



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

**Regular Meeting
May 20, 2026**

11:30 A.M.

BOARD TO RECONVENE

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

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on April 15, 2026 –
APPROVE

CA

- 4) Proposed reappointment of Directors Amir Berjis, M.D. and Stephen Pelz to the Kern County Hospital Authority Board of Governors, terms to expire June 30, 2029 –
REFER TO KERN COUNTY BOARD OF SUPERVISORS TO MAKE APPOINTMENTS

CA

- 5) Proposed Third Amendment to Second Amended and Restated Credit Agreement with PNC Bank, National Association (PNC Bank) for a revolving Line of Credit, extending the maturity date of the Line of Credit to a date not later than May 26, 2027, provided that the Line of Credit shall otherwise be substantially on the same terms set out in the Second Amended and Restated Credit Agreement and that any indebtedness incurred thereunder at any time shall be secured only by personal property, substantially the same as the personal property described in the previously executed General Security and Pledge Agreement, in favor of PNC Bank, and delegating authority to certain officers –
APPROVE; ADOPT RESOLUTION; AUTHORIZE AND DIRECT ANY TWO OF THE FOLLOWING OFFICERS (EACH, AN “AUTHORIZED OFFICER”), FOR AND IN THE NAME OF AND ON BEHALF OF THE AUTHORITY, TO EXECUTE THE THIRD AMENDMENT TO SECOND AMENDED AND RESTATED CREDIT AGREEMENT, AS THE AUTHORIZED OFFICERS EXECUTING THE SAME, TOGETHER WITH THE VICE PRESIDENT & GENERAL COUNSEL OF THE AUTHORITY, SHALL APPROVE: CHAIRMAN OF THIS BOARD, VICE-CHAIRMAN OF THIS BOARD, CHIEF EXECUTIVE OFFICER OF THE AUTHORITY OR CHIEF FINANCIAL OFFICER OF THE AUTHORITY; AUTHORIZE AND DIRECT ANY TWO AUTHORIZED OFFICERS, FOR AND IN THE NAME OF AND ON BEHALF OF THE AUTHORITY, TO EXECUTE, ACKNOWLEDGE, DELIVER, RECORD AND FILE SUCH AGREEMENTS, DOCUMENTS, INSTRUMENTS AND CERTIFICATES, AND REVISIONS AND CORRECTIONS THEREOF AND AMENDMENTS THERETO, IN EACH CASE IN A FORM APPROVED BY THE VICE PRESIDENT & GENERAL COUNSEL OF THE AUTHORITY, AND TO PERFORM SUCH OTHER ACTS AND DEEDS AS MAY, IN ANY SUCH AUTHORIZED OFFICER’S DISCRETION AND WITH THE APPROVAL OF THE VICE PRESIDENT & GENERAL COUNSEL OF THE AUTHORITY, BE DEEMED NECESSARY OR OTHERWISE PROPER, TO EFFECT THE PURPOSES OF THIS RESOLUTION AND THE ACTIONS HEREIN AUTHORIZED

CA

- 6) Proposed retroactive acceptance of donation of travel and related expenses from Health Connect Partners for one Kern Medical Center employee to attend the 2026 Spring Hospital Pharmacy Conference in Louisville, Kentucky, from May 18-20, 2026 –
APPROVE; ADOPT RESOLUTION

CA

- 7) Proposed acceptance of donation of travel and related expenses from Solventum for one Kern Medical Center employee to attend The Art of IV Site Management workshop in Atlanta, Georgia, from June 1-2, 2026 –
APPROVE; ADOPT RESOLUTION

CA

- 8) Proposed Agreement with Zohal (Ghulam-Jelani) Soderlund, M.D., a contract employee, for professional medical services in the Department of Surgery, from September 19, 2026 through September 18, 2029, in an amount not to exceed \$3,000,000, plus applicable benefits –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed retroactive Amendment No. 1 to Agreement 62723 with DBRS Medical Systems, an independent contractor, for lease of a mobile CT trailer for the period of March 10, 2024 through September 10, 2024, extending the term for 22 months from September 11, 2024 through July 31, 2026, and increasing the maximum payable by \$921,780, from \$174,770 to \$1,096,480, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed retroactive Amendment No. 2 to Agreement 079-2022 with Verity Solutions Group, Inc., an independent contractor, for 340B split billing services for the period June 24, 2022 through June 27, 2030, adding optimizing drug purchasing services, and increasing the maximum payable by \$280,000, from \$277,000 to \$557,000, to cover the term, effective April 28, 2026 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed Service Quote WO-00361234 with Zoll Medical Corporation, an independent contractor, containing nonstandard terms and conditions, for preventive maintenance of an LTV 1200 ventilator from May 20, 2026 through May 19, 2032, in an amount not to exceed \$30,000, plus applicable fees and taxes –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 12) Proposed retroactive Amendment No. 1 to Agreement 073-2024 with the County of Kern, a political subdivision of the state of California, as represented by the Public Health Services Department, for designation of Kern Medical Center as a Primary Stroke Center for the period March 1, 2020 through February 28, 2026, extending the designation for two years from March 1, 2026 through February 28, 2028 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA

- 13) Proposed Quote 20333949 with TSI Incorporated, an independent contractor, containing nonstandard terms and conditions, for repair of a TSI ventilator device, in an amount not to exceed \$160, plus fees and taxes, effective May 20, 2026 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

- CA
14) Proposed retroactive Agreement with PACE Analytical Services, LLC, an independent contractor, containing nonstandard terms and conditions, for soil testing at the underground storage tank site from April 10, 2026 through April 10, 2027, in an amount not to exceed \$25,226 –
MAKE FINDING THAT PROJECT IS EXEMPT FROM FURTHER CEQA REVIEW PER SECTIONS 15301, 15302, AND 15061(B)(3) OF STATE CEQA GUIDELINES; APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
- CA
15) Proposed Quote with ICU Medical, Inc., an independent contractor, containing nonstandard terms and conditions, for repair of a fast flow fluid warming device, in an amount not to exceed \$2,914, plus fees and taxes, effective May 20, 2026 –
APPROVE; AUTHORIZE TO SIGN
- CA
16) Proposed Amendment No. 3 to Master Services Agreement 053-2021A-D, with Stericycle, Inc., an independent contractor, for waste disposal services for the period September 15, 2021 through August 31, 2026, adding the Outpatient Eye Clinic location as a disposal site, and increasing the maximum payable by \$500, from \$1,697,000 to \$1,697,500, to cover the term, effective May 20, 2026 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
17) Proposed donation of learning credits from Cisco Systems Inc. for four Kern Medical Center employees to attend the Cisco Live! conference in Las Vegas, Nevada, from June 1-4, 2026 –
APPROVE; ADOPT RESOLUTION
- CA
18) Proposed Service Contract Quotation Q-37475 with Sciton, Inc., an independent contractor, containing nonstandard terms and conditions, for laser device repairs and maintenance from June 2, 2026 through June 1, 2027, in an amount not to exceed \$24,048 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
19) Proposed retroactive Amendment No. 1 to Agreement 10624 with Arthrex, Inc., an independent contractor, for purchase of surgical implants and supplies for the period March 1, 2024 February 28, 2026, extending the term from March 1, 2026 through February 28, 2028, increasing the maximum payable by \$250,000, from \$120,000 to \$370,000, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
20) Proposed Agreement with De Lage Landen Financial Services, Inc., an independent contractor, for purchase of a Kinevo neurosurgical microscope, effective May 20, 2026, in an amount not to exceed \$757,143, plus fees and taxes –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
- CA
21) Proposed Quote with ICU Medical, Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of ICU monitoring kits, temperature systems and torque-

line catheters from May 20, 2026 through May 19, 2029, in an amount not to exceed \$20,000, plus fees and taxes –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

22) Proposed Quote with NeurOptics, Inc., an independent contractor, containing nonstandard terms and conditions, for pupillometer warranty services from May 20, 2026 through May 19, 2028, in an amount not to exceed \$2,500 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

23) Proposed Quotation 60470798 from Welch Allyn, Inc., a subsidiary of Baxter International Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of hardware and software support for the RetinaVue 700 Fundus Camera from May 20, 2026 through May 19, 2029, in an amount not to exceed \$3,330 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

24) Proposed Agreement with Yahya Daneshbod, M.D., a contract employee, for professional medical services in the Department of Pathology from July 20, 2026 through July 19, 2026, in an amount not to exceed \$1,525,000, plus applicable benefits –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

25) Proposed Agreement with Bakersfield Memorial and Dignity Health, doing business as Mercy Hospital and Mercy Southwest Hospital, independent contractors, containing nonstandard terms and conditions, for one or more physicians designated by Kern Medical Center to provide professional consultation and treatment of patients in need of emergency gastrointestinal medical care who present to the emergency department or who are inpatients of Bakersfield Memorial Hospital, Mercy Hospital, and Mercy Southwest Hospital from June 1, 2026 through May 31, 2027, at no cost to Kern Medical Center –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA

26) Proposed retroactive Agreement with Bakersfield Memorial and Dignity Health, doing business as Mercy Hospital and Mercy Southwest Hospital, independent contractors, containing nonstandard terms and conditions, for one or more physicians designated by Kern Medical Center to provide professional consultation and treatment of patients in need of emergency urology medical care who present to the emergency department or who are inpatients of Bakersfield Memorial Hospital, Mercy Hospital, and Mercy Southwest Hospital from May 18, 2026 through May 17, 2027, at no cost to Kern Medical Center –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA

27) Proposed Amendment No. 6 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 May 29, 2026, extending the term by 30 days from May 29, 2026 through June 28, 2026, and increasing the maximum payable by \$765,000, from \$7,626,435 to \$8,391,435, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 28) Report on upcoming anticipated retroactive agreements –
RECEIVE AND FILE
 - 29) Proposed retroactive Amendment No. 2 to Master License Agreement 28824 with MCG Health, LLC, an independent contractor, for purchase of software to apply medical necessity criteria guidelines to insurance claims for the period May 20, 2025 through May 19, 2026, extending the term for three years from May 20, 2026 through May 19, 2029, and increasing the maximum payable by \$173,684, from \$104,188 to \$277,872, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
 - 30) Proposed retroactive Amendment No. 1 to Agreement 20623 with William R. Stull, M.D., a contract employee, for professional medical services in the Department of Pathology for the period May 5, 2023 through May 4, 2026, extending the term for three months from May 5, 2026 through August 4, 2026, increasing the annual salary from \$380,000 to \$500,000 per year, and increasing the maximum payable by \$130,000, from \$1,140,000 to \$1,270,000, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN
 - 31) Proposed retroactive Agreement with Stryker Sales, LLC, an independent contractor, for purchase of Stryker helmets and supplies for the Operating Room from April 28, 2026 through April 27, 2031, in an amount not to exceed \$250,000, fees and taxes –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN
 - 32) Public hearing pursuant to Government Code Section 3502.3 regarding Kern County Hospital Authority vacancies, recruitment and retention efforts (Assembly Bill 2561) –
OPEN HEARING; RECEIVE PUBLIC COMMENT; CLOSE HEARING; RECEIVE AND FILE
 - 33) Kern County Hospital Authority Chief Financial Officer report –
RECEIVE AND FILE
 - 34) Proposed Kern Medical Surgery Center, LLC budget for Fiscal Year 2026-2027 –
APPROVE
 - 35) Proposed Kern County Hospital Authority Community Health Center budget for Fiscal Year 2026-2027 –
APPROVE
 - 36) Proposed Kern County Hospital Authority operating and capital budgets for Fiscal Year 2026-2027 –
APPROVE; REFER TO KERN COUNTY BOARD OF SUPERVISORS FOR APPROVAL
 - 37) Kern County Hospital Authority Chief Executive Officer report –
RECEIVE AND FILE
- CA
- 38) Monthly report on What's Happening at Kern Medical Center –
RECEIVE AND FILE
- CA
- 39) Miscellaneous Correspondence as of April 30, 2026 –
RECEIVE AND FILE

CA

- 40) Claims and Lawsuits Filed as of April 30, 2026 –
RECEIVE AND FILE

CLOSED SESSION

- 41) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 42) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Iliana Peralta, Plaintiff, v. Kern County Hospital Authority; San Joaquin Community Hospital Corporation dba Adventist Health Bakersfield; Angelica Braga, NP; and DOES 1 through 50, Inclusive, Defendants, Kern County Superior Court Case No. BCV-24-103763 TSC –
- 43) CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code Section 54956.9(d)(4)) Number of cases: One (1) Based on existing facts and circumstances, the Board of Governors has decided to initiate or is deciding whether to initiate litigation –
- 44) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –
- 45) 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, JUNE 17, 2026 AT 11:30 A.M.

SUPPORTING DOCUMENTATION FOR AGENDA ITEMS

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

AMERICANS WITH DISABILITIES ACT (Government Code Section 54953.2)

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

CA

39) MISCELLANEOUS CORRESPONDENCE AS OF APRIL 15, 2026 –
RECEIVE AND FILE

- A) Correspondence from Amir Berjis, M.D., seeking reappointment to the Kern County Board of Governors, term to expire June 30, 2029
- B) Correspondence from Stephen Pelz seeking reappointment to the Kern County Board of Governors, term to expire June 30, 2029
- C) Tracking Page dated April 15, 2026, regarding Proposed Kern Medical Surgery Center, LLC budget for fiscal year 2026-2027
- D) Tracking Page dated April 22, 2026, regarding Proposed Kern County Hospital Authority Community Health Center, budget for fiscal year 2026-2027

CA

40) CLAIMS AND LAWSUITS FILED AS OF APRIL 30, 2026 –
RECEIVE AND FILE

- A) Claim in the matter of Wanda F. Avila
- B) Claim in the matter of Steve John Cruz
- C) Claim in the matter of Francis Joseph Coughlin
- D) Claim in the matter of Jack Arthur Reed Jr.
- E) Claim in the matter of Blanca Lusarreta
- F) Complaint in the matter of Charles Ellis, Plaintiff, v. Kern Medical Center, et al., Defendants, United States District Court, Eastern District of California Case No. 1:23-cv-01344-KES-SKO (PC)
- G) Plaintiff's and Petitioner's Notice of Petition and Petition for Relief to Pursue Late Government Claims; Declaration of Elizabeth H. Teixeira in Support Thereof in the matter of Keven Enriquez, by and through his guardian ad litem, Yvonne Curiel, Petitioner, v. Kern County Hospital Authority; County of Kern; Patrick Pieper, M.D.; Donald Wilkes Burt, M.D.; Suzanne Espalin, M.D.; and DOES 1 to 50, inclusive; Respondents, Kern County Superior Court Case No. 26CUB00827



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, April 15, 2026

11:30 A.M.

BOARD RECONVENED

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

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!**
NO ONE HEARD

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)) –
NO ONE HEARD

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on March 18, 2026 and special meeting on April 1, 2026 –
APPROVED
Merz-Pollard: All Ayes

CA

- 4) Proposed Amendment No. 3 to Agreement 052-2023 with Ralph Garcia-Pacheco Suarez, M.D., a contract employee, for professional medical services in the Department of Medicine for the period April 22, 2023 through April 21, 2026, increasing the per diem rate for hospitalist shift coverage from \$1,672 to \$1,840 per 12-hour shift, extending the term for two years from April 22, 2026 through April 21, 2028, and increasing the maximum payable by \$1,600,000, from \$2,250,000 to \$3,850,000, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 048-2026
Merz-Pollard: All Ayes

CA

- 5) Proposed Agreement with Cameron D. Furey, M.D., a contract employee, for professional medical services in the Department of Medicine from August 15, 2026 through August 14, 2029, in an amount not to exceed \$3,200,000, plus applicable benefits –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 049-2026
Merz-Pollard: All Ayes

CA

- 6) Proposed retroactive Change Order Notice for Quote 2009359518 to Agreement 130-2022 with GE HealthCare, an independent contractor, for software updates for the new CT machine, at no additional cost –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 050-2026
Merz-Pollard: All Ayes

CA

- 7) Proposed Agreement with McMurtrey Lince, Inc., an independent contractor, for installation of laboratory equipment, in an amount not to exceed \$280,514, effective April 15, 2026, until project completion –
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 051-2026; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT PRICE OF \$308,566
Merz-Pollard: All Ayes

CA

- 8) Proposed Amendment No. 1 to Agreement 141-2025 with Nwestco, LLC, an independent contractor, for construction services related to abandonment of the underground storage tank for the period December 17, 2025, until project completion, increasing the maximum payable by \$14,613, from \$108,754 to \$123,367, to cover the project –
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 052-2026; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN FUTURE CHANGE ORDERS IN AN AMOUNT NOT TO EXCEED 10% OF THE TOTAL CONTRACT PRICE OF \$135,703
Merz-Pollard: All Ayes

CA

- 9) Proposed Amendment No. 1 to Agreement 69623 with Enviro Services, Inc., doing business as Monitronics, an independent contractor, for services related to certification of the Pharmacy intravenous preparation room for the period May 10, 2023 through May 9, 2026, extending the term for three years from May 10, 2026 through May 9, 2029, and increasing the maximum payable by \$45,000, from \$20,000 to \$65,000, to cover the term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 053-2026
Merz-Pollard: All Ayes

CA

- 10) Proposed Amendment to Agreement 039-2025 with Beckman Coulter, Inc., an independent contractor, for service and products for hematologic diagnostic testing for the period of November 20, 2016 through April 14, 2026, extending the term for one year from April 15, 2026 through April 15, 2027, and increasing the maximum payable by \$125,000, from \$976,160.45 to \$1,101,161, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 054-2026
Merz-Pollard: All Ayes

CA

- 11) Proposed Agreement with GE Precision Healthcare, an independent contractor, for purchase of a SIGNA™ Voyager 49-ch mobile MRI unit from April 15, 2026 through April 14, 2031, in an amount not to exceed \$2,350,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 055-2026
Merz-Pollard: All Ayes

CA

- 12) Proposed Agreement with GE HealthCare, an independent contractor, for service and maintenance of the SIGNA™ Voyager 49-ch mobile MRI unit, effective 12 months from the date of delivery for a term of 12 months, in an amount not to exceed \$89,766 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 056-2026
Merz-Pollard: All Ayes

CA

- 13) Proposed Agreement with AMST, A Marmon Berkshire Hathaway Company, an independent contractor, for service and maintenance of the MRI trailer from April 15, 2027 through April 14, 2032, in an amount not to exceed \$240,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 057-2026
Merz-Pollard: All Ayes

- CA
14) Proposed retroactive Memorandum of Understanding with the County of Kern, as represented by Behavioral Health and Recovery Services from April 1, 2026 through September 30, 2026, with no set maximum payable –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 058-2026
Merz-Pollard: All Ayes
- CA
15) Proposed Change Order to First Amendment to Agreement 67622 with Qualtrics LLC, an independent contractor, for patient and employee experience surveys for the period November 23, 2022 through November 15, 2028, increasing the number of experience surveys annually, and increasing the maximum payable by \$38,250, from \$714,459 to \$752,709, to cover the cost of additional services –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 059-2026
Merz-Pollard: All Ayes
- CA
16) Proposed Rental Agreement with UBEO West, LLC, an independent contractor, containing nonstandard terms and conditions, for purchase of printing hardware, software, and maintenance from May 1, 2026 through April 30, 2027, in an amount not to exceed \$600,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 060-2026; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN FOR PURCHASES NOT TO EXCEED THE APPROVED MAXIMUM PAYABLE
Merz-Pollard: All Ayes
- CA
17) Proposed Ordering Document CPQ-4230218 with Oracle America, Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of equipment, software, and support for vital signs devices, effective April 15, 2026, in an amount not to exceed \$4,412, plus fees and taxes –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 061-2026
Merz-Pollard: All Ayes
- CA
18) Proposed Amendment No. 7 to Agreement 30718 with JDM Solutions, Inc., an independent contractor, for consulting services related to the Oracle Electronic Health Record for the period November 21, 2018 through April 30, 2026, extending the term for one year from May 1, 2026 through April 30, 2027, and increasing the maximum payable by \$725,200, from \$5,009,236 to \$5,734,436, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 062-2026
Merz-Pollard: All Ayes
- CA
19) Proposed Order Form Q-98443-1 with TigerConnect®, Inc., an independent contractor, containing nonstandard terms and conditions, for subscription services related to the clinical communication platform for the period of March 22, 2024 through April 14, 2026, extending the term for three years from April 15, 2026 through April 14, 2029, and increasing the maximum payable by \$1,002,000, from \$532,550 to \$1,534,550, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 063-2026
Merz-Pollard: All Ayes

CA

- 20) Proposed rescission of Quote Q-00676256 040-2026 with Philips Healthcare, a division of Philips North America LLC, and approval of Quote Q-00730828 with Philips Healthcare, a division of Philips North America LLC, an independent contractor, containing nonstandard terms and conditions, for purchase of a Philips Cardiac Workstation 7000 and diagnostic cardiology/ECG implementation services, in an amount not to exceed \$21,927 – APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 064-2026
Merz-Pollard: All Ayes

CA

- 21) Report on upcoming anticipated retroactive agreements – RECEIVED AND FILED
Merz-Pollard: All Ayes

- 22) Proposed retroactive Amendment No. 4 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, 2024 through March 31, 2026, extending the term for two years from April 1, 2026 through March 31, 2028, and increasing the maximum payable by \$750,000, from \$1,515,000 to \$2,265,000, to cover the term – VICE PRESIDENT, STRATEGIC DEVELOPMENT NATALEE GARRETT HEARD REGARDING THE RETROACTIVITY OF ITEM 22; APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 065-2026
Berjis-Pollard: All Ayes

- 23) Kern County Hospital Authority Chief Financial Officer report – CHIEF FINANCIAL OFFICER ANDREW CANTU HEARD; DIRECTOR BERJIS INQUIRED IF ACCOUNTS PAYABLE HAD EVER REACHED \$1 BILLION WORTH OF CHARGES IN GROSS REVENUE; MR. CANTU RESPONDED; RECEIVED AND FILED
Pelz-Stout: All Ayes

- 24) Kern County Hospital Authority Chief Executive Officer report – CHIEF EXECUTIVE OFFICER SCOTT THYGERSON HEARD; RECEIVED AND FILED
Pollard-Merz: All Ayes

CA

- 25) Monthly report on What's Happening at Kern Medical Center – RECEIVED AND FILED
Merz-Pollard: All Ayes

CA

- 26) Claims and Lawsuits Filed as of March 31, 2026 – RECEIVED AND FILED
Merz-Pollard: All Ayes

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

- C-27) Kern Medical Surgery Center, LLC, Administrative Report – RECEIVED AND FILED
Berjis-Pollard: All Ayes

- C-28) Proposed credentialing recommendations –
APPROVED
Berjis-Pollard: All Ayes
- C-29) Proposed Incentive Compensation payable to the Kern Medical Surgery Center Business Office Manager in an amount not to exceed \$25,000, less all applicable federal and state taxes and withholdings, based on total collections of \$5,334,054 for calendar year ended December 31, 2025 –
APPROVED
Berjis-Pollard: All Ayes
- C-30) Proposed Kern Medical Surgery Center Business Office Manager incentive compensation schedule for calendar year 2026 –
APPROVED
Berjis-Pollard: All Ayes
- 31) Proposed retroactive Letter of Participation with Johnson & Johnson Health Care Systems Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of disposable surgical supplies, in an amount not to exceed \$50,000 per year, effective February 13, 2026 –
CHIEF EXECUTIVE OFFICER SCOTT THYGERSON HEARD REGARDING THE RETROACTIVITY OF ITEM 31; DIRECTOR BERJIS INQUIRED ABOUT THE NEED FOR A SEPARATE AGREEMENT FROM THE HOSPITAL; DIRECTOR POLLARD INQUIRED ABOUT THE TERMINATION DATE; MR. THYGERSON RESPONDED TO BOTH INQUIRIES; APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 066-2026
Berjis-Stout: All Ayes
- 32) Public hearing pursuant to Government Code Section 3502.3 regarding Kern Medical Surgery Center, LLC vacancies, recruitment and retention efforts (Assembly Bill 2561) –
OPENED HEARING; CHIEF HUMAN RESOURCES AND TRANSFORMATION OFFICER ROBY HUNT HEARD REGARDING KERN COUNTY HOSPITAL AUTHORITY VACANCIES, RECRUITMENT AND RETENTION EFFORTS; DIRECTOR BERJIS INQUIRED IF THE LLC IS IN LINE WITH INDUSTRY TRENDS FOR VACANY RATES; DIRECTOR ANDERSON INQUIRED IF THE LLC PARTNERS WITH EMPLOYERS' TRAINING RESOURCE; MR. HUNT RESPONDED TO BOTH INQUIRIES; CLOSED HEARING; RECEIVED AND FILED
Pollard-Pelz: All Ayes
- 33) Proposed Kern Medical Surgery Center, LLC operating budget for fiscal year 2026-2027 –
APPROVED
Pollard-Berjis: All Ayes

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

ADJOURNED TO CLOSED SESSION
Pollard-Berjis

CLOSED SESSION

- 34) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 35) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 36) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Advanced Imaging Services, Inc., Plaintiff, v. Kern County Hospital Authority d/b/a Kern Medical Center, Defendant, Kern County Superior Court Case No. 26CUB00843 BCB – SEE RESULTS BELOW
- 37) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – SEE RESULTS BELOW
- 38) CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes, and designated staff - Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION

Berjis-Pollard

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item 34 concerning Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – HEARD; BY UNANIMOUS VOTE (MOTION BY DIRECTOR BERJIS, SECOND BY DIRECTOR POLLARD) THE BOARD APPROVED ALL CREDENTIALING RECOMMENDATIONS; NO OTHER REPORTABLE ACTION TAKEN

Item 35 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 36 concerning CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Advanced Imaging Services, Inc., Plaintiff, v. Kern County Hospital Authority d/b/a Kern Medical Center, Defendant, Kern County Superior Court Case No. 26CUB00843 BCB – HEARD; NO REPORTABLE ACTION TAKEN

Item 37 concerning Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) – HEARD; NO REPORTABLE ACTION TAKEN

Item 38 CONFERENCE WITH LABOR NEGOTIATORS - Agency designated representatives: Vice President & General Counsel Karen S. Barnes, and designated staff - Unrepresented Employee: Chief Executive Officer (Government Code Section 54957.6) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, MAY 20, 2026 AT 11:30 A.M.

Pollard

/s/ Mona A. Allen
Authority Board Coordinator

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

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

May 20, 2026

Subject: Proposed reappointment of Directors Amir Berjis, MD and Stephen Pelz to the Kern County Hospital Authority Board of Governors, terms to expire June 30, 2029

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

Summary:

On June 13, 2024, the Kern County Board of Supervisors reappointed Directors Amir Berjis, M.D. and Stephen Pelz for terms of three years each. Their current terms expire June 30, 2026.

Directors Berjis and Pelz, as required by the Authority's Bylaws for Governance, have notified your Board in writing (attached) of their intent to seek reappointment to the Board of Governors. They are not required to submit new applications 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 reappointments of Directors Berjis and Pelz for three-year terms expiring June 30, 2029.

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

May 20, 2026

Subject: Proposed Third Amendment to Second Amended and Restated Credit Agreement with PNC Bank, National Association (PNC Bank) for a revolving Line of Credit, extending the maturity date of the Line of Credit to a date not later than May 26, 2027, provided that the Line of Credit shall otherwise be substantially on the same terms set out in the Second Amended and Restated Credit Agreement and that any indebtedness incurred thereunder at any time shall be secured only by personal property, substantially the same as the personal property described in the previously executed General Security and Pledge Agreement, in favor of PNC Bank, and delegating authority to certain officers

Recommended Action: Approve; Adopt Resolution; Authorize and direct any two of the following officers (each, an “Authorized Officer”), for and in the name of and on behalf of the Authority, to execute the Third Amendment to Second Amended and Restated Credit Agreement, as the Authorized Officers executing the same, together with the Vice President & General Counsel of the Authority, shall approve: Chairman of this Board, Vice-Chairman of this Board, Chief Executive Officer of the Authority or Chief Financial Officer of the Authority; Authorize and direct any two Authorized Officers, for and in the name of and on behalf of the Authority, to execute, acknowledge, deliver, record and file such agreements, documents, instruments and certificates, and revisions and corrections thereof and amendments thereto, in each case in a form approved by the Vice President & General Counsel of the Authority, and to perform such other acts and deeds as may, in any such Authorized Officer’s discretion and with the approval of the Vice President & General Counsel of the Authority, be deemed necessary or otherwise proper, to effect the purposes of this Resolution and the actions herein authorized

Summary:

Pursuant to the authority granted in Resolution No. 2019-004 adopted by your Board on February 20, 2019, and Resolution No. 2019-040, adopted by the Kern County Board of Supervisors on February 26, 2019, the Authority entered into a Credit Agreement with PNC Bank, effective March 1, 2019, to establish a revolving line of credit for the purpose of obtaining funding from time to time for the Authority’s working capital and other financial needs.

