their taxable year will not exceed the limit contained in Code section 402(g) in effect at the beginning of such taxable year. Unless specified otherwise in the Adoption Agreement, bonuses will be included in Compensation and will, therefore, be subject to a Participant's salary reduction agreement. Any limits on Elective Deferrals may be determined either periodically throughout the Plan Year (e.g., each payroll period) or at the end of the Plan Year, provided that such determination is made in a uniform and nondiscriminatory manner.

3. Separate Deferral Election for Bonuses

Can a Contributing Participant make a separate deferral election to defer part or all of a bonus that will apply instead of the Contributing Participant's salary reduction agreement (select one)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected or if bonuses are excluded from Compensation for Elective Deferrals in Section 6, item 5 of this Adoption Agreement, Option 2 will apply. Option 1 may only be selected if the Plan included bonuses in Compensation for Elective Deferrals in Section 6, item 5 of this Adoption Agreement. If Option 1 is selected and a Contributing Participant does not make a separate deferral election for a bonus, the Participant's salary reduction agreement will apply to the bonus.

4. Catch-up Contributions

Will eligible Contributing Participants be permitted to make Catch-up Contributions pursuant to Plan Section 3.01(H) (select one)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply.

5. Ceasing Elective Deferrals

A Contributing Participant may stop making Elective Deferrals prospectively by revoking a salary reduction agreement (select one):

Option 1: ☒ As of such times established by the Plan Administrator in a uniform and nondiscriminatory manner.

Option 2: ☐ Monthly – As of the first day of any month.

Option 3: ☐ Quarterly – As of the first day of any quarter.

Option 4: ☐ Semi-Annually – As of the first day of the Plan Year and the first day of the seventh month of the Plan Year.

Option 5: ☐ Annually – No sooner than as of the first day of the next Plan Year.

Option 6: ☐ Other. (Specify one or more dates occurring at least once per year, established in a uniform and nondiscriminatory manner.)

NOTE: If no option is selected, Option 1 will apply.

6. Return as a Contributing Participant After Ceasing Elective Deferrals

A Participant who ceases Elective Deferrals by revoking a salary reduction agreement may return as a Contributing Participant (select one):

Option 1: ☒ As of such times established by the Plan Administrator in a uniform and nondiscriminatory manner.

Option 2: ☐ Monthly – As of the first day of any subsequent month.

Option 3: ☐ Quarterly – As of the first day of any subsequent quarter.

Option 4: ☐ Semi-Annually – As of the first day of the Plan Year and the first day of the seventh month of the Plan Year.

Option 5: ☐ Annually – No sooner than as of the first day of the next Plan Year.

Option 6: ☐ Other. (Specify one or more dates occurring at least once per year, established in a uniform and nondiscriminatory manner.)

NOTE: If no option is selected, Option 1 will apply.

7. Changing Elective Deferral Amounts

A Contributing Participant may modify a salary reduction agreement to prospectively increase or decrease the amount of their Elective Deferrals (select one):

Option 1: ☒ As of such times established by the Plan Administrator in a uniform and nondiscriminatory manner.

Option 2: ☐ Monthly – As of the first day of the month.

Option 3: ☐ Quarterly – As of the first day of any quarter.

Option 4: ☐ Semi-Annually – As of the first day of the Plan Year and first day of the seventh month of the Plan Year.

Option 5: ☐ Annually – No sooner than as of the first day of the next Plan Year.

Option 6: ☐ Other. (Specify one or more dates occurring at least once per year, established in a uniform and nondiscriminatory manner.)

NOTE: If no option is selected, Option 1 will apply.

8. Claiming Excess Elective Deferrals

A Participant who claims Excess Elective Deferrals for the preceding calendar year must submit their claim in writing to the Plan Administrator by (select one):

Option 1: ☐ March 1.

Option 2: ☒ Other. (Specify a date not later than April 15.)
April 8th

NOTE: If no option is selected, Option 1 will apply. If Excess Elective Deferrals are not removed by April 15, they will be included in income both when contributed and when distributed and may be subject to a 10 percent early distribution penalty under Code section 72(t).

9. Authorization of Automatic Elective Deferrals

a. Will the automatic Elective Deferral enrollment provisions apply (select one)?

Option 1: ☐ Yes, the Automatic Contribution Arrangement (ACA) provisions in Plan Section 3.01(E)(1) will apply.

Option 2: ☐ Yes, the Eligible Automatic Contribution Arrangement (EACA) provisions in Plan Section 3.01(E)(2) will apply.

Option 3: ☒ Yes, the Qualified Automatic Contribution Arrangement (QACA) provisions in Plan Section 3.01(F) will apply.

Option 4: ☐ No.

NOTE: If no option is selected, Option 4 will apply. Complete item 10 only if Option 1 or 2 is selected and complete item 11 only if Option 3 is selected. If Option 3 is selected, the QACA provisions of the Plan will apply for the Plan Year and the provisions relating to the ADP or ACP test generally will not apply. Contribution provisions that are selected in addition to Option 3 may subject the plan to ADP, ACP, and top-heavy testing. In addition, the Plan generally must satisfy the QACA requirements of Code sections 401(k)(13) and 401(m)(12), including the notice requirement, for the entire Plan Year. If a QACA is eliminated during a Plan Year under Treasury Regulation section 1.401(k)-3(g), the Plan will be subject to provisions relating to the ADP and ACP tests, including restrictions on the selection of testing methods (e.g., current vs. prior-year).

b. **Tax Character of Elective Deferrals – ACA/EACA/QACA**

How will amounts withheld from Compensation and contributed to the Plan as automatic Elective Deferrals under an ACA, EACA or QACA be designated for tax purposes (select one)?

Option 1: ☐ Pre-Tax Elective Deferrals.

Option 2: ☐ Roth Elective Deferrals.

NOTE: If no option is selected, Option 1 will apply. Option 2 may only be selected if the Plan permits Roth Elective Deferrals under Part A of this Section.

c. **Expiration of Salary Reduction Agreements**

i. **Authorization of Expiration of Salary Reduction Agreements**

Will a Participant's salary reduction agreement expire (select one)?

Option 1: ☐ Yes, for all Eligible Employees who are not Contributing Participants (e.g., are deferring zero-percent).

Option 2: ☐ Yes, for all Eligible Employees deferring less than the amount in item 10(c) or 11(a) below, as applicable (including zero-percent).

Option 3: ☐ Yes, for all Eligible Employees.

Option 4: ☐ Yes, for the following Eligible Employees (define classification):

Option 5: ☒ No.

The Plan may provide that an Eligible Employee's affirmative salary reduction agreement election expires annually. If this item 9(c)(i) is applicable and an Eligible Employee fails to complete a new salary reduction agreement subsequent to their prior salary reduction agreement expiring at the time indicated in item 9(c)(ii), the Eligible Employee will become subject to the default deferral percentages or amounts set forth in the ACA, EACA, or QACA provisions in the Plan, as applicable. Each year, the Eligible Employee may complete a new salary reduction agreement or modify an existing salary reduction agreement to increase or decrease the amount of their Compensation deferred into the Plan. Unless otherwise elected in Section Three, Part A.7., such modification may be made as of such times established by the Plan Administrator in a uniform and nondiscriminatory manner.

NOTE: If no option is selected, Option 5 will apply. Complete the remainder of this item only if Option 1, 2, 3 or 4 is selected.

ii. **Timing of Expiration of Salary Reduction Agreements**

Salary reduction agreements will expire on the following date (select one):

Option 1: ☐ First day of each Plan Year.

Option 2: ☐ First day of each calendar year.

Option 3: ☐ Other (specify the date that the salary reduction agreements will expire):

NOTE: If no option is selected, Option 1 will apply.

10. ACA and EACA

a. New Employees

For an Employee who has met the eligibility requirements set forth in Section Two of the Adoption Agreement and who fails to provide the Employer a salary reduction agreement, will a portion of such Employee's Compensation be automatically withheld and contributed to the Plan as an Elective Deferral (*select one*)?

Option 1: ☐ Yes, for Employees hired on or after the Effective Date.

Option 2: ☐ Yes, for Employees who meet the eligibility requirements in Section Two, Part A of the Adoption Agreement on or after the Effective Date.

Option 3: ☐ No.

NOTE: If no option is selected, Option 1 will apply if an ACA or EACA provision is being added or changed. No portion of an Employee's Compensation will be withheld until the date the Employee enters the Plan after having satisfied the eligibility requirements listed in the Adoption Agreement.

b. Current Employees

If an ACA or EACA provision is being added to the Plan or an existing ACA or EACA provision is being changed, will automatic enrollment for Elective Deferrals apply to all Employees who have met the eligibility requirements and who fail to return a salary reduction agreement on or after the Effective Date, including those who met the eligibility requirements in the Adoption Agreement before the Effective Date (*select one*)?

Option 1: ☐ Yes, but only to those Employees who are not Contributing Participants (e.g., are deferring zero-percent).

Option 2: ☐ Yes, but only to those Employees deferring less than the amount in item (c) below (including zero-percent).

Option 3: ☐ Yes, for all current Employees who have met the eligibility requirements (including Contributing Participants and current Employees who are not Contributing Participants).

Option 4: ☐ Yes, for the following current Employees who have met the eligibility requirements (*specify the classification of Employees who will be subject to automatic enrollment*):

Option 5: ☐ No, automatic enrollment for Elective Deferrals will not apply to any current Employees who have met the eligibility requirements (including Contributing Participants and current Employees who are not Contributing Participants).

NOTE: If no option is selected, Option 5 will apply.

c. Initial Amount of Automatic Elective Deferral

The following percentage or amount of each Employee's Compensation will be automatically withheld each payroll and contributed to the Plan as an Elective Deferral if they have met the eligibility requirements and Option 1 or 2 was selected in item 9(a) above (*select and complete one*):

Option 1: ☐ _____ percent.

Option 2: ☐ The greater of _____ percent or the Participant's Elective Deferral rate in effect before being automatically enrolled.

Option 3: ☐ \$_____.

NOTE: If no option is selected, Option 1 will apply and three-percent of Compensation will be withheld. Option 3 may not be selected for an EACA.

d. Authorization of Automatic Elective Deferral Increase

Will Elective Deferrals be increased automatically each year for Employees who are automatically enrolled under an ACA or EACA (*select one*)?

Option 1: ☐ Yes, by _____ percent per payroll once per year up to a maximum of _____ percent.

Option 2: ☐ Yes, by \$_____ per payroll once per year up to a maximum amount of \$_____.

Option 3: ☐ Yes, by (*specify the amount, frequency, and maximum amount of the automatic Elective Deferral increase*):

Option 4: ☐ No.

NOTE: If no option is selected, Option 4 will apply. If the Plan intends to operate an EACA, the deferral increase amount above must be based on a percentage of Compensation.

e. Timing of Automatic Elective Deferral Increases

If automatic increases are selected above, such increases will occur on the following dates (*select one*):

Option 1: ☐ First day of each Plan Year.

Option 2: ☐ First day of each calendar year.

Option 3: ☐ Each anniversary of the Contributing Participant's initial deferral date.

Option 4: ☐ The Contributing Participant's annual review date.

Option 5: ☐ Other. (*Specify the dates that the automatic Elective Deferral increases will occur.*)

NOTE: If no option is selected, Option 1 will apply. For an EACA, Option 4 may only be selected if all Contributing Participants share a common annual review date, except as otherwise provided by the IRS. If Option 5 is selected, increases of automatic Elective Deferrals in an EACA must satisfy the uniformity rules in Treasury Regulation section 1.414(w)-1(b)(2).

NOTE: If Employees who are automatically enrolled are treated differently from Employees who are not automatically enrolled with regard to automatic increases, special testing may be required under Code section 401(a)(4).

11. QACA

a. QACA Elective Deferral Rates

i. Standard Percentage

The following percentage of each Eligible Employee's Compensation will be automatically withheld each payroll and contributed to the Plan as an Elective Deferral if Option 3 was selected in item 9(a) above and if an Eligible Employee does not timely return a salary reduction agreement (select an option and complete the blanks, if applicable):

	Option 1 <input checked="" type="checkbox"/>	Option 2 <input type="checkbox"/>
Initial Rate	3%	____% (not less than three or more than ten)
Rate Two	4%	____% (not less than four or more than ten)
Rate Three	5%	____% (not less than five or more than ten)
Rate Four	6%	____% (not less than six or more than ten)
Rate Five	N/A	____% (not less than six or more than ten)
Rate Six	N/A	____% (not less than six or more than ten)
Rate Seven	N/A	____% (not less than six or more than ten)
Rate Eight	N/A	____% (not less than six or more than ten)

NOTE: If no option is selected, Option 1 will apply. The QACA Elective Deferral rate must be at least three percent of Compensation during the Initial Period and must be at least the minimum percentages described above for each subsequent period following the Initial Period until the Elective Deferral rate equals six-percent.

ii. Comparison Percentage

Will the Employer withhold and contribute to the Plan as an Elective Deferral the greater of the standard percentage as described in item (i) above or the Participant's Elective Deferral rate in effect before being automatically enrolled in the QACA (select one)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: Option 1 should be selected if the Plan previously contained an automatic contribution arrangement. Notwithstanding the preceding, if no option is selected, Option 1 will apply and the QACA Elective Deferral rate will be the applicable percent described in item (a)(i) above or, if greater, the Elective Deferral rate in effect for a Participant immediately before being automatically enrolled in the QACA.

b. Timing of QACA Increases

i. Initial Period

Will QACA rate increases, if applicable, occur during the Initial Period (select one)?

Option 1: ☐ Yes, on the first day of the Plan Year.

Option 2: ☐ Yes, on the first day of the calendar year.

Option 3: ☐ Yes, on the anniversary of the Contributing Participant's initial deferral date.

Option 4: ☐ Yes, on the Contributing Participant's annual review date.

Option 5: ☐ Yes, (specify the dates the QACA rate will increase during the Initial Period):

Option 6: ☒ No.

NOTE: If no option is selected, Option 6 will apply. The Employer may increase QACA Elective Deferral rates during the Initial Period but such increases are not required. Option 4 may only be selected if all Contributing Participants share a common annual review date, except as otherwise provided by the IRS. If Option 5 is selected, increases of automatic Elective Deferrals in a QACA must satisfy the uniformity rules in Treasury Regulation section 1.401(k)-3(j)(2).

ii. Subsequent Periods

QACA rate increases following the Initial Period, if applicable, will occur on the following date (select one):

Option 1: ☒ First day of each Plan Year.

Option 2: ☐ First day of each calendar year.

Option 3: ☐ Each anniversary of the Contributing Participant's initial deferral date.

Option 4: ☐ The Contributing Participant's annual review date.

Option 5: ☐ Other. (Specify the dates the QACA rate will increase after the Initial Period.)

NOTE: If no option is selected, Option 1 will apply. Option 4 may only be selected if all Contributing Participants share a common annual review date, except as otherwise provided by the IRS. If Option 5 is selected, increases of automatic Elective Deferrals in a QACA must satisfy the uniformity rules in Treasury Regulation section 1.401(k)-3(j)(2).

c. **Participants Entitled to Receive QACA Safe Harbor Contributions**

QACA Safe Harbor Contributions will be made on behalf of (select one):

Option 1: ☐ Each Eligible Employee who is a non-Highly Compensated Employee.

Option 2: ☒ All Eligible Employees.

NOTE: If no option is selected, Option 1 will apply.

d. **QACA ADP Test Safe Harbor Contribution**

For the Plan Year, the Employer will make the following QACA ADP Test Safe Harbor Contributions to the Individual Account of each Eligible Employee, as described in item 11(c) above, in the amount of (select one):

Option 1: ☐ QACA Basic Matching Contribution.

That percentage of each Contributing Participant's Elective Deferrals determined by the rate of each Contributing Participant's Elective Deferrals as specified in the matching schedule below.

	<u>Elective Deferral Percentage</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to 1%	100%
Tier 2	Greater than 1, but less than or equal to 6%	50%

Option 2: ☐ QACA Enhanced Matching Contribution.

That percentage of each Contributing Participant's Elective Deferrals determined by the rate of each Contributing Participant's Elective Deferrals as specified in the matching schedule below.

	<u>Elective Deferral Percentage</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to ____% (not less than one)	____% (not less than 100)
Tier 2	Greater than ____, but less than or equal to ____% (if greater than six, ACP testing will apply)	____%

NOTE: If the Plan is intended to also satisfy the QACA ACP Test Safe Harbor CODA rules regarding Matching Contributions, no Matching Contributions may be made on Elective Deferrals exceeding six-percent of Compensation.

Option 3: ☐ Other QACA Enhanced Matching Contribution.

Equal to the following fixed percentage of each Contributing Participant's Elective Deferrals. (Specify a fixed QACA Enhanced Matching Contribution formula that is at least as favorable as the QACA Basic Matching Contribution formula.)

Option 4: ☒ QACA Safe Harbor Nonelective Contribution.

4 (not less than three) percent of the Employee's Compensation for the Plan Year.

NOTE: If no option is selected, Option 1 will apply. Options 2 or 3, if selected, must be completed so that, at any rate of Elective Deferrals, the Matching Contribution is at least equal to the Matching Contribution that would be received if the Employer were making contributions under Option 1, but the rate of match cannot increase as Elective Deferrals increase. If QACA Basic Matching Contributions or QACA Enhanced Matching Contributions are made more frequently than the Matching Contribution Computation Period, the Employer will re-calculate the QACA ADP Test Safe Harbor Contributions based on the Compensation earned, and Elective Deferrals made, over the entire Matching Contribution Computation Period.

e. **QACA ACP Test Safe Harbor Matching Contributions**

NOTE: No additional contributions are required to satisfy the QACA requirements. The Employer may, however, make Matching Contributions other than those contributions made under item 11(d) above. To ensure that the Plan continues to satisfy the safe harbor provisions of a QACA, only the following additional Matching Contributions may be made (see the "NOTE" below for specific contribution limitations).

For the Plan Year will the Employer make QACA ACP Test Safe Harbor Matching Contributions to the Individual Account of each Eligible Employee, as described in item 11(c) above (select one)?

Option 1: ☒ Yes. The Employer will make QACA ACP Test Safe Harbor Matching Contributions in the amount of (select all that apply):

☒ Percentage of Contribution Match.

That percentage of each Contributing Participant's Elective Deferrals determined by the rate of each Contributing Participant's Elective Deferrals as specified in the matching schedule below.

	<u>Elective Deferral Percentage</u>	<u>Matching Percentage</u>
	Less than or equal to 6% (not more than six)	100%

☐ Two-Tiered Percentage of Contribution Match.

That percentage of each Contributing Participant's Elective Deferrals determined by the rate of each Contributing Participant's Elective Deferrals as specified in the matching schedule below.

	<u>Elective Deferral Percentage</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to ____%	____%
Tier 2	Greater than ____, but less than or equal to ____%	____%

NOTE: The matching percentage for Tier 2 cannot exceed the matching percentage for the base rate. No Matching Contributions may be made on Elective Deferrals that exceed six-percent of Compensation.

☐ A discretionary contribution that matches each Contributing Participant's Elective Deferrals that do not exceed a permissible percentage of the Contributing Participant's Compensation for the Plan Year.

NOTE: The Elective Deferrals that are matched will be determined by the Employer for the year, but in no event can a Matching Contribution be made on Elective Deferrals that exceed six-percent of the Employee's Compensation. The total discretionary QACA ACP Test Safe Harbor Matching Contribution made to any Eligible Employee cannot exceed four-percent of the Employee's Compensation for the Plan Year. Matching Contributions made under the Plan that exceed these limitations will subject the Plan to ACP testing.

Option 2: ☐ Not applicable. The Employer will not make a QACA ACP Test Safe Harbor Matching Contribution unless necessary to do so in order to timely allocate Forfeitures.

NOTE: If no option is selected, Option 2 will apply. If Option 1 is selected and no contribution amount is selected, the Employer may make a discretionary contribution that matches each Contributing Participant's Elective Deferrals that do not exceed a permissible percentage of the Contributing Participant's Compensation for the Plan Year. If the Employer wishes to make Matching Contributions in addition to QACA ACP Test Safe Harbor Matching Contributions, the Matching Contributions section of the Adoption Agreement must be completed. Such contributions will be subject to ACP testing. If QACA ACP Test Safe Harbor Matching Contributions are made more frequently than the Matching Contribution Computation Period, the Employer will re-calculate the QACA ACP Test Safe Harbor Matching Contributions based on the Compensation earned, and Elective Deferrals made, over the entire Matching Contribution Computation Period.

f. Recipient Plan

The QACA Safe Harbor Contributions will be made to (select one):

Option 1: ☒ This Plan.

Option 2: ☐ Other plan. (Specify plan of the Employer.)

NOTE: If no option is selected, Option 1 will apply.

12. Automatic Increase for Employees who are Not Automatically Enrolled or for Plans Without Automatic Enrollment

a. Authorization to Increase Elective Deferrals Automatically

Will Elective Deferrals be increased automatically each year for Employees who are not automatically enrolled under items 10 or 11 above?

Option 1: ☐ Yes, for Contributing Participants whose salary reduction agreements are below _____ percent of Compensation. Increases will occur by _____ percent per payroll once per year up to a maximum of _____ percent.

Option 2: ☐ Yes, for Contributing Participants whose salary reduction agreements are below _____ percent of Compensation. Increases will occur by:

Option 3: ☒ No.

NOTE: If no option is selected, Option 3 will apply.

b. Timing of Increasing Elective Deferrals Automatically

If automatic increases are selected in item 12(a) above, such increases will occur on the following dates (select one):

Option 1: ☐ First day of each Plan Year.

Option 2: ☐ First day of each calendar year.

Option 3: ☐ Each anniversary of the Contributing Participant's initial deferral date.

Option 4: ☐ The Contributing Participant's annual review date.

Option 5: ☐ Other. (Specify the dates the automatic Elective Deferral increases will occur.)

NOTE: If no option is selected, Option 1 will apply.

NOTE: If Employees who are automatically enrolled are treated differently from Employees who are not automatically enrolled with regard to automatic increases, special testing may be required under Code section 401(a)(4).

Part B. Matching Contributions

NOTE: Employers that intend to maintain a QACA safe harbor plan or a Safe Harbor CODA plan, as defined in Plan Sections 3.01(F) or 3.03, respectively, that is not subject to ACP testing, must skip this Part B and complete either Part A, items 9(a) and 11 or Part C. Matching Contributions made under this Part B will be subject to ACP testing.

1. Authorization of Matching Contributions

Will the Employer make Matching Contributions to the Plan on behalf of a Qualifying Contributing Participant (select one)?

Option 1: ☐ Yes, with respect to the following types of contributions (select all that apply):

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

☐ Nondeductible Employee Contributions.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply. Complete the remainder of this Part B only if Option 1 is selected.

2. Matching Contributions and Catch-up Contributions

Will Matching Contributions be made in accordance with the Matching Contribution formula specified in items 3 and 4 below, with regard to Catch-up Contributions (*select one*)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply.

3. Matching Contribution Formula

If the Employer selected to make Matching Contributions in Part B, item 1 above, then the amount of such Matching Contributions made on behalf of a Qualifying Contributing Participant each Plan Year will be equal to (*select one*):

Option 1: ☐ Discretionary Match.

The percentage(s) of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) which the Employer, in its sole discretion, determines. The amount, the allocation formula, and the percentage or dollar amount limit applicable to such match, if any, is at the complete and sole discretion of the Employer and may vary. Any Matching Contribution will be allocated in a nondiscriminatory manner based upon each Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable).

Effective for Plan Years beginning after the first adoption of a document restated to meet the requirements under Revenue Procedure 2017-41, if the Employer makes a Matching Contribution to the Plan based upon this formula, the Employer must provide the Plan Administrator (or Trustee, if applicable), written instructions describing (1) how the discretionary Matching Contribution formula will be allocated to Qualifying Contributing Participants (e.g., a uniform percentage of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) or a flat dollar amount) and (2) the Matching Contribution Computation Period(s) to which the discretionary Matching Contribution formula applies. Such instructions must be provided no later than the date on which the discretionary Matching Contribution is made to the Plan. A summary of these instructions must be communicated to Qualifying Contributing Participants who receive discretionary Matching Contributions. The summary must be communicated to Qualifying Contributing Participants no later than 60 days following the date on which the last discretionary Matching Contribution is made to the Plan for a Plan Year.

Option 2: ☐ Percentage of Contribution Match.

That percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) determined by the Contributing Participant's rate of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) as specified in the matching schedule below.

<u>Elective Deferral Percentage</u>	<u>Matching Percentage</u>
Less than or equal to _____%	_____%

Option 3: ☐ Two-Tiered Percentage of Contribution Match.

That percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) determined by the Contributing Participant's rate of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) as specified in the matching schedule below.

	<u>Elective Deferral Percentage</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to _____%	_____%
Tier 2	Greater than _____, but less than or equal to _____%	_____%

Option 4: ☐ Multi-Tiered Percentage of Contribution Match.

An amount equal to a percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) determined by the Contributing Participant's rate of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) as specified in the matching schedule below.

	<u>Elective Deferral Percentage</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to _____%	_____%
Tier 2	Greater than _____, but less than or equal to _____%	_____%
Tier 3	Greater than _____, but less than or equal to _____%	_____%
Tier 4	Greater than _____%	_____%

Option 5: ☐ Service Match.

An amount equal to a percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) determined by the number of such Contributing Participant's Years of ☐ Eligibility ☐ Vesting Service (Periods of Service, if applicable) with the Employer as specified in the matching schedule below.

	<u>Years (Periods) of Service</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to _____ years (periods)	_____%
Tier 2	Greater than _____, but less than or equal to _____ years (periods)	_____%
Tier 3	Greater than _____, but less than or equal to _____ years (periods)	_____%
Tier 4	Greater than _____ years (periods)	_____%

Option 6: ☐ Discretionary Match by Location or Business Classification.

Any Matching Contribution will be allocated in a nondiscriminatory manner based upon each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) which the Employer, in its sole discretion, determines for each separate location, or business classification. The amount, the allocation formula, and the percentage or dollar amount limit applicable to such match, if any, is at the complete discretion of the Employer and may vary for each location or business classification on a separate and individual basis.

Effective for Plan Years beginning after the first adoption of a document restated to meet the requirements under Revenue Procedure 2017-41, if the Employer makes a Matching Contribution to the Plan based upon this formula, the Employer must provide the Plan Administrator (or Trustee, if applicable), written instructions describing (1) how the discretionary Matching Contribution formula will be allocated to Qualifying Contributing Participants (e.g., a uniform percentage of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) or a flat dollar amount), (2) the Matching Contribution Computation Period(s) to which the discretionary Matching Contribution formula applies, and (3) if applicable, a description of each business location or business classification subject to separate discretionary Matching Contribution allocation formulas. Such instructions must be provided no later than the date on which the discretionary Matching Contribution is made to the Plan. A summary of these instructions must be communicated to Qualifying Contributing Participants who receive discretionary Matching Contributions. The summary must be communicated to Qualifying Contributing Participants no later than 60 days following the date on which the last discretionary Matching Contribution is made to the Plan for a Plan Year.

Option 7: ☐ Other fixed percentage of each Qualifying Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable). *(Specify an amount equal to a fixed percentage of the Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) of each Qualifying Contributing Participant entitled thereto.)*

NOTE: If no option is selected, Option 1 will apply. If Matching Contribution percentages in Option 1 or Options 3 through 7 above increase as the percent of a Contributing Participant's Elective Deferral percentage increases (e.g., the Matching Contribution percentage in Tier 3 is greater than the Matching Contribution percentage in Tier 2), special nondiscrimination testing under Code section 401(a)(4) may be necessary. If Option 7 is selected, the formula specified can only allow Matching Contributions to be made with respect to a Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable). Matching Contributions in excess of 100 percent of a Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) will be subject to the additional ACP testing limits under Plan Section 3.02 and Treasury Regulation section 1.401(m)-2(a)(5). If Matching Contributions are made more frequently than the Matching Contribution Computation Period, the Employer will re-calculate the Matching Contributions based on the Compensation earned, and Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) made, over the entire Matching Contribution Computation Period.

4. Supplemental Match

Will the Employer be permitted to make supplemental Matching Contributions, in an amount to be determined at the Employer's discretion, in addition to the Matching Contributions described in Part B, items 2 and 3 above *(select one)*?

Option 1: ☐ Yes.

If Option 1 is selected the supplemental Matching Contributions will be allocated to each Contributing Participant in accordance with the following Matching Contribution formula *(select one)*:

Suboption (a): ☐ Discretionary Match. That percentage of each Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) which the Employer, in its sole discretion, determines.

Effective for Plan Years beginning after the first adoption of a document restated to meet the requirements under Revenue Procedure 2017-41, if the Employer makes a supplemental Matching Contribution to the Plan based upon this formula, the Employer must provide the Plan Administrator (or Trustee, if applicable), written instructions describing (1) how the discretionary Matching Contribution formula will be allocated to Contributing Participants (e.g., a uniform percentage of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) or a flat dollar amount), and (2) the Match Computation Period(s) to which the discretionary Matching Contribution formula applies. Such instructions must be provided no later than the date on which the discretionary Matching Contribution is made to the Plan. A summary of these instructions must be communicated to Contributing Participants who receive discretionary Matching Contributions. The summary must be communicated to Contributing Participants no later than 60 days following the date on which the last discretionary Matching Contribution is made to the Plan for a Plan Year.

Suboption (b): ☐ Other fixed percentage of each Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable). *(Specify a fixed supplemental Matching Contribution formula.)*

NOTE: If no suboption is selected, Suboption (a) will apply. Matching Contributions in excess of 100 percent of a Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) will be subject to the additional ACP testing limits under Plan Section 3.02 and Treasury Regulation section 1.401(m)-2(a)(5).

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply. If supplemental Matching Contributions are made more frequently than the Matching Contribution Computation Period, the Employer will re-calculate the supplemental Matching Contributions based on the Compensation earned, and Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) made, over the entire Matching Contribution Computation Period.

5. Matching Contribution Limit

Notwithstanding the Matching Contribution formula(s) specified above, no Matching Contributions in excess of \$_____ or _____ percent of a Contributing Participant's Compensation will be made with respect to any Contributing Participant for any Plan Year. *(Complete the applicable blank(s), if any.)*

6. Additional Conditions for Receiving Matching Contributions

A Contributing Participant will be a Qualifying Contributing Participant, and thus entitled to share in Matching Contributions for any Plan Year, only if the Participant has satisfied all of the eligibility requirements described in Section Two of this Adoption Agreement on at least one day of such Plan Year and satisfies the following additional condition(s) *(select one)*:

Option 1: ☐ The following additional condition(s) apply *(select all that apply)*:

☐ Service Requirement. The Contributing Participant completes at least *(complete one)*:

_____ *(not more than 1,000)* Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or _____ *(not more than 12)* months of service if the Elapsed Time method of determining service applies.

However, the condition will be waived for the following reason(s) *(select all that apply)*:

- ☐ The Contributing Participant's death.
- ☐ The Contributing Participant's Termination of Employment after having incurred a Disability.
- ☐ The Contributing Participant's Termination of Employment after having reached Normal Retirement Age.
- ☐ The Contributing Participant's Termination of Employment after having reached Early Retirement Age.
- ☐ The Contributing Participant is employed on the last day of the Plan Year.

☐ Last Day Requirement. The Participant is an Employee of the Employer on the last day of the Plan Year. However, this condition will be waived for the following reason(s) *(select all that apply)*:

- ☐ The Contributing Participant's death.
- ☐ The Contributing Participant's Termination of Employment after having incurred a Disability.
- ☐ The Contributing Participant's Termination of Employment after having reached Normal Retirement Age.
- ☐ The Contributing Participant's Termination of Employment after having reached Early Retirement Age.
- ☐ The Contributing Participant's Termination of Employment after having completed at least *(complete one)*:

_____ Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or _____ months of service if the Elapsed Time method of determining service applies.

Option 2: ☒ No additional conditions will apply.

NOTE: *If no option is selected, Option 2 will apply. If the option for a service requirement is selected and no hours or months of service are specified, zero hours or months of service will apply.*

Part C. Safe Harbor CODA Contributions

1. Application of Safe Harbor CODA

a. Safe Harbor Provisions

Will the Safe Harbor CODA provisions of Plan Section 3.03 apply *(select one)*?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: *If no option is selected, Option 2 will apply. Complete the remainder of this Part C only if Option 1 is selected. If Option 1 is selected, the Safe Harbor CODA provisions of the Plan will apply for the Plan Year and the provisions relating to the ADP or ACP test generally will not apply. Contribution provisions that are selected in addition to the options listed in this Part C may subject the Plan to ADP, ACP, and top-heavy testing. If Option 1 is selected, the Plan generally must satisfy the Safe Harbor CODA requirements of Code sections 401(k)(12) and 401(m)(11), including the notice requirement, for the entire Plan Year. If a Safe Harbor CODA is eliminated during a Plan Year under Treasury Regulation section 1.401(k)-3(g), the Plan will be subject to provisions relating to the ADP and ACP tests, including restrictions on the selection of testing methods (e.g., current vs. prior-year).*

b. Participants Entitled to Receive Safe Harbor CODA Contributions

Safe Harbor CODA contributions will be made on behalf of *(select one)*:

Option 1: ☐ Each Eligible Employee who is a non-Highly Compensated Employee.

Option 2: ☐ All Eligible Employees.

NOTE: *If no option is selected, Option 2 will apply.*

2. ADP Test Safe Harbor Contributions

For the Plan Year, the Employer will make the following ADP Test Safe Harbor Contributions to the Individual Account of each Eligible Employee, as described in item 1(b) above, in the amount of *(select one)*:

Option 1: ☐ Basic Matching Contributions.

That percentage of each Contributing Participant's Elective Deferrals determined by the rate of each Contributing Participant's Elective Deferrals as specified in the matching schedule below.

	<u>Elective Deferral Percentage</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to 3%	100%
Tier 2	Greater than 3, but less than or equal to 5%	50%

Option 2: ☐ Enhanced Matching Contributions.

That percentage of each Contributing Participant's Elective Deferrals determined by the rate of each Contributing Participant's Elective Deferrals as specified in the matching schedule below.

	<u>Elective Deferral Percentage</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to _____% (not less than three)	_____% (not less than 100)
Tier 2	Greater than _____, but less than or equal to _____% (if greater than six, ACP testing will apply)	_____%

NOTE: If the Plan is intended to also satisfy the ACP Test Safe Harbor CODA rules regarding Matching Contributions, no Matching Contributions may be made on Elective Deferrals exceeding six-percent of Compensation.

Option 3: ☐ Other Enhanced Matching Contribution.

Equal to the following fixed percentage of each Contributing Participant's Elective Deferrals. (Specify a fixed Enhanced Matching Contribution formula that is at least as favorable as the Basic Matching Contribution formula.)

Option 4: ☐ Safe Harbor Nonelective Contributions.

_____ (not less than three) percent of the Employee's Compensation for the Plan Year.

NOTE: If no option is selected, Option 1 will apply. Options 2 or 3, if selected, must be completed so that, at any rate of Elective Deferrals, the Matching Contribution is at least equal to the Matching Contribution that would be received if the Employer were making contributions under Option 1, but the rate of match cannot increase as Elective Deferrals increase. If ADP Test Safe Harbor Contributions that are Basic Matching Contributions or Enhanced Matching Contributions are made more frequently than the Matching Contribution Computation Period, the Employer will re-calculate the ADP Test Safe Harbor Contributions based on the Compensation earned, and Elective Deferrals made, over the entire Matching Contribution Computation Period.

3. ACP Test Safe Harbor Matching Contributions

NOTE: No additional contributions are required in order to satisfy the Safe Harbor CODA requirements. The Employer may, however, make Matching Contributions other than Basic or Enhanced Matching Contributions. To ensure that the Plan continues to satisfy the Safe Harbor CODA requirements, only the following additional Matching Contributions may be made (see the "NOTE" below for specific contribution limitations).

For the Plan Year will the Employer make ACP Test Safe Harbor Matching Contributions to the Individual Account of each Eligible Employee, as described in item 1(b) above (select one)?

Option 1: ☐ Yes. The Employer will make ACP Test Safe Harbor Matching Contributions in the amount of (select all that apply):

☐ Percentage of Contribution Match.

That percentage of each Contributing Participant's Elective Deferrals determined by the rate of each Contributing Participant's Elective Deferrals as specified in the matching schedule below.

	<u>Elective Deferral Percentage</u>	<u>Matching Percentage</u>
	Less than or equal to _____% (not more than six)	_____%

☐ Two-Tiered Percentage of Contribution Match.

That percentage of each Contributing Participant's Elective Deferrals determined by the rate of each Contributing Participant's Elective Deferrals as specified in the matching schedule below.

	<u>Elective Deferral Percentage</u>	<u>Matching Percentage</u>
Base Rate	Less than or equal to _____%	_____%
Tier 2	Greater than _____, but less than or equal to _____%	_____%

NOTE: The matching percentage for Tier 2 cannot exceed the matching percentage for the base rate. No Matching Contributions will be made on Elective Deferrals that exceed six-percent of Compensation.

☐ A discretionary contribution that matches each Contributing Participant's Elective Deferrals that do not exceed a permissible percentage of the Contributing Participant's Compensation for the Plan Year.

NOTE: The Elective Deferrals that are matched will be determined by the Employer for the year, but in no event can a Matching Contribution be made on Elective Deferrals that exceed six-percent of the Employee's Compensation. In addition, the total discretionary ACP Test Safe Harbor Matching Contribution made to any Employee cannot exceed four-percent of the Employee's Compensation for the Plan Year. For example, the Employer could not choose a discretionary formula that provided a 25 cent Matching Contribution for every dollar deferred if the match were given on Elective Deferrals up to eight-percent of Compensation (this exceeds the six-percent limitation on Elective Deferrals that can be matched). Neither could the Employer provide a discretionary dollar-for-dollar Matching Contribution on Elective Deferrals up to six-percent of Compensation (this exceeds the four-percent absolute limitation on a discretionary ACP Test Safe Harbor Matching Contribution).

Option 2: ☐ Not applicable. The Employer will not make an ACP Test Safe Harbor Matching Contribution unless necessary to do so in order to timely allocate Forfeitures.

NOTE: If no option is selected, Option 2 will apply. If Option 1 is selected and no contribution amount is selected, the Employer may make a discretionary contribution that matches each Contributing Participant's Elective Deferrals that do not exceed a permissible percentage of the Contributing Participant's Compensation for the Plan Year. If the Employer wishes to make Matching Contributions in addition to ACP Test Safe Harbor Matching Contributions, Section Three, Part B, must be completed. Such contributions will be subject to ACP testing. If ACP Test Safe Harbor Matching Contributions are made more frequently than the Matching Contribution Computation Period, the Employer will re-calculate the ACP Test Safe Harbor Matching Contributions based on the Compensation earned, and Elective Deferrals made, over the entire Matching Contribution Computation Period.

4. Recipient Plan

The Safe Harbor Contributions will be made to (select one):

Option 1: ☒ This Plan.

Option 2: ☐ Other plan. (Specify plan of the Employer.)

NOTE: If no option is selected, Option 1 will apply.

Part D. Employer Profit Sharing Contributions

1. Authorization of Employer Profit Sharing Contributions

Will the Employer make Employer Profit Sharing Contributions to the Plan on behalf of Qualifying Participants (select one)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply. Complete Part D, items 2 through 5 if Option 1 is selected. If Employer Prevailing Wage Contributions will be made to the Plan and designated as Employer Profit Sharing Contributions but the Employer will not make Employer Profit Sharing Contributions to the Plan, Option 2 may be selected but Part D, item 6 must be completed.

2. Contribution Formula (select one.)

Option 1: ☒ Discretionary Formula. For each Plan Year the Employer may contribute an amount to be determined from year to year.

Option 2: ☐ Fixed Formula. _____ percent of the Compensation of all Qualifying Participants under the Plan for the Plan Year.

Option 3: ☐ Fixed Percent of Profits Formula. _____ percent of the Employer's profits that are in excess of \$_____.

Option 4: ☐ Discretionary Formula by Location or Business Classification. For each Plan Year the Employer may contribute an amount to be determined from year to year and that amount may vary for each location or business classification on a separate and individual basis.

NOTE: If no option is selected, Option 1 will apply.

3. Allocation Formula

Employer Profit Sharing Contributions will be allocated to the Individual Accounts of Qualifying Participants as follows (select one):

Option 1: ☒ Pro Rata Formula. In the ratio that each Qualifying Participant's Compensation for the Plan Year bears to the total Compensation of all Qualifying Participants for the Plan Year.

Option 2: ☐ Flat Dollar Formula. In the same dollar amount for each Qualifying Participant.

Option 3: ☐ Integrated Formula. Pursuant to the following integrated allocation formula described in Plan Section 3.04(B)(2) (select one):

Suboption (a): ☐ Excess Integrated Formula.

Suboption (b): ☐ Base Integrated Formula.

NOTE: If no suboption is selected, Suboption (a) will apply.

The integration level will be (select one):

Suboption (a): ☐ The Taxable Wage Base.

Suboption (b): ☐ \$_____ (a dollar amount less than the Taxable Wage Base).

Suboption (c): ☐ _____ percent (not more than 100) of the Taxable Wage Base.

Suboption (d): ☐ 80 percent of the Taxable Wage Base plus \$1.00.

NOTE: If no suboption is selected, Suboption (a) will apply.

Option 4: ☐ Uniform Points Formula. In the ratio that each Qualifying Participant's points for the Plan Year bears to the total points of all Qualifying Participants for the Plan Year.

Each Qualifying Participant's points for the Plan Year will be computed by adding the points determined under (a), (b) and (c) below (specify a number for each item):

(a) _____ points for each year of the Participant's age.

(b) _____ points for each of the Participant's years of service (Periods of Service, if applicable).

(i) ☐ Service means eligibility service

(ii) ☐ Service means vesting service

NOTE: If neither item (i) nor item (ii) is selected, item (ii) will apply.

(c) _____ points for each \$100 of the Participant's Compensation for the Plan Year.

Option 5: ☐ Age-Weighted Formula. In the manner described below:

Step 1: Determine each Qualifying Participant's number of points based upon the following formula:

Points = .01 x Compensation x allocation factor derived from the allocation factor tables set forth in Section Ten of the Adoption Agreement.