On February 21, 2024, your Board adopted Resolution No. 2024-004, which, among other things, approved the extension of the maturity date of the Line of Credit to February 28, 2025 and the terms and provisions of the Second Amended and Restated Credit Agreement, including the increase of the maximum available principal amount of credit under the Line of Credit to \$30,000,000.

Members, Board of Governors

May 20, 2026

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Following a short-term extension of the maturity date of the Line of Credit to May 29, 2025 and the terms and provisions of the First Amendment to Second Amended and Restated Credit Agreement, on May 21, 2025, your Board adopted Resolution No. 2025-014, which, among other things, approved the extension of the maturity date of the Line of Credit to May 27, 2026 and the terms and provisions of the Second Amendment to Second Amended and Restated Credit Agreement.

Amending the Second Amended and Restated Credit Agreement by executing the Third Amendment to Second Amended and Restated Credit Agreement to extend the maturity date of the Line of Credit to May 26, 2027 is advisable and in the best interests of the Authority. To do so requires that your Board authorize and approve the Third Amendment to Second Amended and Restated Credit Agreement with PNC Bank, extending the maturity date of the Line of Credit to a date not later than May 26, 2027, provided that the Line of Credit shall otherwise be substantially on the same terms set out in the Second Amended and Restated Credit Agreement and that any indebtedness incurred thereunder at any time shall be secured only by personal property, substantially the same as the personal property described in the General Security and Pledge Agreement previously executed by the Authority, in favor of PNC Bank.

Therefore, it is recommended that your Board approve the above-referenced recommended action.

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

In the matter of:

Resolution No. 2026-____

**APPROVING THE THIRD AMENDMENT TO
SECOND AMENDED AND RESTATED CREDIT
AGREEMENT, BETWEEN THE AUTHORITY AND
PNC BANK, NATIONAL ASSOCIATION, AND
DELEGATING AUTHORITY TO CERTAIN
OFFICERS**

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 20th day of May, 2026, 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) On February 20, 2019, the Board of Governors adopted Resolution No. 2019-004, which, among other things, authorized and approved the Kern County Hospital Authority (the "Authority") to incur debt pursuant to a revolving line of credit to

be provided by PNC Bank, National Association (“PNC Bank”), and authorized certain officers of the Authority to execute, acknowledge, deliver, record and file such agreements, documents, instruments and certificates necessary to effect the purposes of Resolution No. 2019-004;

(b) On February 26, 2019, the County of Kern, by action of its Board of Supervisors, adopted Resolution No. 2019-040, which approved the Authority’s incurrence of debt under a revolving line of credit to be provided by PNC Bank;

(c) On March 1, 2019, the Authority entered into a Credit Agreement, with PNC Bank, that provided for a maximum available principal amount of credit not in excess of \$50,000,000 for a 120-day period and not in excess of \$20,000,000 at any other time (the “Line of Credit”) and executed and delivered to PNC Bank a General Security and Pledge Agreement that provided for all indebtedness under the Credit Agreement to be secured by certain personal property of the Authority;

(d) The Credit Agreement provided that the Line of Credit would initially mature on March 1, 2021;

(e) On January 20, 2021, the Board of Governors adopted Resolution No. 2021-003, which, among other things, approved the extension of the maturity date of the Line of Credit to March 1, 2022 and the terms and provisions of the Second Amendment to Credit Agreement;

(f) On February 16, 2022, the Board of Governors adopted Resolution No. 2022-004, which, among other things, approved the extension of the maturity date of the Line of Credit to March 1, 2023 and the terms and provisions of the Third Amendment to Credit Agreement;

(g) On February 22, 2023, the Board of Governors adopted Resolution No. 2023-002, which, among other things, approved the extension of the maturity date of the Line of Credit to March 1, 2024 and the terms and provisions of the Amended and Restated Credit Agreement, which restated the Credit Agreement to reflect, among other things, amendments included pursuant to the Second Amendment to Credit Agreement and the Third Amendment to Credit Agreement;

(h) On February 6, 2024, the County of Kern, by action of its Board of Supervisors, adopted Resolution No. 2024-032, which approved the Authority’s incurrence of up to \$40,000,000 of debt pursuant to the Line of Credit;

(i) On February 21, 2024, the Board of Governors adopted Resolution No. 2024-004, which, among other things, approved the extension of the maturity date of the Line of Credit to February 28, 2025 and the terms and provisions of the Second Amended and Restated Credit Agreement, including the increase of the maximum available principal amount of credit under the Line of Credit to \$30,000,000;

(j) On February 18, 2025, the Board of Governors adopted Resolution No. 2025-004, which, among other things, approved the extension of the maturity date of the Line of Credit to May 29, 2025 and the terms and provisions of the First Amendment to Second Amended and Restated Credit Agreement;

(k) On May 21, 2025, the Board of Governors adopted Resolution No. 2025-014, which, among other things, approved the extension of the maturity date of the Line of Credit to May 27, 2026 and the terms and provisions of the Second Amendment to Second Amended and Restated Credit Agreement;

(l) Management of the Authority has advised this Board that further amending the Second Amended and Restated Credit Agreement by executing the Third Amendment to Second Amended and Restated Credit Agreement to extend the maturity date of the Line of Credit to May 26, 2027 is advisable and in the best interests of the Authority.

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 authorizes and approves the extension of the maturity date of the Line of Credit to a date not later than May 26, 2027, provided that the Line of Credit shall otherwise be substantially on the same terms set out in the Second Amended and Restated Credit Agreement and that any indebtedness incurred thereunder at any time shall be secured only by personal property, substantially the same as the personal property described in the General Security and Pledge Agreement previously executed by the Authority, in favor of PNC Bank.

3. This Board hereby authorizes and directs any two of the following officers (each, an "Authorized Officer"), for and in the name of and on behalf of the Authority, to execute the Third Amendment to Second Amended and Restated Credit Agreement, as the Authorized Officers executing the same, together with the Vice President & General Counsel of the Authority, shall approve: Chairman of this Board, Vice-Chairman of this Board, Chief Executive Officer of the Authority, or Chief Financial Officer of the Authority. The execution by any two Authorized Officers shall evidence the approval hereby required.

4. This Board hereby authorizes and directs any two Authorized Officers, for and in the name of and on behalf of the Authority, to execute, acknowledge, deliver, record and file such agreements, documents, instruments and certificates, and revisions and corrections thereof and amendments thereto, in each case in a form approved by the Vice President & General Counsel of the Authority, and to perform such other acts and deeds as may, in any such Authorized Officer's discretion and with the approval of the Vice President & General Counsel of the Authority, be deemed necessary or otherwise proper, to effect the purposes of this Resolution and the actions herein authorized.

5. All actions heretofore taken by any Authorized Officer, which are in conformity with the purposes and intent of this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved in all respects.

6. The authority conferred upon each Authorized Officer by this Resolution shall remain in full force and effect until written notice of revocation by further resolutions of this Board shall have been delivered to the other parties to such agreements.

7. The provisions of this Resolution are hereby declared to be severable, and, if any section, phrase or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

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

Kern Medical Center
Legal Services Department
PNC Bank, National Association

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

May 20, 2026

Subject: Proposed retroactive acceptance of donation of travel and related expenses from Health Connect Partners for the 2026 Spring Hospital Pharmacy 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.

Health Connect Partners is a trade group that connects providers and suppliers through educational meetings and conferences, whose mission is to provide the best in healthcare education and networking so providers learn real solutions and suppliers understand their needs. Health Connect Partners has offered to donate to the Authority all travel and related expenses for one Authority employee to attend the 2026 Spring Hospital Pharmacy Conference, sponsored by Health Connect Partners, in Louisville, Kentucky, from May 18-20, 2026. This training session is necessary in connection with official Authority business.

This item is retroactive due to the Authority's receipt of the donation after the April deadline to submit items to your Board for approval. Your Board was notified that the item would be retroactive on April 15, 2026 in the Report on Upcoming Anticipated Retroactive Agreements.

Kern Medical recommends your Board retroactively adopt the attached proposed resolution to accept the travel donation from Health Connect Partners 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. 2026-____

**ACCEPTANCE OF DONATION OF TRAVEL
AND RELATED EXPENSES FROM HEALTH
CONNECT PARTNERS FOR 2026 SPRING
HOSPITAL PHARMACY 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 20th day of May, 2026, 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) Health Connect Partners is a trade group that connects providers and suppliers through industry-specific educational meetings and conferences, whose mission is to provide the best in healthcare education and networking so providers learn real solutions and suppliers understand their needs; and

(c) Health Connect Partners has offered to donate to the Authority all travel and related expenses for one Authority employee to attend the 2026 Spring Hospital Pharmacy Conference, sponsored by Health Connect Partners, in Louisville, Kentucky, from May 18-20, 2026; 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 Health Connect Partners to the Authority and will retain full control over the use of the donation; and

(g) Health Connect Partners 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 Health Connect Partners the donation of travel and related expenses to cover all costs for one Authority employee to travel to Louisville, Kentucky, to attend the 2026 Spring Hospital Pharmacy Conference from May 18-20, 2026.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend the 2026 Spring Hospital Pharmacy Conference from May 18-20, 2026, in Louisville, Kentucky.

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**

May 20, 2026

Subject: Proposed acceptance of donation of travel and related expenses from Solventum for The Art of IV Site Management workshop

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.

Solventum (formally known as 3M Health Care) is an American company that manufactures and sells vascular access products utilized by staff at Kern Medical Center. Solventum has offered to donate to the Authority travel and related expenses for one Authority employee to attend The Art of IV Site Management workshop on trends and guidelines shaping IV therapy, including best practices in catheter securement, dressing application, and site management, in Atlanta, Georgia, from June 1-2, 2026. This training session is necessary in connection with official Authority business.

Kern Medical recommends your Board adopt the attached proposed resolution to accept the travel donation from Solventum 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. 2026-____

**ACCEPTANCE OF DONATION OF
TRAVEL AND RELATED EXPENSES
FROM SOLVENTUM FOR THE ART
OF IV MANAGEMENT WORKSHOP**

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 20th day of May, 2026, 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) Solventum (f/k/a 3M Health Care) is an American company that manufactures and sells vascular access products utilized by staff at Kern Medical Center; and

(c) Solventum has offered to donate to the Authority travel and related expenses for one Authority employee to attend The Art of IV Site Management workshop on trends and guidelines shaping IV therapy, including best practices in catheter securement, dressing application, and site management, in Atlanta, Georgia, from June 1-2, 2026; and

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

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

(f) There are no 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 Solventum the donation of travel and related expenses for one Authority employee to travel to Atlanta, Georgia, to attend The Art of IV Site Management from June 1-2, 2026.

3. This Board authorizes the Chief Executive Officer to designate one Authority employee to attend The Art of IV Site Management from June 1-2, 2026, in Atlanta, Georgia.

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**

May 20, 2026

Subject: Proposed Agreement with Zohal (Ghulam-Jelani) Soderlund, M.D., for professional medical services in the Department of Surgery

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve an Agreement with Zohal (Ghulam-Jelani) Soderlund, M.D., for professional medical services in the Department of Surgery from September 19, 2026 through September 18, 2029, in an amount not to exceed \$3,000,000 over the three-year term. Dr. Soderlund will serve as a full-time faculty member in the Department and will provide general orthopedic and orthopedic trauma services as well as acute trauma and fresh fracture call coverage.

Dr. Soderlund is currently completing an orthopedic trauma fellowship at Allegheny General hospital with an expected completion date of June 30, 2026, having completed an orthopedic surgery residency at UCSF Fresno. She is a graduate of Albany Medical College and received her undergraduate degree from UCLA.

Dr. Soderlund's compensation is based on productivity. The proposed Agreement outlines how her worked relative value unit ("Worked RVU") conversion factor will be calculated. Effective September 19, 2026, Kern Medical will pay Dr. Soderlund an annual salary of \$720,000 comprised of the following: (i) a base salary for teaching and administrative services and (ii) payment for care of patients using the current Medical Group Management Association Physician Compensation and Production Survey ("MGMA Survey") full-time physician compensation with more than one year in the specialty for all physicians section. A conversion factor will be established by taking the average of the MGMA Survey 75th percentile Total Compensation for Orthopedic Surgery (Trauma) and Orthopedic Surgery (General) divided by the average of the MGMA Survey 75th percentile work relative value unit Ratio for Orthopedic Surgery (Trauma) and Orthopedic Surgery (General) to arrive at the Worked RVU. This methodology represents the reasonable fair market value compensation and is commercially reasonable for the services provided by Dr. Soderlund. In addition to her compensation package, Dr. Soderlund will receive the standard complement of benefits offered to all Kern Medical physicians.

Therefore, it is recommended that your Board approve the Agreement with Zohal (Ghulam-Jelani) Soderlund, M.D., for professional medical services in the Department of Surgery from September 19, 2026 through September 18, 2029, in an amount not to exceed \$3,000,000, and authorize the Chairman to sign.

**AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Zohal (Ghulam-Jelani) Soderlund, M.D.)**

This Agreement is made and entered into this ____ day of _____, 2026, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Zohal (Ghulam-Jelani) Soderlund, M.D. (“Physician”).

**I.
RECITALS**

(a) Authority is authorized, pursuant to section 101852 of Part 4 of Division 101 of the Health and Safety Code, to contract for special services with individuals specially trained, experienced, expert, and competent to perform those services; and

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

(c) Physician is specially trained, experienced, expert, and competent to perform such services;

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 as follows:

**II.
TERMS AND CONDITIONS**

1. **Term.** The initial term of this Agreement (“Initial Term”) shall be for a period of three (3) years, commencing as of September 19, 2026 (the “Commencement Date”). At the end of the Initial Term and each Renewal Term (as hereinafter defined), if any, this Agreement may be renewed for two (2) additional terms of two (2) years each (“Renewal Term”), but only upon mutual written agreement of the parties. As used herein, the “Term” of this Agreement shall mean the Initial Term and all Renewal Terms. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.

2. **Employment.** Authority hereby employs Physician for the practice of medicine in the care and treatment of patients at KMC, or at such other clinic sites as KMC may designate (collectively referred to as the “Practice Sites”). It is expressly understood and agreed that KMC shall have reasonable discretion to consolidate and relocate clinics operated by Authority and to re-designate Practice Sites served by Physician from time to time. Physician shall be subject to

Authority's employment policies, directives, rules and regulations as promulgated by Authority from time to time, including, but not limited to, those pertaining to employees.

3. **Representations and Warranties.** Physician represents and warrants to Authority and KMC, upon execution and throughout the Term of this Agreement, as follows: (i) Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the services required under this Agreement; (ii) Physician's license to practice medicine in the state of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to the terms of probation or other restriction; (iii) Physician's medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction; (iv) Physician holds a valid Controlled Substance Registration Certificate issued by the Drug Enforcement Administration that has never been revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (v) Physician is not currently and has never been an Ineligible Person¹; (vi) Physician is not currently the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; and (vii) Physician has, and shall maintain throughout the Term of this Agreement, an unrestricted license to practice medicine in the state of California and staff membership and privileges at KMC.

4. **Obligations of Physician.**

4.1 **Services.** Physician shall engage in the practice of medicine on a full-time basis exclusively as an exempt employee of Authority. Physician shall render those services set forth in Exhibit "A," attached hereto and incorporated herein by this reference.

4.2 **Use of Premises.** Physician shall use the Practice Sites as designated by Authority or KMC exclusively for the practice of medicine in the care and treatment of patients and shall comply with all applicable federal, state, and local laws, rules and regulations related thereto.

4.3 **Qualifications.**

4.3.1 **Licensure.** Physician shall maintain a current valid license to practice medicine in the state of California at all times during the Term of this Agreement.

4.3.2 **Board Certification.** Physician shall be board certified by the American Board of Orthopaedic Surgery in orthopaedic surgery-general within thirty-six (36) months of the Commencement Date and shall maintain such certification at all times during the Term of this Agreement.

¹ An "Ineligible Person" is an individual or entity who: (i) is currently excluded, debarred, suspended, or otherwise ineligible to participate in the federal health care programs or in federal procurement or non-procurement programs; or (ii) has been convicted of a criminal offense that falls within the range of activities described in 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

4.3.3 Medical Staff Status. Physician shall at all times during the Term of this Agreement be a member in good standing of the KMC medical staff with “active” staff status and hold all clinical privileges on the active medical staff appropriate to the discharge of her obligations under this Agreement.

4.3.4 TJC and ACGME Compliance. Physician shall observe and comply with all applicable standards and recommendations of The Joint Commission and Accreditation Council for Graduate Medical Education.

4.4 Loss or Limitation. Physician shall notify KMC in writing as soon as possible (but in any event within three (3) business days) after any of the following events occur: (i) Physician’s license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (ii) Physician’s medical staff privileges at KMC or any other health care facility are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (iii) Physician’s Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (iv) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (v) Physician becomes the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; or (vi) an event occurs that substantially interrupts all or a portion of Physician’s professional practice or that materially adversely affects Physician’s ability to perform Physician’s obligations hereunder.

4.5 Standards of Medical Practice. The standards of medical practice and professional duties of Physician at designated Practice Sites shall be in accordance with the KMC Medical Staff Bylaws, Rules, Regulations, and policies, the standards for physicians established by the state Department of Public Health and all other state and federal laws and regulations relating to the licensure and practice of physicians, and The Joint Commission.

4.6 Managed Care Contracting. Physician shall cooperate in all reasonable respects necessary to facilitate KMC’s entry into or maintenance of any third-party payer arrangements for the provision of services under any other public or private health and/or hospital care programs, including but not limited to insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations. To enable KMC to participate in any third-party payer arrangements, Physician shall, upon request: (i) enroll as a provider (if required by the third-party payer), separate from KMC, with any third-party payer or intermediate organization (including any independent practice association) (each, a “Managed Care Organization”) designated by KMC for the provision of professional services to patients covered by such Managed Care Organization; (ii) enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization; and/or (iii) enter into a written agreement with KMC regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization.

4.7 Authorization to Release Information. Physician hereby authorizes Managed Care Organizations, government programs, hospitals and other third parties to release to KMC and its agents any information requested by KMC or its agents from time to time relating to Physician's professional qualifications or competency. Physician agrees to execute the Authorization to Release Information in the form set forth in Exhibit "B," attached hereto and incorporated herein by this reference, and to execute all other documents required by KMC from time to time and to otherwise fully cooperate with KMC to enable KMC and its agents to obtain such information from third parties.

4.8 Medical Records. Physician shall cause a complete medical record to be timely prepared and maintained for each patient seen by Physician. This record shall be prepared in compliance with all state and federal regulations, standards of The Joint Commission, and the KMC Medical Staff Bylaws, Rules, Regulations, and Policies. Documentation by Physician shall conform to the requirements for evaluation and management (E/M) services billed by teaching physicians set forth in the Medicare Carriers Manual, Part 3, sections 15016–15018, inclusive. All patient medical records of Practice Sites, including without limitation, patient medical records generated during the Term of this Agreement, shall be the property of KMC subject to the rights of the respective patients. Upon the expiration or termination of this Agreement by either party for any reason, KMC shall retain custody and control of such patient medical records.

4.9 Physician Private Practice. Physician understands and agrees that she shall not enter into any other physician employment contract or otherwise engage in the private practice of medicine during the Term of this Agreement or any extensions thereof.

4.10 Proprietary Information. Physician acknowledges that during the Term of this Agreement Physician will have contacts with and develop and service KMC patients and referring sources of business of KMC. In all of Physician's activities, Physician, through the nature of her work, will have access to and will acquire confidential information related to the business and operations of KMC, including, without limiting the generality of the foregoing, patient lists and confidential information relating to processes, plans, methods of doing business and special needs of referring doctors and patients. Physician acknowledges that all such information is solely the property of KMC and constitutes proprietary and confidential information of KMC; and the disclosure thereof would cause substantial loss to the goodwill of KMC; and that disclosure to Physician is being made only because of the position of trust and confidence that Physician will occupy. Physician covenants that, except as required by law, Physician will not, at any time during the Term or any time thereafter, disclose to any person, hospital, firm, partnership, entity or organization (except when authorized in writing by KMC) any information whatsoever pertaining to the business or operations of KMC, any affiliate thereof or of any other physician employed by KMC, including without limitation, any of the kinds of information described in this paragraph.

4.11 Physician Covenants. Physician covenants that from the Commencement Date and continuing throughout the Term of this Agreement, Physician, unless otherwise permitted by the written consent of Authority shall not, on Physician's own account or as an employee, landlord, lender, trustee, associate, consultant, partner, agent, principal, contractor, owner,

officer, director, investor, member or stockholder of any other person, or in any other capacity, directly or indirectly, in whole or in part: (i) engage in any activities that are in competition with KMC, including the operation of any medical practice or offering of any medical services that are similar to services offered at the Practice Sites; (ii) solicit or encourage the resignation of any employee of Authority or KMC with whom Physician had a working relationship during Physician's employment with Authority; (iii) solicit or divert patients with whom Physician had personal contact during such employment; or (iv) influence or attempt to influence any payer, provider or other person or entity to cease, reduce or alter any business relationship with Authority or KMC relating to the Practice Sites.

5. **Compensation Package.**

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 **September 19, 2026 through September 18, 2027.**

A) **Compensation Methodology.** Authority shall pay Physician a guarantee salary ("Guarantee Salary") as payment for teaching and administrative services and the care of KMC patients in the amount of the greater of (i) \$720,000 (the "Minimum Amount") per year, or (ii) payment for teaching and administrative services and the care of KMC patients using the current Medical Group Management Association Physician Compensation and Production Survey ("MGMA Survey Data") with more than one (1) year in the specialty for all physicians section. A conversion factor will be established by dividing the seventy-fifth (75th) percentile Total Compensation by the 75th percentile worked relative value unit ("Worked RVU") in that same category. Physician will be compensated at the current rate of \$73.80 for each Worked RVU ("RVU Effort") for each Worked RVU in excess of 9,756 generated during the period September 19, 2026 through September 18, 2027. No later than the end of each Employment Year, KMC will review the MGMA Survey Data to establish a new rate for the Worked RVU.

B) **Reconciliation of Guarantee Salary.** Within thirty (30) days after the end of each quarter during the Guarantee Period, KMC will calculate the RVU Effort for such immediately preceding quarter, taking into account the RVU Effort from September 19, 2026, through the end of the subject quarter, and the RVU Effort generated from the Guarantee Period shall be determined (the "Actual Amount"). KMC will undertake a reconciliation of the RVU Effort, for services provided by Physician during the Guarantee Period, no later than the end of one hundred twenty (120) days from the conclusion of the Guarantee Period. If the prorated Minimum Amount is lower than the Actual Amount, then such difference shall be paid to Physician as Guarantee Salary within thirty (30) days after such calculation has been completed.

5.1.2 **Annual Salary – September 19, 2027 through September 18, 2029.**

A) Compensation Methodology. Authority shall pay Physician an Annual Salary comprised of the following: (i) a base salary for teaching and administrative services and (ii) payment for care of KMC patients using the current Medical Group Management Association Physician Compensation and Production Survey (“MGMA Survey”) full-time physician compensation with more than one year in the specialty for all physicians section. A conversion factor will be established by taking the average of the MGMA Survey seventy-fifth (75th) percentile Total Compensation for Orthopedic Surgery (Trauma) and Orthopedic Surgery (General) divided by the average of the MGMA Survey 75th percentile work relative value unit (“wRVU”) Ratio for Orthopedic Surgery (Trauma) and Orthopedic Surgery (General) (“Worked RVU”).

B) Initial Annual Salary. Physician shall be compensated at the current rate of \$73.80 for each Worked RVU (“RVU Effort”).

C) Salary Adjustment. Commencing July 1, 2027, and each July 1 thereafter during the Term, KMC will establish an estimate (“Estimate”) of Physician’s RVU Effort using Physician’s RVU Effort for the immediately preceding twelve (12) month period annualized using the current MGMA Survey. The Estimate will be divided by the number of Authority payroll periods in a calendar year in order to calculate the amount of RVU Effort to be paid to Physician each payroll period (the “Paycheck Amount”). Within thirty (30) days after the end of each quarter, KMC will calculate the RVU Effort for such immediately preceding quarter, and adjust the payment for RVU Effort accordingly (the “Actual Amount”). If the Estimate is lower than the Actual Amount, then such difference shall be paid to Physician within thirty (30) days after such calculation has been completed, or as of the effective date of any termination of this Agreement, whichever occurs sooner. If the Estimate exceeds the Actual Amount, then Physician shall pay such difference to KMC: (i) in a lump sum within thirty (30) days after such calculation has been completed; or (ii) through a reduction in the Paycheck Amount during the next quarter; or (iii) in a lump sum as of the effective date of any termination of this Agreement, whichever occurs sooner. **Physician hereby expressly grants to KMC the right to offset any amounts owed to KMC against any payment to be made to Physician by KMC pursuant to this paragraph if Physician fails to pay such excess to KMC.**

D) Time Logs. Physician shall, on a monthly basis on or before the fifth (5th) day of each calendar month during the Term of this Agreement, submit to KMC a written time log in the form attached hereto and incorporated herein as Exhibit “C,” detailing to KMC’s satisfaction the date, time, actual number of hours, and description of activities related to assigned teaching and administrative duties during the immediately preceding calendar month.

E) Limitations on Compensation. Authority shall exclude from payment for care of KMC patients any Worked RVU that is not reimbursed by Medicare or Medi-Cal, unless authorized in advance by KMC.

5.1.3 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.

5.1.4 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.

5.2 Excess Call Coverage. Authority shall pay Physician for excess call coverage as follows: (i) Physician shall be paid the greater of a per diem amount of \$2,500 or the Worked RVU per twenty-four (24) hour day for weekend² coverage that exceeds one (1) weekend per month; and (ii) Physician shall be paid the greater of a per diem amount of \$2,500 or the Worked RVU per twenty-four (24) hour day for weekday³ coverage that exceeds one (1) weekday per week. All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.3 Signing Bonus.

5.3.1 Bonus. Physician shall receive a signing bonus in the amount of \$30,000, payable within fifteen (15) business days of the date of the last signature herein below. Physician agrees to repay the entire amount of the signing bonus should Physician for any reason fail to report to work on the Commencement Date.

5.3.2 Repayment. In the event that Physician voluntarily terminates her employment with Authority for any reason whatsoever before September 19, 2027, Physician will repay to Authority an amount equal to \$30,000 multiplied by the fraction, the numerator of which is three hundred sixty-five (365) less the number of days during which Physician was employed by Authority, and the denominator of which is three hundred sixty-five (365). Such repayment shall be made by Physician in full within thirty (30) days of the effective date of her termination of employment with Authority.

5.3.3 Offset. Physician hereby authorizes Authority to offset against and reduce any amounts otherwise due to Physician for any amounts in respect of the obligation to repay the signing bonus.

5.4 Starting Bonus.

5.4.1 Bonus. Physician shall receive a starting bonus in the amount of \$40,000, less all applicable federal and state taxes and withholdings, payable within ten (10) business days of the Commencement Date. Physician shall forfeit the starting bonus if she fails to report to work on the Commencement Date.

² For purposes of weekend call coverage, a "weekend" is defined as Friday through Sunday or, in the event of a holiday, Friday through Monday.

³ For purposes of weekday call coverage, a "weekday" is defined as Monday through Thursday or, in the event of a holiday, Tuesday through Thursday.

5.4.2 Repayment. In the event that Physician voluntarily terminates her employment with Authority for any reason whatsoever before the first anniversary of this Agreement, Physician shall repay to Authority an amount equal to \$40,000 multiplied by the fraction, the numerator of which is three hundred sixty-five (365) less the number of days during which Physician was employed by Authority, and the denominator of which is three hundred sixty-five (365). Such repayment shall be made by Physician in full within thirty (30) days of the effective date of her termination of employment with Authority.