Step 2: Determine each Qualifying Participant's allocation through calculation of the following formula:

Allocation = $\frac{\text{Points of Qualifying Participant}}{\text{Total Points of all Qualifying Participants}} \times \frac{\text{Employer Profit}}{\text{Sharing Contribution}}$

Step 3: Make any reallocations as necessary to satisfy either the safe harbor formula for plans with a uniform points allocation or the general test described in Code section 401(a)(4) and the corresponding Treasury Regulations concerning nondiscrimination in the amount of Employer Profit Sharing Contributions. Identify whether the safe harbor or general test will be satisfied (*select one*):

Suboption (a): ☐ Safe harbor reallocations may be made as necessary as described in Plan Section 3.04(B)(8)(b).

Suboption (b): ☐ General test reallocations may be made as necessary as described in Plan Section 3.04(B)(8)(c).

NOTE: If no suboption is selected, Suboption (a) will apply.

Option 6: ☐ New Comparability Formula. As described in Plan Section 3.04(B)(9) (*select one*):

Suboption (a): ☐ Individual Allocation Groups. Each Qualifying Participant will constitute a separate allocation group.

Suboption (b): ☐ Pre-Determined Allocation Groups. (*Complete the following.*)

1. Qualifying Participants will be divided into the following groups (one or more) with the same allocation ratio. (*Specify the groups by category of Qualifying Participant, including both Highly Compensated Employees and non-Highly Compensated Employees.*)

Allocation Group 1:

Allocation Group 2:

Allocation Group 3:

Allocation Group 4:

Allocation Group 5:

Allocation Group 6:

NOTE: If Suboption (b) is selected and no allocation groups are specified, each Qualifying Participant will constitute a separate allocation group. If more than six allocation groups are needed, complete a New Comparability Allocation Group(s) Attachment. The groups must be clearly defined in a manner that will not violate the definite predetermined allocation formula requirement of Treasury Regulation section 1.401-1(b)(1)(ii). The grouping of non-Highly Compensated Employees must be done in a reasonable manner and should reflect a reasonable classification in accordance with Treasury Regulation section 1.410(b)-4(b).

2. Employer Profit Sharing Contributions will be allocated to the Individual Accounts of Qualifying Participants in each Allocation Group as follows (*select one*):

Option 1: ☐ Pro Rata Formula. In the ratio that each Qualifying Participant's Compensation for the Plan Year bears to the total Compensation of all Qualifying Participants in the applicable allocation group for the Plan Year.

Option 2: ☐ Flat Dollar Formula. In the same dollar amount for each Qualifying Participant in the applicable allocation group.

NOTE: If no option is selected, Option 1 will apply. The amounts allocated will satisfy the minimum gateway requirements set forth in Plan Section 3.04(B)(10)(c) and will not exceed the limits imposed by Code section 415.

Suboption (c): ☐ Age and/or service weighted formula (select one):

Option 1: ☐ Contributions will be allocated based on the following Years of Vesting Service:

Years of Vesting Service (identify categories)	Allocation Rate
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Option 2: ☐ Contributions will be based on the following age of the Participant:

Age (Identify categories)	Allocation Rate
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

Option 3: ☐ Contributions will be based on the following sum of the age of the Participant and Years of Vesting Service:

Sum of Age and Years of Vesting Service (Identify categories)	Allocation Rate
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %
_____	_____ %

NOTE: If Option 6 is selected and no suboption is selected, Suboption (a) will apply. If Option 6 is selected, the Employer must provide the Plan Administrator or Trustee, if applicable, written instructions describing the portion of the Employer Profit Sharing Contribution to be allocated to each allocation group. The instructions must be provided no later than the Employer's tax return due date, including extensions, of the year for which the allocation is made. If Option 6 is selected, complete item A below.

A. Minimum Allocation Requirements

For purposes of satisfying the minimum allocation requirements the Plan will use the following method (select one):

Option 1: ☐ The Plan will provide benefits that satisfy the broadly available requirements described in Plan Section 3.04(B)(10)(a).

Option 2: ☐ Suboption (c) of this Option 6 has been selected and the formula, as completed, will provide benefits that satisfy the gradually increasing age and/or service requirements as described in Plan Section 3.04(B)(10)(b).

Option 3: ☐ The Plan will satisfy the minimum allocation gateway method identified below (select one):

Suboption (a): ☐ Provide each non-Highly Compensated Employee with a minimum allocation of at least 5 percent of the non-Highly Compensated Employee's Compensation (if the definition of Compensation is not within the meaning of Code section 415(c)(3), a definition which satisfies Code section 415(c)(3) will apply).

Suboption (b): ☐ Provide each non-Highly Compensated Employee with a minimum allocation so that each non-Highly Compensated Employee has an allocation rate of at least one-third of the allocation rate of the Highly Compensated Employee with the highest allocation rate.

Suboption (c): ☐ Provide each non-Highly Compensated Employee with a minimum allocation equal to the lesser of the amount described in Suboption (a) or Suboption (b) above.

Suboption (d): ☐ Reallocate contributions allocated to Highly Compensated Employees to non-Highly Compensated Employees so that the allocation to each non-Highly Compensated Employee equals at least one-third of the allocation rate of the highest compensated Highly Compensated Employee with the highest allocation rate in the manner described in Plan Section 3.04(B)(10)(c)(i).

Suboption (e): ☐ Reallocate contributions allocated to Highly Compensated Employees to non-Highly Compensated Employees so that the allocation to each non-Highly Compensated Employee equals at least 5 percent of the non-Highly Compensated Employee's Compensation (if the definition of Compensation is not within the meaning of Code section 415(c)(3), a definition which satisfies Code section 415(c)(3) will apply) in the manner described in Plan Section 3.04(B)(10)(c)(ii).

Suboption (f): ☐ Reallocate preliminary contributions or hypothetical contributions paid to Highly Compensated Employees to non-Highly Compensated Employees so that the allocation to each non-Highly Compensated Employee equals the lesser of the amount described in Suboption (d) or Suboption (e) above.

NOTE: If no option is selected, Option 3, Suboption (f) will apply. If Option 3 is selected and no suboption is selected, Suboption (f) will apply, if necessary.

NOTE: If no option is selected, Option 1 will apply. If Option 5 or Option 6 is chosen the Employer Profit Sharing Contribution allocation must pass nondiscrimination testing under Code section 401(a)(4). In the case of Self-Employed Individuals, the requirements of Treasury Regulation section 1.401(k)-1(a)(6) continue to apply, and a new comparability or age-weighted allocation method should not be such that a cash or deferred election is created for a Self-Employed Individual as a result of the allocation method.

4. Additional Conditions for Receiving Employer Profit Sharing Contributions

A Participant will be a Qualifying Participant, and thus entitled to share in the Employer Profit Sharing Contribution for any Plan Year, only if the Participant has satisfied all of the eligibility requirements described in Section Two of this Adoption Agreement on at least one day of such Plan Year and satisfies the following additional condition(s) (select one):

Option 1: ☒ The following additional condition(s) apply (select all that apply):

☒ Service Requirement. The Participant completes at least (complete one):

500 (not more than 1,000) Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or (not more than 12) months of service if the Elapsed Time method of determining service applies.

However, the condition will be waived for the following reason(s) (select all that apply):

- ☐ The Participant's death.
- ☐ The Participant's Termination of Employment after having incurred a Disability.
- ☐ The Participant's Termination of Employment after having reached Normal Retirement Age.
- ☐ The Participant's Termination of Employment after having reached Early Retirement Age.
- ☒ The Participant is employed on the last day of the Plan Year.

☐ Last Day Requirement. The Participant is an Employee of the Employer on the last day of the Plan Year. However, this condition will be waived for the following reason(s) (select all that apply):

- ☐ The Participant's death.
- ☐ The Participant's Termination of Employment after having incurred a Disability.
- ☐ The Participant's Termination of Employment after having reached Normal Retirement Age.
- ☐ The Participant's Termination of Employment after having reached Early Retirement Age.
- ☐ The Participant's Termination of Employment after having completed at least (complete one):

 Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or months of service if the Elapsed Time method of determining service applies.

Option 2: ☐ No additional conditions will apply.

NOTE: If no option is selected, Option 2 will apply. If the option for a service requirement is selected and no hours or months of service are specified, zero hours or months of service will apply.

5. Contributions to Non-Highly Compensated Disabled Participants

Will a non-Highly Compensated Employee Participant who has incurred a Disability be entitled to an Employer Profit Sharing Contribution pursuant to Plan Section 3.04(B)(1) (select one)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply.

6. Employer Prevailing Wage Contributions

a. Authorization of Employer Prevailing Wage Contributions

Will the Employer make Employer Prevailing Wage Contributions to the Plan on behalf of Participants with employment covered under a government contract (select one)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply. Complete the remainder of this item 6 only if Option 1 is selected.

b. Contribution Offset

Will the Employer Prevailing Wage Contributions offset any other Employer Profit Sharing Contribution to which the Participant may be entitled to under the Plan (*select one*)?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply.

c. Employer Prevailing Wage Contributions to Participants who are Highly Compensated Employees

Will Participants who are Highly Compensated Employees be entitled to Employer Prevailing Wage Contributions under the Plan (*select one*)?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply.

d. Employer Prevailing Wage Contributions Designation

For purposes other than eligibility, vesting and allocation (e.g., testing and distribution eligibility), how will Employer Prevailing Wage Contributions be designated under the Plan (*select one*)?

Option 1: ☐ Qualified Nonelective Contributions.

Option 2: ☐ Employer Profit Sharing Contributions.

NOTE: If no option is selected, Option 1 will apply.

7. One-Time Irrevocable Participation Elections

May an Employee make a one-time irrevocable election, as described in Plan Section 3.04(G), upon first becoming eligible to participate in the Plan, to have the Employer make annual contributions equal to a specified amount or percentage of their Compensation (including an election to contribute no amount or percentage of Compensation) contributed to the Plan (*select one*)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply. Contributions made pursuant to Plan Section 3.04 will be considered Employer Profit Sharing Contributions for purposes of nondiscrimination testing.

Part E. Qualified Nonelective Contributions

1. Qualified Nonelective Contribution Formula

For each Plan Year, can the Employer contribute an amount to be determined from year to year as a Qualified Nonelective Contribution (*select one*)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 2 will apply. Regardless of the selection made, the Employer may make a Qualified Nonelective Contribution to correct ADP or ACP testing failures if they otherwise meet the requirements to correct the failure using a Qualified Nonelective Contribution. If Employer Prevailing Wage Contributions will be made to the Plan and designated as Qualified Nonelective Contributions but the Employer will not contribute a Qualified Nonelective Contribution to the Plan, Option 2 may be selected and Part D, item 6 above must be completed.

2. Allocation of Qualified Nonelective Contributions

Allocation of Qualified Nonelective Contributions (other than those, if any, allocated pursuant to Plan Section 3.05 to satisfy nondiscrimination tests) will be made (*select one*):

Option 1: ☒ Pro Rata. In the ratio that each Qualifying Participant's Compensation for the applicable Plan Year bears to the total Compensation of all Qualifying Participants for such Plan Year.

Option 2: ☐ Limited Pro Rata. In the ratio that each Qualifying Participant's Compensation not in excess of \$_____ for the applicable Plan Year bears to the limited total Compensation of all Qualifying Participants entitled to an allocation for such Plan Year.

NOTE: If no option is selected, Option 1 will apply.

3. Participants Entitled to Qualified Nonelective Contributions

a. Participants Eligible for Qualified Nonelective Contributions

Qualified Nonelective Contributions (other than those, if any, allocated pursuant to Plan Section 3.05 to satisfy nondiscrimination tests) will be allocated to (*select one*):

Option 1: ☒ Non-Highly Compensated Employee Participants.

Option 2: ☐ All Participants.

NOTE: If no option is selected, Option 1 will apply.

b. Additional Conditions for Receiving Qualified Nonelective Contributions

A Participant will be a Qualifying Participant, and thus eligible to share in the Qualified Nonelective Contribution for any Plan Year (other than those, if any, allocated pursuant to Plan Section 3.05 to satisfy nondiscrimination tests), only if the Participant has satisfied all of the eligibility requirements of Section Two of this Adoption Agreement on at least one day of such Plan Year and satisfies the following additional condition(s) (select one):

Option 1: ☐ The following additional condition(s) apply (select all that apply):

☐ Service Requirement. The Participant completes at least (complete one):

_____ (not more than 1,000) Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or _____ (not more than 12) months of service, if the Elapsed Time method of determining service applies.

However, the condition will be waived for the following reason(s) (select all that apply):

- ☐ The Participant's death.
☐ The Participant's Termination of Employment after having incurred a Disability.
☐ The Participant's Termination of Employment after having reached Normal Retirement Age.
☐ The Participant's Termination of Employment after having reached Early Retirement Age.
☐ The Participant is employed on the last day of the Plan Year.

☐ Last Day Requirement. The Participant is an Employee of the Employer on the last day of the Plan Year. However, this condition will be waived for the following reason(s) (select all that apply):

- ☐ The Participant's death.
☐ The Participant's Termination of Employment after having incurred a Disability.
☐ The Participant's Termination of Employment after having reached Normal Retirement Age.
☐ The Participant's Termination of Employment after having reached Early Retirement Age.
☐ The Participant's Termination of Employment after having completed at least (complete one):

_____ Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or _____ months of service, if the Elapsed Time method of determining service applies.

Option 2: ☒ No additional conditions will apply.

NOTE: If no option is selected, Option 2 will apply. If the option for a service requirement is selected and no hours or months of service are specified, zero hours or months of service will apply.

Part F. Qualified Matching Contributions

1. Qualified Matching Contribution Formula

a. For each Plan Year, can the Employer contribute an amount to be determined as a Qualified Matching Contribution (select one)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply.

b. Qualified Matching Contributions

Qualified Matching Contributions, if made to the Plan, will be made with respect to (select all that apply):

- ☐ Pre-Tax Elective Deferrals.
☐ Roth Elective Deferrals.
☐ Nondeductible Employee Contributions.

NOTE: If no option is selected, Qualified Matching Contributions will be made with respect to Pre-Tax Elective Deferrals and Roth Elective Deferrals.

c. Qualified Matching Contribution Formula

If the Employer will make Qualified Matching Contributions, then the amount of such Qualified Matching Contributions made on behalf of a Qualifying Contributing Participant each Plan Year will be equal to (select one):

Option 1: ☐ Percentage of Contribution Match.

That percentage of each Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) determined by the Contributing Participant's rate of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) as specified in the matching schedule below.

Elective Deferral Percentage

Less than or equal to _____%

Matching Percentage

_____%

Option 2: ☐ Two-Tiered Percentage of Contribution Match.

That percentage of each Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) determined by the Contributing Participant's rate of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) as specified in the matching schedule below.

Elective Deferral Percentage

Base Rate Less than or equal to _____%

Tier 2 Greater than _____, but less than or equal to _____%

Matching Percentage

_____%

_____%

- Option 3:** ☐ Such amount, if any, as determined by the Employer in its sole discretion, equal to that percentage of the Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) of each Contributing Participant entitled thereto that would be sufficient to cause the Plan to satisfy either the Actual Deferral Percentage test (described in Plan Section 3.13) or the Actual Contribution Percentage test (described in Plan Section 3.14) for the Plan Year, or both.
- Option 4:** ☐ Other fixed percentage of each Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable). (Specify an amount equal to a fixed percentage of the Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) of each Contributing Participant entitled thereto.)

NOTE: If no option is selected, Option 3 will apply. Matching Contributions in excess of 100 percent of a Contributing Participant's Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) will be subject to the additional ACP testing limits under Plan Section 3.06 and Treasury Regulation section 1.401(m)-2(a)(5). If Option 1, 2, or 4 is selected and Qualified Matching Contributions are made more frequently than the Matching Contribution Computation Period, the Employer will re-calculate the Qualified Matching Contributions based on the Compensation earned, and Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) made, over the entire Matching Contribution Computation Period.

2. Qualified Matching Contribution Limit

Notwithstanding the Qualified Matching Contribution formula(s) specified above, no Qualified Matching Contributions in excess of \$_____ or _____ percent of a Contributing Participant's Compensation will be made with respect to any Contributing Participant for any Plan Year. (Complete the applicable blank(s), if any.)

3. Participants Entitled to Qualified Matching Contributions

a. Contributing Participants Eligible for Qualified Matching Contributions

Qualified Matching Contributions, if made to the Plan, will be made on behalf of (select one):

- Option 1:** ☐ Each Contributing Participant who makes Elective Deferrals (and Nondeductible Employee Contributions, if applicable) and who is a non-Highly Compensated Employee.
- Option 2:** ☐ All Contributing Participants who make Elective Deferrals (and Nondeductible Employee Contributions, if applicable).

NOTE: If no option is selected, Option 1 will apply.

b. Additional Conditions for Receiving Qualified Matching Contributions

A Contributing Participant will be a Qualifying Contributing Participant for purposes of Qualified Matching Contributions, and thus entitled to share in Qualified Matching Contributions for any Plan Year, only if the Participant has satisfied all of the requirements of Section Two on at least one day of such Plan Year and satisfies the following additional condition(s) (select one):

Option 1: ☐ The following additional condition(s) apply (select all that apply):

- ☐ Service Requirement. The Participant completes at least (complete one):

_____ (not more than 1,000) Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or _____ (not more than 12) months of service, if the Elapsed Time method of determining service applies.

However, this condition will be waived for the following reason(s) (select all that apply):

- ☐ The Participant's death.
- ☐ The Participant's Termination of Employment after having incurred a Disability.
- ☐ The Participant's Termination of Employment after having reached Normal Retirement Age.
- ☐ The Participant's Termination of Employment after having reached Early Retirement Age.
- ☐ The Participant is employed on the last day of the Plan Year.
- ☐ Last Day Requirement. The Participant is an Employee of the Employer on the last day of the Plan Year. However, this condition will be waived for the following reason(s) (select all that apply):
- ☐ The Participant's death.
- ☐ The Participant's Termination of Employment after having incurred a Disability.
- ☐ The Participant's Termination of Employment after having reached Normal Retirement Age.
- ☐ The Participant's Termination of Employment after having reached Early Retirement Age.
- ☐ The Participant's Termination of Employment after having completed at least (complete one):
- _____ Hours of Service during the Plan Year, if the Hours of Service method of determining service applies; or _____ months of service, if the Elapsed Time method of determining service applies.

Option 2: ☐ No additional conditions will apply.

NOTE: If no option is selected, Option 2 will apply. If the option for a service requirement is selected and no hours or months of service are specified, zero hours or months of service will apply.

Part G. Other Contributions

1. Rollover Contributions

May an Employee make rollover contributions to the Plan pursuant to Plan Section 3.07 (select one)?

Option 1: ☒ Yes.

Option 2: ☐ Yes, unless such Employee is part of any excluded class of Employees.

Option 3: ☐ Yes, but only after becoming a Participant.

Option 4: ☐ No.

NOTE: If no option is selected, Option 2 will apply.

a. Direct Rollovers

i. Sources of Eligible Rollover Distributions

The Plan will accept Direct Rollovers of pre-tax Eligible Rollover Distributions from (select "Yes" or "No" to each of the following items):

1. A qualified plan described in Code section 401(a) or 403(a). ☒ Yes ☐ No

NOTE: If a box is not selected for this item, "Yes" will apply.

If "Yes" is selected in item 1, above, complete the following:

Direct Rollover of Roth Elective Deferrals or Nondeductible Employee Contributions – Will the Plan accept the following as Direct Rollovers (select "Yes" or "No" to each of the following items)?

Nondeductible Employee Contributions. ☐ Yes ☒ No

Roth Elective Deferrals. ☒ Yes ☐ No

NOTE: "Yes" to Roth Elective Deferrals may be selected only if the Plan permits Roth Elective Deferrals under Part A of this Section. If a box is not selected for an item, "No" will apply for such item.

2. An annuity contract described in Code section 403(b). ☒ Yes ☐ No

NOTE: If a box is not selected for this item, "Yes" will apply.

If "Yes" is selected in item 2, above, complete the following:

Direct Rollover of Roth Elective Deferrals or Nondeductible Employee Contributions – Will the Plan accept the following as Direct Rollovers (select "Yes" or "No" to each of the following items)?

Nondeductible Employee Contributions. ☐ Yes ☒ No

Roth Elective Deferrals. ☒ Yes ☐ No

NOTE: "Yes" to Roth Elective Deferrals may be selected only if the Plan permits Roth Elective Deferrals under Part A of this Section. If a box is not selected for an item, "No" will apply for such item.

3. An eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. ☒ Yes ☐ No

NOTE: If a box is not selected for this item, "Yes" will apply.

If "Yes" is selected in item 3 above, complete the following:

Direct Rollover of Roth Elective Deferrals or Nondeductible Employee Contributions – Will the Plan accept the following as Direct Rollovers (select "Yes" or "No" to each of the following items)?