5.4.3 Offset. Physician hereby authorizes Authority to offset against and reduce any amounts otherwise due to Physician for any amounts in respect of the obligation to repay the starting bonus.

5.5 Professional Fee Billing.

5.5.1 Assignment. KMC shall have the exclusive right and authority to set, bill, collect and retain all fees, including professional fees, for all direct patient care services provided by Physician during the Term of this Agreement. All professional fees generated by Physician during the Term of this Agreement, including without limitation, both cash collections and accounts receivable, capitated risk pool fees, professional retainer fees, honoraria, professional consulting and teaching fees, and fees for expert testimony (but excluding Physician's private investment and nonprofessional income), will be the sole and exclusive property of KMC, whether received by KMC or by Physician and whether received during the Term of this Agreement or anytime thereafter. Physician hereby assigns all rights to said fees and accounts to KMC and shall execute all documents required from time to time by KMC and otherwise fully cooperate with KMC to enable KMC to collect fees and accounts from patients and third-party payers.

5.5.2 Remittance of Professional Fee Charges. Physician shall remit all professional fee charges to KMC within forty-five (45) days of the date direct patient care services are provided by Physician. Any professional fee charges not remitted by Physician to KMC within forty-five (45) days of the date of such service, or any charges for which relevant documentation has not been provided, will not be credited to Physician as Worked RVU.

5.6 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$3,000,000 over the three (3) year Initial Term of this Agreement.

6. Benefits Package.

6.1 Retirement. Physician shall participate in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"), a qualified defined contribution pension plan, pursuant to the terms of the instrument under which the Plan has been established, as from time to time amended. Physician is not eligible to participate in any other retirement plan established by Authority for its employees, including but not limited to the Kern

County Employees' Retirement Association, and this Agreement does not confer upon Physician any right to claim entitlement to benefits under any such retirement plan(s).

6.2 Health Care Coverage. Physician shall receive the same health benefits (medical, dental, prescription and vision coverage) as all eligible Authority employees. The employee share of cost is twenty percent (20%) of the current biweekly premium. Physician is eligible for coverage the first (1st) day of the biweekly payroll period coincident with or next following the day she completes one (1) month of continuous service. Physician's initial hire date is the initial opportunity to enroll in the health plan. Physician must work at least forty (40) hours per biweekly pay period to be eligible for coverage.

6.3 Holidays. Physician shall be entitled to paid holidays subject to Authority policy, as amended from time to time. Physician will not be paid for banked holidays upon termination of employment.

6.4 Vacation. Physician shall be entitled to vacation leave subject to Authority policy, as amended from time to time. Physician shall be paid for accrued and unused vacation leave, if any, upon termination or expiration of this Agreement calculated at Physician's current hourly rate (i.e., current Annual Salary divided by 2080 hours = hourly rate). All payments made by Authority to Physician under this paragraph will be subject to all applicable federal and state taxes and withholding requirements.

6.5 Sick Leave. Physician shall be entitled to sick leave subject to Authority policy, as amended from time to time. Physician will not be paid for accrued and unused sick leave upon termination of employment.

6.6 Education Leave. Physician shall receive eighty (80) hours paid education leave annually. The first eighty (80) hours will accrue on the Commencement Date. On each successive Employment Year, if any, an additional eighty (80) hours paid education leave will accrue. Education leave must be used within the year that it is accrued. Physician will not be paid for unused education leave upon termination of employment. The Department Chair must approve education leave in advance of use. Physician's participation in educational programs, services or other approved activities set forth herein shall be subordinate to Physician's obligations and duties under this Agreement.

6.7 CME Expense Reimbursement. Authority shall reimburse Physician for all approved reasonable and necessary expenditures related to continuing medical education in an amount not to exceed \$2,500 per Employment Year, payable in arrears, in accordance with Authority policy, as amended from time to time. This amount may not be accumulated or accrued and does not continue to the following Employment Year.

6.8 Flexible Spending Plan. Physician shall be eligible to participate in flexible spending plans to pay for dependent care, non-reimbursed medical expenses, and certain insurance premiums on a pre-tax basis through payroll deduction. This is a voluntary benefit that is paid by Physician if she elects to participate in the plan.

6.9 Attendance at Meetings. Physician shall be permitted to be absent from KMC during normal working days to attend professional meetings and to attend to such outside professional duties in the healthcare field as may be mutually agreed upon between Physician and the Department Chair. Attendance at such approved meetings and accomplishment of approved professional duties shall be fully compensated service time and will not be considered vacation or education leave.

6.10 Unpaid Leave of Absence. Physician may take an unpaid leave of absence in accordance with Authority policies in effect at the time the leave is taken.

6.11 Social Security. Physician is exempt from payment of Social Security taxes as the Kern County Hospital Authority Defined Contribution Plan for Physician Employees is a qualified alternative to the insurance system established by the federal Social Security Act.

6.12 Deferred Compensation. Physician shall be eligible to participate in the Kern County Deferred Compensation Plan (“457 Plan”) on a pre-tax basis. Physician shall make all contributions if she elects to participate in the 457 Plan.

6.13 Disability Insurance. Physician shall be eligible to purchase Long Term Disability or Short Term Disability insurance coverage through payroll deduction on a post-tax basis. This is a voluntary benefit that is paid by Physician if she elects to participate in the plan.

6.14 Employee Assistance/Wellness Programs. Physician shall be eligible to participate in any Authority-sponsored employee assistance and employee wellness programs.

6.15 Relocation Reimbursement. Authority shall reimburse Physician for actual relocation expenses (defined as the packing, moving and unpacking of household goods and vehicles) and travel expenses (defined as lodging, meals, mileage and incidental expenses) associated in moving to Bakersfield, California, in an amount not to exceed \$25,000, payable in arrears, in accordance with Authority policy (no later than 90 days from the Commencement Date). Reimbursement of travel expenses will include per mile reimbursement for one (1) personal vehicle at the current privately owned vehicle (POV) mileage reimbursement rate established by the U.S. General Services Administration, meals and incidental expenses for Physician only at the current domestic per diem rates established by the U.S. General Services Administration for Kern County, and reasonable hotel accommodations not to exceed the maximum allowable reimbursement rate including taxes established by Authority. Physician shall be deemed vested in reimbursement of relocation expenses in the amount of \$694.45 per month beginning on the last day of the month in which the relocation expenses are reimbursed to Physician. In the event Physician’s employment is terminated by either party, with or without cause, then, on the effective date of such termination, Physician shall repay to Authority all amounts received in which Physician has not yet become vested.⁴

⁴ By way of example only, in the event Physician terminates her employment after eighteen (18) months then Physician will be vested to the extent of \$12,500 in the relocation expenses described herein and will be obligated to repay Authority the amount of \$12,500. **In the event Physician fails to pay such amount to Authority, Physician expressly grants to Authority the right to offset any amounts owed to Authority against any payments made to Physician by Authority.**

6.16 **Limitation on Benefits.** Except as expressly stated herein, Physician shall receive no other benefits from Authority.

7. **Assignment.** Physician shall not assign or transfer this Agreement or her obligations hereunder or any part thereof. Physician shall not assign any money due or which becomes due to Physician under this Agreement without the prior written approval of Authority.

8. **Assistance in Litigation.** Upon request, Physician shall support and assist Authority as a consultant or expert witness in litigation to which Authority is a party.

9. **Authority to Incur Financial Obligation.** It is understood that Physician, in her performance of any and all duties under this Agreement, has no right, power or authority to bind Authority to any agreements or undertakings.

10. **Captions and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.

11. **Choice of Law/Venue.** This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the County of Kern, state of California.

12. **Compliance with Law.** Physician shall observe and comply with all applicable Authority, local, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.

13. **Confidentiality.** Physician shall maintain confidentiality with respect to information that she receives in the course of her employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by Government Code section 6250 et seq. Upon completion of the Agreement, the provisions of this paragraph shall continue to survive.

14. **Conflict of Interest.** Physician covenants that she has no interest and that she will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law (Gov. Code, § 81000 et seq.) or that would otherwise conflict in any manner or degree with the performance of her services hereunder. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement, Authority may immediately terminate this Agreement by giving written notice thereof.

15. **Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

16. **[RESERVED]**.

17. **Enforcement of Remedies.** No right or remedy herein conferred on or reserved to Authority is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.

18. **Indemnification.** Authority shall assume liability for and indemnify and hold Physician harmless from any and all claims, losses, expenses, costs, actions, settlements, attorneys' fees and judgments incurred by Physician or for which Physician becomes liable, arising out of or related to services rendered or which a third party alleges should have been rendered by Physician pursuant to this Agreement. Authority's obligation under this paragraph shall extend from Physician's first date of service to Authority and shall survive termination or expiration of this Agreement to include all claims that allegedly arise out of services Physician rendered on behalf of Authority; provided, however, that the provisions of this paragraph shall not apply to any services rendered at any location other than Practice Sites designated by Authority or KMC without approval by the Kern County Hospital Authority Board of Governors, and, provided further, that Authority shall have no duty or obligation to defend, indemnify, or hold Physician harmless for any conduct or misconduct found to be intentional, willful, grossly negligent, or criminal.

19. **Invalidity of a Portion.** Should a portion, section, paragraph, or term of this Agreement be construed as invalid by a court of competent jurisdiction, or a competent state or federal agency, the balance of the Agreement shall remain in full force and effect. Further, to the extent any term or portion of this Agreement is found invalid, void or inoperative, the parties agree that a court may construe the Agreement in such a manner as will carry into force and effect the intent appearing herein.

20. **Modifications of Agreement.** This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification.

21. **Non-appropriation.** Authority 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, Authority will be released from any further financial obligation to Physician, 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. Physician shall be given thirty (30) days' prior written notice in the event that Authority requires such an action.

22. **Nondiscrimination.** No party to this Agreement shall discriminate on the basis of race, color, religion, sex, national origin, age, marital status or sexual orientation, ancestry, physical or mental disability, medical conditions, political affiliation, veteran's status, citizenship or marital or domestic partnership status or on the basis of a perception that an individual is associated with a person who has, or is perceived to have, any of these characteristics.

23. **Non-waiver.** No covenant or condition of this Agreement can be waived except by the written consent of Authority. Forbearance or indulgence by Authority in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by Physician. Authority shall be entitled to invoke any remedy available to Authority under this Agreement or by law or in equity despite said forbearance or indulgence.

24. **Notices.** Notices to be given by one party to the other under this Agreement shall be given in writing by personal delivery, by certified mail, return receipt requested, or express delivery service at the addresses specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received four (4) days after deposit. A party may change the address to which notice is to be given by giving notice as provided above.

Notice to Physician:

Zohal (Ghulam-Jelani) Soderlund, M.D.
1759 Waterfront Avenue
Pittsburgh, Pennsylvania 15222

Notice to Authority:

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

25. **Relationship.** Authority and Physician recognize that Physician is rendering specialized, professional services. The parties recognize that each is possessed of legal knowledge and skill, and that this Agreement is fully understood by the parties, and is the result of bargaining between the parties. Each party acknowledges their opportunity to fully and independently review and consider this Agreement and affirm complete understanding of the effect and operation of its terms prior to entering into the same.

26. **Severability.** Should any part, term, portion or provision of this Agreement be decided finally to be in conflict with any law of the United States or the state of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the parties intended to enter into in the first instance.

27. **Sole Agreement.** This Agreement contains the entire agreement between the parties relating to the services, rights, obligations, and covenants contained herein and assumed by the parties respectively. No inducements, representations, or promises have been made, other than those recited in this Agreement. No oral promise, modification, change, or inducement shall be effective or given any force or effect.

28. **Termination.**

28.1 **Termination without Cause.** Either party shall have the right to terminate this Agreement, without penalty or cause, by giving not less than one hundred twenty (120) days' prior written notice to the other party.

28.2 **Immediate Termination.** Notwithstanding the foregoing, Authority may terminate this Agreement immediately by written notice to Physician upon the occurrence of any of the following events: (i) Authority determines that Physician does not have the proper credentials, experience, or skill to perform the required services under this Agreement; (ii) Authority determines the conduct of Physician in the providing of services may result in civil, criminal, or monetary penalties against Authority or KMC; (iii) Physician violates any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority or Practice Sites is subject; (iv) Physician engages in the commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty against Authority or KMC; (v) the actions of Physician result in the loss or threatened loss of KMC's ability to participate in any federal or state health care program, including Medicare or Medi-Cal; (vi) Physician's license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (vii) Physician's medical staff privileges are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (viii) Physician's Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (ix) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (x) Physician fails to make a timely disclosure pursuant to paragraph 4.4; (xi) Physician engages in conduct that, in the sole discretion of Authority, is detrimental to patient care or to the reputation or operations of Authority and/or KMC; (xii) Physician breaches the confidentiality provisions of this Agreement; (xiii) Physician dies; (xiv) Physician fails to follow Authority's policies and procedures and other rules of conduct applicable to all employees of Authority, including without limitation, policies prohibiting sexual harassment; (xv) insubordination, flagrant tardiness, or interpersonal problems in the workplace with colleagues, patients or associates; or (xvi) Physician breaches any covenant set forth in paragraph 4.11.

29. **Effect of Termination.**

29.1 **Payment Obligations.** In the event of termination of this Agreement for any reason, Authority shall have no further obligation to pay for any services rendered or expenses incurred by Physician after the effective date of the termination, and Physician shall be entitled to receive compensation for services satisfactorily rendered, calculated on a prorated basis up to the effective date of termination.

29.2 **Vacate Premises.** Upon expiration or earlier termination of this Agreement, Physician shall immediately vacate KMC, removing at such time any and all personal property of Physician. KMC may remove and store, at the expense of Physician, any personal property that Physician has not so removed.

29.3 **No Interference.** Following the expiration or earlier termination of this Agreement, Physician shall not do anything or cause any person to do anything that might interfere with any efforts by Authority or KMC to contract with any other individual or entity for the provision of services or to interfere in any way with any relationship between KMC and any person who may replace Physician.

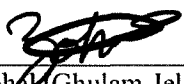
29.4 No Hearing Rights. Termination of this Agreement by Authority or KMC for any reason shall not provide Physician the right to a fair hearing or the other rights more particularly set forth in the KMC Medical Staff Bylaws.

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

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Agreement as of the day and year first written above.

PHYSICIAN

By  _____
Zoha (Ghulam-Jelani) Soderlund, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority

EXHIBIT “A”
JOB DESCRIPTION
Zohal (Ghulam-Jelani) Soderlund, M.D.

Position Description: Reports to Chair, Department of Surgery and Chief, Division of Orthopedic Surgery; serves as full-time faculty member in the Department; provides no fewer than eighty (80) hours of service per biweekly pay period; works collaboratively with clinic and surgery staff and hospital administration to ensure efficient workflow, adequacy of support equipment, and superior patient experience.

Essential Functions:

1. **Clinical Responsibilities and Assignments:**
 - Provides service and improves efficiency for orthopedic clinic activities and surgical cases
 - Provides faculty service for acute trauma and fresh fracture call coverage; rounds and follows up as appropriate on patients admitted to KMC
 - Supervises orthopedic Physician Assistant activity and competence
 - Operating Room – minimum of three (3) full days per week
 - KMC, Stockdale Highway, Q Street, or other designated clinic sites – minimum of three (3) half-day clinics per week
 - Call coverage – one (1) day per week and one (1) weekend per month

2. **Administrative Responsibilities:**
 - Participates in clinical and administrative integration efforts across KMC as appropriate for orthopedic surgery ensuring proper program planning, resource allocation, analysis, communication and assessment
 - Gathers data through best practices and collaborates with other members of the Department and Division to recommend services that will increase productivity, minimize duplication of services, increase workflow efficiency, and provide the highest quality of care to KMC patients
 - Supports the Department Chair and Division Chief in developing monitoring tools to measure financial, access, quality, and satisfaction outcomes
 - Attends and actively participates in assigned Medical Staff and hospital committees
 - Participates in the preparation, monitoring, review, and performance of clinical activity in the Division
 - Participates in the quality improvement and risk management activities, including peer review and quality control functions as assigned to services in the Division
 - Provides didactic teaching and resident physician and medical student education as assigned and participates in setting goals and expectations for orthopedic surgery medical student rotations
 - Completes medical records in a timely fashion and works to improve the quality, accuracy, and completeness of documentation
 - Works collaboratively with other clinical departments to develop a cohesive and collaborative environment across departments with a focus of enhancing access to patient care for inpatient and outpatient services

- Follows and complies with the Medical Staff Bylaws, Rules, Regulations, and policies and Authority and KMC policies and procedures

Employment Standards:

One (1) year of post-residency experience in orthopedic surgery

AND

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

AND

Certification by the American Board of Orthopaedic Surgery in orthopaedic surgery-general

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

[INTENTIONALLY LEFT BLANK]

EXHIBIT "B"

AUTHORIZATION TO RELEASE INFORMATION

[TO BE ATTACHED]

AUTHORIZATION TO RELEASE INFORMATION

I, the undersigned physician, hereby authorize Kern Medical Center ("KMC") and its duly authorized representatives to obtain information from time to time about my professional education, training, licensure, credentials competence, ethics and character from any source having such information. This information may include, without limitation, peer review information, DRG and RVU analyses, ancillary usage information and other utilization and quality related data.

I hereby release the Kern County Hospital Authority and KMC, its authorized representatives and any third parties from any liability for actions, recommendations, statements, reports, records or disclosures, including privileged and confidential information, involving me that are made, requested, taken or received by KMC or its authorized representatives to, from or by any third parties in good faith and relating to or arising from my professional conduct, character and capabilities.

I agree that this authorization to release information shall remain effective until termination of my employment by the Kern County Hospital Authority and KMC. A duplicate of this authorization may be relied upon to the same degree as the original by any third party providing information pursuant to this request.



Physician

5/16/20

Date

EXHIBIT "C"
TIME LOG FORM

[SEE ATTACHED]

TIME LOG FORM

Physician Name

Signature / Date

Department

Month / Year of Service

Total Hours / Month

Services Provided (please list specific activity performed)

Date

Hours

1. Medical Staff CME Activities

2. Hospital Staff Education and Training

3. Clinical Supervision

4. Quality Improvement Activities (committees, case review, etc.)

5. Administration Activities

6. Community Education

7. Medical Management Activities

8. Compliance Activities

9. Other Services

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

May 20, 2026

Subject: Proposed retroactive Amendment No. 1 to Agreement 62723 with DBRS Medical Systems

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed retroactive Amendment to Agreement 62723 with DBRS Medical Systems for continued lease of the mobile CT trailer. This amendment would increase the not to exceed contractual amount from \$174,700 to \$1,096,480. This device provides KMC the ability to continue providing CT imaging services while the installation/construction of the permanent CT machine is completed.

On September 23, 2023, Kern Medical entered into a six-month agreement with DBRS Medical Systems, Inc., for the lease of a mobile CT trailer. The agreement auto renews from month-to-month as long as Kern Medical continues to use the trailer. However, the Amendment will fix the term for a period of 28 months from March 10, 2024 through July 31, 2026, and also increases the not to exceed amount from \$174,770 to \$1,096,480, an increase of \$921,780, to cover the term. The Amendment is effective May 20, 2026.

This proposed amendment was listed on the April retroactive agreement list. The Amendment is retroactive because to determine accurate necessary funding, extensive work was done with contractors to determine the remaining timeline for completion of the CT Replacement project, during which time the total value exceeded the CEO's signing authority.

Therefore, it is recommended that your Board retroactively approve Amendment No. 1 to Agreement 62723 DBRS Medical Systems for lease of the mobile CT trailer, fixing the term to 28 months from March 10, 2024 through July 31, 2026, and increasing the not to exceed amount by \$921,780, from \$174,770 to \$1,096,480, to cover the term, effective May 20, 2026, and authorize the Chairman to sign.

**AMENDMENT NO. 1
TO
MASTER SERVICES AGREEMENT
(Kern County Hospital Authority–DBRS Medical Systems, Inc.)**

THIS AMENDMENT TO AGREEMENT, effective May 20, 2026, is between the Kern County Hospital Authority, a local unit of government ("KCHA"), which owns and operates Kern Medical Center ("KMC"), and DBRS Medical Systems, Inc. ("Consultant") with its principal place of business located at ADDRESS.

WITNESSETH:

WHEREAS, KCHA and Consultant entered into a Lease Agreement dated September 12, 2023 (Agt. #62723) ("Agreement"), for the period September 9, 2023 through March 9, 2024; 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 March 10, 2024 to July 31, 2026, unless sooner terminated as provided for in the Agreement.
- Fees** payable by KCHA under the Agreement shall increase by \$921,780, from \$174,700 to \$1,096,480.
- Travel Expenses** payable by KCHA under the Agreement shall increase from by \$, from \$ to \$.
- Services.** See Exhibits A-1 and B-1, attached hereto and incorporated herein by this reference, for revised Services.
- Other**

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

IN WITNESS WHEREOF, this Amendment No. 1 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: _____

DBRS MEDICAL SYSTEMS, INC.

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

By 
Name: _____
Title: _____
"Consultant"

By 
Hospital Counsel
Kern County Hospital Authority

Date: 4/23/2026

Date: 4/23/26

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

May 20, 2026

Subject: Proposed retroactive Amendment 2 to Agreement 079-2022 with Verity Solutions Group, Inc.

Recommended Action: Approve; Authorize Chief Executive Officer to sign

Summary: Kern Medical requests your Board approve the proposed amendment to our agreement with Verity Solutions Group, Inc., for additional services in Verity's web based 340B management solution. Verity's split-billing and virtual inventory systems allows Kern Medical Pharmacy to maintain compliance with HRSA 340B regulations without having to maintain separate physical inventories.

On July 20, 2022, your Board entered into a three (3) year agreement in an amount not exceed \$115,000.

On June 18, 2025, your Board entered into Amendment No. 1 to extend the term for an additional five (5) years and increase the not to exceed amount by 162,000.

This proposed Amendment 2 would allow Kern Medical to optimize drug purchasing services, providing an additional \$76,000 of net savings annually. The Amendment was effective April 28, 2026, total cost of the agreement for the remainder of the five (5) year term is \$280,000. The Amendment was listed on the April Board Retroactive list. The Amendment is retroactive as it was received after the deadline for the April board meeting but was executed immediately to capitalize on the additional savings.

Therefore, it is recommended that your Board retroactively approve the proposed Amendment No. 2 to Agreement 079-2022, allowing Kern Medical to take advantage of optimized drug purchasing services, in an amount not to exceed \$280,000, effective April 28, 2026 through June 27, 2030, and authorize Chief Executive Officer to sign.



AMENDMENT NUMBER 2

This Amendment Number 2 ("Amendment") is made and entered into 3/31/2026 ("Effective Date") by and between Kern County Hospital Authority ("Customer") and Verity Solutions Group, Inc. ("Verity").

WHEREAS, Verity and Customer entered into that certain Verity 340B Split Billing Services Agreement, dated June 28, 2022, as amended by Amendment Number 1 dated June 18, 2025 (together, the "Agreement"); and

WHEREAS, Customer and Verity wish to amend the Agreement.

THEREFORE, for and in consideration of the mutual promises to each other, as hereinafter set forth, the parties hereto do mutually agree to amend the Agreement, as follows:

- The Agreement is hereby amended to add V340B Verisave™ Purchase Optimization Services to the Agreement as Exhibit D, attached hereto and incorporated herein by this reference.
- Exhibit B of the Agreement is hereby amended to add the following Location for 340B Services at the below specified rates:

Location/Address For Each Accumulator	340B ID Number	Setup Option	Subscription Fee (monthly)	Setup Fee (one-time)
Kern Medical 1700 Mt. Vernon Ave. Bakersfield, CA 93306	DSH050315	NDC Optimizer	\$250	Waived

3. The subscription term for the Location added under this Amendment will commence on the Effective Date of this Amendment and continue for the duration of the subscription term set forth in the Agreement and thereafter, will renew in accordance with the Agreement.

4. Setup Fees are Invoiced on the Effective Date of this Amendment. Subscription Fees are invoiced monthly in advance commencing on the second month following the Effective Date of this Amendment.

Except as specifically changed by this Amendment, all other terms, conditions and other provisions of the Agreement remain in full force and effect.

Each party causes this Amendment to be executed by its duly authorized representative and is entered into by the parties as of the date set forth above.

VERITY SOLUTIONS GROUP, INC.

By: Melissa Steffan
9410EE7257CE488...

Print Name: Melissa Steffan

Title: President

Date: 3/31/2026

KERN COUNTY HOSPITAL AUTHORITY

By: [Signature]

Print Name: Scott Thygeron

Title: Chief Executive Officer

Date: April 28, 2026

APPROVED AS TO FORM:
Legal Services Department

By: Phillip Jenkins
Kern County Hospital Authority
Page 1 of 3



Exhibit D V340B Verisave™ Purchase Optimization Services

Customer hereby orders the following products and services:

High-Level Description of Verisave™ Purchase Optimization

Verisave™ Product Select ("Verisave"). Verisave is a Purchase Optimization solution and is part of Verity's V340B software platform. Verisave provides purchasing reports and analytics and may be configured to automatically modify Customer's wholesaler orders in order to maximize Customer savings, based on therapeutic equivalents and then-current pricing available from Customer's wholesaler. Customer acknowledges and agrees that Verisave will intercept and may modify Customer's orders for certain pharmaceuticals before the order is finally submitted by Verity to Customer's wholesaler(s).

Verisave™ Contract Price Validation. The Verisave™ Contract Price Validation ("CPV") feature enables Customer to compare the expected price at the time of order placement with the actual invoice price. This feature permits Customer to assign a status to the validation outcome and generate reports to identify potential opportunities for improvement. It is applicable across all vendor contracts and account types concurrently that provide EDI files to Verity, thereby providing a comprehensive overview and enhancing workflow efficiency. CPV may be added to the Verisave services as designated below.

Verisave™ Multi-Vendor Select. The Verisave™ Multi-Vendor ("MVS") feature enables Customer to have the V340B system look at multiple, active wholesaler accounts of the Customer to determine best available price for the ordered NDC. MVS may be added to the Verisave services as designated below.

The V340B Verisave services together with any optional features will hereinafter be referred to as "Verisave Services".

Implementation Timeline

Verity and Customer will collaborate on the four phases of implementation:

- 1) Project Kick-off call, which will occur following execution of this Amendment.
- 2) Information gathering done via email, telephone meetings, and form completion.
- 3) Configurations as necessary, as determined by Verity.
- 4) Release & post-live revisions, as determined by Verity.

Customer Responsibilities

Customer will participate in all phases of implementation and promptly respond to all requests for information from Verity. Customer will proactively monitor its orders and communicate with its Account Manager about any questions regarding the order modifications made by the Verisave Services. Customer represents and warrants that it has the authority to enter into this Amendment and it is not under any obligation to any third party that is inconsistent or in conflict with this Exhibit D.

Term

The Verisave Services project implementation will begin following execution of this Amendment. The Term for Verisave Services will commence on the Effective Date of this Amendment and will thereafter run coterminous with the Agreement and renew in accordance with the Agreement. Notwithstanding anything to the contrary, to the extent Customer is using Verisave Services, the terms under this Exhibit D will govern such use.



Fees; Payment Terms

Verisave is provided to Customer on a per-location (i.e., single ordering pharmacy) basis. Monthly Shared Savings Fees are invoiced monthly in arrears beginning 60 days after signature of this Amendment for each Verisave pharmacy location listed in this Amendment; or upon go live, whichever is sooner. The Monthly Shared Savings Fee shall be calculated on the basis of savings reported by the Verisave system for the given Month.

Pharmacy Location	Items	Fees
Kern Medical Center 1700 Mount Vernon Avenue Bakersfield, CA 93306 DSH050315	Verisave – Implementation Fee	Waived
	Verisave - Monthly Shared Savings Fee (Percentage of actual realized savings) Includes Product Select and Contract Price Validation	23%

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

May 20, 2026

Subject: Proposed Service Quote WO-00361234 with Zoll Medical Corporation

Recommended Action: Approve; Authorize Chairman to sign

Summary: Kern Medical requests your Board approve the proposed Service Quote WO-00361234 with Zoll Medical Corporation, for 6-years preventive maintenance of a ventilator, LTV 1200, serial # E48429, in an amount not to exceed \$3,880. This device provides critical life support for patient care. In addition to the initial costs of the parts, Kern Medical estimates that preventative maintenance, which is required, will cost approximately \$26,000 over the six (6) year term, in an amount not to exceed \$30,000. The quote will be effective from May 20, 2026 through May 19, 2032. Zoll is the authorized servicer of the device.