Nondeductible Employee Contributions. ☐ Yes ☒ No

Roth Elective Deferrals. ☒ Yes ☐ No

NOTE: "Yes" to Roth Elective Deferrals may be selected only if the Plan permits Roth Elective Deferrals under Part A of this Section. If a box is not selected for an item, "No" will apply for such item.

b. Indirect Rollovers

i. Sources of Eligible Rollover Distributions

The Plan will accept Indirect Rollovers of pre-tax Eligible Rollover Distributions from (select "Yes" or "No" to each of the following items):

1. A qualified plan described in Code section 401(a) or 403(a). ☒ Yes ☐ No

2. An annuity contract described in Code section 403(b). ☒ Yes ☐ No

3. An eligible plan under Code section 457(b) that is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state. ☒ Yes ☐ No

NOTE: If a box is not selected for an item, "Yes" will apply for such item.

ii. Indirect Rollover of Earnings on Roth Elective Deferrals

Will the Plan accept Indirect Rollover contributions of earnings on Roth Elective Deferrals (select one)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: Option 1 may be selected only if the Plan permits Roth Elective Deferrals under Part A of this Section. Indirect Rollover contributions may only consist of earnings attributable to Roth Elective Deferrals. If no option is selected, Option 2 will apply.

c. Rollover Contributions from IRAs

Will the Plan accept rollover contributions of the pre-tax portion of a distribution from an individual retirement account or annuity described in Code section 408(a) or 408(b) that is eligible to be rolled over (*select one*)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply.

2. Nondeductible Employee Contributions

May a Contributing Participant make Nondeductible Employee Contributions pursuant to Plan Section 3.10 (*select one*)?

Option 1: ☐ Yes, but Nondeductible Employee Contributions will not be mandatory.

Option 2: ☐ Yes and Nondeductible Employee Contributions will be mandatory.

Option 3: ☒ No.

NOTE: If no option is selected, Option 3 will apply.

Nondeductible Employee Contributions may commence on (*must be on or after the Effective Date*) _____.

3. Top-Heavy Contributions

a. Minimum Allocation or Benefit

For any Plan Year with respect to which this Plan is a Top-Heavy Plan, any minimum allocation required pursuant to Plan Section 3.04(E) will be made (*select one*):

Option 1: ☒ To this Plan (*select one*):

Suboption (a): ☒ The top-heavy minimum will offset Employer Profit Sharing Contributions, if any, made pursuant to Part D above.

Suboption (b): ☐ The top-heavy minimum will not offset Employer Profit Sharing Contributions, if any, made pursuant to Part D above.

NOTE: If no suboption is selected, Suboption (a) will apply.

Option 2: ☐ To the following plan maintained by the Employer:

(Describe below the extent, if any, to which the top-heavy minimum benefit requirement of Code section 416(c) and Plan Section 3.04(E) will be met in another plan. This should include the name of the other plan, the minimum benefit that will be provided under such other plan, and the Employees who will receive the minimum benefit under such other plan.)

Option 3: ☐ In accordance with the following method: (Provide language describing the method that will be used to satisfy Code section 416. Such method must preclude Employer discretion.)

NOTE: If no option is selected, Option 1 will apply.

b. Participants Entitled to Receive Minimum Allocation

If any minimum allocation required pursuant to Plan Section 3.04(E) is not satisfied with other allowable contribution sources, the remaining minimum allocation required pursuant to Plan Section 3.04(E) will be allocated to the Individual Accounts of (*select one*):

Option 1: ☒ Participants who are not Key Employees.

Option 2: ☐ All Participants.

NOTE: If no option is selected, Option 1 will apply.

c. Top-Heavy Ratio

For purposes of computing the top-heavy ratio as described in Plan Section 7.19(B), the Present Value of benefits under a defined benefit plan will be discounted only for mortality and interest based on the following (*select one*):

Option 1: ☒ Not applicable because the Employer has not maintained a defined benefit plan.

Option 2: ☐ The interest rate and mortality table specified for this purpose in the defined benefit plan.

Option 3: ☐ Interest rate of _____ percent and the following mortality table (*specify*):

NOTE: If no option is selected, Option 1 will apply.

Part H. ADP Testing Method

The testing method used for purposes of the ADP test under this Plan will be (select one):

Option 1: ☐ Prior-Year Testing Method.

Initial Plan Year ADP

If this is not a successor Plan, then for the first Plan Year that this Plan permits any Participant to make Elective Deferrals, the ADP for Participants who are non-Highly Compensated Employees will be (select one):

Suboption (a): ☐ 3 percent.

Suboption (b): ☐ Such first Plan Year's ADP.

NOTE: If no suboption is selected, Suboption (a) will apply.

Option 2: ☒ Current-Year Testing Method.

NOTE: If no option is selected, Option 1 will apply unless the Adopting Employer elects to apply the QACA provisions of Section Three, Part A or the Safe Harbor CODA provisions of Section Three, Part C above, in which case Option 2 will apply. If the Adopting Employer elects to apply the QACA provisions of Section Three, Part A or the Safe Harbor CODA provisions of Section Three, Part C above, Option 2 must be selected. If Option 2 is selected or the current-year testing method currently applies for an existing Plan, the current-year testing method must continue to be used unless 1) the Plan has been using the current-year testing method for the preceding five Plan Years, or, if fewer, the number of Plan Years the Plan has been in existence, or 2) the Plan otherwise meets one of the conditions specified in the Treasury Regulations (or additional guidance issued by the Internal Revenue Service (IRS)) for changing from the current-year testing method. The current-year testing method may be selected for the ADP test even if prior-year testing is selected for the ACP test. However, if different testing methods for the ADP and ACP tests are selected, the Plan cannot use recharacterization to correct Excess Contributions, take Elective Deferrals into consideration to satisfy the ACP test, or use Qualified Matching Contributions to satisfy the ADP test.

Part I. ACP Testing Method

The testing method used for purposes of the ACP test under this Plan will be (select one):

Option 1: ☐ Prior-Year Testing Method.

Initial Plan Year ACP

If this is not a successor Plan, then for the first Plan Year that this Plan permits any Participant to make Nondeductible Employee Contributions, provides for Matching Contributions or both, the ACP for Participants who are non-Highly Compensated Employees will be (select one):

Suboption (a): ☐ 3 percent.

Suboption (b): ☐ Such first Plan Year's ACP.

NOTE: If no suboption is selected, Suboption (a) will apply.

Option 2: ☒ Current-Year Testing Method.

NOTE: If no option is selected, Option 1 will apply unless the Adopting Employer elects to apply the QACA provisions of Section Three, Part A or the Safe Harbor CODA provisions of Section Three, Part C above, in which case Option 2 will apply. If the Adopting Employer elects to apply the QACA provisions of Section Three, Part A or the Safe Harbor CODA provisions of Section Three, Part C above, Option 2 must be selected. If Option 2 is selected or the current-year testing method currently applies for an existing Plan, the current-year testing method must continue to be used unless 1) the Plan has been using the current-year testing method for the preceding five Plan Years, or, if fewer, the number of Plan Years the Plan has been in existence, or 2) the Plan otherwise meets one of the conditions specified in the Treasury Regulations (or additional guidance issued by the Internal Revenue Service (IRS)) for changing from the current-year testing method. The current-year testing method may be selected for the ACP test even if prior-year testing is selected for the ADP test. However, if different testing methods for the ADP and ACP tests are selected, the Plan cannot use recharacterization to correct Excess Contributions, take Elective Deferrals into consideration to satisfy the ACP test, or use Qualified Matching Contributions to satisfy the ADP test.

Part J. Deemed IRA Contributions

May an Employee make Deemed IRA Contributions pursuant to Plan Section 3.15 (select one)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply. Complete the remainder of this Part J only if Option 1 is selected.

1. Participants Eligible to Make Deemed IRA Contributions

The following Participants will be eligible to make Deemed IRA Contributions (select one):

Option 1: ☐ All Participants.

Option 2: ☐ Other. (Specify.)

NOTE: If no option is selected, Option 1 will apply.

2. Type of Deemed IRA Contributions

Deemed IRA Contributions may include (select one):

Option 1: ☐ Traditional IRA.

Option 2: ☐ Roth IRA.

Option 3: ☐ Both Traditional and Roth IRA.

NOTE: If no option is selected, Option 3 will apply.

3. Deposits Held

Deemed IRA Contribution deposits will be held (*select one*):

Option 1: ☐ As part of the Fund established pursuant to Plan Section 7.01.

Option 2: ☐ In a separate individual trust or custodial account.

NOTE: If no option is selected, Option 1 will apply. If neither the Trustee nor the Custodian of the Plan meet the requirements under Code section 408(a)(2) to hold IRA assets, the Adopting Employer must either appoint a separate Trustee or Custodian for the Deemed IRA accounts under the Plan or the Deemed IRA accounts must be held in a separate individual trust or custodial account.

Part K. SIMPLE 401(k) Provisions

1. Will the SIMPLE 401(k) provisions of the Plan apply (*select one*)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply. Complete the remainder of this Part K only if Option 1 is selected. If Option 1 is selected, the SIMPLE 401(k) provisions of the Plan will apply for a Year only if (a) the Employer is an Eligible Employer and (b) no contributions are made, or benefits accrued for services during the Year, on behalf of any Eligible Employee under any other plan, contract, pension, or trust described in Code section 219(g)(5)(A) or (B), maintained by the Employer.

2. If the Employer makes the nonelective contribution described in Section 3.02 of the Plan instead of a Matching Contribution, the nonelective contribution will be made to each Eligible Employee who received Compensation for the SIMPLE 401(k) Year equal to at least:

Option 1: ☒ \$5,000

Option 2: ☐ \$_____ (*specify an amount not more than \$5,000*)

NOTE: If no option is selected, Option 1 will apply.

Part L. Benefit Accrual in the Case of Death or Disability Resulting from Qualified Military Service

Will the benefit accrual provisions under Code section 414(u)(9) apply to individuals who are unable to resume service on account of death or Disability while performing qualified military service as defined in Code section 414(u) (*select one*)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 2 will apply.

Part M. In-Plan Roth Rollover

1. Direct In-Plan Roth Rollover

Will a Recipient be entitled to request a Direct In-Plan Roth Rollover (*select one*)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply. If Option 2 is selected, skip the rest of this Part M.

a. Timing of Direct In-Plan Roth Rollover. A Recipient will be entitled to request a Direct In-Plan Roth Rollover (*select one*)

Option 1: ☐ At any time.

Option 2: ☐ When the assets in their Individual Account become distributable under the Plan provisions applicable at the time of the request.

NOTE: If no option is selected, Option 1 will apply.

b. Sources Available for Direct In-Plan Roth Rollover.

A Recipient may request a Direct In-Plan Roth Rollover from the following accounts (*select one*).

Option 1: ☐ The entire Individual Account that is not designated Roth.

Option 2: ☐ Only the following accounts (*select all that apply*):

☐ Elective Deferral account.

☐ Matching Contribution account.

☐ Employer Profit Sharing Contribution account.

☐ Rollover contribution account.

☐ Transfer contribution account.

☐ Nondeductible Employee Contribution account.

NOTE: If no option is selected, Option 1 will apply.

The election for Pre-Tax Elective Deferrals will also apply to Qualified Nonelective Contributions, Qualified Matching Contributions, ADP Test Safe Harbor Contributions, and QACA ADP Test Safe Harbor Contributions (if applicable). The election for Matching Contributions will also apply to ACP Test Safe Harbor Contributions and QACA ACP Test Safe Harbor Contributions (if applicable).

c. Vesting

Must a Recipient be 100% Vested in a contribution source to request a Direct In-Plan Roth Rollover from such source (select one)?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 2 will apply. If "No" is selected above, Recipients may directly rollover the Vested amounts in a contribution source even if that contribution source is not fully Vested.

d. Loans

May an outstanding loan amount be included in a Direct In-Plan Roth Rollover (select one)?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 2 will apply.

2. Indirect In-Plan Roth Rollover

Will the Plan accept Indirect In-Plan Roth Rollovers (select one)?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: Option 1 may only be selected if the Plan permits the contribution and rollover in of Roth Elective Deferrals. If no option is selected, Option 2 will apply.

3. Limitation

The maximum number of In-Plan Roth Rollovers a Recipient may request is (select one)?

Option 1: ☐ Unlimited.

Option 2: ☐ Other (specify the number of rollovers (e.g. one, one per year)).

NOTE: If no option is selected, Option 1 will apply.

SECTION FOUR: VESTING AND FORFEITURES

Complete Parts A through L

Part A. Vesting Schedule for Matching Contributions

A Participant will become Vested in the portion of their Individual Account derived from Matching Contributions (including ACP Test Safe Harbor Matching Contributions and QACA ACP Test Safe Harbor Matching Contributions), if applicable, made pursuant to Section Three of the Adoption Agreement as follows.

YEARS OF VESTING SERVICE (PERIODS OF SERVICE, IF APPLICABLE)	VESTED PERCENTAGE					
	Matching	Option 1 <input checked="" type="checkbox"/>	Option 2 <input type="checkbox"/>	Option 3 <input type="checkbox"/>	Option 4 <input type="checkbox"/> (Complete if chosen)	Option 5 <input type="checkbox"/> (Complete if chosen)
Less than One	100%	0%	0%	____%	____%	
1	100%	0%	0%	____%	____%	
2	100%	0%	20%	____% (not less than 20%)	____%	
3	100%	100%	40%	____% (not less than 40%)	100%	
4	100%	100%	60%	____% (not less than 60%)	100%	
5	100%	100%	80%	____% (not less than 80%)	100%	
6	100%	100%	100%	100%	100%	

NOTE: If no option is selected as of the first date on which such contributions may be made to the Plan, Option 1 will apply. If more than one Year of Eligibility Service (Period of Service, if applicable) is selected in Section Two, Part A for Matching Contributions, the immediate 100 percent vesting schedule in this Section Four, Part A.1. will automatically apply to such contribution source.

Part B. Vesting Schedule for Employer Profit Sharing Contributions

A Participant will become Vested in the portion of their Individual Account derived from Employer Profit Sharing Contributions, if applicable, made pursuant to Section Three of the Adoption Agreement as follows.

YEARS OF VESTING SERVICE (PERIODS OF SERVICE, IF APPLICABLE)	VESTED PERCENTAGE				
Profit Sharing	Option 1 <input type="checkbox"/>	Option 2 <input checked="" type="checkbox"/>	Option 3 <input type="checkbox"/>	Option 4 <input type="checkbox"/> (Complete if chosen)	Option 5 <input type="checkbox"/> (Complete if chosen)
Less than One	100%	0%	0%	____%	____%
1	100%	0%	0%	____%	____%
2	100%	0%	20%	____% (not less than 20%)	____%
3	100%	100%	40%	____% (not less than 40%)	100%
4	100%	100%	60%	____% (not less than 60%)	100%
5	100%	100%	80%	____% (not less than 80%)	100%
6	100%	100%	100%	100%	100%

NOTE: If no option is selected as of the first date on which such contributions may be made to the Plan, Option 1 will apply. If more than one Year of Eligibility Service (Period of Service, if applicable) is selected in Section Two, Part A for Employer Profit Sharing Contributions, the immediate 100 percent vesting schedule in this Section Four, Part B will automatically apply to such contribution source.

Part C. Vesting Schedule for QACA ADP Test Safe Harbor Contributions

A Participant will become Vested in the portion of their Individual Account derived from QACA ADP Test Safe Harbor Contributions, if applicable, made to the Plan pursuant to Section Three of the Adoption Agreement as follows.

YEARS OF VESTING SERVICE (PERIODS OF SERVICE, IF APPLICABLE)	VESTED PERCENTAGE		
QACA	Option 1 <input checked="" type="checkbox"/>	Option 2 <input type="checkbox"/>	Option 3 <input type="checkbox"/> (Complete if chosen)
Less than One	100%	0%	____%
1	100%	0%	____%
2	100%	100%	100%

NOTE: If no option is selected as of the first date on which such contributions may be made to the Plan, Option 1 will apply. QACA ACP Test Safe Harbor Matching Contributions made pursuant to Section Three will be Vested in accordance with the vesting provisions for Matching Contributions selected above. Even if the Plan does not allow for Matching Contributions, the Employer must indicate a vesting schedule for Matching Contributions above that will apply or the default vesting schedule (100 percent vesting) will apply to QACA ACP Safe Harbor Matching Contributions.

Part D. Measuring Period for Vesting

Years of Vesting Service will be measured over the following 12-consecutive month period (select one):

- Option 1:** ☒ The Plan Year.
- Option 2:** ☐ The 12-consecutive month period commencing with the Employee's Employment Commencement Date and each successive 12-month period commencing on the anniversaries of the Employee's Employment Commencement Date.
- Option 3:** ☐ Other. (Specify.) _____

Option 4: ☐ Not applicable. The Elapsed Time method of determining service applies.

NOTE: If no option is selected, Option 1 will apply if the Hours of Service method of determining service applies and Option 4 will apply if the Elapsed Time method of determining service applies.

Part E. Service Required for Vesting Purposes (Select one.)

- Option 1:** ☒ The Hours of Service method of determining service applies. (Complete the following.)
- (a) 1000 Hours of Service (not more than 1,000) will be required to constitute a Year of Vesting Service.
- (b) 500 Hours of Service (not more than 500 but less than the number specified in Option 1(a), above) must be exceeded to avoid a Break in Vesting Service.

Option 2: ☐ Not applicable. The Elapsed Time method of determining service applies.

NOTE: If no option is selected and the Hours of Service method of determining service applies or if Option 1 is selected and no hours are specified, 1,000 and 500 will apply for items (a) and (b), respectively.

Part F. Exclusion of Service for Vesting

All of an Employee's Years of Vesting Service (Periods of Service, if applicable) with the Employer are counted to determine the Vested percentage in the Participant's Individual Account except (select all that apply):

- ☐ Years of Vesting Service (Periods of Service, if applicable) before the Employee reaches age 18.
- ☐ Years of Vesting Service (Periods of Service, if applicable) before the Employer maintained this Plan or a predecessor plan.
- ☐ Years of Vesting Service (Periods of Service, if applicable) during a period for which the Employee made no mandatory Nondeductible Employee Contributions.

Part G. Vesting Following Breaks in Service

Will the rehire hold-out rule specified in Plan Section 4.01(D)(2) apply for purposes of determining the Vested portion of a Participant's Individual Account (select one)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply.

Part H. Fully Vested Under Certain Circumstances

Will an Employee be fully Vested under the following circumstances (select "Yes" or "No" to each of the following items)?

- | | | |
|--|---|--|
| 1. The Employee dies. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. The Employee incurs a Disability. | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. The Employee satisfies the conditions for Early Retirement Age (if applicable). | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

NOTE: If a box is not selected for an item, "Yes" will apply for such item.

Part I. Vesting in the Case of Disability Resulting from Qualified Military Service

Will vesting service be credited to individuals who are unable to be reemployed on account of Disability while performing qualified military service as defined in Code section 414(u) (select one)?

Option 1: ☐ Yes.

Option 2: ☐ No.

Option 3: ☒ Not applicable. Individuals become 100 percent Vested upon Disability under the terms of the Plan.

NOTE: If no option is selected, Option 2 will apply. Regardless of which option is selected, individuals who are unable to be reemployed on account of death while performing qualified military service must be credited with Years of Vesting Service (Periods of Service, if applicable).

Part J. Allocation of Forfeitures of Matching Contributions

Forfeitures of Matching Contributions will be (select one):

Option 1: ☐ Allocated to the Individual Accounts of the Participants specified below in the ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for such Plan Year.

The Participants entitled to receive allocations of such Forfeitures will be (select one):

Suboption (a): ☐ Qualifying Contributing Participants as defined for Matching Contributions in Section Three, Part B, item 6 of this Adoption Agreement.

Suboption (b): ☐ Qualifying Participants as defined for Employer Profit Sharing Contributions in Section Three, Part D, item 4 of this Adoption Agreement.

Suboption (c): ☐ All Participants.

NOTE: If no suboption is selected, Suboption (a) will apply.

Option 2: ☐ Applied to reduce Employer Contributions.

Option 3: ☒ Other. (Specify the method that will be used to allocate Forfeitures.)

Forfeitures of Matching Contributions may be used to pay appropriate Plan expenses, to reduce Employer Contributions (other than Elective Deferrals), or as an Employer Profit Sharing Contribution allocation in the ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for such Plan Year (or any combination of the foregoing)

NOTE: If no option is selected, Option 2 will apply. Pursuant to Plan Section 3.04(C) and notwithstanding the election made above, the Employer may first apply Forfeitures to the payment of the Plan's administrative expenses in accordance with Plan Section 7.04 and/or the restoration of Participant's Individual Accounts pursuant to Plan Section 4.01(C)(3).

Part K. Allocation of Forfeitures of Excess Aggregate Contributions

Forfeitures of Excess Aggregate Contributions will be (select one):

Option 1: ☐ Allocated to the Individual Accounts of non-Highly Compensated Employees who are Qualifying Contributing Participants. The allocation to such Participants' Matching Contribution account will be in the ratio that each applicable Qualifying Contributing Participant's Compensation for the Plan Year bears to the total Compensation of all applicable Qualifying Contributing Participants for such Plan Year.

Option 2: ☐ Applied to reduce Employer Contributions.

Option 3: ☒ Other. (Specify the method that will be used to allocate Forfeitures.)

Forfeitures of Excess Aggregate Contributions may be used to pay appropriate Plan expenses, to reduce Employer Contributions (other than Elective Deferrals), or as an Employer Profit Sharing Contribution allocation in the ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for such Plan Year (or any combination of the foregoing)

NOTE: If no option is selected, Option 2 will apply. Pursuant to Plan Section 3.04(C) and notwithstanding the election made above, the Employer may first apply Forfeitures to the payment of the Plan's administrative expenses in accordance with Plan Section 7.04 and/or the restoration of Participant's Individual Accounts pursuant to Plan Section 4.01(C)(3).

Part L. Allocation of Forfeitures of Employer Profit Sharing Contributions

Forfeitures of Employer Profit Sharing Contributions will be (select one):

Option 1: ☐ Allocated to the Individual Accounts of the Participants specified below in the manner described in Plan Section 3.04(B) (for Employer Profit Sharing Contributions).

The Participants entitled to receive allocations of such Forfeitures will be (select one):

Suboption (a): ☐ Qualifying Participants as defined for Employer Profit Sharing Contributions in Section Three, Part D, item 4 of this Adoption Agreement.

Suboption (b): ☐ All Participants.

NOTE: If no suboption is selected, Suboption (a) will apply.

Option 2: ☐ Applied to reduce Employer Contributions.

Option 3: ☒ Other. (Specify the method that will be used to allocate Forfeitures.)

Forfeitures of Employer Profit Sharing Contributions may be used to pay appropriate Plan expenses, to reduce Employer Contributions (other than Elective Deferrals), or as an Employer Profit Sharing Contribution allocation in the ratio that each Participant's Compensation for the Plan Year bears to the total Compensation of all Participants for such Plan Year (or any combination of the foregoing)

NOTE: If no option is selected, Option 2 will apply. Pursuant to Plan Section 3.04(C) and notwithstanding the election made above, the Employer may first apply Forfeitures to the payment of the Plan's administrative expenses in accordance with Plan Section 7.04 and/or the restoration of Participant's Individual Accounts pursuant to Plan Section 4.01(C)(3).

SECTION FIVE: DISTRIBUTIONS AND LOANS

Complete Parts A through F

NOTE: Distribution options selected for Pre-Tax Elective Deferrals will apply to Qualified Nonelective Contributions, Qualified Matching Contributions, ADP Test Safe Harbor Contributions, QACA ADP Test Safe Harbor Contributions, and Employer Prevailing Wage Contributions designated as Qualified Nonelective Contributions, as applicable, unless otherwise limited under the Code and other legislative and regulatory guidance. Distribution options selected for Matching Contributions will apply to ACP Test Safe Harbor Contributions and QACA ACP Test Safe Harbor Contributions, as applicable. Distribution options selected for Employer Profit Sharing Contributions will apply to Employer Prevailing Wage Contributions designated as Employer Profit Sharing Contributions, as applicable.

Part A. Eligibility for Distributions

1. Distributions Upon Termination of Employment

a. Individual Account Balances Less Than or Equal to the Cashout Level

i. Cashout Level for Terminated Participants

For purposes of applying the cashout rules in Plan Section 4.01(C)(1), the cashout level will be (select one):

Option 1: ☒ \$5,000.

Option 2: ☐ \$1,000.

Option 3: ☐ \$200.

Option 4: ☐ \$_____ (specify an amount less than \$1,000).

Option 5: ☐ Not applicable. The cashout distribution provisions in Plan Section 4.01(C)(1) will not apply.

NOTE: If no option is selected, Option 2 will apply. A cashout level exceeding \$1,000 will subject the Plan to the automatic rollover requirements of Code section 401(a)(31)(B) as described in Plan Section 5.01(B). If Option 5 is selected you may skip item (ii) below because the value of the Vested portion of the Participant's Individual Account must remain in the Plan until the Participant is entitled to, and requests (if required), a distribution.

ii. Rollovers Included in Involuntary Cashouts

Will rollover contributions be included in determining the value of a Participant's Vested Individual Account for purposes of Plan Sections 5.01 and 5.04 (select one)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply. If Option 2 is selected, the Plan may be subject to the automatic rollover rules pertaining to cashout amounts described in Plan Section 5.01 even if the cashout amount is \$1,000 or less.

b. Individual Account Balances Exceeding Cashout Level

i. Employee Has Not Reached Normal Retirement Age

Will an Employee who has not reached Normal Retirement Age be entitled to request a distribution of their Individual Account attributable to the following types of contributions upon incurring a Termination of Employment (select one)?

Option 1: ☒ Yes, with respect to the following contributions. (Select all that apply.)

☒ Matching Contributions (if applicable).

☒ Employer Profit Sharing Contributions (if applicable).

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply with regard to Matching Contributions and Employer Profit Sharing Contributions.

ii. **Severance from Employment**

Will a Participant be entitled to request a distribution of their Individual Account attributable to Elective Deferrals on account of Severance from Employment pursuant to Plan Section 5.01(A)(2) (select one)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply.

2. **Distributions During Employment**

a. **In-Service Withdrawals**

i. **In-Service Availability for Elective Deferrals In General**

Will a Participant who has not incurred a Severance from Employment be entitled to request an in-service distribution of their Individual Account attributable to Elective Deferrals (select all that apply)?

Option 1: ☒ Yes, if he or she has attained age 59.5. (Must be at least age 59½. If no age is specified, age 59½ will apply.)

Option 2: ☐ Yes, if he or she has attained Normal Retirement Age.

Option 3: ☐ No.

NOTE: If Option 1 or Option 2 is selected above, select whether in-service distributions will be available from Pre-Tax and/or Roth Elective Deferrals (select all that apply).

☒ Pre-Tax Elective Deferrals.

☒ Roth Elective Deferrals.

NOTE: If a Participant is permitted to request an in-service distribution upon attainment of Normal Retirement Age, he or she must also be at least age 59½ to be eligible for the distribution. If in-service distributions are permitted and neither Pre-Tax nor Roth Elective Deferrals is selected, in-service distributions will be permitted from both Pre-Tax Elective Deferrals and Roth Elective Deferrals.

ii. **In-Service Availability for Elective Deferrals Due to Deemed Severance from Employment**

Will a Participant who has not incurred a Severance from Employment but has incurred a Deemed Severance from Employment be entitled to request an in-service distribution of their Individual Account attributable to Elective Deferrals (select one)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply.

iii. **In-Service Availability for Employer Contributions**

(A) Will a Participant be entitled to request an in-service distribution of their Individual Account attributable to Matching Contributions and Employer Profit Sharing Contributions (select one)?

Option 1: ☒ Yes, with respect to the following contributions (select all that apply and complete the table below):

☒ Matching Contributions.

☒ Employer Profit Sharing Contributions.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply with respect to all Matching Contributions and Employer Profit Sharing Contributions.

	Matching Contributions	Employer Profit Sharing Contributions
Upon attainment of age 59½.		
Upon attainment of Normal Retirement Age.		
Upon attainment of age (specify an age other than age 59½):		
Upon reaching a Vested percentage equal to 100 percent.		
After contributions have been allocated to the Plan for a period of years equal to (must be at least two):		
After participating in the Plan for a period of years equal to (must be at least five unless the applicable contributions have been allocated to the Plan for at least two years as specified in the box above):		
After participating in the Plan for a period of years equal to (a) and attaining age (b).	(a) (b)	(a) (b)
After becoming 100 percent Vested, participating in the Plan for a period of years equal to (a) and attaining age (b).	(a) 0 (b) 59.5	(a) 0 (b) 59.5

NOTE: Place an "x" or enter the specific criteria (e.g., age, years of participation) in each box, as applicable. A Participant need only satisfy the criteria in one of the rows to be eligible for an in-service distribution. If Option 1 applies and no selections or entries are made in the table above, Plan Section 5.01(C)(1) will apply in determining whether a Participant is entitled to an in-service distribution.

(B) The maximum number of in-service withdrawals that may be taken while a Participant is employed by the Employer is (select all that apply):

☒ Unlimited. (Select all that apply.)

☒ Matching Contributions.

☒ Employer Profit Sharing Contributions.

☐ Other. (Select and complete all that apply.)

☐ Matching Contributions. (Specify the actual number that applies (e.g., one per Plan Year).)

☐ Employer Profit Sharing Contributions. (Specify the actual number that applies (e.g., one per Plan Year).)

NOTE: If in-service withdrawals are available under the Plan and no limits are specified above, a Participant may request an unlimited number of in-service withdrawals.

b. Hardship Withdrawals

i. Hardship Availability for Elective Deferrals

Will an Employee be entitled to request a hardship distribution of their Individual Account attributable to Elective Deferrals, not including any earnings attributable (select one)?

Option 1: ☐ Yes, with respect to the following Elective Deferrals (select all that apply):

☐ Pre-Tax Elective Deferrals.

☐ Roth Elective Deferrals.

Option 2: ☒ No.

NOTE: If no option is selected, Option 1 will apply and hardship distributions will be available from both Pre-Tax and Roth Elective Deferrals. Hardship distributions of Elective Deferrals will result in a suspension of an Employee's Elective Deferrals (and Nondeductible Employee Contributions, if applicable) as described in Plan Section 5.01(C)(2)(b).

ii. Hardship Availability for Matching Contributions and Employer Profit Sharing Contributions

Will an Employee be entitled to request a hardship distribution of their Individual Account attributable to Matching Contributions and Employer Profit Sharing Contributions (select all that apply)?

☐ Yes, with respect to the following contributions (select all that apply):

☐ Matching Contributions.

☐ Employer Profit Sharing Contributions.

☐ Yes, with respect to the following contributions and only with respect to an Employee who is 100 percent Vested in their Individual Account attributable to such contributions (select all that apply):

☐ Matching Contributions.

☐ Employer Profit Sharing Contributions.

☐ Yes, with respect to the following contributions and only with respect to an Employee who has participated in the Plan for _____ or more years and has attained age _____ (select all that apply):

☐ Matching Contributions.

☐ Employer Profit Sharing Contributions.

☐ Yes, with respect to the following contributions and only with respect to an Employee who is 100 percent Vested in their Individual Account attributable to such contributions and has participated in the Plan for _____ or more years and has attained age _____ (select all that apply):

☐ Matching Contributions.

☐ Employer Profit Sharing Contributions.

☒ No.

NOTE: If no box is selected, an Employee will be entitled to request a hardship distribution with respect to all Matching Contributions and Employer Profit Sharing Contributions. If an Employee will be entitled to request a hardship distribution, complete the following:

How will hardship be defined for purposes of this section (select all that apply)?

Suboption (a): ☐ The definition of hardship described in Plan Section 5.01(C)(2)(a) will apply with respect to the following types of contributions, therefore an Employee's Elective Deferrals (and Nondeductible Employee Contributions, if applicable) will not be suspended for six months (select all that apply):

☐ Matching Contributions.

☐ Employer Profit Sharing Contributions.

- Suboption (b):** ☐ The safe harbor definition of hardship distribution described in Plan Section 5.01(C)(2)(b) will apply with respect to the following types of contributions, except that an Employee's Elective Deferrals (and Nondeductible Employee Contributions, if applicable) will not be suspended for six months (*select all that apply*):
- ☐ Matching Contributions.
 - ☐ Employer Profit Sharing Contributions.

- Suboption (c):** ☐ The safe harbor definition of hardship distribution described in Plan Section 5.01(C)(2)(b) will apply with respect to the following types of contributions, including the requirement that an Employee's Elective Deferrals (and Nondeductible Employee Contributions, if applicable) will be suspended for six months (*select all that apply*):
- ☐ Matching Contributions.
 - ☐ Employer Profit Sharing Contributions.

NOTE: If no suboption is selected, Suboption (b) will apply to the option selected in item (b)(ii) above with regard to Matching Contributions and Employer Profit Sharing Contributions. Even if Suboption (a) or (b) is selected above, removal of Elective Deferrals on account of hardship under Section Five, Part A, item (2)(b)(i) above will result in a six month suspension of an Employee's Elective Deferrals (and Nondeductible Employee Contributions, if applicable).

iii. Hardship Availability Due to Beneficiary Hardship

If the Plan permits hardship distributions, will hardship distributions also be permitted because of a hardship incurred by the Primary Beneficiary of an Employee (*select one*)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 2 will apply.

3. Miscellaneous Distribution Issues

a. Withdrawals of Rollover Contributions

Will an Employee be entitled to request and receive a distribution of their Individual Account attributable to rollover contributions at any time (*select one*)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 1 will apply and rollover contributions may be distributed as soon as administratively feasible after a valid request is received. If Option 2 applies, the Plan's provisions governing distributions will apply according to Plan Sections 5.01(A)(1) and 5.01(D)(1)(a).

b. Withdrawals of Elective Transfer Contributions

Will an Employee be entitled to request and receive a distribution of their Individual Account attributable to elective transfer contributions at any time (*select one*)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 1 will apply and elective transfer contributions may be distributed as soon as administratively feasible after a valid request is received. If Option 2 applies, the Plan's provisions governing distributions will apply according to Plan Sections 5.01(A)(1) and 5.01(D)(1)(a).

c. Disability

Will a Participant who has incurred a Disability be entitled to request a distribution of their Individual Account attributable to the following contribution sources (*select one*)?

Option 1: ☒ Yes, with respect to the following contributions. (*Select all that apply.*)

☒ Elective Deferrals.

☒ Matching Contributions.

☒ Employer Profit Sharing Contributions.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply. If Option 1 applies and no contribution source is selected, distributions will be permitted from all contribution sources.

d. Qualified Reservist Distributions

Will a Participant be entitled to request a qualified reservist distribution (as described in Plan Section 5.01(C)(3)) of their Individual Account attributable to Elective Deferrals (*select one*)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply.

e. Permissible Withdrawals of EACA or QACA Elective Deferrals

i. Authorization of Permissible Withdrawals

Will a Participant be entitled to request a distribution of their Individual Account attributable to Elective Deferrals and the earnings attributable to such Elective Deferrals during the period described in item (ii) below (*select one*)?

Option 1: ☒ Yes, for all automatically enrolled Participants.

Option 2: ☐ Yes, but only for automatically enrolled Participants who have no other Elective Deferrals in the Plan.

Option 3: ☐ No.

NOTE: If no option is selected, Option 1 will apply. Complete the remainder of this item (e) only if Option 1 or 2 is selected.

ii. Permissible Withdrawal Period

A Participant's election to make a permissible withdrawal must be made within (*select one*):

Option 1: ☐ 30 days following the date the first automatic contribution was made.

Option 2: ☐ 45 days following the date the first automatic contribution was made.

Option 3: ☒ 90 days following the date the first automatic contribution was made.

Option 4: ☐ _____ (specify a number between 30 and 90) days following the date the first automatic contribution was made.

NOTE: If no option is selected, Option 1 will apply. If Option 4 is selected and no number is specified, 30 days will apply.

Part B. Form of Distribution

1. Involuntary Cashout Distributions Upon Termination of Employment

Involuntary cashout distributions of \$1,000 or less that are Eligible Rollover Distributions and are made to terminated Participants that do not elect a form of distribution will, pursuant to Plan Section 5.01(B)(1), be (*select one*):

Option 1: ☒ Paid in a lump sum distribution.

Option 2: ☐ Paid in a Direct Rollover to an individual retirement account (*as defined in Code sections 408(a) and 408(b)*).

NOTE: If no option is selected, Option 1 will apply.

2. Voluntary Distributions

a. Lump Sum

Will a Participant be entitled to request a payment of the Vested portion of their Individual Account in a lump sum, subject to Plan Section 5.02 (*select one*)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected Option 1 will apply.

b. Partial Payments

Will a Participant be entitled to request a non-recurring partial payment from the Vested portion of their Individual Account, subject to Plan Section 5.02 (*select one*)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected Option 1 will apply. Partial payments may be made from the Plan either prior to Termination of Employment or to satisfy the requirements of Code section 401(a)(9) even if Option 2 applies.

c. Installment Payments

Will a Participant be entitled to request a series of regularly scheduled recurring payments from the Vested portion of their Individual Account, subject to Plan Section 5.02 (*select one*)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected Option 1 will apply.

d. Annuity Contracts

Will a Participant be entitled to apply the Vested portion of their Individual Account toward the purchase of an annuity contract, subject to Plan Section 5.02 (*select one*)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected Option 1 will apply.

NOTE: Option 1 must be selected for at least one of items (a) through (d) in Part B, item 2 above. If this Plan is restating a Prior Plan Document, the forms of distribution under this Plan must generally be at least as favorable as under the Prior Plan Document.

Part C. Timing of Distributions

1. Death, Disability or Attainment of Normal Retirement Age

If a Participant dies, incurs a Disability or attains Normal Retirement Age, and a distributable event has occurred, distributions will commence as soon as administratively feasible following (select one):

- Option 1:** ☒ The date the Participant (or Beneficiary of a deceased Participant) requests a distribution.
- Option 2:** ☐ The next valuation date after the Participant (or Beneficiary of a deceased Participant) requests a distribution.
- Option 3:** ☐ The last day of the Plan Year within which the Participant (or Beneficiary of a deceased Participant) requests a distribution.
- Option 4:** ☐ The last day of the Plan Year within which the Participant (or Beneficiary of a deceased Participant) requests a distribution or the Participant requests a distribution and incurs _____ (not more than five) consecutive one-year Breaks in Vesting Service, whichever is later.

NOTE: If no option is selected, Option 1 will apply. A Participant's request for a distribution must be accompanied by their Spouse's consent (if required) as prescribed in Plan Section 5.10.

2. Termination of Employment or Severance from Employment

If a Participant has a Termination of Employment or Severance from Employment, and a distributable event has occurred, distributions will commence as soon as administratively feasible following (select one):

- Option 1:** ☒ The date the Participant requests a distribution.
- Option 2:** ☐ The next valuation date after the Participant requests a distribution.
- Option 3:** ☐ The last day of the Plan Year within which the Participant requests a distribution.
- Option 4:** ☐ The last day of the Plan Year within which the Participant requests a distribution or the Participant requests a distribution and incurs _____ (not more than five) consecutive one-year Breaks in Vesting Service, whichever is later.

NOTE: If no option is selected, Option 1 will apply. A Participant's request for a distribution must be accompanied by their Spouse's consent (if required) as prescribed in Plan Section 5.10.

Part D. Beneficiary Required Minimum Distributions

1. Election to Apply Five-Year Rule to Distributions to Designated Beneficiaries

Will Designated Beneficiaries be required to take distributions according to the five-year rule (select one)?

- Option 1:** ☐ Yes. If the Participant dies before distributions have begun and there is a Designated Beneficiary, distribution to the Designated Beneficiary is not required to begin by the date specified in Plan Section 5.05(D)(2), but the Participant's entire interest will be distributed to the Designated Beneficiary by December 31 of the calendar year containing the fifth anniversary of the Participant's death. If the Participant's surviving Spouse is the Participant's sole Designated Beneficiary and the surviving Spouse dies after the Participant but before distributions to either the Participant or the surviving Spouse have begun, this election will apply as if the surviving Spouse were the Participant.
- Option 2:** ☒ No.

NOTE: If no option is selected, Option 2 will apply. If Option 1 in Part D, item 1 above is selected, Option 2 in Part D, item 2 must be selected.

If applicable, this item 1 will apply to (select one):

- Suboption (a):** ☐ All distributions.
- Suboption (b):** ☐ The following distributions (specify):

NOTE: If no suboption is selected, Suboption (a) will apply.

2. Election to Permit Participants or Beneficiaries to Elect Five-Year Rule

Will Participants or Designated Beneficiaries be permitted to elect, on an individual basis, whether the five-year rule or the life expectancy rule applies (select one)?

- Option 1:** ☐ Yes. Participants or Beneficiaries may elect on an individual basis whether the five-year rule or the life expectancy rule in Plan Section 5.05(D)(2) applies to distributions after the death of a Participant who has a Designated Beneficiary.
- Option 2:** ☐ No. Distributions will be made in accordance with Plan Section 5.05(D)(2) and, if applicable, item 1 above.

NOTE: If no option is selected, Option 1 will apply.

Part E. Retirement Equity Act Safe Harbor

1. Retirement Equity Act Safe Harbor

Will the safe harbor provisions of Plan Section 5.10(E) apply (select one)?

- Option 1:** ☒ Yes.
- Option 2:** ☐ No.

NOTE: If no option is selected, Option 1 will apply.

2. Survivor Annuity Percentage (Complete only if Option 2 is selected in item 1 above or if certain Plan assets (e.g., transfer contributions) are subject to the Retirement Equity Act annuity requirements.)

The survivor annuity portion of the Qualified Joint and Survivor Annuity will be a percentage equal to _____ percent (at least 50, but not more than 100) of the amount paid to the Participant before their death.

NOTE: If no percentage is specified, the survivor annuity portion of the Qualified Joint and Survivor Annuity will be equal to 50 percent.

Part F. Loans

Will a Participant be entitled to request a loan pursuant to Plan Section 5.16 (select one)?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 2 will apply.

NOTE: Generally, Code section 411(d)(6) prohibits the elimination of protected benefits. Protected benefits include the timing of payout options. If the Plan is restating a Prior Plan Document that permitted a distribution option described above that involves the timing of a distribution, the selections must generally be at least as favorable as under the Prior Plan Document. Certain forms of distributions (e.g., redundant forms of distribution) may, however, be eliminated. Refer to Code section 411(d)(6) and the corresponding Treasury Regulation for details pertaining to the elimination of otherwise protected benefits. Note that ADP Test Safe Harbor Contributions and QACA ADP Test Safe Harbor Contributions may not be distributed earlier than Severance from Employment, death, Disability, an event described in Code section 401(k)(10), or, in the case of a profit sharing plan, the attainment of age 59½.