Counsel is unable to approve the terms as to form because the terms are the unmodified terms and conditions of the vendor. The nonstandard terms included limited liability, the agreement is governed by Massachusetts law, a waiver of trial by jury among other nonstandard terms. Despite attempts by counsel, the vendor was unwilling to negotiate.

Therefore, it is recommended that your Board approve the proposed Service Quote: WO-00361234 with Zoll Medical Corporation, for six (6) year preventive maintenance of a ventilator, LTV 1200, serial # E48429 in an amount not to exceed \$30,000 plus tax and shipping, effective May 20, 2026 through May 19, 2032, and authorize the Chairman to sign.

Service Quote: WO-00361234

CREATED DATE: 1/21/2026



Account :		Ship to
KERN MEDICAL CENTER	Account No. (GAG):	1100 Bird Center
1700 MOUNT VERNON AVE	Billing Type: Billable	Dr. Palm Springs,
BAKERSFIELD, California, 933064018, United States	Service Contract:	CA. 92262
Product / Service:		Zoll Medical 211 Corporation
Installed Product: E48429-ASSY, LTV1200, W/ACC. ENGLISH, MR COND-KERN MEDICAL CENTER		269 Mill Road
Subject: 6YR PM Quote		Chelmsford, MA, 01879
Work Performed:		Phone: 833-327-3284
Service Location:		ZOLL Representative:
KERN MEDICAL CENTER		SUMMARY
1700 MOUNT VERNON AVE RECEIVING WAREHOU SE, BAKERSFIELD, California, United States 93305		Parts \$ 3,879.71
Contact: Alvin Eribal		Labor \$ 0.00
Contact Mobile: Contact Email: alvin.eribal@kernmedical.com		Travel \$ 0.00
		Expenses \$ 0.00
		Total Charges \$ 3,879.71

PARTS

Part	Product Code	Consumed Product Stock	Serial Number In	Serial Number Out	Billing Type	Estimated Qty	Line Price Per Unit	Total Estimated Price
30K PM, LTV1200 (NO TURBINE)	99122				Billable	1	3,879.71	3,879.71

LABOR

Type	Product Code	Billing Type	Estimated Qty	Line Price Per Unit	Total Estimated Price
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TRAVEL

Type	Product Code	Billing Type	Estimated Qty	Line Price Per Unit	Total Estimated Price
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EXPENSES

Expense Type	Billing Type	Estimated Qty	Line Price Per Unit	Total Estimated Price
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This service report is exclusive of taxes. If applicable, taxes will be added to your final invoice.

Quoted price is based on information given or from inspection. Additional parts or labor needed to complete repair will be added to the quoted price. Prices are applicable 30 days from date of Quote. PM related Travel charges are billed at a minimum of 3 hours per day per site, and estimated travel of 4 hours per day per site. Repair related Travel charges are billed at a

minimum of 3 hours per day traveled to the site, and an estimated travel of 4 hours per day. Additional travel may be billed as necessary for the repair. Travel to Alaska and Hawaii will result in additional travel related charges, including flight, meal and hotel expenses.

TERMS AND CONDITIONS

ZOLL agrees to perform, and Customer agrees to pay for the servicing of equipment subject to the following terms and conditions. This order shall be deemed accepted upon receipt by ZOLL of the signed acknowledgment copy of this order and Customer's purchase order. Any terms or conditions provided by Customer, including, without limitation, any terms or conditions that are stated in, or otherwise provided in connection with, a Customer purchase order that are in addition to or conflict with these Terms and Conditions shall have no force or effect without the express written consent of ZOLL. This offer expires on the quote expiration date on the cover page.

1. **Service/Equipment Acceptability Standards.** ZOLL will repair those instruments identified on the cover sheet ("Equipment") which are not operating and restore them to product specifications as determined by ZOLL, at mutually agreed upon times, Monday through Friday (excluding ZOLL holidays) during the hours of 8:00 a.m. to 5:00 p.m. local standard time ("Normal Hours") for the term of the Agreement. The Equipment must be operated according to the Operator's Manual(s) and any malfunction must be reported promptly to ZOLL. ZOLL is not responsible for data loss or data retrieval. ZOLL reserves the right to verify the condition of all Equipment named herein or added to this Agreement after the effective date prior to the start of the Term.

(a) On-site service calls requested outside of Normal Hours will be billed at ZOLL's after-hours service rate.

(b) **Software Updates:** ZOLL will provide software updates consistent with the Customer's installed configuration of hardware and software. Software upgrades that expand the application with new features are outside the scope of this Agreement and ZOLL reserves the right to charge the Customer if the Customer wishes to purchase these upgrades.

(c) **Return of defective parts:** All defective parts requested for return and given an RMA number will be returned to ZOLL within 30 (thirty) days of receipt of new or refurbished part. In the event that a part is not returned, ZOLL reserves the right to invoice the customer for the current list price of the part.

2. **Customer Responsibilities.** It is the Customer's responsibility to ensure (i) devices covered by the PM contract are available for Preventative Maintenance at the scheduled times; (ii) its devices are operated and stored in accordance with the user manuals for such equipment; and (iii) PM is performed annually to maintain superior performance.

3. **Cancellation.** Service Agreement is not transferrable and cannot be cancelled. However, if the Customer replaces equipment covered by a Service Agreement with new ZOLL equipment ("New Equipment") then, upon Customer's request, the remaining time under the Service Agreement will be transferred to the New Equipment at the end of the New Equipment's Factory Warranty. All requests to transfer the remaining balance of a Service Agreement must be submitted in writing to the ZOLL Service Contracts department (ServiceContractsAdmin@zoll.com) within 60 days of the date of shipment of the New Equipment. Failure to submit the Service Agreement transfer request will result in the forfeiture of the remaining Service Agreement.

4. **Payment.** Payment is due within thirty (30) days after the date of invoice. If payment is not received within thirty(30) days, ZOLL reserves the right to withhold service purchased under this Agreement. Should nonpayment extend beyond 30 (thirty) days after receipt of written notice, ZOLL may cease providing service. Applicable federal, state and/or local taxes shall be paid by Customer.

5. **Excluded Parts and Services.**

(a) The cost of parts is included with most service packages with the exception of accessories and consumables, as determined by ZOLL.

(b) ZOLL shall not be obligated to provide services under this Agreement for:

(1) damage to or destruction of Equipment covered, where such damage or destruction is (i) a result of or caused by fire or explosion of any origin, riot, civil commotion, aircraft, war, or any Act of God including, but not limited to, lightning, windstorm, hail, flood, earthquake, or (ii) caused by the Customer's misuse or abuse of such Equipment;

(2) damage incurred during shipping, moving or reinstallation of such Equipment; (3) Repairs, maintenance, or modifications made by anyone other than ZOLL trained personnel or without ZOLL's supervision and/or written approval; (4) decontamination due to spillage; (5) interpretation of data; (6) unauthorized field modifications, including any hardware or software applications not approved in writing by ZOLL; (7) any Customer operations or maintenance responsibilities; (8) Equipment failure due to power disturbances at the Customer's facilities; (9) software or computer virus infections induced via host networks, internet access, email, and/or any other non- ZOLL operating software; (10) networking applications/interface, including ADT, HL-7, not originally purchased with the Equipment; and (11) equipment or accessories not listed nor included in this Agreement.

6. **Warranties.** Except as expressly stated herein, ZOLL makes no warranties with respect to the services and disclaims all implied warranties.

TERMS AND CONDITIONS (cont.)

7. **Limitation of Liability.** Neither party shall be liable for lost profits, consequential, indirect or special damages of any kind for breach, negligence or otherwise. Each party's cumulative liability hereunder (in contract, warranty (express or implied), tort, strict liability or otherwise) shall not exceed the fees paid to ZOLL hereunder.

8. **Insurance.** Each party shall, at its own expense, maintain during the Term and for two (2) years thereafter comprehensive general liability insurance with a combined single limit of at least \$2 million per occurrence with coverage for incidents.

9. **Force Majeure.** Excluding only payment obligations, neither party will be liable for any act or omission caused by events outside the control of that party, including but not limited to, shortages in the supply chain, pandemics or epidemics, acts of God, disaster, strike, riot, war, terrorism and governmental action or intervention.

10. **Notices.** All notices, consents, and approvals under this Agreement must be delivered in writing by electronic mail, courier, electronic facsimile, or certified or registered mail (postage prepaid and return receipt requested) to the other party at the address set forth above and, in the case of ZOLL, to the attention of the Division General Counsel, Resuscitation (or to such other address or person as from time to time provided by such party in accordance with this Section), and will be effective upon receipt or three (3) business days after being deposited in the mail as required above, whichever occurs sooner.

11. **Governing Law and Venue; Waiver of Jury Trial.** This Agreement will be governed by and interpreted in accordance with the laws of the United States and the Commonwealth of Massachusetts (or if customer is located in Canada, the governing law will be the laws of Ontario), without reference to its

choice of law rules. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. Any action or proceeding arising from or relating to this Agreement shall be brought in a court in Massachusetts or Ontario, as applicable, and each party irrevocably submits to the jurisdiction and venue of any such court in any such action or proceeding. EACH PARTY HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. Each party shall comply with all applicable federal, state and local laws and regulations in connection herewith.

Customer Signature:

KERN COUNTY HOSPITAL AUTHORITY

REVIEWED ONLY
NOT APPROVED AS TO FORM

By: _____
Chairman, Board of Governors

By Phillip Jenkins,
Kern County Hospital Authority

Date: _____

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

May 20, 2026

Subject: Proposed Amendment No. 1 to Agreement 073-2024 with the County of Kern, a political subdivision of the state of California, as represented by the Public Health Services Department

Requested Action: Approve; Authorize Chief Executive Officer to sign

Summary:

Kern Medical requests your Board approve Amendment No. 1 to Agreement 073-2024, with the County of Kern for designation as a Stroke Center.

The County and Hospital entered into a retroactive Agreement on February 27, 2024, effective March 1, 2020 through February 28, 2026, designating Kern Medical as a stroke center.

This Amendment was captured on the March 18, 2026 list of retroactive contracts. The final version needed to be finalized in time to send to the County of Kern Board of Supervisors before it could be approved by the Board of Governors.

Therefore, it is recommended that your Board approve Amendment No. 1 to Agreement 073-2024 for designation as a Stroke Center, with the County of Kern, effective March 1, 2026, extending the term two years from March 1, 2026 through February 28, 2028, and authorize the Chief Executive Officer to sign.

Kern County

Agt. # 132-2026

**AMENDMENT NO. 1 TO AGREEMENT NO. 073-2024
FOR DESIGNATION AS A STROKE CENTER
(County of Kern – Kern Hospital Authority)**

This Amendment No. 1 to Agreement No. 073-2024 for designation as a stroke center (“Amendment No. 1”) is entered on APR 14 2026, by and between COUNTY OF KERN, a political subdivision of the state of California, as represented by the Public Health Services Department (“County”), and KERN COUNTY HOSPITAL AUTHORITY, a local unit of government, which owns and operates Kern Medical Center, (“Hospital”), located at 1700 Mount Vernon Avenue, Bakersfield, California 93306.

RECITALS

A. County and Hospital entered into a retroactive Agreement on February 27, 2024 (Agreement No. 073-2024), effective March 1, 2020 through February 28, 2026, wherein Hospital was designated as a stroke center; and

Both parties wish to amend Agreement No. 073-2024, as amended, to extend the term of the Agreement for an additional two years, from March 1, 2026 through February 28, 2028; and

NOW, THEREFORE, the parties hereto, based upon the above recitals and the covenants and conditions set forth herein, agree as follows:

1. Section 1 shall be amended to read in its entirety as follows:

“1. **Term and Termination.**

A. The term of this Agreement shall be effective as of March 1, 2020 and shall remain in effect until February 28, 2028. The term of this Agreement may be extended based upon re-designation as a Primary Stroke Center at two (2) year intervals. With or without cause, either party may terminate this Agreement at any time upon giving written notice to other party not less than thirty (30) days in advance.

B. This Agreement shall terminate immediately upon:

1. Hospital's failure to meet the Primary Stroke Center designation criteria as specified in the Stroke System of Care Policies.

2. Hospital's failure to meet the Primary Stroke Center Performance Standards specified in the latest version of the *Stroke System of Care Policies*; or
3. Hospital's failure to comply with any policy, procedure, or regulation mandated by the local, State or federal government."

2. Validity of Agreement

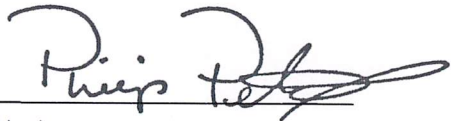
To the extent that they do not conflict with the terms of this Amendment No. 1, all other sections and provisions of the Agreement shall remain in full force and effect. In the event there is any inconsistency between the terms hereof and the Agreement, this Amendment No. 1 shall control.

[Intentionally left blank]

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

COUNTY OF KERN

KERN COUNTY HOSPITAL AUTHORITY

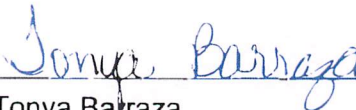
By 
Chairman
Board of Supervisors
PHILLIP PETERS

By 
Scott Thygerson
Chief Executive Officer

APPROVED AS TO CONTENT:
Public Health Services Department

APPROVED AS TO CONTENT:
Kern Medical Center

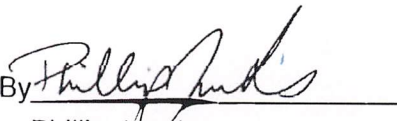
By 
Brynn Carrigan
Director of Public Health Services

By 
Tonya Barraza
Chief Nursing Officer

APPROVED AS TO FORM:
Office of County Counsel

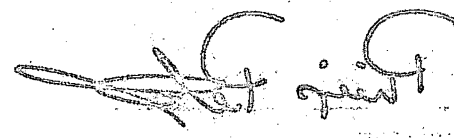
APPROVED AS TO FORM:
Legal Services Department

By 
Jennifer Feige
Deputy

By 
Phillip Jenkins
Hospital Counsel

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the said Court at the City of New York, this 12th day of June, 1964.

COURT OF APPEALS OF THE STATE OF NEW YORK



PHILLIP PETERS

CLERK OF THE COURT

CLERK OF THE COURT

DEPUTY CLERK

DEPUTY CLERK

RECORDS CLERK

RECORDS CLERK

CHIEF CLERK

CHIEF CLERK

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

May 20, 2026

Subject: Proposed Quote with TSI, Incorporated

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Quote with TSI, Incorporated for the repair of a TSI ventilator test devices in an amount not to exceed \$160 plus tax and shipping. These devices are essential for testing ventilators to ensure patient safety and regulatory compliance. We chose this vendor because they are the original equipment manufacturer (OEM) and the authorized service provider for this test equipment.

Counsel is unable to approve the terms as to form because these are the unmodified terms of the vendor. The proposed Quote is governed by the laws of the state of Minnesota, risk of loss passes to the Authority upon shipment, limitation of liability among other nonstandard terms. Vendor was unwilling to engage in negotiations.

Therefore, it is recommended that your Board approve the proposed repair agreement with TSI, Inc. for the repair of ventilator test device, with a not to exceed amount of \$160 plus tax and shipping and authorize the Chairman to sign.



TSI Incorporated
 500 Cardigan Road
 Shoreview, MN 55126
 USA
 EIN 41-0843524

Tel: (800)680-1220
Fax: (651)490-3824
Web: www.TSI.com
Email: orders@TSI.com

Quotation

Quote Contact
 Alvin Eribal
 Email: alvin.eribal@kernmedical.com

Bill-To-Party
 Kern Medical Center
 PO Box 3519
 Bakersfield CA 93385-3519

Ship-To-Party
 Kern Medical Center
 1700 Mount Vernon Ave
 Bakersfield CA 93306-4018

**Make PO Out To:
 TSI Incorporated**

Quotation Number 20333949
Quotation Date 04/01/2026
Customer No 5165995
Cust. Ref. 7721
Incoterms 2020 CPT: Prepay & Add
 Consignee's Premises
Payment Term Net 30 days
Valid To 05/01/2026
Currency USD
Method of Payment PO, Visa, Amex, Mastercard

Please reference Quote number when submitting PO

Item	Material/Description	Quantity	Unit Price	Amount
1	RP-4071 Repair & Cal of Certifier FA Model 4071 Certifier FA High Flow Module 4071 KERN COUNTY HOSPITAL AUTHORITY	1.00 EA	160.00	160.00
			Sub Total	160.00
			Freight	TBD
			Tax	TBD
			Total Amount	160.00

By: _____
 Chairman, Board of Governors

REVIEWED ONLY
 NOT APPROVED AS TO FORM
 By Phillip Jenkins
 Kern County Hospital Authority

Date: _____

Sales Tax and Freight charges determined by tax status of customer and shipping method selected.
 These items are controlled by the U.S. Government and authorized for export only to the country of ultimate destination for use by the ultimate consignee or end-user(s) herein identified. They may not be resold, transferred, or otherwise disposed of, to any other country or to any person other than the authorized ultimate consignee or end-user(s), either in their original form or after being incorporated into other items, without first obtaining approval from the U.S. Government or as otherwise authorized by U.S. law and regulations.

This Quotation is subject to the warranties, disclaimers and all other terms and conditions set forth by TSI Inc. and incorporated by reference and to no others. Seller reserves the right to change prices effective on any new orders, provided Seller notifies in writing those with currently valid Quotations prior to any order being placed. This quotation shall become an agreement binding upon the Buyer and Seller when accepted by the Buyer and subsequently accepted by an authorized representative of the Seller at the Seller's home office and thereupon shall constitute the entire agreement between the parties.

Pangea Her
 TSI Incorporated
 Date 04/01/2026

TSI Terms and Conditions apply and are incorporated by reference. See <http://www.tsi.com/tc.pdf>
 For payment terms, complete credit application at <http://www.tsi.com/credit-app/>

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

May 20, 2026

Subject: Proposed retroactive Agreement with PACE Analytical Services, LLC

Recommended Action: Make finding that project is exempt from further CEQA review per sections 15301, 15302, and 15061(b)(3) of State CEQA guidelines; Approve; Authorize Chief Executive Officer to sign

Summary:

Kern Medical requests your Board retroactively approve the proposed Agreement with PACE Analytical, LLC, to complete the soil testing at the underground fuel tank at the main campus.

On December 29, 2025, a main sewer line was discovered to be too close while excavating the underground fuel tank at the main campus. It was determined that the underground tank cannot be removed and must be filled with a slurry concrete mix and buried. This prompted additional soil sampling outside of the original agreement from the Bakersfield Fire Department.

The proposed retroactive Agreement before your Board is effective of April 10, 2026 through April 10, 2027, in the amount not to exceed \$25,226. The agreement is retroactive as negotiations over the terms and conditions extended beyond the deadline for the April meeting. The proposed Agreement was listed on the April retroactive list.

Counsel is unable to approve the terms as the terms include a limit liability to \$50,000. Despite negotiations counsel was unable to remove this term.

Therefore, it is recommended that your Board Make finding that project is exempt from further CEQA review per sections 15301, 15302, and 15061(b)(3) of State CEQA guidelines; retroactively approve the Agreement with PACE Analytical, LLC, in an amount not to exceed \$25,226, effective April 10, 2026 through April 10, 2027, and authorize the Chief Executive Officer to sign.

KERN COUNTY HOSPITAL AUTHORITY
PERSONAL/PROFESSIONAL SERVICES AGREEMENT
SCHEDULE TO MASTER TERMS AND CONDITIONS: PPSA

THIS SCHEDULE shall be effective on: April 10, 2026 ("Effective Date") and shall terminate and shall terminate no later than April 10, 2027..

Kern County Hospital Authority Department: Construction ("Responsible KCHA Department") Located at: 1700 Mt. Vernon Avenue, Bakersfield, CA 93306.

Service Provider: PACE Analytical Services, LLC ("Consultant") Located at: PO Box 71164, Bakersfield, California 93387.

Consultant Is (select one):
 Sole Proprietorship
 Incorporated in the State of Minnesota.
 Other (specify) _____

Consultant shall provide those services described in Exhibit "A" which is attached hereto and incorporated herein by this reference.

Kern County Hospital Authority ("KCHA") shall compensate Consultant for all services to be provided hereunder, including any reimbursement of travel expenses and other costs incurred by Consultant under this Agreement, in an aggregate sum not to exceed \$25,226 and Consultant will quote each project and a Purchase Order will be used under this Agreement for each approved Project.

(Select one of the following two)

KCHA shall not reimburse Consultant for any costs or travel expenses incurred by Consultant hereunder.
 KCHA shall reimburse Consultant for all necessary and reasonable actual costs or travel expenses incurred on behalf of KCHA. If the reimbursable expenses include travel, the travel expenses must be reasonable and necessary, approved in advance by the Responsible KCHA Department, and shall not exceed the following KCHA per diems: Lodging, \$116.00 per night plus tax; breakfast, \$14.00; lunch, \$16.00; dinner, \$26.00; economy rental car; and mileage, if by private automobile, at \$.56 per mile; and by common carrier at actual fare charged for economy or coach class.

Consultant shall be required to have the following insurance coverages, as described in the Master Terms and Conditions, in the minimum amounts indicated: (select all that apply)

Workers' Compensation: As required by California Labor Code Section 3700
 Commercial General Liability (\$1,000,000/Occurrence & \$2,000,000/Aggregate) or other amounts _____ & _____
 Automobile Liability (\$1,000,000/Occurrence) or other amounts _____ & _____
 Professional Liability (\$1,000,000/Occurrence & \$2,000,000/Aggregate) or other amounts _____ & _____

Note: If a lesser amount is shown, the Responsible KCHA Department must obtain the prior written approval of KCHA's Risk Manager.

Should any conflicts arise between this Schedule and the Master Terms and Conditions attached hereto and incorporated herein by this reference, the Schedule shall control.

IN WITNESS WHEREOF, each party has signed this Schedule upon the date indicated, and agrees, for itself, its employees, officers, partners and successors, to be fully bound by all terms and conditions of this Agreement.

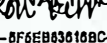
KERN COUNTY HOSPITAL AUTHORITY

By: 

Scott Thygeson, Chief Executive Officer
"KCHA"

Date: 4/20/2026

DocuSigned by:
PACE ANALYTICAL SERVICES, LLC

By: 

Ron Kerr Senior Vice President
Name: _____ Title: _____

"Consultant"

Date: 4/17/2026 | 10:19 AM EDT

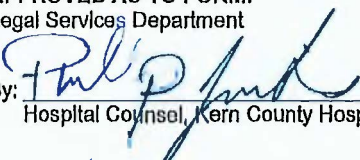
APPROVED AS TO CONTENT:
Responsible KCHA Department

By: 

Tyler Whitezell, Chief Operating Officer

Date: 4/17/26

Reviewed only not
APPROVED AS TO FORM:
Legal Services Department

By: 

Hospital Counsel, Kern County Hospital Authority

Date: 4/17/26

KERN COUNTY HOSPITAL AUTHORITY
PERSONAL/PROFESSIONAL SERVICES AGREEMENT
MASTER TERMS AND CONDITIONS
PPSA-STANDARD

THIS AGREEMENT ("Agreement") is entered into on the Effective Date shown on the attached Schedule, by and between the KERN COUNTY HOSPITAL AUTHORITY, a local unit of government, which owns and operates Kern Medical Center, as represented by the Chief Executive Officer ("KCHA"), with its principal location at 1700 Mount Vernon Avenue, Bakersfield, CA 93308, and CONSULTANT identified on the Schedule ("Consultant"). KCHA and Consultant are individually referred to as a "Party" and collectively as the "Parties."

RECITALS

- A. KCHA is authorized, pursuant to Section 101852 of Part 4 of Division 101 of the Health and Safety Code, to contract for special services with individuals specially trained, experienced, expert, and competent to perform those services; and
- B. The KCHA Department identified on the Schedule as the Responsible KCHA Department requires those services which are specified in Exhibit A.
- C. KCHA desires to engage Consultant to provide the services and Consultant, by reason of its qualifications, experience, and facilities for doing this type of work, has offered to provide the required services on the terms set forth in this Agreement.
- D. The Chief Executive Officer ("CEO") has been authorized by the Board of Governors to contract for personal/professional services in an amount not to exceed \$250,000 per year of a three (3) year agreement.

AGREEMENT

1. Services to be Rendered. Consultant shall provide the services and products described in Exhibit A ("Services").
2. Compensation to Consultant. KCHA shall compensate Consultant in accordance with the compensation selection(s) shown on the Schedule. No additional compensation shall be paid for secretarial, clerical support staff, overhead or any other costs incurred by Consultant by providing the Services to KCHA. The Parties agree that prices can be adjusted on a current and annual basis. Annually prices will be reviewed and can be adjusted in line with general price increases implemented by Consultant as part of the annual planning processes of Consultant. Any adjustment in prices shall be mutually agreed to by both Parties in writing.
3. Reimbursement Policy and Billing Requirements. All invoices for payment shall be submitted in a form approved by KCHA based upon the payment schedule selected on Schedule, shall contain an itemization of all costs and fees broken down monthly (including an itemization of all reimbursable expenses incurred, including travel if applicable) and shall be stated as a cumulative total. Invoices shall be sent for review and processing to the Responsible KCHA Department. Consultant shall also provide an informational copy to the CEO. Payment shall be made to Consultant within 30 days of receipt of the dated and undisputed invoice by the Responsible KCHA Department.
4. Assignment. Consultant shall not assign, transfer or encumber this Agreement, or any part, and Consultant shall not assign any monies due or which become due to Consultant under this Agreement, without the prior written consent of the CEO -- except that, without securing such prior consent, either Party shall have the right to assign this Agreement to any successor of such Party by way of merger or consolidation or the acquisition of substantially all of the assets of such Party; provided, however, that such successor shall expressly assume all of the obligations of such assigning Party under this Agreement.
5. Audit, Inspection and Retention of Records. Consultant shall maintain and make available to KCHA accurate books and records relative to the Services under this Agreement. Consultant shall permit KCHA to audit, examine and make excerpts and transcripts from its records and to conduct audits of all invoices, materials, records of personnel or other data related to the Services under this Agreement. Consultant shall maintain its data and records in an accessible location and condition for a period of not less than three years from the date of final payment under this Agreement, or until after the conclusion of any audit, whichever occurs last. The State of California and/or any federal agency having an interest in the subject of this Agreement shall have the same rights as KCHA.
6. Authority to Bind KCHA. It is understood that Consultant, in Consultant's performance of any Services under this Agreement, except as otherwise provided in this Agreement, has no authority to bind KCHA to any agreements or undertakings.
7. Indemnification.
 - a. General. Consultant shall defend, indemnify, and hold harmless KCHA and KCHA's board members, elected and appointed officials, officers, employees, agents, volunteers and authorized representatives ("KCHA Indemnified Parties") from any losses, liabilities, charges, damages, claims, liens, causes of action, awards, judgments, costs (including attorneys' fees of in-

house and outside counsel, expert fees, costs of staff time, and investigation costs) ("Claims") only to the extent resulting from intentional misconduct or negligent performance by Consultant of this Agreement or the Services.

. This indemnification obligation shall include bodily and personal injury or death to any person; damage to any property, regardless of where located, including the property of KCHA; and any workers' compensation Claim arising from or relating to any Services.

KCHA shall indemnify and hold harmless Consultant from and against any and all claims, suits, judgments, losses, liabilities, expenses, payments, taxes, duties, fines, and/or other costs (including but not limited to liability to a third party) arising out of a) accidents occurring during the transport of any sample of KCHA by contract courier caused by acts or omissions KCHA or otherwise beyond the control of Consultant, or b) negligence by KCHA in the use, evaluation, or application of results provided by Consultant.

GENERAL LIMITATION ON LIABILITY: AGGREGATE LIABILITY BY CONSULTANT SHALL NOT EXCEED \$50,000 USD. ALL CLAIMS, INCLUDING THOSE FOR NEGLIGENCE, SHALL BE DEEMED WAIVED UNLESS SUIT THEREON IS FILED WITHIN THE PERIOD OF LIMITATIONS SET FORTH IN THE STATE FROM WHICH THE SAMPLES ARE OBTAINED OR LONGER AS SPECIFIED IN THE SITE-SPECIFIC ATTACHMENT AFTER COMPLETION OF THE SERVICES BY CONSULTANT. UNDER NO CIRCUMSTANCES, WHETHER ARISING IN CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, SHALL CONSULTANT BE RESPONSIBLE FOR LOSS OF USE, LOSS OF PROFITS, OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OCCASIONED BY THE SERVICES PERFORMED OR BY APPLICATION OR USE OF THE REPORTS PREPARED.

b. Immigration Reform and Control Act. Consultant acknowledges that Consultant and Consultant Representatives are aware of and understand the Immigration Reform and Control Act ("IRCA"). Consultant is and shall remain in compliance with the IRCA and shall ensure that any Consultant Representatives are and shall remain in compliance with the IRCA. In addition, Consultant shall defend, indemnify and hold harmless KCHA and KCHA Indemnified Parties from any Claims which arise out of or relate to any allegations that Consultant and Consultant Representatives are not authorized to work in the United States and/or any other allegations based upon alleged IRCA violations committed by Consultant or Consultant Representatives.

c. Infringement Claim. If any Claim is asserted or action or proceeding brought against KCHA or KCHA Indemnified Parties which alleges that all or any part of the Services in the form supplied by Consultant or KCHA's use, infringes or misappropriates any United States or foreign patent or copyright, or any trade secret or other proprietary right, KCHA shall give Consultant prompt written notice. Consultant shall defend any Claim with counsel of Consultant's choice and at Consultant's sole cost and shall indemnify KCHA for any costs, including attorney's fees and damages actually incurred by KCHA, including steps KCHA may take to avoid entry of any default judgment or other waiver of KCHA's rights. KCHA shall cooperate fully with and may monitor Consultant in the defense of any claim, action or proceeding and shall make employees available as Consultant may reasonably request with regard to the defense, subject to reimbursement by Consultant of all costs incurred by KCHA's cooperation in the defense.

d. Remedy of Infringement Claim. If the Services are, in Consultant's opinion, likely to become or do become the subject of a claim of infringement or misappropriation of a United States or foreign patent, copyright, trade secret or other proprietary right, or if a temporary restraining order or other injunctive relief is entered against the use of part or all of the Services, Consultant shall within 90 days:

1. Replace. Promptly replace the Services with compatible, functionally equivalent and non-infringing Services;
2. Modify. Promptly modify the Services to make them non-infringing without materially impairing KCHA's ability to use the Services as intended;
3. Procure Rights. Promptly procure the right of KCHA to continue using the Services; or
4. Refund. As a last resort, if none of these alternatives is reasonably available to Consultant, and KCHA is enjoined or otherwise precluded legally from using the Services, Consultant shall, within 120 days of the judgment or other court action, promptly refund to KCHA all fees and costs paid for the Services, and this Agreement shall terminate. All licensed products will be disposed of as ordered by the governing court at the sole cost of Consultant or as determined by KCHA if the court does not so direct.

e. Modification of Services. This indemnification does not extend to modifications or additions to the Services made by KCHA or any third party without the prior written consent of Consultant, or to any unauthorized use of the Services by KCHA.

f. Survival of Indemnification Obligations. Upon completion of this Agreement, the provisions of this Section 8 shall survive.

8. Insurance. With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in Exhibit "C," attached hereto and incorporated herein by this reference

9. Consultant Warranties and Representations. Consultant makes the following representations, which the Parties

agree are material to and form a part of the inducement for this Agreement:

a. Expertise and Staff. Consultant has the expertise, support staff and facilities necessary to provide the Services; and

No Adverse Interests; Objective Analysis by Consultant. Consultant does not have any actual or potential interests adverse to KCHA, nor does Consultant represent a person or firm with an interest adverse to KCHA relating to the subject of this Agreement; and The parties agree that Consultant will objectively analyze all samples received by Consultant. T

b. Timeliness. Consultant shall diligently provide the Services in a timely and professional manner in accordance with the terms and conditions in this Agreement.

Consultant warrants that its equipment and facilities are suitable to perform the Services and that its personnel are properly trained. Consultant acknowledges that it is aware of and understands the hazardous nature of the substances that may be involved with the Services as well as the risks that they may pose to people, property, and the environment.

Consultant warrants that it possesses and will maintain during the term of this Agreement all licenses and certifications required to perform the Services ordered by KCHA and its contractors.

Consultant will provide KCHA and its contractors with written reports containing analytical results. In performing the Services, Consultant will use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of its profession.

If KCHA requires the use of method variations to a standard or recommended procedures by Consultant, KCHA agrees to hold Consultant harmless from all claims, damages, and expenses arising out of KCHA's direction.

These warranties are the sole and exclusive warranties, express or implied, given by Consultant in connection with any Services performed, or any results generated from such Services, and Consultant gives and makes no other representation or warranty of any kind, express or implied.

The warranties period is ninety (90) days following the issuance of an analytical report by Consultant.

KCHA's only remedy for breach of warranty by Consultant in connection with any of its Services will be 1) reperformance of such Services by Consultant, or 2) refunding (in full or in part, as appropriate) by Consultant of the fees KCHA paid for such Services. Obligation by Consultant to reperform any Services with respect to any samples will be contingent on KCHA's providing, at the request of Consultant, additional samples, if necessary. Any resampling will be conducted without profit and after agreement by the Parties.

INITIATION OF SERVICES:

Upon timely delivery of samples, Consultant will meet mutually agreed upon turnaround times. All turnaround times will be calculated from the date of Sample Delivery Acceptance. Sample Delivery Acceptance is the point in time when Consultant has determined that it can proceed with defined work following receipt, inspection of samples, and resolution of any discrepancies. To meet Acceptance requirements, Consultant must be provided with samples that have at least 50% of holding time remaining. If any samples have less than 50% holding time remaining, then a rush charge shall apply.

Sample Receipt & Inspection

Within two (2) days of sample receipt, Consultant will inform KCHA if, for any reason, Consultant cannot proceed with the Services. At that time KCHA has the right to direct Consultant to perform the analyses, with the understanding that the requirements may not be met, to direct Consultant to send the samples to another laboratory, or to direct Consultant to cancel the analyses and upon request return the sample to KCHA.

Risk of Loss to KCHA

Prior to Sample Receipt and Inspection, the entire risk of loss or damage to samples remains with KCHA or its contractors. In no event will Consultant have any responsibility or liability for the action or inaction of any carrier shipping or delivering any sample to or from premises of Consultant, except where Consultant provides courier service, in which case, Consultant shall be responsible for damage to samples while in custody of Consultant.

Risk of Loss to Laboratory

If Consultant causes samples to be lost, damaged, aerated or improperly diluted during or after log in and inspection, Consultant shall be liable to KCHA under the "Remedies" clauses of this Agreement. Risk of loss or damage to samples passes to Consultant upon completion of log in and inspection.

10. Ownership of Documents. All reports, documents and other items generated or gathered in the course of providing the Services are and shall remain the property of KCHA, and shall be returned to KCHA upon full completion of the Services or termination of this Agreement, whichever first occurs.

11. Rights to Contracted Products.

a. Belong to KCHA. For no additional fee or charge, products developed, prepared, generated or gathered by Consultant or Consultant's Representatives under this Agreement, shall be considered creative works for hire and shall be delivered to and become the exclusive property of KCHA and may be used by KCHA in any way it may deem appropriate. Consultant shall have no rights in the products, except the right to use the products for the exclusive purpose of providing the Services, and Consultant shall not copy or disclose to any third party any product, except as is expressly set forth in this Agreement or by separate written agreement between the Parties. These provisions do not apply to Consultant's original licensed software or administrative communications and records, which shall remain the exclusive property of Consultant,

b. Use by KCHA. The ideas, concepts, know-how, and techniques developed during the course of this Agreement may be used by KCHA in any way it may deem appropriate, so long as that use does not violate any term in this Agreement or any Applicable Law.

c. No Publication. Consultant or Consultant's Representatives shall not publish or disseminate information gained through participation in this Agreement without the specific prior review and written consent by KCHA.

d. Delivery to KCHA. Upon termination or expiration of this Agreement, Consultant shall immediately deliver to KCHA all KCHA-owned programs and documentation developed under this Agreement. In addition, Consultant grants to KCHA a perpetual, royalty-free, non-exclusive, irrevocable, and non-transferable license to use, solely for KCHA purposes, any Consultant-owned program, including system software, utilized by Consultant in performance of the Services.

e. Survival of Covenants. Upon completion of this Agreement, the provisions of this Section 12 shall survive.

12. Termination. Either party may at his or her election, without cause, terminate this Agreement by written notice ("Notice of Termination"). The Notice of Termination will be deemed effective 15 days after personal delivery, or 20 days after mailing by regular U.S. Mail, postage prepaid. In addition, either Party may immediately terminate this Agreement if the other Party fails to substantially perform in accordance with the terms and conditions of this Agreement through no fault of the Party initiating the termination. In the event this Agreement is terminated by either Consultant or the CEO, Consultant shall submit to the Responsible KCHA Department all files, memoranda, documents, correspondence and other items generated in the course of performing the Services, within 15 days after the effective date of the Notice of Termination. If either Party terminates this Agreement as provided in this Section 13, KCHA shall pay Consultant for all satisfactory Services rendered by Consultant prior to the effective date of Notice of Termination in an amount not to exceed the maximum dollar amount shown on the Schedule.

13. Choice of Law/Venue. The Parties agree that the provisions of this Agreement shall be construed under the laws of the State of California. This Agreement has been entered into and is to be performed in the County of Kern. Accordingly, the Parties agree that the venue of any action relating to this Agreement shall be in the County of Kern.

14. Compliance with Applicable Law. Consultant shall observe and comply with all applicable county, state and federal laws, ordinances, rules and regulations now in effect or later enacted ("Applicable Law"), each of which is made a part of this Agreement. While on KCHA property, Consultant will also follow all applicable policies and any direction of staff.

15. Confidentiality. Consultant shall not, without the prior written consent of the CEO, communicate confidential information, designated in writing or identified in this Agreement as confidential, to any third party and shall protect confidential information from inadvertent disclosure to any third party in the same manner that it protects its own confidential information, unless disclosure is required in response to a validly issued subpoena or other process of law. Upon completion of this Agreement, the provisions of this Section 16 shall continue to survive.

16. Conflict of Interest. Consultant has read and is aware of the provisions of Government Code Section 1090 et seq. and Section 87100 et seq. relating to conflict of interest of public officers and employees. Consultant acknowledges that it is unaware of any financial or economic interest of any public officer or employee of KCHA relating to this Agreement. It is further understood and agreed that if a financial interest does exist at the inception of this Agreement, KCHA may immediately terminate this Agreement by giving written notice. Consultant shall comply with the requirements of Government Code Section 1090 et seq. and 87100 et seq. during the Term.

17. Cooperation with KCHA Compliance Obligations. Consultant shall cooperate with the compliance program maintained by KCHA and KMC (the "Compliance Program") to the extent that such requirements are (i) applicable to the operation of KCHA or KMC and Consultant's provision of services under this Agreement, (ii) consistent with applicable industry standards and laws, and (iii) communicated to Consultant, so that KCHA may meet all requirements imposed by laws and any governing or advisory body

having authority to set standards governing the operation of KCHA and KMC.

18. **Disqualified Persons.** Consultant 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 proof of such reinstatement to KCHA), (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. Consultant 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"), Consultant shall immediately notify KCHA and such individual shall be immediately removed by Consultant from any functions, provided, however, that if Consultant is directly involved in the Enforcement Action, any agreement between KCHA and Consultant shall terminate immediately.

19. **Enforcement of Remedies.** No right or remedy conferred on or reserved to a Party is exclusive of any other right or remedy under law, equity or statute, but each shall be cumulative of every other right or remedy now or in the future existing under law, equity or statute, and may be enforced concurrently or from time to time.

20. **Health Insurance Portability and Accountability Act-HITECH.** Consultant understands that KCHA is a Covered Entity that provides medical and mental health services and that Consultant has no authorization to obtain access to any Protected Health Information ("PHI") in any form while performing services for KCHA. If, in the course of performing services, Consultant sees or hears any PHI, this PHI is to be treated as private and confidential, including the fact that a person has visited this facility(ies) or receives (or previously received) services from KCHA. The privacy and confidentiality of KCHA's patients are protected by KCHA policies and procedures, state laws and regulations and Federal HIPAA Regulations. If appropriate Consultant agrees to execute a business associate agreement with KCHA to supplement this Agreement if requested, to be incorporated herein as Exhibit D if so required.

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

22. **Negation of Partnership.** In the performance of the Services, Consultant shall be, and acknowledges that Consultant is, in fact and law, an independent contractor and not an agent or employee of KCHA. Consultant has and retains the right to exercise full supervision and control of the manner and methods of providing the Services. Consultant retains full supervision and control over the employment, direction, compensation and discharge of all persons assisting Consultant in the provision of the Services. With respect to Consultant's employees, if any, Consultant shall be solely responsible for payment of wages, benefits and other compensation, compliance with all occupational safety, welfare and civil rights laws, tax withholding and payment of employee taxes, whether federal, state or local, and compliance with any Applicable Law regulating employment.

23. **Non-collusion Covenant.** Consultant represents and agrees that (i) it has in no way entered into any contingent fee arrangement with any firm or person concerning the obtaining of this Agreement with KCHA and (ii) it has received from KCHA no incentive or special payments and no considerations not related to the provision of the Services.

24. **Non-discrimination.** Neither Consultant, nor any Consultant Representative, shall discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, sex, or any other classification protected by Applicable Law, either directly, indirectly or through contractual or other arrangements.

25. **Non-waiver.** No covenant or condition of this Agreement can be waived except by the written consent of KCHA. Forbearance or indulgence by KCHA shall not constitute a waiver of the covenant or condition to be performed by Consultant. KCHA shall be entitled to invoke any remedy available to KCHA under this Agreement or by Applicable Law despite the forbearance or indulgence.

26. **Notices.** All notices under this Agreement shall be provided to the KCHA CEO at the address indicated in the opening section of this Agreement and to the Consultant and Responsible KCHA Department at the addresses shown on the Schedule below. Delivery shall be by personal delivery or deposit in the U.S. Mail, postage prepaid, registered or certified mail, addressed as specified above. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received five days after deposit. A Party may change the address to which notice is to be given by giving notice as provided above. Nothing in this Agreement shall be construed to prevent or render ineffective delivery of notices under this Agreement by leaving the notice with the receptionist or other person of like capacity employed in Consultant's office, or the CEO.

Any correspondence and notifications under this Agreement to Consultant shall be made to:

Pace@:

Pace@ Analytical Services, LLC
Attention: Legal Department
2665 Long Lake Road, Suite 300
Roseville, Minnesota 55113
Phone: 612.607.6400
Fax: 612.607.6344
Email: legaldocs@pacelabs.com

27. **Captions and Interpretation.** Section headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a Party because that Party or its legal representative drafted the provision. This Agreement is the product of negotiation and both Parties are equally responsible for its authorship. California Civil Code Section 1654 shall not apply to the interpretation of this Agreement.

28. **Counterparts.** This Agreement 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 document.

29. **Modifications of Agreement.** This Agreement may be modified in writing only, signed by the Parties in interest at the time of the modification.

30. **Regulatory Compliance.** In compliance with title 22, California Code of Regulations, section 70713 KMC will retain professional and administrative responsibility for services rendered under this Agreement. Consultant shall apprise Kern Medical of recommendations, plans for implementation and continuing assessment through dated and signed reports which shall be retained by Kern Medical for follow-up action and evaluation of performance.

31. **Access to Books and Records.** Until the expiration of four years after the expiration or termination of this Agreement, Kern Medical and Consultant shall make available, upon written request of the Secretary of the United States Secretary of Health and Human Services ("Secretary") or the Comptroller General of the United States General Accounting Office ("Comptroller General"), or any of their duly authorized representatives, a copy of this Agreement and such books, documents and records of either party as are necessary to certify the nature and extent of costs of the services Consultant provided under this Agreement.

32. **Severability.** If any term or provision of this Agreement is determined by a court to be in conflict with any Applicable Law, or otherwise be unenforceable or ineffectual, the validity of the remaining terms or provisions shall be deemed severable and shall not be affected, provided that the remaining terms or provisions can be construed in substance to constitute the agreement which the Parties intended to enter into on the Effective Date.

33. **Signature Authority.** Each Party has full power and authority to enter into and perform this Agreement, and the person signing this Agreement on behalf of each Party has been properly authorized and empowered to enter into this Agreement.

34. **Sole Agreement.** This Agreement, including the Schedule and Exhibits, contains the entire agreement of the Parties relating to the Services, rights, obligations and covenants contained in this Agreement and assumed by the Parties. No inducements, representations or promises have been made, other than those stated in this Agreement. No oral promise, modification, change or inducement shall be effective or given any force or effect.

35. **Time of Essence.** Time is expressly declared to be of the essence of this Agreement and of each provision, and each provision is declared to be a material, necessary and essential part of this Agreement.

36. **No Third-Party Beneficiaries.** The Parties understand and agree that the enforcement of these terms and conditions and all rights of action relating to enforcement, shall be strictly reserved to KCHA and Consultant. Nothing contained in this Agreement shall give or allow any claim or right of action by any other third person. It is the express intention of KCHA and Consultant that any person or entity, other than KCHA or Consultant, receiving services or benefits under this Agreement shall be deemed an incidental beneficiary only.

37. **Gender/Plural.** References to feminine, masculine or neutral include the other, and references to the singular or plural include the other.

38. **Recitals.** Each of the recitals is incorporated in this Agreement, is deemed to be the agreement and a reflection of the intent of the Parties, and is relied upon by the Parties in agreeing to the provisions of this Agreement and in interpreting its provisions.

39. **Priority.** In the event of a conflict between the terms of KCHA and any other Consultant/Vendor/Contractor document, whether incorporated herein or otherwise, the terms of KCHA shall control. No such terms shall not alter or add to these terms, the Master Terms and Conditions of KCHA, unless expressly agreed to by KCHA in a separate writing.

40. **Trademarks.** Consultant shall not use the trade names, trademarks, service marks, name or likeness of KCHA or any adaptation thereof, in any advertising, promotional or sales literature without prior written consent obtained from KCHA.

41. **Exhibits.** The below exhibits attached to this Agreement are incorporated into this Agreement by reference.

- Exhibit A: Services
- Exhibit A-1: IRS Form W-9
- Exhibit B: Fee Schedule
- Exhibit C: Insurance
- Exhibit D: Intentionally Omitted
- Exhibit E: Additional Engineering Terms

EXHIBIT A
SERVICES

Sample testing for UG Tank to abandon in place.

EXHIBIT A-1
IRS FORM W-9

EXHIBIT B
FEE SCHEDULE

EXHIBIT "C" INSURANCE

With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to 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.

KCHA reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. 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 Consultant 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.

1. Workers' Compensation and Employers Liability Insurance:

- (a) Required if Consultant has employees. If Consultant currently has no employees, Consultant's written confirmation of such will be required before execution of this Agreement. If Consultant engages any employees during the term of this Agreement or any extensions thereof, Consultant 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 Consultant, 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. If Consultant maintains higher limits than the specified minimum limits, KCHA requires and shall be entitled to coverage for the higher limits maintained by Consultant.
- (c) If Consultant 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) Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by KCHA. Consultant is responsible for any deductible or self-insured retention and shall fund it upon KCHA's written request, regardless of whether Consultant has a claim against the Insurance or is named as a party in any action involving KCHA.
- (e) KCHA shall be named as an additional insured for liability arising out of operations by or on behalf of Consultant in the performance of this Agreement. See section 6 below for full Additional Insured wording.
- (f) 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.
- (g) 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).
- (h) The policy shall cover inter-insured suits between KCHA and Consultant and include a "separation of insureds" or "severability" clause, which treats each insured separately.
- (i) 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 Consultant currently owns no autos, Consultant 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 Consultant 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 Consultant's profession.
 - (b) Minimum Limits: \$1,000,000 per Occurrence or Claim; \$2,000,000 Annual Aggregate. If Consultant maintains higher limits than the specified minimum limits, KCHA requires and shall be entitled to coverage for the higher limits maintained by Consultant.
 - (c) Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$25,000 it must be approved in advance by KCHA. Consultant is responsible for any deductible or self-insured retention and shall fund it upon KCHA's written request, regardless of whether Consultant has a claim against the insurance or is named as a party in any action involving KCHA.
 - (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 five (5) 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, Consultant must purchase "extended reporting" coverage for a minimum of *five (5) 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. Consultant 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) Consultant 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: Consultant's indemnity and other obligations shall not be limited by the foregoing insurance requirements.
10. Primary Coverage: For any claims related to this Agreement, Consultant'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 Consultant's insurance and shall not contribute with it.
11. Waiver of Subrogation: Consultant hereby grants to KCHA a waiver of any right to subrogation, which any insurer of said Consultant may acquire against KCHA by virtue of the payment of any loss under such insurance. Consultant 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 Consultant fails to maintain the insurance required by this Agreement, it shall be deemed a material breach of this Agreement. KCHA, at its sole option, may terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, KCHA may purchase the required insurance, and without further notice to Consultant, KCHA may deduct from sums due to Consultant any premium costs advanced by KCHA for such insurance. These remedies shall be in addition to any other remedies available to KCHA.

[Intentionally left blank]

**EXHIBIT E
ADDITIONAL TERMS APPLICABLE TO CONSTRUCTION/ENGINEERING AGREEMENTS**

The Kern County Hospital Authority (KCHA), a public agency that is a local unit of government, which owns and operates Kern Medical Center, is subject to a variety of statutes (e.g. codes) and regulations that now apply to you as a Consultant/Contractor of KCHA. This Exhibit E outlines some, but not necessarily all of the requirements that you may now be required to meet as a Consultant/Contractor of a public entity.

COMPLIANCE WITH LABOR STANDARDS

1. KCHA has determined that the work contemplated by this Agreement falls within the definitions of "Public Works" set forth in the California Labor Code. Contractor acknowledges that Contractor is fully aware of prevailing wage requirements for public works projects as set forth in Article 2 (commencing with section 1770) of Chapter 1, Part 7 of the California Labor Code ("Prevailing Wage Requirements") and Contractor agrees to comply with the provisions of that Article to the extent the Prevailing Wage Requirements are applicable to the work conducted under this Agreement. Contractor further agrees that to the extent applicable, Contractor shall require any subcontractor it contracts with to comply with the Prevailing Wage Requirements. Contractor also agrees to indemnify, defend (upon request of KCHA) and hold, its officers, agents and employees, harmless from all claims, costs, causes of action, attorney fees, damages or liability from the failure of Contractor or Contractor's subcontractors to comply with the Prevailing Wage Requirements.

The Department of Industrial Relations of the State of California has determined the general prevailing rate of wages for each craft, classification or type of workers needed in the execution of contracts under the jurisdiction of Kern County. The schedule of rates can be obtained from or are on file with the Engineering Department at Kern Medical Center, located at 1700 Mt. Vernon Avenue, Bakersfield, CA 93305 and is hereby incorporated herein by this reference.

APPRENTICESHIP PROGRAM

1. Compliance Required

Contractor and Subcontractors shall comply with the requirements of California Labor Code §§1776, 1777.5, and 1777.6 concerning the employment of apprentices by Contractor or Subcontractors. Willful failure to comply may result in penalties, including loss of the right to Bid on or receive public works contracts.

2. Certification of Approval

California Labor Code §1777.5, as amended, requires a Contractor or Subcontractor employing tradespersons in any apprenticeable occupation to apply to the joint apprenticeship committee nearest the site of a public works project and which administers the apprenticeship program in that trade for a certification of approval. The certificate shall also fix the ratio of apprentices to journeypersons that will be used in performance of the Contract. The ratio of work performed by apprentices to journeypersons in such cases shall not be less than one *hour* of apprentices work for every five *hours* of labor performed by journeypersons (the minimum ratio for the land surveyor classification shall not be less than one apprentice for each five journeypersons), except:

When unemployment for the previous three month period in the area exceeds an average of 15 percent;

When the number of apprentices in training in the area exceeds a ratio of one to five;

When a trade can show that it is replacing at least 1/30 of its membership through apprenticeship training on an annual basis state-wide or locally; or

Assignment of an apprentice to any work performed under a public works contract would create a condition which would jeopardize his or her life or the life, safety, or property of fellow employees or the public at large or if the specific task to which the apprentice is to be assigned is of such a nature that training cannot be provided by a journeyperson.

3. Fund Contributions

Contractor is required to make contributions to funds established for administration of apprenticeship programs if Contractor employs registered apprentices or journeypersons in any apprenticeable trade on such contracts and if other contractors on the public works site are making such contributions.

4. Apprenticeship Standards

Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the Director of the California Department of Industrial Relations, or from the Division of Apprenticeship Standards and its branch offices.

SUPPLEMENTARY CONDITIONS – INSURANCE AND INDEMNIFICATION

1. INSURANCE

In addition to the Insurance requirements in Exhibit C, Contractor, in order to protect the KCHA and its board members, officials, agents, officers, employees and volunteers against all claims and liability for death, injury, loss and damage as a result of Contractor's actions in connection with the performance of Contractor's obligations, as required in the Contract Documents, shall secure and maintain insurance as described below. Contractor shall not perform any work under the Contract Documents until Contractor has obtained all insurance required under this section and the required certificates of insurance and all required endorsements have been sent to KCHA Risk Management at riskmanagement@kernmedical.com.

1) Workers' Compensation and Employers Liability Insurance Requirement -- In the event Contractor has employees who may perform any services pursuant to the Contract Documents, Contractor shall submit written proof that Contractor is insured against liability for workers' compensation in accordance with the provisions of section 3700 of the California Labor Code.

By signing the Agreement, Contractor makes the following certification, required by section 1861 of the Labor Code:

I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work pursuant to the Contract Documents.

2) If injury occurs to any employee of Contractor, Subcontractor or sub-subcontractor for which the employee, or the employee's dependents in the event of employee's death, is entitled to compensation from KCHA under provisions of the Workers' Compensation Insurance and Safety Act, as amended, or for which compensation is claimed from KCHA, KCHA may retain out of sums due Contractor under the Contract Documents, an amount sufficient to cover such compensation, as fixed by the Workers' Compensation Insurance and Safety Act, as amended, until such compensation is paid, or until it is determined that no compensation is due. If KCHA is compelled to pay compensation, KCHA may, in its discretion, either deduct and retain from the Contract Sum the amount so paid, or require Contractor to reimburse KCHA.

3) Nothing herein shall be construed as limiting in any way the extent to which Contractor or any Subcontractor may be held responsible for payment of damages resulting from their operations.

4) All Subcontractors shall maintain the same insurance required to be maintained by Contractor with respect to their portions of the Work unless otherwise indicated in the Contract Documents, and Contractor shall cause the Subcontractors to furnish proof thereof to KCHA within ten Days of KCHA's request.

INDEMNIFICATION

A. Subject to the Indemnification requirements in the Agreement which supersede this clause, KCHA and each of its officers, employees, consultants and agents including, but not limited to, its Board, Project Manager and any Representative, shall not be liable or accountable in any manner for loss or damage that may happen to any part of the Work; loss or damage to materials or other things used or employed in performing the Work; injury, sickness, disease, or death of any person; or damage to property resulting from any cause whatsoever except their sole negligence, willful misconduct or active negligence, attributable to performance or character of the Work, and Contractor releases all of the foregoing persons and entities from any and all such claims.

B. To the furthest extent permitted by law (including without limitation California Civil Code §2782), Contractor shall assume defense of KCHA at its election, and indemnify and hold harmless, KCHA in accordance with the Agreement and with respect to third-party claims against Contractor, Contractor waives any and all rights to any type of express or implied indemnity against KCHA and each of its officers, employees, consultants and agents including, but not limited to KCHA, the Board, Project Manager and any Representative. KCHA shall provide timely notice to Contractor of any third-party claim relating to the Contract Documents, in accordance with Section 9201 of the California Public Contract Code except to the extent agreed upon in the Agreement above..

1) Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Contractor, its Subcontractors of any tier, or the officers or agents of any of them.

2) To the furthest extent permitted by law (including, without limitation, Civil Code §2782), the indemnities, releases of liability and limitations of liability, claims procedures, and limitations of remedy expressed throughout the Contract Documents shall apply even in the event of breach of Contract, negligence (active or passive), fault or strict liability of the party(ies) indemnified, released, or limited in liability, and shall survive the termination, rescission, breach, abandonment, or completion of the Work or the terms of the Contract Documents. If Contractor fails to perform any of these defense or indemnity obligations, KCHA may in its discretion back charge Contractor for KCHA's costs and damages resulting therefrom and withhold such sums from progress payments or other Contract moneys which may become due.