SECTION SIX: DEFINITIONS

Complete Parts A through K

Part A. Compensation for Allocation and Other General Purposes

NOTE: Compensation for ADP Test Safe Harbor Contributions and QACA ADP Test Safe Harbor Contributions follows the definition of Compensation applicable to Elective Deferrals. Compensation for ACP Test Safe Harbor Matching Contributions and QACA ACP Test Safe Harbor Matching Contributions follow the definition of Compensation applicable to Matching Contributions. If the Safe Harbor CODA or QACA provisions of the Plan apply, such definitions must be reasonable definitions within the meaning of Treasury Regulation section 1.414(s)-1(d)(2), must not discriminate in favor of Highly Compensated Employees pursuant to Treasury Regulation section 1.414(s)-1(d)(3) and must permit each Participant to elect sufficient Elective Deferrals to receive the maximum amount of Matching Contributions available to the Participant under the Plan.

1. Base Definition

Compensation will mean all of each Participant's (Select one for each contribution source. If a contribution source listed below is not available in the Plan, select "Not applicable" for such source.):

	Elective Deferrals	Matching Contributions	Employer Profit Sharing Contributions
Not applicable.			
W-2 Wages.	X	X	X
3401(a) Wages.			
415 Safe-Harbor Compensation.			

NOTE: If no box is selected for a contribution source, W-2 wages will apply to such source.

2. Determination Period

Compensation will be determined over the following applicable period (Select one for each contribution source. If a contribution source listed below is not available in the Plan, select "Not applicable" for such source.):

	Elective Deferrals	Matching Contributions	Employer Profit Sharing Contributions
Not applicable.			
Plan Year.	X	X	X
Calendar year ending with or within the Plan Year.			
Consecutive 12-month period, beginning on (specify month and day) _____.			

NOTE: If no box is selected for a contribution source, Plan Year will apply to such source.

3. Pre-Entry Date Compensation

Unless a different definition of Compensation is required by either the Code or ERISA, for the Plan Year in which an Employee enters the Plan, the Employee's Compensation that will be taken into account for purposes of the Plan will be (Select one for each contribution source. If a contribution source listed below is not available in the Plan, select "Not applicable" for such source.):

	Elective Deferrals	Matching Contributions	Employer Profit Sharing Contributions
Not applicable.			
Compensation from Entry Date.	X	X	X
Compensation for the full Determination Period.			

NOTE: If no box is selected for a contribution source, Compensation from Entry Date will apply to such source.

4. Inclusion in Compensation

a. Elective Deferrals

Will Compensation include Employer Contributions made pursuant to a salary reduction agreement that are not includible in the gross income of the Employee under Code sections 125 (cafeteria plans), 132(f)(4) (transportation fringe benefits), 402(e)(3) (401(k) plans), 408(k) (salary deferral SEP plans), 403(b) (tax sheltered annuity plans), 414(h) (governmental pick-up plans), and 457 (deferred compensation plans of state and local governments and tax-exempt organizations) (select "Yes" or "No" for each of the following contribution sources)?

Elective Deferrals.

☒ Yes

☐ No

Matching Contributions.

☒ Yes

☐ No

Employer Profit Sharing Contributions.

☒ Yes

☐ No

NOTE: If a box is not selected for a contribution source, "Yes" will apply for such contribution source, if applicable.

b. Post-Severance Compensation

Will Compensation include the following (select "Yes" or "No" for each of the following compensation sources)?

Leave cashouts paid after Severance from Employment.

☐ Yes

☒ No

Deferred compensation paid after Severance from Employment.

☒ Yes

☐ No

NOTE: If a box is not selected for a compensation source, "No" will apply for the source, if applicable.

c. Deemed 125 Compensation

Will Compensation include deemed Code section 125 compensation (select one)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply.

5. Exclusion from Compensation

General Exclusions

Compensation will exclude the following (select all that apply, if a contribution source is not available under the Plan, select "Not applicable" for such source):

	Elective Deferrals	Matching Contributions	Employer Profit Sharing Contributions
a. Not applicable.	X	X	X
b. Bonuses.			
c. Overtime.			
d. Commissions.			
e. Differential Wage Payments.			
f. Reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation and welfare benefits.			
g. Other. (Specify.)			

NOTE: If a box is not selected for a contribution source, such item will be included in Compensation for such contribution source, if applicable. No exclusions from Compensation other than item (f) above are permitted with respect to Employer Profit Sharing Contributions if the integrated allocation formula in Section Three, Part D, item 3 is selected. If any items are excluded other than item (f) above, the definition of Compensation may not be a safe harbor alternative definition of compensation and may be subject to nondiscrimination testing under Code section 414(s).

Part B. Matching Contribution Computation Period

The Matching Contribution Computation Period applicable to Matching Contributions will be (Select one. If Matching Contributions are not available under the Plan, select "Not applicable"):

Option 1: ☐ The Employer's payroll period.

Option 2: ☐ Monthly.

Option 3: ☐ Quarterly.

Option 4: ☐ Semi-Annually.

Option 5: ☒ Annually.

Option 6: ☐ Not applicable.

NOTE: If no option is selected, Option 5 will apply. If Matching Contributions are made more frequently than the Matching Contribution Computation Period, the Employer will re-calculate the Matching Contribution based on the Compensation earned, and Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) made, over the entire Matching Contribution Computation Period. The Matching Contribution Computation Period will apply to all Matching Contributions made on account of Elective Deferrals (and/or Nondeductible Employee Contributions, if applicable) including QACA ADP Test Safe Harbor Contributions, QACA ACP Test Safe Harbor Contributions, ADP Test Safe Harbor Contributions, ACP Test Safe Harbor Contributions and Qualified Matching Contributions. If Matching Contributions are not permitted under the Plan, Option 6 will apply.

Part C. Disability

For purposes of this Plan, Disability will mean (select one):

- Option 1:** ☒ The inability to engage in any substantial, gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.
- Option 2:** ☐ The inability to engage in any substantial, gainful activity in the Employee's trade or profession for which the Employee is best qualified through training or experience.
- Option 3:** ☐ The Participant is eligible to receive disability benefits under the Social Security Act, as determined by the Social Security Administration.
- Option 4:** ☐ The Participant is eligible to receive benefits under a disability plan sponsored by the Employer.

NOTE: If no option is selected, Option 1 will apply.

Part D. Highly Compensated Employee

1. Top Paid Group Election

For purposes of determining who is a Highly Compensated Employee under the Plan, will the top paid group election apply (select one)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply.

2. Calendar Year Data Election

If the Plan Year is a non-calendar year, for purposes of determining who is a Highly Compensated Employee (other than a five-percent owner) under the Plan, will the calendar year data election apply (select one)?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply. If the Plan Year is a calendar year, the Highly Compensated Employee determination will be based on the prior calendar year.

Part E. Method of Determining Service

1. Service for purposes of determining eligibility to participate in the Plan will be determined on the basis of (select one):

Option 1: ☐ Elapsed Time. An Employee will generally be credited for the aggregate of all time periods commencing with the Employee's first day of employment and ending on the date a Break in Service begins.

Option 2: ☒ Hours of Service. An Employee will be credited for Hours of Service determined on the basis of (select one):

Suboption (a): ☒ Actual hours for which an Employee is paid or entitled to payment.

Suboption (b): ☐ Equivalency – days worked. An Employee will be credited with 10 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the day.

Suboption (c): ☐ Equivalency – weeks worked. An Employee will be credited with 45 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the week.

Suboption (d): ☐ Equivalency – semi-monthly payroll periods worked. An Employee will be credited with 95 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the semi-monthly payroll period.

Suboption (e): ☐ Equivalency – months worked. An Employee will be credited with 190 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the month.

NOTE: If no option is selected, Option 2 will apply. If Option 2 applies and no suboption is selected, Suboption (a) will apply.

2. Service for purposes of determining if a Participant is a Qualifying Participant or Qualifying Contributing Participant (and therefore eligible to receive an Employer Contribution) will be determined on the basis of (select one):

Option 1: ☐ Elapsed Time. Each Qualifying Participant will share in Employer Contributions for the period beginning on the date the Employee commences participation under the Plan and ending on the date a Break in Service begins.

Option 2: ☒ Hours of Service. An Employee will be credited for Hours of Service determined on the basis of (select one):

Suboption (a): ☒ Actual hours for which an Employee is paid or entitled to payment.

Suboption (b): ☐ Equivalency – days worked. An Employee will be credited with 10 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the day.

Suboption (c): ☐ Equivalency – weeks worked. An Employee will be credited with 45 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the week.

- Suboption (d):** ☐ Equivalency – semi-monthly payroll periods worked. An Employee will be credited with 95 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the semi-monthly payroll period.
- Suboption (e):** ☐ Equivalency – months worked. An Employee will be credited with 190 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the month.

NOTE: If no option is selected, Option 2 will apply. If Option 2 applies and no suboption is selected, Suboption (a) will apply.

3. Service for purposes of determining a Participant's Vested percentage will be determined on the basis of (select one):

Option 1: ☐ Elapsed Time. An Employee will generally be credited for the aggregate of all time periods commencing with the Employee's first day of employment and ending on the date a Break in Service begins.

Option 2: ☒ Hours of Service. An Employee will be credited for Hours of Service determined on the basis of (select one):

Suboption (a): ☒ Actual hours for which an Employee is paid or entitled to payment.

Suboption (b): ☐ Equivalency – days worked. An Employee will be credited with 10 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the day.

Suboption (c): ☐ Equivalency – weeks worked. An Employee will be credited with 45 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the week.

Suboption (d): ☐ Equivalency – semi-monthly payroll periods worked. An Employee will be credited with 95 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the semi-monthly payroll period.

Suboption (e): ☐ Equivalency – months worked. An Employee will be credited with 190 Hours of Service if under the definition of Hours of Service such Employee would be credited with at least one Hour of Service during the month.

NOTE: If no option is selected, Option 2 will apply. If Option 2 applies and no suboption is selected, Suboption (a) will apply.

Part F. Limitation Year Means (Select one.)

Option 1: ☒ The Plan Year.

Option 2: ☐ The calendar year.

Option 3: ☐ Other 12-consecutive month period. (Specify a 12-consecutive month period selected in a uniform and nondiscriminatory manner.)

NOTE: If no option is selected, Option 1 will apply.

Part G. Plan Year Means (Select one.)

Option 1: ☐ The 12-consecutive month period which coincides with the Adopting Employer's tax year.

Option 2: ☒ The calendar year.

Option 3: ☐ The 52/53 week period ending on the last _____ (specify day of the week) nearest _____ (specify month and day) of each year.

Option 4: ☐ Other 12-consecutive month period (Specify a 12-consecutive month period selected in a uniform and nondiscriminatory manner.)

NOTE: If no option is selected, Option 1 will apply.

If the initial Plan Year or any subsequent Plan Year is less than 12 months (a short Plan Year), specify such Plan Year's beginning and ending dates.

Part H. Predecessor Employer Service

In addition to the service credited when an Employer maintains the plan of a predecessor employer, will service with a predecessor employer be credited where the Employer does not maintain the plan of a predecessor employer (select one)?

Option 1: ☐ Yes. Service with a predecessor employer will be credited for the following purposes (select all that apply):

- ☐ Eligibility.
- ☐ Vesting.
- ☐ Allocation of Contributions.

Name of Predecessor Employer(s):

If service with a predecessor is taken into account for one or more of the items listed above, specify any additional limitations on crediting service that apply (e.g., limitations by business classification, length of service):

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply.

Part I. Required Beginning Date

For purposes of determining when minimum distributions must begin to be made to each Participant, the Required Beginning Date will mean *(select one)*:

Option 1: ☐ April 1 of the calendar year following the calendar year in which a Participant attains age 70½.

Option 2: ☒ The later of April 1 of the calendar year following the calendar year in which a Participant attains age 70½ or retires except that distributions to a five-percent owner must commence by April 1 of the calendar year following the calendar year in which the Participant attains age 70½.

NOTE: If no option is selected, Option 2 will apply.

Part J. Retirement Age

1. Early Retirement Age

The Early Retirement Age under the Plan will be *(select one)*:

Option 1: ☒ An Early Retirement Age is not applicable under the Plan.

Option 2: ☐ A Participant satisfies the Plan's Early Retirement Age conditions by attaining age _____ and completing _____ Years of Vesting Service (Periods of Service, if applicable).

NOTE: If no option is selected, Option 1 will apply.

2. Normal Retirement Age

The Normal Retirement Age under the Plan will be *(select and complete one)*:

Option 1: ☒ Age 65 *(not to exceed 65 or such later age as may be allowed under Code section 411(a)(8))*.

Option 2: ☐ The later of age _____ *(not to exceed 65 or such later age as may be allowed under Code section 411(a)(8))* or the _____ *(not to exceed fifth)* anniversary of the first day of the first Plan Year in which the Participant commenced participation in the Plan.

NOTE: If no option is selected, Option 1 and age 59½ will apply.

Part K. Valuation Date

The Plan Valuation Date will be *(select one)*:

Option 1: ☒ Daily.

Option 2: ☐ The last day of the Plan Year and each other date designated by the Plan Administrator which is selected in a uniform and nondiscriminatory manner.

Option 3: ☐ The last day of each Plan quarter.

Option 4: ☐ The last day of each month.

Option 5: ☐ Other. *(Specify one or more dates that are selected in a uniform and nondiscriminatory manner, including the last day of the Plan Year.)*

NOTE: If no option is selected, Option 2 will apply.

SECTION SEVEN: MISCELLANEOUS
Complete Parts A through C

Part A. Life Insurance

Will life insurance investments be permitted under the Plan *(select one)*?

Option 1: ☐ Yes.

Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply.

Part B. Participant Direction

1. Authorization

Will a Participant be responsible for directing any or all of the investment of their Plan assets pursuant to Plan Section 7.22(B) *(select one)*?

Option 1: ☒ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply. Complete the remainder of Part B only if Option 1 is selected.

2. Accounts Subject to Participant Direction

A Participant will be responsible for directing the following portions of their Individual Account *(select one)*:

Option 1: ☒ The entire Individual Account.

Option 2: ☐ Those accounts that the Plan Administrator may designate from time to time in a uniform and nondiscriminatory manner.

Option 3: ☐ The following accounts *(select all that apply)*:

☐ Elective Deferral account.

☐ Matching Contribution account.

☐ Employer Profit Sharing Contribution account.

☐ Rollover contribution account.

☐ Transfer contribution account.

- ☐ Other. (Specify one or more of the accounts that may, in part, comprise a Participant's Individual Account under this Plan. Do not list any restrictions on Participant direction that would be deemed to restrict any benefits, rights, or features in a discriminatory manner prohibited under Code section 401(a)(4).)
-

NOTE: If no option is selected, Option 1 will apply. The Participant direction option selected for Elective Deferrals will apply to Qualified Nonelective Contributions, Qualified Matching Contributions, ADP Test Safe Harbor Contributions, QACA ADP Test Safe Harbor Contributions, and Employer Prevailing Wage Contributions designated as Qualified Nonelective Contributions, as applicable. The Participant direction option selected for Matching Contributions will apply to ACP Test Safe Harbor Contributions and QACA ACP Test Safe Harbor Contributions, as applicable. The Participant direction options selected for Employer Profit Sharing Contributions will apply to Employer Prevailing Wage Contributions designated as Employer Profit Sharing Contributions, as applicable.

3. Frequency of Investment Changes

A Participant may make changes to the investments within their Individual Account with the following frequency (select one):

- Option 1:** ☒ In accordance with uniform and nondiscriminatory rules established by the Plan Administrator or other Fiduciary.
Option 2: ☐ Daily.
Option 3: ☐ Monthly.
Option 4: ☐ Quarterly.
Option 5: ☐ Other. (Specify one or more uniform and nondiscriminatory periods.)
-

NOTE: If no option is selected, Option 1 will apply. The Plan's Valuation Dates must be at least as often as the frequency selected above.

4. ERISA 404(c) Compliance

Does the Adopting Employer intend to operate this Plan in compliance with the requirements pertaining to Participant direction of investment in ERISA section 404(c) as set forth in Plan Section 7.22(B) (select one)?

- Option 1:** ☒ Yes.
Option 2: ☐ No.

NOTE: If no option is selected, Option 1 will apply.

Part C. Qualifying Longevity Annuity Contract

Will a Participant be allowed to purchase and distribute Qualifying Longevity Annuity Contracts pursuant to Plan Section 7.22(G) (select one)?

- Option 1:** ☐ Yes.
Option 2: ☒ No.

NOTE: If no option is selected, Option 2 will apply.

SECTION EIGHT: EMPLOYER SIGNATURE

Pre-Approved Document Provider

Name of Pre-Approved Document Provider Paychex, Inc.

Address 1175 John Street, West Henrietta, NY 14586

Telephone 1-800-472-0072

Plan Administrator

☐ Check here and provide the applicable information below if someone other than the Adopting Employer will be the Plan Administrator.

Name of Plan Administrator _____

Address _____

City _____ State _____ Zip _____

Telephone _____

Name (type or print) _____

Signature of Plan Administrator _____ Date Signed _____

Check the applicable box if there is an attachment(s) that applies to this Plan other than a separate trust or custodial agreement.

☐ Protected Benefits and Prior Plan Document Provisions Attachment.

☐ Other Plan Information Attachment. (If this box is checked, please describe the attachment(s).)

☐ Special Effective Date(s) Attachment.

☐ New Comparability Allocation Group(s) Attachment.


☐ Participating Employer Election Attachment – Short Form.

☐ Participating Employer Election Attachment – Long Form.

Authorized Employer Signature

I am an authorized representative of the Adopting Employer named above and I state the following:

1. I acknowledge that I have relied upon my own advisors regarding the completion of this Adoption Agreement and the legal tax implications of adopting this Plan;
2. I understand that my failure to properly complete this Adoption Agreement may result in disqualification of the Plan;
3. I understand that the Pre-Approved Document Provider will inform me of any amendments made to the Plan and will notify me should it discontinue or abandon the Plan; and
4. I have received a copy of this Adoption Agreement and the corresponding Basic Plan Document 01.

Signature of Adopting Employer 

Date Signed 3/28/2024

Type Name Alton Thygerson

Title Chief Executive Officer

NOTE: The Adopting Employer may rely on an opinion letter issued by the IRS as evidence that the Plan is qualified under Code section 401 only to the extent provided in Revenue Procedure 2017-41. The Employer may not rely on the opinion letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the opinion letter issued with respect to the Plan and in Revenue Procedure 2017-41. This Adoption Agreement may be used only in conjunction with Basic Plan Document #01.

SECTION NINE: ALLOCATION FACTOR TABLES

Employers selecting the age-weighted formula in the Adoption Agreement for purposes of allocating Employer Profit Sharing Contributions will use the following tables in determining the allocation factor.

Age Related Allocation Factors*

Participant's Current Age	Interest Rate		
	7.5%	8.0%	8.5%
1	0.991	0.714	0.515
2	1.066	0.771	0.559
3	1.146	0.833	0.606
4	1.232	0.899	0.658
5	1.324	0.971	0.714
6	1.423	1.049	0.775
7	1.530	1.133	0.840
8	1.645	1.223	0.912
9	1.768	1.321	0.989
10	1.901	1.427	1.074
11	2.043	1.541	1.165
12	2.197	1.665	1.264
13	2.361	1.798	1.371
14	2.539	1.942	1.488
15	2.729	2.097	1.614
16	2.934	2.265	1.751
17	3.154	2.446	1.900
18	3.390	2.641	2.062
19	3.644	2.853	2.237
20	3.918	3.081	2.427
21	4.212	3.327	2.634
22	4.527	3.594	2.857
23	4.867	3.881	3.100
24	5.232	4.192	3.364
25	5.624	4.527	3.650
26	6.046	4.889	3.960
27	6.500	5.280	4.297
28	6.987	5.703	4.662
29	7.511	6.159	5.058
30	8.075	6.652	5.488
31	8.680	7.184	5.954
32	9.331	7.758	6.461
33	10.031	8.379	7.010
34	10.783	9.049	7.606
35	11.592	9.773	8.252
36	12.462	10.555	8.953
37	13.396	11.400	9.714
38	14.401	12.311	10.540
39	15.481	13.296	11.436
40	16.642	14.360	12.408
41	17.890	15.509	13.463
42	19.232	16.750	14.607
43	20.674	18.090	15.849
44	22.225	19.537	17.196
45	23.892	21.100	18.658
46	25.684	22.788	20.244
47	27.610	24.611	21.964
48	29.681	26.580	23.831
49	31.907	28.706	25.857
50	34.300	31.002	28.055
51	36.872	33.483	30.439
52	39.638	36.161	33.027
53	42.611	39.054	35.834
54	45.806	42.178	38.880
55	49.242	45.553	42.185
56	52.935	49.197	45.770
57	56.905	53.133	49.661

58	61.173	57.383	53.882
59	65.761	61.974	58.462
60	70.693	66.932	63.431
61	75.995	72.286	68.823
62	81.695	78.069	74.673
63	87.822	84.315	81.020
64	94.408	91.060	87.907
65	101.489	98.345	95.379

***Based on the UP 1984 Mortality Table Testing Age 65**

PROTECTED BENEFITS AND PRIOR PLAN DOCUMENT PROVISIONS ATTACHMENT

This attachment may be used by an Adopting Employer to document protected benefits and other Prior Plan Document provisions that apply to some or all of the assets of the Adopting Employer's Plan. The protected benefits and other Prior Plan Document provisions set forth in this Attachment are limited to those which have been the subject of a prior determination letter, opinion letter, or advisory letter, and which do not address an issue which is not permitted in a Pre-approved Plan, as described in section 6.03 of Revenue Procedure 2017-41.