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

May 20, 2026

Subject: Proposed Repair Quotation with ICU Medical, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board to approve the Quote for the one-time repair of a fast flow fluid warmer in an amount not to exceed \$2,914 with ICU Medical, Inc. Fast Flow Fluid Warmer provides a rapid flow of normothermic blood and IV fluids to patients during surgery.

Counsel is unable to approve the terms as to form because they are the unmodified terms of the vendor. These nonstandard terms include the governing law of Illinois, limited liability, among other nonstandard terms. Despite attempts by counsel to negotiate, the vendor was unwilling to engage.

Therefore, it is recommended that your Board approve the Quote for the one-time repair of Fast Flow Fluid Warmer in an amount not to exceed \$2,914 with ICU Medical, Inc, plus applicable taxes and shipping fees, effective May 20, 2026, and authorize the Chairman to sign.

ICU Medical Service Connections



ICU Medical is dedicated to partnering with your biomedical organization with service options to provide the necessary knowledge, resources, and technical solutions to help you maximize the value of your investment in Temperature Management devices.





Device Services Performed by Expert Teams

Flat Rate Repair Service

Factory trained technicians will complete repairs at ICU Medical's factory service hub to return products to the operating specifications. A service report will be included with the repaired device when returned to the customer. Flat Rate Repair Fees cover the repair cost when a repair is requested on an individual device.*

Extended Service Agreement (ESA)

Feel confident your devices are kept at optimal performance with our Extended Service Agreement (ESA). This predictable cost covers repair to the device and includes full repair and return service at an ICU Medical factory service hub.**

Preventive or Periodic Maintenance Inspections (PMI)

The Preventive or Periodic Maintenance Inspections (PMI) service program provides you with a complete inspection and operational performance of your device. The PMI service is available through the factory service hub. The PMI only includes the completion of the required testing as described in the appropriate device's Technical Service Manual and a service report documenting the inspection.

	H-1200 Flat Rate Repair Fee (per device)	H-5000 Flat Rate Repair Fee (per device)	H-1200 Flat Rate Repair Fee (per device)	H-1129/H1100 Flat Rate Repair Fee (per device)	H-1200 HL40 Flat Rate Repair Fee (per device)	H-1200 HL40 Flat Rate Repair Fee (per device)
Flat Rate Repair Fee (per device)	\$821 88-01-0090-32	\$1,112 88-01-5000-32	\$2,914 88-01-1200-32	\$3,420 88-01-1100-32	\$518 88-01-HL40-32	\$333 88-01-1200-32-01
ESA (annual fee per device)	\$245 88-01-0090-72	\$312 88-01-5000-72	\$2,226 88-01-1200-72	\$1,478 88-01-1100-72	\$170 88-01-HL40-72	
PMI (per device)	\$308 88-01-0090-31	\$349 88-01-5000-31	\$514 88-01-1200-31	\$514 88-01-1100-31	\$308 88-01-HL40-31	

Prices Effective as of January 1, 2026

Custom box sets are available for purchase to return H-1200 or H-1129/H1100 devices for service

Technical Support Center

ICU Medical's Technical Support Center serves as a single point of contact for technical support, device servicing inquiries, and other information on ICU Medical devices and software. We deliver the answers and results that our customers need—quickly, reliably, and simply.

Contact Information

For more information on ICU Medical's service options, contact your ICU Medical sales or service representative

Technical Support Center
toll-free number
(800) 241-4002

Email Technical Support
tsc.support@icumed.com

Email Parts Orders
usorders@icumed.com

For more information on ICU Medical's service options, contact your ICU Medical sales or service representative, or call the TSC at (800) 241-4002.

* Devices with missing, counterfeit or non-OEM components are ineligible for the flat rate repair and will be quoted individually and subject to a \$250 inspection fee if quote is declined. Devices deemed beyond economical repair can be replaced at the owner's expense, scrapped onsite at no charge, or returned subject to a \$250 inspection fee.

**ESA must be purchased at time of sale. Damage due to customer negligence/misuse is not covered by the ESA.

Free return shipping to the customer's site. Customer is responsible for shipping to the ICU Medical factory service hub.





ICU Medical Sales, Inc.

General Terms and Conditions of Sale

The following General Terms and Conditions of Sale (together with any attached Schedules, these "General Terms") will apply to the sale by ICU Medical Sales, Inc. or its Affiliates ("ICU Medical") to the Customer ("Customer") of any Products (as defined below) unless subject to a separate written agreement between ICU Medical and its Affiliates and Customer. All capitalized terms used, but not otherwise defined herein are defined in Schedule 1 attached hereto.

1. Products

- 1.1. Customer may not sell, distribute, convey, barter or otherwise transfer the Products purchased from ICU Medical except to individual persons in the course of providing health care services for use solely at Customer's sites without the prior express written agreement of ICU Medical.
- 1.2. Disposables are for use only as explicitly authorized by ICU Medical and as stated in the Product Documentation.
- 1.3. Customer may not export or re-export a Product.
- 1.4. Customer shall use the Products only in accordance with the Product Documentation.
- 1.5. ICU Medical may make changes to the specifications of the Products and at any time when, according to ICU Medical's assessment, such changes are required for such Products to conform to existing or future legal, regulatory, or technological requirements. Further, Customer accepts and agrees that Disposables may be subject to minor evolutions and modifications from time to time, at ICU Medical's discretion, and ICU Medical shall inform Customer as and when these occur.
- 1.6. In addition to the foregoing, ICU Medical may, immediately upon written notice to Customer, remove or cease use of a Product as may be required by ICU Medical in determination with applicable regulatory bodies or as determined to be required by counsel of ICU Medical.
- 1.7. ICU Medical reserves the right to delay shipping or allocate the supply of a Product, as the case may be, in the event of shortage, Force Majeure Event, or any other event which disrupts or is reasonably expected to disrupt the ongoing supply of Products, as the case may be, to Customer. ICU Medical will not be liable for loss or damage of any kind resulting from any delay in delivery or failure to supply ordered Products or otherwise carry out its obligations under this agreement due to causes beyond its control, and no such event will relieve Customer of its obligations to make payments for other deliveries under this agreement.

2. Orders

- 2.1. Orders shall be deemed accepted when ICU Medical issues a written confirmation or, if no confirmation is issued, upon shipment of the Products by ICU Medical.
- 2.2. Unless specifically provided otherwise in writing by ICU Medical, all Orders, offers, and quotes and their acceptance shall be governed by these General Terms, which shall supersede and exclude any terms

and conditions proposed, stipulated or referred to by Customer.

2.3. Orders with a combined value of less than \$250.00, placed by the Customer under, and subject to, these General Terms, excluding freight, will incur a minimum handling charge of \$50.00.

3. Invoicing and Payments

3.1. ICU Medical shall invoice Customer for Products upon shipment.

3.2. Payment terms are net thirty (30) days paid by EFT, if available, from the date of invoice ("Due Date"). If Customer fails to pay or procure payment of the full amount when due, and without in any manner excusing such violation, Customer agrees to pay ICU Medical interest at a rate of +1.5% per month (or the highest rate permitted by applicable laws, if lower) from the invoice Due Date up to and including the date full payment is received by ICU Medical. In addition, non-payment of an invoice when due may, at the sole option of ICU Medical, result in (i) the acceleration of all outstanding invoices and (ii) the suspension or cancellation of outstanding Orders.

3.3. To the extent permitted by Applicable Law, Customer will be responsible for any and all applicable taxes, fees, and assessments due in relation to its receipt of Products. Customer will pay or promptly reimburse ICU Medical for, any and all taxes, other governmental fees, assessments, duties and charges that are payable as a result of this transaction. Customer shall be responsible for maintaining current state tax exemption certificates where applicable and shall forward copies to ICU Medical upon request.

3.4. Customer also agrees to pay all collection costs, expenses and reasonable attorneys' fees for collection of any amount due and unpaid. ICU Medical also reserves the right to require from Customer, at any time, satisfactory assurance of performance of Customer's payment obligations to ICU Medical, and refusal or failure promptly to furnish such assurance will entitle ICU Medical to suspend or cancel further deliveries to Customer.

3.5. Customer shall not be entitled to retain or defer payment of any sums due to ICU Medical hereunder on account of any right to counterclaim or set-off which it may allege against ICU Medical.

4. Terms of Delivery - Risk, Title, and Security

4.1 Title to, and risk of loss of Products shall pass to Customer upon shipment of such Products to Customer FOB Origin, Freight Collect in accordance with the shipping and delivery terms. As from point of shipment, any risk of and responsibility for loss, damage and/or costs in connection with such Products shall rest upon Customer including storage, cartage and transportation of the Products as well as any and all insurance, fees, charges, and taxes. Customer shall organize the pickup of Products by a reputable carrier, and shall obtain, at its cost, insurance for loss or damage to Products during shipment.

4.2 Any delivery dates are estimates only.

5. Delivery Inspection

5.1. Customer or its carrier shall make reasonable efforts to inspect the Products immediately at delivery and shall note any (i) discrepancy between the corresponding Order and the delivered Products (quantities, specifications) and (ii) any visible damage to Products or packaging (together the "Contested Products"), on the bill of lading, and shall take sufficient photos to identify any visual damage and shall advise ICU

Medical in writing within five (5) days of each delivery of any Contested Products, (including all applicable ICU Medical warranties).

5.2. Except for any Contested Products identified by Customer on the bill of lading or in writing within five (5) days of delivery, Customer's receipt of the Products shall constitute an unqualified acceptance of the delivery of such Products and a waiver by Customer of all claims with respect to such delivery. Customer's acceptance of delivery shall in no way affect or diminish ICU Medical's Product warranties as set out herein.

5.3. Products purchased are not refundable under any condition except as otherwise set forth herein or in ICU Medical's Returned Goods Policy available at **Returned Goods Policy**. Notwithstanding the foregoing, Customer is entitled to the applicable warranty for such Products as provided herein.

6. Maintenance and Training

6.1. Customer is responsible for ensuring all preventive maintenance and repairs of Products are completed in accordance with the corresponding Product technical service manuals.

6.2. Prior to the first clinical use of any Products, Customer agrees that Customer and all of Customer's personnel utilizing the Products are required to read all Product Documentation and complete all training provided by ICU Medical for the Products. Customer understands and acknowledges that inherent risk exists in not all of Customer's personnel reading the Product Documentation and completing the required training as provided by ICU Medical for the Products. Customer understands that it is responsible for ensuring completion of the training by all Customer's personnel utilizing the Products.

6.2.1. Online Product Documentation and training resources are available at and for any further training for additional Products, please contact Customer Care:

6.2.1.1. **Operating Manuals for Plum 360 and LifeCare PCA Infusion Pumps**

6.2.1.2. **Operating Manuals for CADD and Medfusion Infusion Pumps**

6.2.1.3. **Training Videos for Plum 360 Infusion Pumps** (password: Plum360Showcase)

6.2.1.4. **Training Videos for the LifeCare PCA Infusion Pumps** (password: ICUMedLCPCA)

6.2.1.5. **ICU Medical Academy for CADD-Solis, Medfusion Infusion Pumps and Other Products**
(Customer will need to create new account or log in to existing account)

6.2.1.6. **Clinical Education Resource Portal for IV Therapy, IV Solutions, and Critical Care**

7. Customer Data

7.1. To the extent that Customer data is created under these General Terms or relationship, Customer retains all rights, title, and interest thereto. Customer hereby grants the following rights to ICU Medical in relation to Customer-generated data created or stored through the use of an Infusion Pump or Equipment, to access, use, process, and disclose such Customer-generated data as may be required for ICU Medical to comply with Applicable Laws to medical Infusion Pump and Equipment manufacturers, for complaint investigation, handling and reporting, and for maintaining, developing and improving ICU Medical's products.

8. Cleaning and Decontamination

8.1. At all times, Customer shall use ICU Medical-approved cleaning solutions and techniques for Infusion Pumps and Equipment in accordance with Product Documentation, and clean and decontaminate all Infusion Pumps and Hardware prior to the same being shipped to or handled by ICU Medical personnel. Approved cleaning solutions and disinfecting agent guides are available at **Approved Cleaning Solutions and/or Disinfecting Agents**.

9. Intellectual Property

9.1. All rights, title and interest in and to the Products and any associated documentation and all derivative works thereof prepared by or for ICU Medical and its Affiliates and all related know-how and all rights therein (including, without limitation, all intellectual property rights), are and shall remain the exclusive property of ICU Medical and its Affiliates. All suggestions for corrections, changes, additions or modifications to the Products provided by Customer and any other feedback provided by Customer are the exclusive property of ICU Medical and Customer hereby assigns all rights in and to any such feedback to ICU Medical, without any right to compensation or attribution.

10. ICU Warranty

10.1. Product Warranty. ICU Medical warrants that the Products sold to Customer:

- 10.1.1. meet both ICU Medical's specifications, and will be manufactured in accordance with all current Good Manufacturing Practices and other Applicable Laws in effect at the time of manufacture,
- 10.1.2. are free of defects in workmanship and material, and
- 10.1.3. comply with Applicable Laws and meet stated standards and regulations.

10.2. Warranty Periods. The ICU Medical Product warranties shall apply as follows:

- 10.2.1. For Infusion Pumps and Equipment (which does not include batteries), for a period of twelve (12) months from the date of shipment to Customer, except for CADD™-Solis Ambulatory Infusion Pump shall have a warranty of twenty-four (24) months from the date of shipment to Customer
- 10.2.2. For Accessories, Solutions, Disposables, batteries for Infusion Pumps and Equipment, Vascular Access Products, and Critical Care Products, for a period of ninety (90) days from the date of delivery to Customer.

10.3. Warranty Obligations for Products. All warranty repairs, replacements or refunds shall be limited to Product issues which are, as reasonably determined by ICU Medical, due and traceable to defects covered by the corresponding Product's warranty. Customer's sole and exclusive remedy, and ICU Medical's sole obligation, under the Product warranty shall be for ICU Medical to:

- 10.3.1. If the Product is an Infusion Pump or Equipment or an Accessory, repair or replace the Product under warranty, or
- 10.3.2. If the Product is a Solution, Disposable, Vascular Access Product, or Critical Care Product, replace the Product under warranty, or
- 10.3.3. If, in ICU Medical's sole opinion, the Product cannot be repaired or replaced, in particular where such actions would not be commercially reasonable or feasible, refund or credit (at ICU Medical's discretion) any sums paid by Customer to ICU Medical for the Product under warranty.

10.4. Voiding of Warranties. The warranties set out herein shall not apply and shall be void if, and to the extent that, the corresponding Products have been:

10.4.1. damaged, misused, neglected or subjected to improper storage while in Customer's possession;

10.4.2. used, handled, maintained, or implemented other than in accordance with their Product Documentation, such prohibited uses including but not limited to:

10.4.2.1. re-use of single-use and/or single patient-use Products;

10.4.2.2. use of single-use and/or single patient-use Products beyond the indicated maximum duration of use;

10.4.2.3. use of Disposables with any Infusion Pumps or Equipment or other devices other than those explicitly authorized by ICU Medical and as stated in the Product Documentation;

10.4.2.4. use of Infusion Pumps or Equipment with any disposables other than those explicitly authorized by ICU Medical and as stated in the Product Documentation;

10.4.2.5. cleaning, modification, fitting or repair of Products with non-ICU Medical approved (i) replacement parts, (ii) accessories or components, or (iii) cleaning agents;

10.4.2.6. altered by Customer, including the alteration, defacement or removal of serial numbers;

10.4.2.7. subject to implementation, repair or attempted repair by unauthorized personnel;

10.4.2.8. resold, leased or otherwise transferred possession to the benefit of a third party

10.4.2.9. damaged due to unsuitable power sources or other environmental conditions;

10.4.2.10. used by Customer notwithstanding the fact that Customer knew or ought to have known the Product was defective or damaged.

10.5. Exclusion of other Warranties. EXCEPT FOR THE WARRANTIES SET FORTH IN THESE TERMS, ICU MEDICAL DISCLAIMS ANY AND ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. THE REMEDIES SPECIFIED HEREIN ARE THE SOLE AND EXCLUSIVE REMEDIES AND APPLY REGARDLESS OF WHETHER ANY REMEDY SET FORTH HEREIN FAILS OF ITS ESSENTIAL PURPOSE.

11. Indemnification and Limitation of Liability

11.1. Each Party ("Indemnifying Party") shall indemnify, defend and hold harmless the other party and its authorized representatives and agents ("Indemnified Party") from and against any and all liabilities, losses, or damages, expenses, demands, claims, suits or judgments, including without limitation reasonable attorney's fees and expenses, which are brought by a third party against the Indemnified Party to the extent they arise from the Indemnifying Party's (a) breach of any provision of these General Terms; (b) negligence or willful misconduct; or (c) violation of any Applicable Laws; (d) with respect to Customer as the indemnifying Party, any death, bodily injury or property damage caused by Customer; or (e) with respect to ICU Medical as the indemnifying Party, ICU Medical's Products causing death, bodily injury, or property damage, provided that such Products, were used in accordance with the respective Product Documentation.

11.2. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, A PARTY SHALL NOT BE LIABLE FOR ANY LOST PROFITS, LOSS OF USE, BUSINESS INTERRUPTION, LOSS OF DATA, COST OF COVER OR INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND ARISING OUT OF THE TERMS, WHETHER IN CONTRACT OR TORT, INCLUDING NEGLIGENCE, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. ICU MEDICAL'S AGGREGATE LIABILITY HEREUNDER SHALL BE LIMITED TO THE TOTAL OF ALL SUMS PAID BY CUSTOMER TO ICU MEDICAL UNDER THESE TERMS AT THE TIME OF THE EVENT OR EVENTS GIVING RISE TO THE CLAIM(S).

12. Confidentiality

12.1. Each party agrees: (a) to keep confidential all Confidential Information disclosed to it by the other party; (b) not to use the Confidential Information of the other party except to the extent necessary for the purposes of these General Terms; and (c) to protect the confidentiality of the other party's Confidential Information in the same manner as it protects the confidentiality of its own Confidential Information. For purposes of these General Terms, Confidential Information includes any non-public technical or business information of either party, including any information relating to a party's techniques, algorithms, know-how, research, engineering, designs, financial information including pricing, customer lists, business forecasts, marketing plans, trade secrets and information or any materials marked confidential. Confidential Information shall also include any discussions or documentation relating to potential future products, software, features, and/or services. The obligations contained in this section shall survive, and continue in effect after the termination of these General Terms.

13. Disclosure and Reporting of Discounts

13.1. The purchase price under these General Terms (including the value of any discounts, rebates, or other price concessions) are intended to reflect discounts or other reductions in price within the meaning of the discount exception to the federal anti-kickback statute 42 U.S.C. Section 1320a-7b(b)(3)(A). In addition, any value provided to the Customer under the warranties in these General Terms shall be provided in accordance with the provisions of the federal anti-kickback statute warranty safe harbor regulation (42 CFR Section 1001.952(g)). Customer shall properly report, including any amendments or adjustments required to such reporting, and appropriately reflect such discounted prices on cost reports or claims submitted to any state or federal program that provides reimbursement to Customer for the items to which the discount applies. Further, Customer shall retain invoices and other price documentation and make them available to federal or state officials upon request.

14. Firmware License Only

14.1. In connection with the purchase of Infusion Pumps and subject to the terms and conditions contained in these General Terms, ICU Medical hereby grants Customer, a limited, non-transferrable, non-exclusive license to use the Firmware (in object code form) solely on the particular Infusion Pump unit onto which it is embedded solely for internal purposes at Customer sites and in accordance with the Product Documentation. Such Firmware license shall become fully paid-up upon Customer's final payment for the purchase of the Infusion Pump on which the Firmware is embedded.

14.2. Customer agrees not to make or have made copies or derivative works of the Firmware, or to reverse engineer, decompile or disassemble the Firmware.

14.3. ICU Medical may, from time to time and at its sole discretion, develop bug fixes or patches to the Firmware, or release new versions of the Firmware (collectively, the “Firmware Updates”). During the serviceable life of the Infusion Pump (as defined in the Product Documentation and for the avoidance of doubt, no more than seven (7) years) may, from time to time and at its sole discretion, make available to Customer Firmware Updates, either via Customer self-installation or onsite installation performed by ICU Medical. To the extent such Customer self-installs the Firmware Updates, such Firmware Updates shall be provided free of additional charge. Any installation of Firmware Updates performed by ICU Medical shall be subject to an additional fee. In no event after the serviceable life of the Infusion Pump has expired, ICU Medical shall no longer provide Customer Firmware Updates.

15. Miscellaneous

15.1. **Force Majeure.** If either party is prevented, hindered, or delayed in performing any of its obligations under these General Terms (other than an obligation to make payment) by a Force Majeure Event then the affected party’s obligations under these General Terms shall be suspended for so long as the Force Majeure Event continues and to the extent that the party is so prevented or delayed; as soon as reasonably possible after the commencement of the Force Majeure Event.

15.2. **Compliance with Laws and Regulations.** Each party represents and warrants that it shall comply with all Applicable Laws in the performance of its obligations hereunder.

15.3. **Assignment.** Neither party may assign these General Terms or its rights hereunder, in whole or in part, without prior written consent of the other party, which shall not be unreasonably withheld or delayed, provided that each party herewith consents to any assignment by the other party of its rights and obligations: (i) to an Affiliate; or (ii) incident to the transfer of a party’s business assets (in whole or in part), or (iii) in the event of a merger, consolidation, acquisition, or internal restructuring of a party. These General Terms shall inure to the benefit of and be binding on the successors and permitted assigns of a party.

15.4. **Modification.** Subject to limitations of applicable law, ICU Medical may, at any time, change or remove any of the terms and conditions of, or add new terms or conditions to these General Terms. If we make such a change, you agree that ICU Medical may provide you with notice of the change by any reasonable method.

15.5. **Third Party Beneficiaries.** Nothing in these General Terms is intended to benefit any person other than the Customer and ICU Medical.

15.6. **Waiver.** Any waiver of any of the provisions of these General Terms or of a party’s rights or remedies hereunder must be in writing to be effective. Failure, neglect or delay by a party to enforce the provisions of these General Terms will not be construed or deemed to be a continuing or further waiver of such party’s rights under these General Terms and will not in any way affect the validity of the whole or any part of these General Terms or prejudice the right to take subsequent action. Notwithstanding anything to the contrary in these General Terms, no action, regardless of form, arising from transactions between the parties, may be brought by Customer more than two (2) years after the cause of action has accrued.

15.7. **Severability.** If any provision of these General Terms shall be deemed unlawful, void, or for any reason unenforceable, then that provision shall be deemed severable from these General Terms and shall not affect the validity and enforceability of any remaining provisions.

15.8. **Governing Law.** These General Terms shall be governed by and construed in accordance with the laws of the State of Illinois for purchases made in the U.S. or the Province of Ontario, Canada for purchases made

in Canada (unless Customer is located in the Province of Quebec, then the laws of the Province of Quebec, Canada shall govern), without reference to its conflict of laws principles. The rights and obligations of the parties under these General Terms shall not be governed by the 1980 U.N. Convention on Contracts for the International Sale of Goods.

15.9. Authority. Customer represents and warrants that (a) if it is a legal entity, it is a corporate entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) it has all requisite power and authority to execute, deliver and perform these General Terms; (c) these General Terms are a legal and valid obligation binding upon Customer and enforceable in accordance with its terms; and (d) the execution, delivery and performance of these General Terms by Customer has been duly authorized by all necessary corporate action and do not conflict with any agreement to which it is a party or by which it is bound, nor violate any applicable law or any order or award of any court or governmental body applicable to Customer.

15.10. Sole contract. These General Terms constitute the entire understanding and agreement between ICU Medical and Customer concerning the subject matter hereof, and supersedes all prior negotiations, agreements and understandings between ICU Medical and Customer, whether oral or in writing, concerning the subject matter hereof. No additional terms contained in any Customer purchase order, acknowledgment form, or other document of Customer shall be binding on ICU Medical, except that Customer's purchase order shall be binding solely with respect to quantities and pricing of incremental purchases of Products therein. For the avoidance of doubt any Customer purchase order related to such incremental purchases of Products therein will be governed by these General Terms.

15.11. Notices. Any notices, or other information given, made or delivered to either party hereunder shall be sufficient if personally delivered, mailed, or sent by electronic transmission to the address of such party set forth on the Purchase Order.

15.12. Publicity. A party shall not make any press or other public announcement in relation to its contractual relationship with the other party without the prior written consent of such other party, whose consent shall not be unreasonably withheld or delayed; provided that ICU Medical shall be permitted to make a reasonable public announcement upon advance written notice to Customer and provided further that ICU Medical deems while acting in good faith that such public announcement is necessary for ICU Medical to comply with its securities and exchange laws and/or other similar regulations. Following the date of these General Terms and regardless of any dispute that may arise in the future, the parties agree that they will not disparage, criticize, or make statements which are negative, detrimental, or injurious to the other to any individual, entity or body.

Schedule 1

1. Definitions. The capitalized terms used herein are defined as follows:

- a. **"Accessories"** means accessories purchased for use with the Infusion Pumps or Equipment, applicable only if purchased under these General Terms. The term "Accessories" does not include batteries for Infusion Pumps or Equipment.
- b. **"Affiliate"** means, with respect to a party, any current and future business entity that directly controls, is controlled by, or is under common control of such party. As utilized herein, "control"

shall mean possession, direct or indirect, of the powers to direct or cause the direction of the management and policies of an entity through ownership.

- c. **“Applicable Laws”** means all applicable federal, state and local laws, rules and regulations in the performance of a party’s obligations hereunder.
- d. **“Critical Care Products”** means hemodynamic monitoring systems, cardiac output monitoring sensors and catheters, triox venous oximetry catheters, thermodilution and monitoring catheters, and blood pressure monitoring products.
- e. **“Customer”** means the party purchasing the Products hereunder and is defined on the Purchase Order.
- f. **“Disposables”** means individual dedicated single-sterile and single-use consumables which may be used with the Infusion Pumps or hardware, or individual non-dedicated single-sterile and single-use consumables which may be used with other devices or on a standalone basis, applicable only if such Disposables are purchased under these General Terms.
- g. **“Equipment”** means hardware sold by ICU Medical, including applicable pre-installed Firmware, applicable only if purchased under these General Terms, but does not include Infusion Pumps.
- h. **“Firmware”** means device-specific software embedded on the Infusion Pumps and Equipment and any updates thereto provided under these General Terms. For clarity, Firmware does not include software.
- i. **“Force Majeure Event”** means any event or cause beyond a party’s reasonable control, such as but not limited to, strikes, fires, explosion, flood, injunction, disruption of transportation infrastructure, public health emergency, epidemics, pandemics, accidents, market-wide inability to obtain supplies at reasonable prices, market-wide shortages including shortage of raw materials, war, act of governmental authority, terrorism, and acts of God.
- j. **“Infusion Pump”** means an external infusion pump used to deliver fluids and/or medications, including applicable pre-installed Firmware, applicable only if purchased under these General Terms.
- k. **“Orders”** means any order with a value of \$250.00 minimum, placed by the Customer under, and subject to, these General Terms.
- l. **“Products”** means Accessories, Disposables, Equipment, Infusion Pumps, Vascular Access Products, Critical Care Products, and/or Solutions, but does not include software.
- m. **“Product Documentation”** means the product instructions for use, package inserts, product labelling, product packaging, manuals, specifications and training materials, which may include eLearning (including pre-recorded videos) if available, for any Product.
- n. **“Solutions”** means intravenous, irrigation, and nutritional solutions, applicable only if purchased under these General Terms.
- o. **“Vascular Access Products”** means single patient-use products utilized for venous access, including without limitation, peripheral IV catheters, midline catheters, implantable ports, blood collection and sharps safety products.

ICU Medical General Terms and Conditions of Sale

Rev. Feb 2026

Rx Only. For safe and proper use, refer to the Instructions for Use.
Product(s) may not be licensed or available for sale in all countries. Please consult a product catalog, your sales representatives, or customer support for country-specific product availability. Please see the Instructions for Use for a complete listing of the indications, contraindications, warnings, and precautions. Always follow the Instructions/Directions for Use. The information contained in this website is intended for healthcare professionals only.

KERN COUNTY HOSPITAL AUTHORITY

By: _____
Chairman, Board of Governors

Date: _____

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Phillip Jenkins,
Kern County Hospital Authority

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

May 20, 2026

SUBJECT: Proposed Amendment No. 3 to Master Services Agreement 053-2021A-D with Stericycle, Inc.

Requested Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board's approve the proposed Amendment No. 3 with Stericycle, Inc., to add a new waste disposal location at 2920 F Street, Outpatient Eye Clinic. This Amendment will increase the contract value of \$1,697,000 in an amount not-to-exceed \$1,697,500, an increase of \$500, from May 20, 2026 through August 31, 2026.

On September 15, 2021, your Board entered into a five (5) year Master Services Agreement (MSA), HealthTrust – HPG 2621, for a variety of waste disposal services with Stericycle, Inc.

On March 20, 2024, your Board approved Amendment No.1 to the MSA to increase the maximum payable from \$300,000 to \$660,000 to cover expenses associated with additional locations.

On February 18, 2026, your Board approved Amendment No. 2 to add services to the Stockdale outpatient clinics.

This proposed Amendment No. 3 will add services to the F Street Outpatient Eye Clinic.

Therefore, it is recommended that the Board approve the proposed Amendment No. 3 with Stericycle, Inc., to add a new waste disposal location at 2920 F Street, Outpatient Eye Clinic, increasing the not to exceed amount from \$1,697,000 to \$1,697,500, an increase of \$500, effective May 20, 2026 through August 31, 2026, and authorize the Chairman to sign.

Service Add Form

highlighted should be
Stericycle
Customer



The parties agree that the following location(s) shall be added to the agreement between ACCT NAME and Stericycle dated CONTRACT DATE.

For Stericycle Internal Use Only	
Case Number:	22079544
<input checked="" type="checkbox"/> New	Sold To Acct: 1000892715
<input type="checkbox"/> Add to	Ship To Acct: New
Affiliation Code: K08	
Hospital Account Only	<input type="checkbox"/> Acute <input checked="" type="checkbox"/> Non-Acute

Site Information:

Requested Start Date: 4/9/2026

Site Name: Eye Clinic

Service Address: 2920 F Street

Floor/ Ste # Suite B-2

Service City, State, Zip: Bakersfield CA 93301

Site Phone: (661) 862.8175

Site Primary Contact: Rebekah Morales

Contact Email: ah.morales@kernmedical.com

Hours of Operation

Monday 8am-5pm

Tuesday 8am-5pm

Wednesday 8am-5pm

Thursday 8am-5pm

Friday 8am-5pm

Saturday

Sunday

Driver Instructions/ Service Notes:

Billing Information

Individual Invoice sent to and paid by site

Add to Consolidated Invoice

Individual Invoice sent to and paid by different payer

Billing Name: _____

Billing Address: _____

Billing City, State, Zip: _____

Paperless Billing

Email Address: _____

Purchase Order Number: _____

Purchase Order Expiry: _____

Cost Center/ GL #: _____

Tax Exempt Entity _____

If yes, please provide a copy of the Exemption Certificate.

Special Billing Requirements:

Bill to & Payer is 3000975240 - copy pricing from ship to - 3000975239, California customer get FRRXB8 & FRRXB1, ensure added to account.

The added location(s) shall be serviced according to the terms and conditions under the agreement between the parties. By signing below, I acknowledge that I am Customer's authorized officer or agent and that I have the authority to bind Customer to this Additional Site Form. All other terms and conditions of the agreement between the parties not modified herein shall remain in full force and effect.

Customer Name: Philip McLaughlin

Signature: _____

Date: _____

Stericycle Rep: christopher bennett

Signature: *Christopher Bennett*

Date: 5/8/2026

Services Requested:

Yes No **Regulated Medical Waste Service**

Generator ID: _____

REQUIRED for RMW (DE, ME, NJ, RI, SC, PR) BIC REQUIRED FOR NYC. EXEMPTION for South Carolina: If the generator is a veterinarian or a tattoo parlor / artist, no RMW generator ID number is required.

Service Frequency: On Call

Material: 2000999 RMW AUTOCLAVE

Steri-Safe Material: Select One

of Stops: 12

of Containers: _____

Yes No **Trace Chemotherapy Waste Service**

of Stops: _____

of Containers: _____

Service Frequency: Select One

Material: Select One

Yes No **Pathological Waste Service**

of Stops: _____

of Containers: _____

Service Frequency: Select One

Material: Select One

Yes No **Rx/Rx Affiliate/Hazardous**

must provide to be serviced EPA ID: _____ Legacy Acct# _____

Rx Rx Material: Select One Rx Service Frequency: On Call

Haz Haz Material: Select One Haz Service Frequency: On Call

Rx Affiliate (Hospital) Rx Affl Material: Select One

Rx Affl Annual Stops: _____ Compatible Containers: 2Gal 8Gal 18Gal

Rx Affl Annual Cnt Count: _____ Incompatible Containers: 2Gal 8Gal 18Gal

P-Listed Container: 1.4 Qt

Yes No **Non-Haz Pharm**

must provide to be serviced Gen ID: _____

Accts in FL, IL, IN, MI, MN, RI, WA & WI must have HDDS or RxAffl Program (Hosp Accts)

Annual Stops: _____

Annual Container Count: _____

Service Frequency: Select One

Material: Select One

Yes No **HDDS** (not applicable to Hospital Accounts)

must provide to be serviced EPA ID: _____

If Multi-sites are being added customer must fill out the following:

Hazardous Waste Generator Status: Must Select One

Opted into Subpart P? Must Select One

License to Prescribe Board of Pharmacy#: _____

Expiration: _____

Checklist Needed: Yes No

Legacy Acct# _____

Service Frequency: Select One

of Stops: Select One

Containers per Year: _____

Compatible Containers: 2Gal 8Gal 18Gal

Incompatible Containers: 2Gal 8Gal 18Gal

P-Listed Container: 1.4 Qt

Hosp Acct Only: Transactional

Yes No **CsRx**

must provide to be serviced EPA ID: _____

Legacy Acct# _____

Checklist Needed: Yes No

Service Frequency: Select One

Self Service Full Service Mailback Overclass

Material: Select One

Container Details: 1.4Qt Quantity: _____

1Gal Quantity: _____

3Gal Quantity: _____

Yes No **Sharp Services**

(required if RMW is not being added at the same time) MWG ID: _____

Container Placement: Room - Suite B-2

SMS Service Frequency: E1W SMS Material: 1006 SHARPS MANAGEMENT SEF

KRB Service Frequency: Select One KRB Material: Select One

RxB/RxPro Service Frequency: Select One RxB Material: Select One

Yes No **Shredding Services**

Only fill out if Off-Site or On-Site is filled out

Container Type: _____

of Containers: _____

Service Frequency: Select One

of Stops: _____

Service Frequency: Select One

of Stops: _____

Purge Off-Site: Select One

Sub Purge Off-Site: Select One

Purge On-Site: Select One

Sub Purge On-Site: Select One

Service Frequency: Select One

Requested Purge Date: _____

Certificate Of Completion

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Envelope Originator:

christopher bennett

2355 Waukegan Road

Bannockburn, IL 60062

christopher.bennett1@stericycle.com

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Signer Events

Signature

Timestamp

Rebekah Morales

rebekah.morales@kernmedical.com

Security Level: Email, Account Authentication
(None)

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christopher bennett

christopher.bennett1@stericycle.com

Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:

Not Offered via Docusign

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

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Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

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Notary Events

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Timestamp

Envelope Summary Events

Status

Timestamps

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Payment Events

Status

Timestamps

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

May 20, 2026

Subject: Proposed acceptance of learning credits from Cisco Systems Inc. for four Kern County Hospital Authority employees to attend the Cisco Live! conference

Recommended Action: Approve; Adopt Resolution

Summary:

The Kern County Hospital Authority (Authority) 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.

Recently, the Authority contracted with Cisco Systems Inc. to provide professional services in support of the Cisco Telephony Upgrade project. This project upgraded the Authority's end-of-life phone system throughout the organization.

As part of the Cisco Telephony Upgrade project, Cisco Systems Inc. provides learning credits to allow for its clients to access training on a variety of Cisco technology. Cisco Systems Inc. is providing a global conference where the learning credits can be used to send four Authority employees to attend Cisco Live! in Las Vegas, Nevada, from June 1 through June 4, 2026. This training session is necessary to support the ongoing maintenance of the new phone system.

The Authority recommends your Board adopt the attached proposed resolution to accept 300 learning credits from Cisco System Inc. to purchase access to essential training and authorize the Chief Executive Officer to designate four Authority employees to attend the Cisco Live! conference in Las Vegas, Nevada, from June 1 through June 4, 2026.

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

In the matter of:

Resolution No. 2026-____

**ACCEPTANCE OF DONATION OF
CISCO LEARNING CREDITS FROM
CISCO SYSTEMS INC. TO ATTEND
THE CISCO LIVE! 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 20th day of May, 2026, 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) The Authority recently entered into an agreement with Cisco Systems Inc. (“Cisco”) to upgrade the telephone system throughout the organization; and

(c) Cisco provides learning credits on purchases for its buyers to access training on a variety of Cisco technology; and

(d) Cisco is hosting a global conference where the learning credits can be used to send four Authority employees to attend Cisco Live! in Las Vegas, Nevada, from June 1-4, 2026; and

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

(f) The Authority desires to obtain the donation of learning credits from Cisco to the Authority and will retain full control over the use of the donation; and

(g) There are no 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 Cisco Systems Inc. a donation of 300 learning credits for four Authority employees to travel to Las Vegas, Nevada, to attend the Cisco Live! Conference from June 1-4, 2026.

3. This Board authorizes the Chief Executive Officer to designate four Authority employees to attend the Cisco Live! Conference from June 1-4, 2026, in Las Vegas, Nevada.

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

Chief Financial Officer
Legal Services Department
Human Resources
Information Services Department



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

May 20, 2026

Subject: Proposed Service Contract Quotation Q-37475 with Sciton Inc. for laser device maintenance

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Service Contract Quotation Q-37475 with Sciton Inc. for one (1) year of laser device maintenance. The Refine clinic has worked with this vendor for years and this vendor supplies the maintenance needed for the device to remain in good working order. This is a one-time payment in the amount of \$24,048 for one (1) year of maintenance services with no additional fees or charges.

Counsel is unable to approve as to form to due non-standard terms which include but are not limited to the limitation of liability to amounts paid pursuant to the Agreement, interest on late payments, indemnification only of vendor, no insurance obligations of vendor, and no right to cancel. Efforts were made to negotiate with the vendor, but to no avail.

Although counsel is unable to approve, Kern Medical has worked with this vendor for years and this quote signifies great services at a reasonable price, therefore, it is recommended that your Board approve the proposed Service Contract Quotation Q-37475 with Sciton Inc. for laser device maintenance services, for a term of one (1) year effective June 2, 2026, in an amount not to exceed \$24,048, and authorize the Chairman to sign.



Service Contract Quotation

Sciton Inc.

925 Commercial Street
 Palo Alto, CA 94303
 USA
 Phone: +1 (650) 543-8371
 Email: servicecontracts@sciton.com

Quote #: Q-37475
Customer No: US13781
Date: 4/21/2026
Coverage Period: 12 months
Start Date: 6/2/2026
End Date: 6/1/2027
Expires On: 7/17/2026

Service Coverage Renewal for System Serial: **14590**

Bill To

Kern Medical
 1902 B Street, Ste A
 Bakersfield, California 93301
 United States

Ship To

Kern Medical
 1902 B Street, Ste A
 Bakersfield, CA 93301
 US

Premium Coverage:

- Covers all travel, labor, and parts for the coverage period as indicated above.
- Includes one preventive maintenance visit per year.
- This contract excludes misuse, abuse, and accidents.
- Goods or parts that are replaced or repaired under this warranty because of normal wear or use, such as contact plates and wear surfaces, will be billed an additional nominal repair charge.
- First payment is due upon signing the contract.
- Contract is not valid until the first payment is made.
- This Contract is for the Coverage period noted above. It is non-cancellable, non-refundable, and non-transferable.
- Direct phone number and queue priority for support, service calls, and parts.

Name	Price	Discount	Tax	Subtotal (ACH, Check, Purchase Order, Wire Transfer)	Subtotal (Credit Card)
Full Payment	\$ 24,047.26		0.00 %	\$ 24,047.26	\$ 24,768.68
Quarterly Payment	\$ 6,011.81		0.00 %	\$ 6,011.81	\$ 6,192.17
Monthly Payment	\$ 2,003.94		0.00 %	\$ 2,003.94	\$ 2,064.06

Basic Coverage:

- \$1,500.00 deductible for each service call (with a 90-day warranty on replaced parts and labor).
- After deductible, covers all travel, labor, and parts for the coverage period as indicated above.
- \$50.00 additional shipping and handling fee per parts shipment.
- This contract excludes misuse, abuse, and accidents.
- Goods or parts that are replaced or repaired under this warranty because of normal wear or use, such as contact plates and wear surfaces, will be billed an additional nominal repair charge.
- First payment is due upon signing the contract.
- Contract is not valid until the first payment is made.
- This Contract is for the Coverage period noted above. It is non-cancellable, non-refundable, and non-transferable.
- Direct phone number and queue priority for support, service calls, and parts.

Name	Price	Discount	Tax	Subtotal (ACH, Check, Purchase Order, Wire Transfer)	Subtotal (Credit Card)
Full Payment	\$ 18,035.45		0.00 %	\$ 18,035.45	\$ 18,576.51
Quarterly Payment	\$ 4,508.86		0.00 %	\$ 4,508.86	\$ 4,644.13
Monthly Payment	\$ 1,502.95		0.00 %	\$ 1,502.95	\$ 1,548.04

Please select the coverage type that you want based on the pricing present in the table above:

Please select your preferred payment schedule and option from the list below:

Payment Terms:

- Once established all quarterly or monthly payments will be an automatic process.
- Payment Promissory Options are automatic Credit Card or automatic debit of bank account.
- Sciton is required by law to collect applicable state sales tax.
- No periodic payments by Check and / or P.O paid by check.
- The taxes are estimated and subject to change per your state/city updates.
- There is an additional **3% processing fee** if paid by **credit card**.
- By signing this service contract, the Customer acknowledges and agrees that if the contract is signed and approved after the original expiration date—regardless of whether it is 7 days, 30 days, 45 days, or several months later—billing will be applied retroactively from the original contract start date, not from the date of signature. The Customer further acknowledges that in such cases, full monthly charges will apply for each month of coverage starting from the contract start date to ensure uninterrupted service and contract continuity.

I accept the attached "[Terms and Conditions of Service Contract](#)" and agree to make the payment(s) as acknowledged above.

Customer Approval

Date

Sciton Contracts Representative _____

Date

REVIEWED ONLY
NOT APPROVED AS TO FORM

By Shannon Hochstein
Kern County Hospital Authority

TERMS AND CONDITIONS OF SERVICE CONTRACT

1. **Nature of this Agreement and Definitions.** The terms and conditions of this Agreement (the "Agreement") are for the maintenance by Sciton, Inc. ("Sciton") of the equipment or products described on the Service Contract for the period as indicated on the front page, including parts and accessories (the "Equipment"), or the servicing of any Equipment, including travel and labor ("Services") determined by plan type. The following information is found on the Service Contract: the customer ("Customer"), the job site where the Equipment may be delivered or used (the "Site"), the type of payment plan, (One Time v. Periodic), and the type of Service Contract (Premium v. Basic). "The term "in writing," "written," and/or any other derivatives of the word "write" that are used in this Agreement mean any communication that is in writing either handwritten, typed, printed, and/or electronically delivered to the other party as provided herein and as permitted by applicable law."

2. **Priority of this Agreement.** Customer agrees that its receipt of Services for its Equipment is conditioned upon complying with these terms and conditions. Customer agrees that this Agreement supersedes and controls over all other communications or agreements with Sciton concerning the Service Contract. Any written or oral terms of conditions or other provisions different from or varying these terms and conditions, wherever found, are rejected and not binding on Sciton.

3. **Parts and Labor.** Sciton may provide both parts and labor. In servicing your product, Sciton may use parts or products that are new or refurbished parts, at its sole discretion. Refurbished parts are equivalent to new in performance and reliability. Sciton will retain the replaced part or product that is exchanged during service as its property, and the replacement part or product will become your property.

4. **Services.** If Sciton provides Services to Customer, including repair or maintenance, it will use professional skill and judgment in accordance with normally accepted industry standards. If Sciton fails to do so, and as its only obligation to Customer for defective Services, Sciton will perform those Services again at Sciton's expense.

5. **Availability of Services.** Commercially reasonable efforts will be made to provide prompt and efficient service; however, Sciton reserves the right to prioritize its service assignments due to the nature of the work required, location, weather, work load conditions, and other factors.

6. **What is Covered.** Except as otherwise expressly provided in this Agreement, Sciton will provide to Customer all of the necessary Services required including parts, labor, and travel to maintain proper operation of the Equipment under normal operation and service for the duration of the Service Contract. Parts for third party items are not included under this Agreement unless covered by the original manufacturer's warranty. Goods or parts that are replaced or repaired under this warranty because of normal wear or use, such as contact plates, wear surfaces and flashlamps, will be billed an additional, nominal repair charge. Customer will be billed for defective parts which have not been returned in a timely manner. Premium Service Contracts include one (1) free preventative maintenance visit per contract year. The duty to schedule this one (1) free preventative maintenance visit per Service Contract year is the Customer's.

7. **What is Not Covered.** IN NO EVENT WILL SCITON BE LIABLE FOR COSTS OR PROCUREMENT OF SUBSTITUTED EQUIPMENT BY CUSTOMER OR ANY DAMAGE (WHETHER PUNITIVE, INCIDENTAL, SPECIAL, BUSINESS INTERRUPTION, CONSEQUENTIAL, OR OTHER DAMAGES (INCLUDING WITHOUT LIMITATION LOST OF PROFIT OR REVENUE) ARISING FROM ANY DELAY IN RENDERING SERVICES INCLUDING DIFFICULTIES IN SECURING PARTS, LABOR, TRANSPORTATION, OR MATERIALS AND/OR INVOLVING A FORCE MAJEURE EVENT (AN EVENT OF FORCE MAJEURE IS AN EVENT OR CIRCUMSTANCE WHICH IS BEYOND THE CONTROL AND WITHOUT THE FAULT OR NEGLIGENCE OF SCITON AND WHICH BY THE EXERCISE OF REASONABLE DILIGENCE SCITON WAS UNABLE TO PREVENT PROVIDED THAT EVENT OR CIRCUMSTANCE INCLUDES THE FOLLOWING, BUT IS NOT LIMITED TO: A WIDESPREAD EPIDEMIC, PANDEMIC, A PUBLIC HEALTH EMERGENCY, ACTS OF GOD, LABOR UNREST, FIRE, FLOOD, EXPLOSION, EARTHQUAKE, RIOT, WAR, INVASION, ACTS OF TERRORISM, CIVIL OR MILITARY DISTURBANCES, OR BUSINESS INTERRUPTIONS EXPERIENCED BY CUSTOMER OR SCITON RELATED TO ANY FORCE MAJEURE EVENT, OR ANY CHANGED CIRCUMSTANCES EXPERIENCED BY SCITON THAT

RENDERS ITS PERFORMANCE COMMERCIALY UNREASONABLE OR IMPOSSIBLE) ("FORCE MAJEURE EVENT"). THE PURPOSE OF PARAGRAPH 7 IS TO LIMIT THE POTENTIAL LIABILITY OF SCITON ARISING OUT OF THIS AGREEMENT AND SERVICE CONTRACT. CUSTOMER FURTHER AGREES THAT ANY DAMAGES CLAIMED PURSUANT TO SERVICE RENDERED UNDER THIS SERVICE CONTRACT SHALL NOT EXCEED THE TOTAL COST PAID BY HIM OR HER FOR THE SERVICE CONTRACT, IN ANY EVENT.

8. **Payment Terms.** Interest accrues on overdue payments at the rate of not less than one and one-half percent (1.5%) per month, but not more than the amount allowed by law, on the unpaid balance from the original due date. An additional late fee of One Hundred Dollars (\$100.00) will accrue for each month past the due date until the entire balance is paid. Payment shall not be withheld for any delay in Services. Under a Basic Plan, if shipping is necessary, Customer is responsible for payment of delivery of Equipment to Sciton's Corporate Service Center in California (or elsewhere if so directed by Sciton) and shipping of any parts, goods, and/or materials necessary for Sciton to provide Services. A shipping and handling fee of Fifty Dollars (\$50) will be applied for each shipment under such circumstances. Customer is authorized to use his/her/its credit card in order to complete Payment under this Agreement. Customer acknowledges that Sciton will impose a surcharge of 3.0% on Customer for credit card charges above \$10,000 (USD)—to the extent consistent with applicable California law. A surcharge is an additional amount imposed at the time of the transaction by Sciton that increases the charge to Customer for using a credit card. The surcharge is intended to reimburse Sciton for the processing fees incurred by Customer's credit card company.

One Time Payment Plan – Payment is due in full at the time of acceptance of this Agreement. The Service Contract is valid when paid in full.

Periodic Payment Plan – The payment schedule for the Periodic Payment Plan is the payment schedule included in the promissory note attached to the Service Contract. Such Plan is only available upon approved credit by Sciton and a Twenty Five Dollar (\$25.00) processing fee for processing each payment. Customer consents to Sciton's check of his/her/its credit. Customer authorizes Sciton to charge his/her/its credit card and/or debit his/her/its bank account in payment of the Periodic Payment Plan. The Service Contract is valid when Sciton receives the first payment. Failure to make such Periodic payments will result in the suspension of services under this Agreement, but Sciton maintains the right to collect all unpaid installments.

Customer is required to remit all applicable sales taxes as invoiced. Customer acknowledges that unless and until the Service Contract is paid in full, Sciton has no obligation to service the Equipment and will not do so. Equipment sent to Sciton by Customer will not be serviced if Customer has not paid the Service Contract in full. In such circumstances, if Customer refuses to pay the Service Contract in full within seven (7) days of Sciton's demand of same, and further insists that Sciton return the Equipment, then Customer acknowledges herein: 1) that Customer will pay all shipping costs outbound from Sciton for the return of the Equipment; 2) that any unserviced Equipment poses a risk to patients who are treated with the unserviced Equipment; 3) an obligation to disclose the unserviced condition of the Equipment before using it to treat a patient; 4) an assumption of all responsibility and liabilities for the use of the equipment;

5) an assumption of all responsibility and liabilities for any extraordinary repairs and maintenance necessitated by Customer's failure to pay the Service Contract such that regular service could not be rendered by Sciton; and 6) a forfeiture of any partial payments made.

9. **Deductible.** A One Thousand, Five Hundred (\$1,500.00) deductible payment is required for each service call under a Basic Service Contract. This payment is due prior to dispatch of a service technician and is not refundable. No deductible is required under a Premium Service Contract.

10. **Bankruptcy or Insolvency of Buyer.** If the financial condition of the Customer at any time is such as to give Sciton, in its judgment, reasonable grounds for insecurity concerning Customer's ability to perform its obligations under this Agreement, Sciton may (a) by notice in writing to Customer, cancel this Agreement, without judicial intervention or declaration of default of Customer and without prejudice to any right or remedy which may have accrued or may accrue thereafter to Customer, or (b) require full or partial payment in advance and suspend continuance of the work, to be performed by Sciton, until such payment has been received.

TERMS AND CONDITIONS OF SERVICE CONTRACT

11. Customer's Indemnification Each Party will indemnify, defend and hold harmless the other Party and its affiliates from any and all costs, expenses, damages, and liability, including reasonable attorneys' fees, to the extent arising from or pertaining to any negligence or intentional misconduct, breach of any law or regulation, willful misconduct, or breach of this Agreement by either Party – whether the claim arises between them or involves a third-party. If the party seeking indemnification (“moving party”) also acted (or is claimed to have acted) negligently or engaged in intentional misconduct, there is no duty to indemnify between the parties. This clause applies to claims between the parties and claims brought by third parties against the Customer and/or Sciton hereto. The indemnity will survive expiration or termination of this Agreement.

12. Maintenance and Repairs: Only factory-certified Sciton service engineers are authorized to perform maintenance and repairs on Sciton systems. Using a third-party service entity to perform repairs or maintenance on the Sciton system will void any existing warranty on the system. Sciton permits only Sciton factory-specified parts, available solely through Sciton, be used for repairs. Using non-certified parts may cause damage to other assemblies and components within the system and could cause injury to the user and the user's patients. Using non-certified parts will void any existing warranty on the system. During a service intervention, if the Sciton engineer identifies evidence that a repair or maintenance was performed by a third party, e.g., someone other than a certified Sciton engineer, the Sciton engineer will terminate the service immediately due to safety concerns. By signing these terms and conditions and agreeing to this warranty, you also agree to defend and indemnify Sciton for any damage to the system and/or injury to users (and users' patients) of the device.

13. Customer's Insurance Obligations. Customer agrees to maintain appropriate insurance protecting Sciton from all loss, damage, expense, or penalties arising from or related to the use, maintenance, and/or service of the Equipment during the Service Contract period. Sciton does not provide, extend or afford any insurance coverage to Customer, or any operator of the Equipment. The insurance coverage provided for above will not act to limit Customer's liability under this Agreement, and Customer will be responsible for any loss or damage to the Equipment until, and if, it is returned to Sciton.

14. Returns. Prior to return of any Products to SCITON for any reason, Customer shall first request a return material authorization (“RMA”) from SCITON and provide SCITON the following information about the Product(s) being returned: (a) quantity, (b) part number, (c) RMA number, and (d) a detailed reason for Product return. SCITON shall accept returns only after it has issued a RMA number authorizing the return of such Product(s). Customer shall promptly ship all such authorized returns to SCITON freight prepaid. Such return shipment must be in the proper package and display the appropriate reference to the RMA including the RMA Number on boxes in which the returned Product is shipped. Unauthorized returns, or returns which fail to display the appropriate reference, will be subject to rejection of shipment and subsequent return to Customer at Customer's expense. In all cases of returns, final approval by SCITON as to credit, or replacement in the case of Products returned under a SCITON Warranty, may be withheld pending inspection and/or testing of the returned Product by SCITON and verification of the pertinent facts. If SCITON determines after inspection that a warranty claim is invalid, SCITON may charge Customer for the costs incurred by SCITON related to such inspection and shipping/insurance. All returned parts must be marked new or used when returned to SCITON. Customer must return alleged defective parts within thirty (30) days of receiving replacement part or additional charges will apply. Additionally all returned parts must reference the proper RMA number as assigned by SCITON. If the return part is serialized, and Customer returns the part, then SCITON expects that the serial number on the returned part will match the serial number identified by Customer at the time the part is requested for replacement. No other serialized part can be substituted at the time of the return of the alleged defective part. If SCITON determines that a unit has parts or components that do not match its list of original manufacturer equipment in terms of serialized parts, then SCITON reserves the right to reject the return and Customer must pay to have the unit inspected and brought back to SCITON specifications and also pay retail price for the replacement part, as SCITON does not service units that have been serviced by non-SCITON certified service technicians due, in part, to the risk that such repairs pose to unit

buyers and patients undergoing treatment with said units.