ADOPTING EMPLOYER PLAN INFORMATION

Name of Adopting Employer _____

Name of Plan _____

Plan Sequence Number _____ Trust Identification Number (if applicable) _____ Account Number _____

PROTECTED BENEFITS AND PRIOR PLAN DOCUMENT PROVISIONS

Provision 1:

Source of Provision (e.g., plan name and sequence number, good faith amendment):

Provision 2:

Source of Provision (e.g., plan name and sequence number, good faith amendment):

Provision 3:

Source of Provision (e.g., plan name and sequence number, good faith amendment):

ADOPTING EMPLOYER PLAN INFORMATION

[illegible]

SPECIAL EFFECTIVE DATE(S) ATTACHMENT

This attachment is used only when a restated plan document is prepared and special effective dates apply for certain Plan provisions.

ADOPTING EMPLOYER PLAN INFORMATION

Name of Adopting Employer Kern Medical Surgery Center LLC

Name of Plan Kern Medical Surgery Center LLC 401(k) Profit Sharing Plan and Trust

Plan Sequence Number 001 Trust Identification Number (if applicable) _____ Account Number 438891-0741-20010140

SPECIAL EFFECTIVE DATES

The following special effective dates will apply to the Plan: (Select one or more as applicable.) **NOTE:** All parameters or limitations stated in the Adoption Agreement apply.

☐ **Special Effective Date 1:**

Provision Reference (e.g., Section Three, Part C, item 1 – Application of Safe Harbor CODA):

Provision Description (e.g., The safe harbor CODA provision including the basic matching contribution formula):

Effective Date:

☐ **Special Effective Date 2:**

Provision Reference (e.g., Section Three, Part C, item 1 – Application of Safe Harbor CODA):

Provision Description (e.g., The safe harbor CODA provision including the basic matching contribution formula):

Effective Date:

☐ **Special Effective Date 3:**

Provision Reference (e.g., Section Three, Part C, item 1 – Application of Safe Harbor CODA):

Provision Description (e.g., The safe harbor CODA provision including the basic matching contribution formula):

Effective Date:

NEW COMPARABILITY ALLOCATION GROUP(S) ATTACHMENT

This attachment is used only when the Adopting Employer selects a new comparability allocation formula to allocate Employer Profit Sharing Contributions, chooses to identify the allocation groups in the Adoption Agreement and uses more than six allocation groups.

ADOPTING EMPLOYER PLAN INFORMATION

Name of Adopting Employer _____

Name of Plan _____

Plan Sequence Number _____ Trust Identification Number (if applicable) _____ Account Number _____

ALLOCATION GROUPS

The following allocation groups will apply in addition to those identified in the Adoption Agreement. (Specify the groups by category of Qualifying Participant, including both Highly Compensated Employees and non-Highly Compensated Employees.)

Allocation Group 7: _____

Allocation Group 8: _____

Allocation Group 9: _____

Allocation Group 10: _____

Allocation Group 11: _____

Allocation Group 12: _____

Allocation Group 13: _____

Allocation Group 14: _____

Allocation Group 15: _____

Allocation Group 16: _____

Allocation Group 17: _____

Allocation Group 18: _____

Allocation Group 19: _____

Allocation Group 20: _____

Allocation Group 21: _____

Allocation Group 22: _____

Allocation Group 23: _____

Allocation Group 24: _____

Allocation Group 25: _____

Allocation Group 26: _____

Allocation Group 27: _____

Allocation Group 28: _____

Allocation Group 29: _____

Allocation Group 30: _____

Allocation Group 31: _____

Allocation Group 32: _____

Allocation Group 33: _____

Allocation Group 34: _____

Allocation Group 35: _____

Allocation Group 36: _____

Allocation Group 37: _____

Allocation Group 38: _____

Allocation Group 39: _____

Allocation Group 40: _____

Allocation Group 41: _____

Allocation Group 42: _____

Allocation Group 43: _____

Allocation Group 44: _____

Allocation Group 45: _____

Allocation Group 46: _____

Allocation Group 47: _____

Allocation Group 48: _____

Allocation Group 49: _____

Allocation Group 50: _____

401(k) Profit Sharing Plan
Nonstandardized Adoption Agreement
PARTICIPATING EMPLOYER ELECTION ATTACHMENT – SHORT FORM

ADOPTING EMPLOYER PLAN INFORMATION

Name of Adopting Employer _____
Address _____
City _____ State _____ Zip _____
Telephone _____ Adopting Employer's Federal Tax Identification Number _____
Adopting Employer's Tax Year End (Specify month and day.) _____
Type of Business (select one) ☐ Sole Proprietorship ☐ Partnership ☐ C Corporation ☐ S Corporation ☐ LLC ☐ Nonprofit
☐ Other. (Specify a legal entity recognized under federal income tax laws.) _____
Name of Plan _____
Plan Sequence Number _____ Trust Identification Number (if applicable) _____ Account Number _____

PARTICIPATING EMPLOYER INFORMATION

The following Participating Employer will participate in the Plan of the Adopting Employer as described in the Effective Date section.

Name of Participating Employer _____
Address _____
City _____ State _____ Zip _____
Telephone _____ Participating Employer's Federal Tax Identification Number _____
Participating Employer's Tax Year End (Specify month and day.) _____
Type of Business (select one):
☐ Sole Proprietorship ☐ Partnership ☐ C Corporation ☐ S Corporation ☐ LLC ☐ Nonprofit
☐ Other (Specify a legal entity recognized under federal income tax laws.) _____

Relationship to the Adopting Employer

Is the Participating Employer a Related Employer (i.e., part of a controlled group of corporations (as defined in Code section 414(b) as modified by Code section 415(h)), a group of commonly controlled trades or businesses (as defined in Code section 414(c) as modified by Code section 415(h)) or an affiliated service group (as defined in Code section 414(m)) of which the Adopting Employer is also a part, or part of any other entity required to be aggregated with the Adopting Employer pursuant to Code section 414(o))?

Option 1: ☐ Yes, the Participating Employer is a Related Employer of the Adopting Employer.

NOTE: If this Option 1 is selected, complete the Effective Date Section below and proceed to the Signature Section.

Option 2: ☐ No, the Participating Employer is not a Related Employer of the Adopting Employer.

NOTE: If this Option is selected, complete the Effective Date and Participating Employer Election Sections below and proceed to the Signature Section.

NOTE: Option 2 may only be selected if the Plan is a multiple employer plan pursuant to Plan Section 7.26.

EFFECTIVE DATE

- ☐ **New Plan** – This is the initial adoption of this Plan by the Participating Employer. The Effective Date of the Plan is _____. The Effective Date must be no earlier than the first day of the Plan Year in which the Plan is adopted. Elective Deferrals, however, cannot be made available before the later of the date this Participating Employer Election Attachment is signed or the Effective Date for Elective Deferrals specified in the Adoption Agreement.
- ☐ **Existing Plan Restatement** – This is a restatement of this Plan by the Participating Employer. The Effective Date of this restatement is _____. The Effective Date must be no earlier than the first day of the Plan Year in which the Plan is restated. If Elective Deferrals are being made available for the first time as a result of an amendment or restatement, Elective Deferrals cannot be made available before the later of the date this Participating Employer Election Attachment is signed or the Effective Date for Elective Deferrals specified in the Adoption Agreement.
- ☐ **Cessation** – This is the cessation of participation in the Plan by the Participating Employer. The effective date of the cessation is _____.

PARTICIPATING EMPLOYER ELECTIONS
Complete Parts A and B, if applicable

NOTE: Complete this section only if the Participating Employer is not a Related Employer of the Adopting Employer and will be participating in the Adopting Employer's multiple employer plan.

Part A. Contributions

Will the amount of Employer Contributions (other than Elective Deferrals) made to the Plan on behalf of the Participating Employer named above be determined by such Participating Employer and allocated, pursuant to the formula selected in Plan Section Three, only to Participants who are employed by the Participating Employer named above and satisfy the Plan's allocation conditions (*select one*)?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 2 will apply.

Part B. Forfeitures

Will Forfeitures related to the Participating Employer named above be allocated only to Participants employed by the Participating Employer named above (*select one*)?

Option 1: ☐ Yes.

Option 2: ☐ No.

NOTE: If no option is selected, Option 2 will apply.

SIGNATURES

Pre-Approved Document Provider

Name of Pre-Approved Document Provider _____

Address _____

Telephone _____

Adopting Employer

I am an authorized representative of the Adopting Employer named above and I acknowledge that the Participating Employer listed on this Participating Employer Election Attachment will participate in the Plan as described above. I agree to provide the Participating Employer identified above with any amendments that have been made to the Plan and, if applicable, I agree to notify the Participating Employer of a decision to discontinue or abandon the Plan. I have reviewed this Attachment and, if the Participating Employer has checked the box specifying that it is not a Related Employer I acknowledge that the Plan is a multiple employer plan subject to the rules of Code section 413(c) and the regulations thereunder. I acknowledge that I have relied upon my own advisors regarding such employer participating or ceasing to participate in the Plan.

Type Name _____ Title _____

Signature of Adopting Employer _____ Date Signed _____

Participating Employer

I am an authorized representative of the Participating Employer named above. I acknowledge that I have received a copy of the Basic Plan Document, the Adoption Agreement, IRS opinion letter, and any separate trust or custodial agreement used for the Plan. In addition, I authorize the Adopting Employer to make amendments to the Plan on my behalf. I understand that the Adopting Employer, not the Pre-approved Document Provider, will provide me with any amendments made to the Plan, including a notification if the Adopting Employer has discontinued or abandoned the Plan. If I have checked the box specifying that the Participating Employer is not a Related Employer I acknowledge that I am electing to participate in a multiple employer plan subject to the rules of Code section 413(c) and the regulations thereunder. I acknowledge that I have relied upon my own advisors regarding the legal and tax implications of participating or ceasing to participate in the Plan.

Type Name _____ Title _____

Signature of Participating Employer _____ Date Signed _____

NOTE: The Participating Employer may rely on an opinion letter issued by the IRS as evidence that the Plan is qualified under Code section 401 only to the extent provided in Revenue Procedure 2017-41. The Employer may not rely on the opinion letter in certain other circumstances or with respect to certain qualification requirements, which are specified in the opinion letter issued with respect to the Plan and in Revenue Procedure 2017-41. This Adoption Agreement may be used only in conjunction with Basic Plan Document #01.

TRUST AGREEMENT

THIS TRUST AGREEMENT ("Agreement") is entered into between the Trustee or Limited Trustee, as applicable (and set forth below), and Kern Medical Surgery Center LLC (the "Employer") with respect to the Kern Medical Surgery Center LLC 401(k) Profit Sharing Plan and Trust (the "Plan"). The Employer is identified as the "Adopting Employer" under the terms of the Plan and, to the extent applicable, is acting on its own behalf and on behalf of any "Participating Employers" as defined by the terms of the Plan.

This Agreement is effective as of 01/01/2024.

The Trustee or Limited Trustee and the Employer intend that the Plan shall be a qualified plan under Section 401(a) of the Internal Revenue Code of 1986, as amended, (the "Code") and that this related trust, shall be tax-exempt under Section 501(a) of the Code and applicable state law.

The Trustee or Limited Trustee (as applicable) shall hold in trust all cash amounts or other assets transferred to it pursuant to this Agreement, together with any gains and losses thereon (the "Fund"). The Trustee agrees to hold and administer the Fund for the uses and purposes and on the terms and conditions set forth in this Agreement. In-kind contributions will not be permitted.

ARTICLE I – RELATIONSHIP OF TRUST TO PLAN

The Plan and applicable portions of this Agreement shall be read and construed together. By way of clarification, Articles II through VII of this Agreement shall only apply when a Trustee is serving under the Agreement. The terms of the Plan shall prevail over the terms of this Agreement in cases of conflict, except that this Agreement shall prevail in matters relating to the rights, duties, and liabilities of the Trustee or Limited Trustee. Nothing contained in the Plan shall be deemed to impose any additional rights, duties, and liabilities on the Trustee or Limited Trustee.

ARTICLE II - TRUSTEE

2.01 Appointment - This Article II of this Agreement applies when one or more individuals have, indicated in this Agreement that they will serve as Trustee with respect to all or a portion of the assets of the Fund or if the Limited Trustee(s) becomes the successor Trustee upon the Employer's termination of an agreement appointing an institutional trustee with respect to the Plan pursuant to Article VIII below (without replacement of such agreement or other affirmative appointment by the Employer of a different successor Trustee). If there is more than one individual who serves as Trustee, such individual Trustees may designate one or more individuals to act on behalf of all of the individual Trustees. The responsibilities and powers of the Trustee may not be expanded except with its prior written consent.

2.02 Authorized Actions – The Trustee is authorized and directed to take any action set forth below:

- (a) receive Plan contributions and to hold, invest, and reinvest the portion of the Fund for which it serves as Trustee, without distinction between principal and interest; provided, however, that nothing in this Agreement will require the Trustee to maintain physical custody of stock certificates (or other indicia of ownership) representing assets within the Fund;
- (b) maintain accurate records of contributions, investments, earnings, receipts, disbursements, withdrawals, and other transactions under the trust;
- (c) make disbursements from the portion of the Fund for which it serves as Trustee to participants or beneficiaries upon the proper authorization of the Plan Administrator; and
- (d) furnish to the Plan Administrator a statement that reflects the value of the investments in the custody of the Trustee as of the end of each plan year of the Plan and as of any other times as the Trustee and Plan Administrator may agree in writing.

2.03 Powers of the Trustee – The Trustee will have the power to take any action set forth below:

- (a) purchase or subscribe for securities or other property and to retain them in trust; to sell any such property at any time held by it for cash or other consideration at such time or times and on such terms and conditions as may be deemed appropriate; to exchange such property and to grant options for the purchase or exchange thereof, and to convey, partition, or otherwise dispose of, with or without covenants, including covenants of warranty of title, any securities or other property free of all trusts; to charge the trust for the cost of all securities purchased or received against a payment and to credit the trust with the proceeds received from the securities sold or delivered against payment. For any trades not settled immediately upon placement, the Trustee will have the right to sell securities from the trust in a reasonably prudent fashion sufficient to recover any funds advanced;
- (b) oppose, or consent to and participate in, any plan of reorganization, consolidation, merger, combination, or other similar plan; to oppose or to consent to any contract, lease, mortgage, purchase, sale, or other action by any corporation pursuant to such plan, and to accept and retain any securities or other property issued under any such plan; to deposit any such

property with any protective, reorganization or other similar plan; and to pay and agree to pay part of its expenses and compensation and any assessments levied with respect to any such securities or other property so deposited;

- (c) assign, renew, extend, or discharge, or to participate in the assignment, renewal, extension, or discharge of any debt, mortgage, or other lien, upon such terms, including a partial release, and to agree to a reduction in the rate of interest thereon or to any other modification or change in the terms thereof or of any guarantee pertaining thereto; to waive any default, whether in the performance of any covenant or condition of any note, bond, or mortgage or in the performance of any guarantee, or to enforce any such default in such manner and to such extent as may be deemed advisable; to exercise and enforce any and all rights of foreclosure and to exercise and enforce, in any action, suit, or proceeding at law or in equity, any rights or remedies in respect of any debt, mortgage, lien, or guarantee;
- (d) exercise all conversion and subscription rights pertaining to any securities or other property;
- (e) borrow money from others, excluding the Trustee in its corporate capacity or any related party-in-interest, for the purposes of the Fund, and for the sum so borrowed or advanced, the Trustee may issue its promissory note as Trustee and secure the repayment thereof by creating a lien upon any assets of the Fund;
- (f) invest all or part of the Fund in interest bearing deposits with a bank or similar financial institution related to the Trustee to the extent permissible under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including but not limited to investments in time deposits, savings deposits, certificates of deposit, or time accounts that bear a reasonable interest rate;
- (g) hold that portion of the Fund as the Trustee may deem necessary for ordinary administration, the transfer of assets to another trust or fiduciary, pending investment instructions, and for the disbursement of funds in cash, without liability for interest, by depositing the same in any bank (including deposits that bear no interest or a reasonable rate of interest in a bank or similar financial institution supervised by the United States or a State, even where a bank or financial institution is the Trustee, or otherwise is a fiduciary of the Plan, subject to the rules and regulations governing such deposits, and without regard to the amount of any such deposit);
- (h) invest cash balances held by the Trustee, from time to time, in short-term cash equivalents having ready marketability, including but not limited to interest bearing accounts, money market mutual funds, U.S. Treasury bills, commercial paper (including such forms thereof, other than the Trustee's own paper, as may be available through the Trustee's own trust department), certificates of deposit, and similar types of securities; and
- (i) consult with and employ agents and counsel, including legal counsel (who may be counsel for the Trustee, Employer or Plan Administrator) to: (1) assist or advise the Trustee with respect to the interpretation of or controversies under the Plan or this Agreement; and (2) advise the Trustee with respect to, or defend the Trustee against, any action, claim or demand with respect to this Agreement or the Plan. The Trustee may pay such agents and counsel reasonable compensation from the Fund unless otherwise paid by the Employer, and the Trustee shall have no liability for acting upon the advice of such agents and counsel in such matters; and
- (j) take any other actions that the Trustee may deem reasonably necessary to perform its obligations under this Agreement.

ARTICLE III - COMPENSATION AND EXPENSES

The Trustee will receive such reasonable compensation as may be agreed upon by the Trustee and the Employer. The Trustee will be entitled to reimbursement by the Employer for all proper expenses incurred in carrying out their duties under this Agreement, including reasonable legal, accounting, and actuarial expenses. Such compensation will include any earnings on funds retained pursuant to Section 2.03(g) of this Agreement in non-interest-bearing accounts and any such earnings will not become a part of the Fund. The Employer expressly acknowledges that the ability of the Trustee and any affiliated financial organization of the preceding, to earn income on amounts held in such non-interest-bearing accounts has been taken into consideration in establishing the Trustee's fees hereunder. If not paid by the Employer, all such compensation and expenses may be charged against the Fund. Notwithstanding the preceding, a participant will not be entitled to compensation even if they serve in the capacity as a Trustee.

The Trustee will be reimbursed by the Employer or from the Fund for all taxes of any kind whatsoever that may be levied or assessed under existing or future laws of any jurisdiction upon or in respect of the Fund. The Trustee shall promptly notify the Employer with regard to any levies or tax assessments that it receives on any income or property maintained in the Fund and, unless notified to the contrary by the Employer within ninety (90) days, shall pay any such levies or assessments. If the Employer notifies the Trustee within said period that it is its opinion or the opinion of counsel that such levies or assessments are invalid or that they should be contested, then the Trustee shall take whatever action concerning payment of the levy or assessment as is indicated in the notice received by the Trustee; provided, however, that the Employer, and not the Trustee, will be responsible for contesting any such levies or assessments or litigating any such claims.

ARTICLE IV - NO OBLIGATION TO QUESTION DATA

The Employer shall furnish the Trustee and Plan Administrator the information which each party deems necessary for the administration of the Plan including, but not limited to, changes in a participant's status, eligibility, mailing addresses and other such data as may be required. The Trustee and Plan Administrator will be entitled to act on such information as is supplied to them and will have no duty or responsibility to further verify or question such information.

ARTICLE V - RESIGNATION

Any person serving as Trustee may resign at any time by giving thirty (30) days advance written notice to the Employer. The resignation will become effective thirty (30) days after receipt of such notice unless a shorter period is agreed

upon. If the Employer fails to appoint a successor Trustee following expiration of such notice period and if no other non-resigning Trustee remains, Trustee will have the power to appoint a successor Trustee.

The Employer may remove any Trustee at any time by giving written notice to such Trustee and such removal will be effective thirty (30) days after receipt of such notice unless a shorter period is agreed upon. The Employer will have the power to appoint a successor Trustee.

In the event the Trustee appointed pursuant to this Agreement is removed, resigns, dies, or becomes incapacitated and the Employer or Trustee will not or cannot appoint a successor Trustee within a reasonable period of time thereafter, a majority of participants in the Plan will have the authority to appoint a successor Trustee but will not be obligated to do so if engaging a majority of participants would result in unreasonable time, expense, or administrative burden.

Upon such resignation or removal, if the resigning or removed Trustee is the sole Trustee, they shall transfer all of the assets of the Fund, either in-kind or as proceeds after liquidation, then held by such Trustee as expeditiously as possible to the successor Trustee after paying or reserving such reasonable amount as they will deem necessary to provide for the expense in the settlement of the accounts and the amount of any compensation due them and any sums chargeable against the Fund for which they may be liable. If the Funds as reserved are not sufficient for such purpose, then they will be entitled to reimbursement from the successor Trustee out of the assets in the successor Trustee's hands under this Agreement. If the amount reserved will be in excess of the amount actually needed, the former Trustee will return such excess to the successor Trustee.

Upon receipt of the transferred assets, the successor Trustee will thereupon succeed to all of the powers and responsibilities given to the Trustee by this Agreement.

ARTICLE VI - DEGREE OF CARE – LIMITATIONS OF LIABILITY

The Trustee shall discharge its assigned duties and responsibilities under this Article and the Plan with the care, skill, prudence, and

diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits under and defraying the costs of administering the Plan, as required by section 404 of ERISA.

The Trustee will not be responsible for the validity or effect or the qualification under the Code or the Plan. The Trustee will not be required to take any action upon receipt of any notice from the IRS or other taxing authority (unless such notice relates to the performance of the Trustee responsibilities in Sections 2.02) except to promptly forward a copy thereof to the Employer. Further, it is specifically understood that the Trustee will have no duty or responsibility with respect to the determination of matters pertaining to the eligibility of any Employee to become a participant or remain a participant hereunder, the amount of benefit to which a participant or beneficiary will be entitled to receive thereunder, whether a distribution to participant or beneficiary is appropriate under the terms of the Plan, the size and type of any policy to be purchased from any insurer for any participant thereunder, or any other similar matters, it being understood that all such responsibilities under the Plan are vested in the Plan Administrator.

ARTICLE VII - INDEMNIFICATION OF TRUSTEE

Notwithstanding any provision of this Agreement, the Employer hereby agrees to indemnify, defend, and hold the Trustee harmless from any losses, costs, expenses, fees, liabilities, damages, claims, suits, or actions and appeals thereof resulting from their reliance upon any certificate, notice, confirmation, or instruction purporting to have been delivered by a representative of the Employer or the Plan that has been duly identified to the Trustee in a manner required or accepted by such Trustee ("Designated Representative"). The Employer waives any and all claims of any nature it now has or may have against the Trustee and its affiliates, and their respective directors, managers, officers, employees, agents, and other

representatives, which arise, directly or indirectly, from any action that it takes in good faith in accordance with any certificate, notice, confirmation, or instruction from a Designated Representative of the Employer. The Employer also hereby agrees to indemnify, defend, and hold the Trustee and any parent, subsidiary, related corporation, or affiliates of the Trustee including their respective directors, managers, officers, employees, agents, and other representatives, harmless from and against any and all loss, costs, damages, liability, expenses, or claims of any nature whatsoever, including but not limited to legal expenses, court costs, legal fees, and costs of investigation, including appeals thereof, arising, directly or indirectly, out of any loss or diminution of the Fund resulting from changes in the market value of the Fund assets; reliance, or action taken in reliance, on instructions from the Employer or a Designated Representative; any exercise or failure to exercise investment direction authority by the Employer or by a Designated Representative; the Trustee's refusal on advice of counsel to act in accordance with any investment direction by the Employer or a Designated Representative; any other act or failure to act by the Employer or a Designated Representative; any prohibited transaction or plan disqualification of a qualified plan due to any actions taken or not taken by the Trustee in reliance on instructions from the Employer or a Designated Representative; or any other act the Trustee takes in good faith hereunder that arises under this Agreement or the administration of the Fund.

The Trustee will not be liable to the Employer for any act, omission, or determination made in connection with this Agreement except for its gross negligence or willful misconduct. Without limiting the generality of the preceding, the Trustee will not be liable for any losses arising from its compliance with instructions from the Employer or its Designated Representative; for executing, failing to execute, failing to timely execute, or for any mistake in the execution of any instructions, unless such action or inaction is by reason of the gross negligence or willful misconduct of the Trustee.

The Trustee will be accountable only for monies or property actually received by it. If any portion of the Fund is held by another custodian or trustee, the term "Fund" in this Agreement will mean only that portion of the Fund from time to time held by the Trustee. The Trustee will not be deemed accountable, responsible, or liable for the acts or omissions of any other custodian or trustee of the Plan. The Trustee will have no duty or responsibility for the determination of the accuracy or sufficiency of the contributions to be made under the Plan, the collection thereof, the transmittal of the same to the Trustee, or compliance with any statute, regulation, or rule applicable to such contributions, unless the Trustee is also the Limited Trustee (but only to the extent to which the terms of Article VIII apply). The Trustee is signing this Agreement solely to signify its acceptance of appointment as Trustee and the Employer will have sole responsibility for the accuracy, completeness, legal sufficiency, and due execution thereof, including consulting with legal counsel and tax advisors as the Employer deems appropriate in connection therewith.

The provisions of this Article VII will survive the termination or amendment of this Agreement.

ARTICLE VIII - LIMITED TRUSTEE

8.01 Responsibilities of the Limited Trustee

This section of this Agreement applies where one or more individuals has indicated in this Agreement that it will serve as a Limited Trustee whose powers, rights, duties and responsibilities, except as expressly set forth herein, are strictly limited to ensuring the timely collection and deposit of employer contributions with respect to the Fund. Except as expressly set forth herein, the responsibilities and powers of the Limited Trustee may not be expanded except with its prior written consent and, notwithstanding any provision hereof to the contrary, may be further limited by the terms of a separate agreement between the Limited Trustee and the Employer.

In the event that the Employer enters a separate agreement appointing an institutional trustee with respect to the Plan, and that agreement terminates for any reason (without replacement), the Limited Trustee named in this Agreement shall serve as the successor Trustee pursuant to the terms of this Agreement, unless the Employer affirmatively appoints a different Trustee with respect to the Plan.

8.02 Compensation and Expenses

The Limited Trustee will receive such reasonable compensation as may be agreed upon by the Limited Trustee and the Employer. The Limited Trustee will be entitled to reimbursement by the Employer for all proper expenses incurred in carrying out their duties under this Agreement, including reasonable legal, accounting, and actuarial expenses. If not paid by the Employer, all such compensation and expenses may be charged against the Fund. Notwithstanding the preceding, a participant will not be entitled to compensation even if they serve in the capacity as a Limited Trustee.

8.03 No Obligation to Question Data

The Plan Administrator and/or Employer shall furnish to the Limited Trustee the information that the Limited Trustee deems necessary for complying with its responsibilities under this Agreement. The Limited Trustee will be entitled to act on such information as is supplied and will have no duty or responsibility to further verify or question such information.

8.04 Resignation

Any person serving as Limited Trustee may resign at any time after providing at least (30) days advance written notice to the Employer. The resignation will become effective thirty (30) days after receipt of such notice unless a shorter period is agreed upon. The Employer may remove any Limited Trustee at any time by giving written notice to such Limited Trustee and such removal will be effective thirty (30) days after receipt of such notice unless a shorter period is agreed upon. The Employer will have the power and the duty to appoint a successor Limited Trustee. If the Employer fails to appoint a successor Limited Trustee following notice of resignation, the Trustee will have the power, but not the duty, to appoint a successor Limited Trustee. In no event will the Trustee become a Limited Trustee unless the Trustee acknowledges the appointment by executing the Limited Trustee section of this Agreement.

The Employer may remove any Limited Trustee at any time by giving written notice to such Limited Trustee and such removal will be effective thirty (30) days after receipt of such notice unless a shorter period is agreed upon. The Employer will have the power to appoint a successor Limited Trustee.

8.05 Degree of Care – Limitations of Liability

The Limited Trustee will be under no duty to take any action other than its express responsibilities under this Agreement unless the responsible party under the terms of the Plan shall furnish the Limited Trustee with written instructions; provided that in no event may the Limited Trustee's responsibilities be expanded except with its prior written consent. Any instructions hereunder may be delivered to the Limited Trustee directly by the responsible party or by other mutually agreed upon parties. The Limited Trustee will not be liable for any action taken or omitted by it in good faith in reliance upon any instructions received hereunder or any other notice, request, consent, certificate, or other instrument or paper reasonably believed by it to be genuine and to have been properly executed. The Limited Trustee will not be responsible for determining that all instructions provided to the Limited Trustee are being given by the appropriate party and are in proper form under the provisions of this Agreement, the Plan, and applicable law. The Limited Trustee may conclusively presume that any instructions received have been duly authorized by the Employer, Plan Administrator, or discretionary trustee, as applicable, pursuant to the terms of this Agreement, the Plan, and applicable law. The Limited Trustee will not be responsible for the validity or effect or the qualification under the Code or the Plan.

8.06 Indemnification of Limited Trustee

Notwithstanding any provision of this Agreement, the Employer hereby agrees to indemnify, defend, and hold the Limited Trustee harmless from any losses, costs, expenses, fees, liabilities, damages, claims, suits, or actions and appeals thereof resulting from their reliance upon any certificate, notice, confirmation, or instruction purporting to have been delivered by a representative of the Employer or the Plan that has been duly identified to the Limited Trustee in a manner required or accepted by such Limited Trustee. The Employer waives any and all claims of any nature it now has or may have against the Limited Trustee and its affiliates, and their respective directors, managers, officers, employees, agents, and other representatives, which arise, directly or indirectly, from any action or act the Limited Trustee takes in good faith hereunder that arises under the Plan or the administration of the Fund.

The Limited Trustee will not be liable to the Employer for any act, omission, or determination made in connection with this Agreement except for its gross negligence or willful misconduct. Without limiting the generality of the preceding, the Limited Trustee will not be liable for any losses arising from its compliance with instructions from the Employer or its Designated Representative; for executing, failing to execute, failing to timely execute, or for any mistake in the execution of any instructions, unless such action or inaction is by reason of the gross negligence or willful misconduct of the Limited Trustee.

The Limited Trustee is signing this Agreement solely to signify its acceptance of appointment as Limited Trustee and the Employer will have sole responsibility for the accuracy, completeness, legal sufficiency, and due execution thereof, including consulting with legal counsel and tax advisors as the Employer deems appropriate in connection therewith.

ARTICLE IX - MISCELLANEOUS

9.01 Governing Law

This Agreement shall be construed, administered, and governed in all respects under applicable federal law and, to the extent that federal law is inapplicable, under the laws of the state in which the Trustee's principal place of business is located. Further, except as expressly stated otherwise, no provision of the Plan or this Agreement is intended to nor shall grant any rights to participants or beneficiaries to any interest in the trust in addition to those minimum rights or interest required to be provided under ERISA and the Code and the regulations under ERISA and the Code.

9.02 Necessary Parties

To the extent permitted by law, only the Employer and the Trustee will be necessary parties in any application to the courts for an interpretation of this Agreement or for an accounting by the Trustee, and no other plan fiduciary, participant, beneficiary, or other person having an interest in the Fund will be entitled to any notice or service of process. Any final

judgment entered in such an action or proceeding will, to the extent permitted by law, be conclusive upon all persons claiming in in this Agreement.

9.03 Force Majeure

The Trustee will not be responsible or liable for, and shall not be considered in breach of this Agreement due to, any failure of or delay in performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by events or circumstances beyond its reasonable control, including but not limited to: acts of God, acts of civil or military authority, acts of government, accidents, environmental disasters, natural disasters or events, fires, floods, earthquakes, hurricanes, explosions, lightning, suspensions of trading, epidemics, pandemics, public health crises, quarantines, wars, acts of war (whether war is declared or not), terrorism, threats of terrorism, cyber-attacks, insurrections, embargoes, riots, strikes, lockouts or other labor disturbances, disruptions of supply chains, civil unrest, revolutions, power or other mechanical failures, loss or malfunction of utilities or communications services, delays or stoppage of postal or courier services, delays or stoppage of transportation, and any other events or circumstances beyond its reasonable control whether similar or dissimilar to any of the foregoing (all enumerated and described events in this section individually and collectively, "Force Majeure").

9.04 Limitation on Damages.

The entire liability of the Trustee and its officers, directors, employees, members, agents, licensors, subsidiaries, affiliates, parents and representatives, and the Employer's exclusive remedy in any cause of action based on contract, tort, warranty, negligence, or otherwise in connection with any services rendered pursuant to this Agreement or otherwise furnished by the Trustee, shall be limited to the total fees paid by the Employer to the Trustee.

UNDER NO CIRCUMSTANCES SHALL THE TRUSTEE, OR ITS OFFICERS, DIRECTORS, EMPLOYEES, MEMBERS, AGENTS, LICENSORS OR REPRESENTATIVES BE SUBJECT TO OR LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, EXEMPLARY OR SIMILAR DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES OR COSTS INCURRED AS A RESULT OF LOSS OF TIME, LOSS OF SAVINGS, LOSS OF DATA, LOSS OF REVENUES AND/OR PROFITS, WHETHER FORESEEABLE OR UNFORESEEABLE, THAT MAY ARISE OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR CUSTODIAN OR ADMINISTRATOR COMPLYING WITH EMPLOYER'S DIRECTIONS, REGARDLESS IF SUCH DAMAGES ARE BASED IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, PRODUCTS LIABILITY OR OTHERWISE.

9.05 Agents

In performing its obligations under this Agreement, the Trustee will be entitled to employ suitable agents, counsel, sub-custodians, and other service providers.

9.06 Severability

If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions of this Agreement shall continue to be fully effective.

9.07 References

Unless the context clearly indicates to the contrary, a reference to a statute, regulation, document, or provision shall be construed as referring to any subsequently enacted, adopted, or re-designated statute or regulation or executed counterpart.

9.08 Headings

Headings and subheadings in this Agreement are inserted for convenience or reference only and are not to be considered in the construction of its provisions.

ARTICLE X – LISTING OF TRUSTEE(S)

10.01 Name of Trustee(s)

Name of Trustee: Alton Scott Thygerson

Address of Trustee: 9300 Stockdale Hwy - STE 200, Bakersfield, CA 93311

Telephone Number: 714-766-5882

Name of Trustee (if multiple): _____

Address of Trustee: _____

Telephone Number: _____

Name of Trustee (if multiple): _____

Address of Trustee: _____

Telephone Number: _____

IMPORTANT NOTE: Unless expressly specified in Section 10.02 below, the Trustee(s) name above shall also serve in the capacity of Limited Trustee for purposes of Article VIII. If this document relates only to a Limited Trustee(s), this Section 10.01 should not be completed.

10.02 Name of Limited Trustee(s)

Name of Limited Trustee: _____

Address of Limited Trustee: _____

Telephone Number: _____

Name of Limited Trustee (if multiple): _____

Address of Limited Trustee: _____

Telephone Number: _____

Name of Limited Trustee (if multiple): _____

Address of Limited Trustee: _____

Telephone Number: _____

ARTICLE XI – COUNTERPARTS, IDENTIFICATION AND EXECUTION

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall constitute but one in the same instrument, which may be sufficiently evidenced by any one counterpart.

ARTICLE XII – AUTHORIZED SIGNATURES

EMPLOYER

Name of Employer: Kern Medical Surgery Center LLC

Name/Title of Authorized Officer: Alton Thygerson, Chief Executive Officer

Signature: 

Date: 3/28/2024

TRUSTEE(S)

Name of Trustee: Alton Scott Thygerson

Name of Authorized Officer (if applicable): _____

Signature: 

Date: 3/28/2024

TRUSTEE(S)

Name of Trustee: _____

Name of Authorized Officer (if applicable): _____

Signature: _____

Date: _____

TRUSTEE(S)

Name of Trustee: _____

Name of Authorized Officer (if applicable): _____

Signature: _____

Date: _____

LIMITED TRUSTEE(S) – If applicable.

Name of Limited Trustee: _____

Name of Authorized Officer (if applicable): _____

Signature: _____

Date: _____

LIMITED TRUSTEE(S)

Name of Limited Trustee: _____

Name of Authorized Officer (if applicable): _____

Signature: _____

Date: _____

LIMITED TRUSTEE(S)

Name of Limited Trustee: _____

Name of Authorized Officer (if applicable): _____

Signature: _____

Date: _____



**BOARD OF MANAGERS
REGULAR MEETING
KERN MEDICAL SURGERY CENTER, LLC**

April 17, 2024

Subject: Proposed credentialing recommendations

Recommended Action: Approve

Summary:

It is recommended that your Board approve the attached credentialing recommendations for Kern Medical Surgery Center, LLC.

**CREDENTIALING RECOMMENDATIONS TO BOARD OF MANAGERS
APRIL 17, 2024**

Initial Appointments: The following practitioner(s) are recommended for initial appointment and clinical privileges as delineated by the respective department chair:

Ghassan Abuhamad, MD, Vascular Surgery

APP Initial Appointments:

Kristin Love, GRNA, Department of Anesthesiology

Sean Sabo, CRNA, Department of Anesthesiology

Reappointments: The following practitioner(s) are recommended for reappointment and clinical privileges as delineated by the respective department chair:

Charles Wong, MD, Department of Orthopedic Surgery

Alfred Coppola, MD, Department of Orthopedic Surgery

Oji Oji, MD, Department of Anesthesiology

APP Reappointments:

Haley Jungles, CRNA, Department of Anesthesiology

Jake Smith, CRNA, Department of Anesthesiology



**BOARD OF MANAGERS
REGULAR MEETING
KERN MEDICAL SURGERY CENTER, LLC**

April 17, 2024

SUBJECT: Report on referral to staff from February 21, 2024 regarding the finances of Kern Medical Surgery Center, LLC and its financial impact on Kern County Hospital Authority

Requested Action: Receive and File

Summary:

On February 21, 2024, your Board made a referral to staff regarding the finances of the surgery center and its financial impact on the overall hospital authority, to include demonstrating how operating the surgery center separately from the hospital authority is financially advantageous compared to providing those same services directly through the hospital authority or not providing them at all. The following responds to that request.

Ambulatory surgery centers provide a more cost effective and efficient setting for the delivery of outpatient surgeries. There are several other advantages to surgery centers compared to hospitals as well, including patient convenience, predictable scheduling, higher patient satisfaction, and a more patient-friendly environment. Hospital operating rooms have a higher cost structure due to the amount of overhead, infrastructure and service requirements for higher acuity cases, inpatient cases, and emergencies. The attached report provides the actual cost per case at the surgery center and the additional costs if the cases were provided at Kern Medical in the hospital operating room due to added costs for anesthesia, registry staff, and higher pension plan costs. It costs approximately \$2,000 more on average per case for cases at the hospital compared to the surgery center setting.

The hospital authority seeks to provide services in the most appropriate care setting as well as the most cost-efficient environment when possible. This is especially important given the role of Kern Medical as a designated public safety net hospital with a significantly higher percentage of Medi-Cal patients and that Medi-Cal reimbursement does not cover the cost of care. An additional table compares the payor mix of Kern Medical with the average general acute care hospital in California. Kern Medical, like other designated public safety net hospitals, has significantly more patients with Medi-Cal as a payor and fewer Medicare and commercially-insured patients. Medi-Cal reimbursement is significantly lower than Medicare and commercial insurance.

KERN MEDICAL SURGERY CENTER, LLC
FOR 6 MONTHS ENDED DECEMBER 31, 2023

PART A: ACTUAL COST PER CASE

	Actual Ended 6 Mos Dec 31, 2023	Per Case
Cases	1,085	
Salaries	\$ 864,069	\$ 796
Benefits	\$ 197,217	\$ 182
Purchased Services	\$ 429,416	\$ 396
Supplies	\$ 926,388	\$ 854
Other Expenses	\$ 169,810	\$ 157
Total Expenses	\$ 2,586,900	\$ 2,384 (A)

PART B: ADDED COST PER SURGERY CENTER CASE IF CASES PERFORMED AT HOSPITAL

Total Added Costs for Registry, Anesthesia, and Benefits	\$ 2,069 (B)
Total Surgery Center Cost Per Case after Added Costs	<u>\$ 4,453 (A+B)</u>

PART C: PAYOR MIX - KERN MEDICAL COMPARED TO AVG OF 317 NON-PUBLIC CALIF. HOSPITALS

Source: HCAI 2022

	Kern Medical	Avg CA Hospital
Medicare	8.5%	29.9%
Medi-Cal	73.2%	24.5%
Indigent	0.2%	0.2%
Third-Party	15.9%	44.0%
Other	2.3%	1.4%
Total	<u>100.0%</u>	<u>100.0%</u>

**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 April 17, 2024, 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**

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**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 April 17, 2024, to consider:

- X CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Chief Executive Officer Scott Thygerson, and designated staff – Employee Organizations: Unrepresented Employees (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 April 17, 2024, 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: Accusation in the Matter
of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH
Case No. 23-AL-LNC-64581, Penalty No. 120019236 –

**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 April 17, 2024, 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: Accusation in the Matter of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-64581, Penalty No. 120019259 –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

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 X CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Accusation in the Matter
of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH
Case No. 23-AL-LNC-64581, Penalty No. 120019322 –

**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 April 17, 2024, 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: Accusation in the Matter
of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH
Case No. 23-AL-LNC-64580, Penalty No. 120019340 –

**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 April 17, 2024, 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: Accusation in the Matter of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-64581, Penalty No. 120019384 –

**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 April 17, 2024, 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: Accusation in the Matter of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-64573, Penalty No. 120019386 –

**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 April 17, 2024, 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: Accusation in the Matter
of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH
Case No. 23-AL-LNC-66389, Penalty No. 120019413 –

**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 April 17, 2024, 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: Accusation in the Matter of the Appeal by Kern County Hospital Authority dba Kern Medical Center, CDPH Case No. 23-AL-LNC-66388, Penalty No. 120019455 –

**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 April 17, 2024, 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 - ANTICIPATED LITIGATION
(Government Code Section 54956.9(e)(3)) Number of cases: Three (3) Significant exposure to litigation in the opinion of the Board of Governors on the advice of legal counsel, based on: The receipt of a claim pursuant to the Government Claims Act or some other written communication from a potential plaintiff threatening litigation, which non-exempt claim or communication is available for public inspection –

**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 April 17, 2024, 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)) –