15. Limited Warranty – Limitation of Remedies. (a) Except as otherwise specified herein, Sciton only warrants its Services commencing after full payment has been received by the Customer: (i) To be free from defects in material and workmanship, in the manner and under the conditions as specified in Sciton's warranty for the individual Equipment, for the period of the Service Contract under a Premium Service Contract and for ninety (90) days from the date of Service under a Basic Service Contract (including parts and labor), unless the deal paperwork (including but not limited to the invoice and/or quote) specifies a different warranty term in this regard; (ii) Wholly new and unrelated Services to the Equipment within 90 days from the date of Service under a Basic Service Contract require the payment of a new deductible, unless the deal paperwork (including but not limited to the invoice and/or quote) specifies a different warranty term in this regard; (b) No representative or person is authorized to bind Sciton for any obligations or liabilities beyond this warranty in connection with Sciton's Services. This warranty is made to the Customer only at the Site and is non-transferable to other equipment or to other owners of the equipment, and may only be modified or amended by a written instrument signed by a duly authorized officer of Sciton. (c) (i) Goods, material, or parts that are replaced or repaired under this warranty because of normal wear or use, such as contact plates, wear surfaces, and flashlamps are warranted on a monthly pro rated basis only for the remaining portion of the Sales Contract as credit toward new replacement goods or parts; (ii) Optical coatings, filters, lenses, and mirrors will be repaired or replaced under this warranty if kept clean according to manufacturer's instructions. Dirt or debris on the surface of such an item during usage may cause thermal damage and void the warranty for such item; and (iii) Third party items are warranted by their manufacturers and are not covered by Sciton. (d) These remedies are available only if Customer notifies Sciton in writing promptly upon discovery of the defect, and in any event within the warranty period for the Individual Equipment. The warranty shall be null and void (i) where the goods are unpacked, worked on, altered, serviced, modified, and/or repaired by person(s) not authorized by Sciton so as, in Sciton's sole judgment, to injure the stability, reliability, or proper operation of such goods; (ii) where service is required due to the Customer's failure to operate or maintain the goods in a manner consistent with the specifications and guidelines set forth in the Equipment's operator manual; (iii) if the goods are subject to misuse, negligence or accident; and/or (iv) where the goods are connected, installed, dismantled, disassembled, used or adjusted otherwise than in accordance with the instructions furnished by Sciton. (e) This warranty only applies to devices and components sold by Sciton to the Customer and is expressly voided to the extent any component and device is purchased by a Customer from a third party used laser broker. Any component part purchased from Sciton that malfunctions due to a part or device purchased by the Customer from a third party used laser broker will void the warranty in that component part. (f) THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES (EXCEPT FOR SPECIFIC WRITTEN PRODUCT PERFORMANCE GUARANTEES) WHETHER WRITTEN, ORAL, OR IMPLIED, AND SHALL BE THE CUSTOMER'S SOLE REMEDY AND SCITON'S SOLE LIABILITY ON CONTRACT OR WARRANTY OR OTHERWISE FOR ITS SERVICES.

16. Equipment Recertification. In the event that Customer wishes to transfer ownership of the Equipment, Customer will be responsible for obtaining an Inspection and Equipment Recertification from Sciton. The Inspection Fee at this time is \$5,000 (USD), but is subject to change on a yearly basis or at Sciton's discretion. The Transfer of Ownership Fee price varies based on configuration of the system. Customer may request a quote based on his/her/it's configuration from Sciton Service. The Transfer of Ownership Fee includes the cost of 1-year service contract for the current configuration of the system, clinical in-service training, the ability to upgrade the system in the future if desired, marketing material customized to the configuration of the system, access to marketing and clinical support material on Sciton Pro, and complete transfer of account to a new name and address. The fee will be paid in advance prior to any transfer of ownership. Customer will be responsible for the cost of any repairs needed to obtain recertification from Sciton. Sciton will not honor any requests to service Sciton systems that were not purchased directly from Sciton and for which Sciton has no record of recertification or transfer of ownership. Sciton reserves the right to deny a transfer of ownership request for any reason, including, but not limited to, if the Equipment has been purchased from a

TERMS AND CONDITIONS OF SERVICE CONTRACT

non-Sciton customer or other third party, if the Equipment contains non-Sciton certified component parts, if the Equipment is being transferred to a party who resides in a country other than where the original Sciton Customer resides, and/or if Sciton has reason to believe that the Equipment has either been altered, modified or repaired by a third party. Sciton's Transfer of Ownership Policy, including all applicable fees, is available to Customer upon request and subject to revisions at Sciton's discretion. Customer acknowledges that Sciton's Equipment Recertification policy is intended to protect customers and purchasers from receiving poorly maintained and/or dangerous equipment, equipment that has been subject to unauthorized repairs from persons/entities other than Sciton, or is otherwise non-compliant with FDA regulations.

17. **Sciton's Rights to Subcontract.** Sciton may subcontract any portion of the Services, but Sciton's obligations and rights hereunder shall not thereby be limited or affected.

18. **Errors.** Stenographic and clerical errors are subject to correction.

19. **Applicable Law; Jurisdiction and Venue.** [Intentionally Omitted]

20. **Substitutions and Modifications.** Sciton will have the right to make substitutions and modifications in the specifications of Equipment serviced by Sciton, provided that such substitutions or modifications will not materially affect overall product performance. Sciton reserves the right, at its sole discretion, to use new or fully factory refurbished parts when performing Services.

21. **Miscellaneous.** This Agreement constitutes the complete and exclusive statement of the terms and conditions between the parties, and may be modified only by a writing executed by both of them. This Agreement and the related pricing are limited to the Site as listed on the Contract, applicable solely to this deal, and are neither transferable nor assignable to third parties without Sciton's prior written consent. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and effective for all purposes. In accordance with the U.S. federal E-SIGN Act of 2000, California's Uniform Electronic Transactions Act (Cal. Civ. Code Section 1633.1, et seq.), and any other applicable law or regulation of any kind concerning the use of electronic signatures, the parties expressly agree to the use of electronic signatures to execute this agreement. An electronic signature includes any symbol or series of symbols, including an individual's initials, that has been executed, adopted, or authorized by an individual to be the legally binding equivalent of the individual's handwritten signature. Each person executing this Agreement represents and warrants that he or she is the person stated and has full and legal authority to execute this Agreement for and on behalf of the respective party for which he or she is executing this Agreement and to bind that party in accordance with this Agreement. Each party further represents and warrants that it has not altered or modified this Agreement in any way from the agreement to which the parties agreed.

22. **Acceptance.** The terms and conditions of this Agreement will be deemed accepted upon the signature by Customer of the Service Contract and/or at the time of payment. Upon acceptance, Customer authorizes Sciton to perform the services set forth above and agrees to all the terms and conditions stated within.

23. **Survival.** Any rights and obligations under this Agreement, which by their nature should survive, shall survive the expiration or termination of this Agreement.

24. **Divisibility.** If any provision of this Agreement becomes or is declared illegal, invalid, or unenforceable, such provision will be divisible from this Agreement and will be deemed to be deleted from this Agreement. The remainder of this Agreement shall remain in full force and effect.

25. **Right to Counsel.** Customer acknowledges Customer's right to have separate counsel, at Customer's expense, review this Agreement and provide advice. By executing this Agreement, Customer acknowledges that Customer has read, reviewed and understood the terms and conditions herein.

26. **Compliance with State Law Regarding Laser Devices.** Owners of lasers and laser-based devices in Illinois (IL), Arizona (AZ), Texas (TX), Georgia (GA), Florida (FL), Massachusetts (MA), and New York (NY) may be required to register certain lasers and laser-based devices with the applicable state agency. Responsibility for compliance with any state-

specific requirements pertaining to laser ownership, including but not limited to, laser registration, rests exclusively with the device owner and not with SCITON.

27. **No Rights to Cancel.** This Agreement shall commence when deemed valid and shall continue in full force in effect for a minimum period of one (1) year or longer depending upon the time period specified in the Service Contract. The Service Contract cannot be canceled mid-term and no partial refunds will be allowed.

28. **Sciton Professional Website.** In connection with this purchase, Customer is authorized to access the educational materials contained on the Sciton Professional Website, www.Scitonpro.com. Use of the Sciton Professional Website is governed by the ScitonPro Terms of Use, found on the Sciton Professional Website. This website is for physician use and education only. Customer may not share Customer's username or password with third parties.

29. **Data Privacy.**

General. SCITON is committed to protecting the privacy of your personally identifiable information to the extent possible. SCITON maintains reasonable security measures to protect sensitive personally identifying information and only uses/collects personal information in a lawful and fair manner. You represent that you are in compliance with any relevant data protection laws.

Personal Information. SCITON collects personal information from agreements, e-mails, faxes, telephone inquiries, correspondence, web forms, surveys, and other means of communication. SCITON collects such information when you agree to purchase or order or avail yourself of goods or services, registration for a service (e.g. user groups, seminars, and tradeshow), to track warranty rights and obligations, to provide product information, and other lawful purposes. "Personal Information" means information that can be used to identify a specific individual, such as your name, address, e-mail address, phone number, birth date, credit card information, etc.

Consent. SCITON collects and stores data as it pertains to the Agreement signed by you. We maintain records of your Agreement and the services related to the Agreement. As part of your interactions with SCITON, and by entering into the Agreement, you consent to SCITON collecting all data collected in connection with the Agreement, in compliance with the GDPR opt-in requirement. We will not share your information with any third party outside of our organization other than as necessary to fulfill your requests, e.g., to ship a product to you, to provide your name and contact information to Sciton's third party vendors in conjunction with Sciton services like Sciton Pro, Sciton's Success Builder Program, and The Concierge Service and Subscription Program, or as required by law. Except when otherwise permitted by law, we will only use the information for the purpose for which it was given. We will obtain your additional express consent prior to collecting, using, or disclosing sensitive information for any purpose outside of acting in accordance with the Agreement. SCITON's Privacy Policy is located on its website, www.SCITON.com. SCITON may update its Privacy Policy from time to time, please periodically review the Privacy Policy for updates.

Withdrawing Consent/Data Deletion Request. You may opt to withdraw consent at any time. If you wish to review, modify, delete, or otherwise express your concerns about any personally identifying information that you previously provided, you can do so at any time by contacting:

SCITON, Inc.
925 Commercial Street
Palo Alto, CA 94303
United States
Phone:
+1.650.493.9155
Toll Free:
+1.888.646.6999
info@SCITON.com

Third-Party Service Providers. To build a great product for you and provide exceptional customer service, we need partners. We utilize third party vendors like Google Analytics and Marketo to handle your data, who have confirmed are GDPR-compliant. Except for the disclosure of Customer's name and contact information to Sciton's third party vendors in conjunction with Sciton services like Sciton Pro, Sciton's Success Builder Program, and The Concierge Service and Subscription Program, Sciton does not disclose

TERMS AND CONDITIONS OF SERVICE CONTRACT

or sell personal information to third parties; however, should this policy change, Sciton will notify you of same prior to disclosing any information to third parties. If Sciton must disclose personal information to a third-party, Sciton will require by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure.

Disposal of Data. SCITON will take all reasonable steps to erase or arrange for the destruction of all sensitive personally identifying information contained in records when the records are no longer to be retained pursuant to applicable law, regulations, or business needs.

Breach of Security. In the event there has been a breach of security in relation to your personally identifying information, and the state in which you reside requires notice upon discovery of the breach, SCITON, without delay and as soon as reasonably practicable, and in accordance with any applicable law, will notify you, in writing, and conduct an investigation of same, and report to the appropriate authorities/agencies, if applicable.

E-mail Scams. There are various scams designed to steal your personal information. If you receive an e-mail that looks like it is from SCITON asking you for your personal information, please notify us as provided in this section.

Usage Data. Sciton reserves the right to collect system usage data from time to time for the purpose of running diagnostics and improving usability and performance of the system. Data collected will not contain any patient identification information.

CUSTOMER

SCITON, INC.

Name: Scott Thygeron
Title: Chief Executive Officer
Date/Time:

Name:
Title:
Date/Time

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

May 20, 2026

Subject: Proposed Retroactive Amendment No. 1 to Agreement 10624 with Arthrex, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed retroactive Amendment No. 1 to Preferred Supplier-Provider Pricing Agreement with Arthrex, Inc., for the purchase of surgical implants and supplies in an amount not to exceed \$250,000.

On February 24, 2024, Kern Medical entered into a two (2) year agreement with Arthrex, Inc., for the purchase of surgical implants and supplies in an amount to exceed \$120,000. The proposed Amendment extends the term for an additional two years, from February 28, 2026 through February 28, 2028. The Amendment is retroactive as updated information was not finalized before the April board deadline.

Therefore, it is recommended that your Board approve the proposed approve the proposed retroactive Amendment No. 1 to Preferred Supplier-Provider Pricing Agreement 10624 with Arthrex, Inc., for the purchase of surgical implants and supplies in an amount not to exceed \$250,000, effective February 28, 2026 through February 28, 2028, and authorize the Chairman to sign.



**Amendment No. 1 to the
Preferred Supplier-Provider Pricing Agreement**

This Amendment No. 1 (the "Amendment") is entered into as of last date of KERN MEDICAL CENTER signature ("Effective Date") by and between KERN MEDICAL CENTER, located at 1700 Mount Vernon Avenue, Bakersfield, CA 93306 (hereinafter referred to as the KERN MEDICAL CENTER) and Arthrex, Inc., located at 1370 Creekside Boulevard, Naples, Florida 34108, (hereinafter referred to as the ("Supplier").

WHEREAS, the parties entered into a Preferred Supplier-Provider Pricing Agreement dated March 1, 2024 (the "Agreement").

WHEREAS, the parties wish to amend certain terms under the agreement as set forth below:

NOW WHEREFORE, the parties agree as follows:

- 1. The parties agree the term of the Agreement shall be extended through February 28th 2028.

Except as herein modified, all other terms and conditions of the Agreement shall remain unchanged and in full force and effect. In the event of a conflict between a provision of this Amendment and a provision of the Agreement, the provisions of this Amendment shall govern.

To evidence the parties' agreement to this Amendment's provisions, the parties have executed and delivered this Amendment on the Effective Date set forth in the preamble.

Provider: KERN MEDICAL CENTER

Supplier: Arthrex, Inc.

By: _____

Signed by:
Daron Cooper
By: _____
8C3F8CE4B01F412...

Name: Philip McLaughlin

Name: Daron Cooper

Title: Chair, Board of Governors

Title: Area Manager - Client Optimization

Date: May 20, 2026

Date: February 25, 2026

**APPROVED AS TO FORM
Legal Services Department**

By Philip Jinks
Kern County Hospital Authority

Select one
Exhibit 1
Attachment 1

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

May 20, 2026

Subject: Proposed Agreement with De Lage Landen Financial Services, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed agreement with De Lage Landen Financial Services, Inc. for purchase of a Kinevo Neurosurgical Microscope in an amount not to exceed \$757,143. This device provides magnification for traumatic injuries, spine surgeries, neurosurgical tumors and aneurysms, cranial vessel malformations.

Therefore, it is recommended that your Board approve the proposed agreement with De Lage Landen Financial Services, Inc., for purchase of Kinevo neurosurgical Microscope in and amount not to exceed amount of \$757,143, effective May 20, 2026, plus any applicable taxes and shipping fee, and authorize the Chairman to sign.

CARL ZEISS MEDTEC

A Program of De Lage Landen Financial Services, Inc.

1111 Old Eagle School Road
Wayne, PA 19087
Phone: (800) 275-1415 Ext. 1284
Fax: (866) 267-6756

Date: 04/14/2026

Thank you for choosing De Lage Landen Financial Services to assist you with your financing needs. Please find the enclosed documents for your review and signature.

- **If you will be signing the documents electronically please forward your certificate of completion. If you are using an E Signature Platform other than DocuSign or Adobe please let us know in advance so we can review and approve that E Signature Platform .**

Lease Agreements – Please make sure to sign and date where indicated.

Certificate of Incumbency and Authority – Please have the Lease Signer complete the Middle Section. Have the Secretary sign and date the bottom. PLEASE NOTE THERE MUST BE TWO DIFFERENT SIGNATURES.

Fiscal Funding Addendum– Please make sure to sign and date where indicated.

Opinion of Counsel – Please make sure to have Legal Counsel sign and date where indicated.

Authorization for Direct Debit – Please fill out all required information, sign and date where indicated.
Please attached a copy of a VOIDED check.

Ultimate Beneficial Owner – Self Declaration– Please complete, sign and date where indicated.

Billing Instructions – Please complete this form to confirm we have your correct billing information.

Note:

- Alterations and/or cross-outs will not be accepted without the approval of De Lage Landen Financial Services
Documents containing "white-out" or covering tape will not be accepted.

Please either Scan and E-mail to jvolkert@leasedirect.com or Fax the signed documents to my attention at the above fax number. To ensure we have legible documents, please mail the signed originals (make copies for your records) to my attention at the above address.

If you have any questions or need additional information, you can reach me by phone at 1-800-275-1415, extension 1284.

Kind Regards,

LESSEE	Full Legal Name Kern County Hospital Authority	Tax ID#	Phone Number (661) 326-2000
	DBA Name (if any)	Purchase Order Requisition Number	
	Billing Address 1700 MOUNT VERNON AVE	City Bakersfield	State CA
			Send Invoice to Attention of:

EQUIPMENT INFORMATION	Equipment Make	Serial Number	Description (Attach Separate Schedule If Necessary)	
			Carl Zeiss Quote #7767110483	
Equipment Location (if not same as above)		City	State	Zip

PAYMENT INFORMATION	Number of Lease Payments	Lease Payment	(PLUS)	Sales Tax	(EQUALS)	Total Lease Payment
	36	\$20,502.40	+	Applicable	=	
			+		=	
			+		=	
			+		=	
Term of Lease in Months 36	Payment Frequency:	<input checked="" type="checkbox"/> Monthly	<input type="checkbox"/> Quarterly	<input type="checkbox"/> Other _____		
	End of Lease Option:	<input type="checkbox"/> FMV	<input type="checkbox"/> 10%	<input checked="" type="checkbox"/> \$1	<input type="checkbox"/> Other _____	
End of Lease Purchase Option shall be FMV unless another option is selected.						
Security Deposit	(PLUS)	First Payment Period	(PLUS)	Other	(EQUALS)	Total Payment Enclosed
	+		+		=	0

ACCEPTANCE	You acknowledge that the Equipment shown above has been received, has been put in use, is in good working order and is satisfactory and acceptable.	
	Signature	Date
	Print Name	
	Title	
	Legal Name of Corporation or Partnership Kern County Hospital Authority	

GUARANTY	I unconditionally guaranty prompt payment of all the Lessee's obligations. The Lessor is not required to proceed against the Lessee or the Equipment or enforce other remedies before proceeding against me. I waive notice of acceptance and all other notices or demands of any kind to which I may be entitled. I consent to any extensions or modification granted to the Lessee and the release and/or compromise of any obligations of the Lessee or any other guarantors without releasing me from my obligations. This is a continuing guaranty and will remain in effect in the event of my death and may be enforced by or for the benefit of any assignee or successor of the Lessor. This guaranty is governed by and constituted in accordance with the laws of the Commonwealth of Pennsylvania and I consent to exclusive jurisdiction, personal or otherwise, in any state or federal court in Pennsylvania. I also waive my right to a trial by jury.	
	Signature	Date
	Print Name	

LESSEE SIGNATURE	You agree to all of the Terms and Conditions contained in both pages of this Lease, and in any attachments to same (all of which are included by reference) and become part of this Lease. You acknowledge to have read and agreed to all the Terms and Conditions and understand that this is a non-cancelable Lease for the full term shown above.	
	You acknowledge that the leased equipment is: <input type="checkbox"/> NEW <input type="checkbox"/> USED	
	Signature	DOB
	X	
	Date	
	X	May 20, 2026
	Print Name	
	X	Philip McLaughlin
Title		
X	Chair, Board of Governors	
Legal Name of Corporation or Partnership Kern County Hospital Authority		
<small>(AGREEMENT MUST BE SIGNED BY AUTHORIZED CORPORATE OFFICER, PARTNER OR PROPRIETOR)</small>		

LESSOR	Lessor Signature	Date
	Print Name	
	Title	
	For	
	DE LAGE LANDEN FINANCIAL SERVICES, INC.	
	Lease Number	
	Lease Commencement Date	

TERMS & CONDITIONS

Please read YOUR copy of this Lease carefully and feel free to ask US any questions YOU may have about it. Words "YOU" and "YOUR" refer to the "Lessee" and the words "WE", "US" and "OUR" refer to De Lage Landen Financial Services, Inc., the "Lessor" of the Equipment.

1. LEASE: WE agree to lease to YOU and YOU agree to lease from US, the Equipment listed on Page 1 of this Lease (and on any attached schedule) including all replacement parts, repairs, additions and accessories ("Equipment") on the terms and conditions set forth in this Lease and on any attached schedule. In order to maintain OUR rate of return, YOU authorize US to adjust the Lease Payments by not more than fifteen percent (15%) if the cost of the Equipment or taxes is more or less than the supplier's estimate. We may also adjust the Lease Payments in an amount proportionate to any increase, measured from the date we calculated the Payments to the close of the business day immediately prior to the date we countersign this Lease (as determined by us), in the interpolated like-term Secured Overnight Financing Rate (SOFR) Swap.

2. TERM: This goes into effect and the term of this Lease begins when it is signed and accepted by US (the "Commencement Date"). The first Lease Payment is due on the date WE accept the Lease or any later date designated by US. If WE designate the Lease Payments to begin later than the Commencement Date, YOU will pay an interim Lease Payment for use of the Equipment for the period from the Commencement Date until the first Lease Payment due date, calculated on the amount of the Lease Payments, the number of days in the period, and a year of 360 days. Subsequent Lease Payments will be due as invoiced by US for successive months until the balance of the Lease Payments and any additional Lease Payments or expenses chargeable to YOU under this Lease are paid in full. YOUR obligation to pay the Lease Payments and other Lease obligations is absolute and unconditional and is not subject to cancellation, reduction, setoff or counterclaim. THIS LEASE IS NON-CANCELABLE. If YOU are required to report the components of YOUR payments to US hereunder to certain state and/or federal agencies or public health coverage programs such as Medicare, Medicaid, SCHIP and others, WE will upon YOUR written request, provide YOU with a detailed outline of the components of YOUR payment(s) which may include equipment, software, service and other related components.

3. LATE CHARGES/DOCUMENTATION FEES: Whenever any Lease Payment is not made when due, YOU agree to pay US, within one month, a late charge of five percent (5%) for each delayed payment, with a minimum charge of \$10.00, but only to the extent permitted by law. Such amount shall be payable in addition to any and all amounts or monies payable by you as a result of the exercise of any of the remedies herein provided. YOU agree to pay US a fee of \$250.00 to reimburse OUR expenses for preparing financing statements, other documentation costs and all ongoing administration costs during the term of this Lease.

4. DELIVERY AND ACCEPTANCE: YOU are responsible, at YOUR own cost, to arrange for the delivery and installation of the Equipment (unless such costs are included in the cost of the Equipment to US). YOU agree to accept the Equipment when it is delivered and to sign the Equipment Acceptance supplied by US. WE may at OUR discretion confirm by telephone that YOU have accepted the Equipment and this telephone verification of YOUR acceptance of the Equipment shall have the same effect as a signed Equipment Acceptance.

5. USE, MAINTENANCE, REPAIR, SUPPLIES AND WARRANTIES: WE are leasing the Equipment to YOU "AS-IS" and WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE. WE transfer to YOU for the term of this Lease all warranties, if any, made by the manufacturer.

YOU ALSO ACKNOWLEDGE THAT NO ONE IS AUTHORIZED TO WAIVE OR CHANGE ANY TERM, PROVISION OR CONDITION OF THIS LEASE AND EXCEPT FOR THE MANUFACTURER WARRANTIES, MAKE ANY REPRESENTATION OR WARRANTY ABOUT THIS LEASE OR THE EQUIPMENT. WE SHALL NOT BE LIABLE FOR SPECIAL, RESULTING OR CONSEQUENTIAL DAMAGES OR LOSS OF PROFIT OCCASIONED BY ANY BREACH OF WARRANTY OR REPRESENTATION OR RESULTING FROM THE USE OR PERFORMANCE OF THE EQUIPMENT. YOUR OBLIGATION TO PAY IN FULL ANY AMOUNT DUE UNDER THE LEASE WILL NOT BE AFFECTED BY ANY DISPUTE, CLAIM, COUNTERCLAIM, DEFENSE OR OTHER RIGHT WHICH YOU MAY HAVE OR ASSERT AGAINST THE SUPPLIER OR THE EQUIPMENT MANUFACTURER.

6. TITLE, PERSONAL PROPERTY, LOCATION AND INSPECTION: Except for Leases with a \$1.00 purchase option, WE will have title to the Equipment. If YOU have a \$1.00 purchase option and/or the Lease is deemed to be a security agreement, YOU grant US a security interest in the Equipment and all proceeds therefrom. YOU have the right to use the Equipment for the full Lease term provided YOU comply with the terms and conditions of this Lease. Although the Equipment may become attached to real estate, it remains personal property and YOU agree not to permit a lien to be placed upon the Equipment or to remove the Equipment without OUR prior written consent. If WE feel it is necessary, YOU agree to provide US with waivers of interest or liens, from anyone claiming any interest in the real estate on which any item of Equipment is located. WE also have the right, at reasonable times, to inspect the Equipment.

7. MAINTENANCE: YOU are required, at YOUR own cost and expense, to keep the Equipment in good repair, condition and working order, except for ordinary wear and tear, and YOU will supply all parts and servicing required. All replacement parts used or installed and repairs made to the Equipment will become OUR property.

IN THE EVENT THE LEASE PAYMENTS INCLUDE THE COST OF MAINTENANCE AND/OR SERVICE BEING PROVIDED BY THE SUPPLIER AND/OR THE MANUFACTURER, YOU ACKNOWLEDGE THAT WE ARE NOT RESPONSIBLE FOR PROVIDING ANY REQUIRED MAINTENANCE AND/OR SERVICE FOR THE EQUIPMENT. YOU WILL MAKE ALL CLAIMS FOR SERVICE AND/OR MAINTENANCE SOLELY TO THE SUPPLIER AND/OR MANUFACTURER AND SUCH CLAIMS WILL NOT AFFECT YOUR OBLIGATION TO MAKE ALL REQUIRED LEASE PAYMENTS.

8. ASSIGNMENT: YOU AGREE NOT TO TRANSFER, SELL, SUBLEASE, ASSIGN, PLEDGE OR ENCUMBER EITHER THE EQUIPMENT OR ANY RIGHTS UNDER THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT. YOU agree that WE may sell, assign or transfer this Lease and if WE do, the new owner will have the same rights and benefits that WE now have and will not have to perform any of OUR obligations and that the rights of the new owner will not be subject to any claims, defenses, or set-offs that YOU may have against US.

9. REDELIVERY AND RENEWAL: Upon ninety (90) days written notice to US prior to the expiration of the Lease term, YOU shall advise US of YOUR intention to return the Equipment to US at the end of the Lease term. Provided YOU have given such timely notice, YOU shall return the Equipment, freight and insurance prepaid, to US in good repair, condition and working order, ordinary wear and tear excepted, in a manner and to a location designated by US. If YOU do fail to notify US, or having notified US, YOU fail to return the Equipment as provided herein, this Lease shall renew for consecutive sixty (60) day periods and YOU agree to continue to make Lease Payments at the same monthly Lease Payments as set forth in the Lease subject to the right of either party to terminate the Lease upon sixty (60) days written notice, in which case YOU will immediately deliver the Equipment to US as stated in this paragraph. If the Equipment is returned to US, YOU shall remove all patient information from the Equipment prior to return.

10. LOSS OR DAMAGE: YOU are responsible for the risk of loss or destruction of, or damage to the Equipment. No such loss or damage relieves YOU from any obligation under this Lease.

11. INDEMNITY: WE are not responsible for any losses or injuries caused by the installation, manufacture, condition, use or operation of the Equipment. YOU agree to reimburse US for and to defend US against any claim for losses or injuries relating to any of the foregoing or caused by the Equipment or due to YOUR acts or omissions. This indemnity will continue even after the termination of this Lease.

12. TAXES: YOU agree to pay all license and registration fees, sale and use taxes, personal property taxes and all other taxes and charges, relating to the ownership, leasing, rental, sale, purchase, possession or use of the Equipment as part of the Lease Payment or as billed by US. YOU agree that if WE

pay any taxes or charges on YOUR behalf, YOU will reimburse US for all such payments and will pay US interest and a late charge (as calculated in Section 3) on such payments with the next Lease Payment, plus a fee for OUR collecting and administering any taxes, assessments or fees and remitting them to the appropriate authorities. Further, YOU will indemnify US upon demand and on a net after-tax basis against the loss (including recapture) of or inability to claim, or if WE shall suffer a disallowance or deferral of, as determined in good faith by US, any Equipment ownership, or lease-related, federal and/or state income tax benefits anticipated by US at the Commencement Date resulting from any of YOUR acts or omissions or any inaccuracy or any statements or information provided by YOU.

13. INSURANCE: During the term of this Lease, YOU will keep the Equipment insured against risks of loss or damage in an amount not less than the replacement cost of the Equipment, without deductible and without co-insurance. YOU will also obtain and maintain for the term of this Lease, comprehensive public liability insurance covering both personal injury and property damage of at least \$1,000,000.00 per person and \$2,000,000.00 per occurrence for bodily injury and property damage. WE will be the sole named loss payee on the property insurance and named as an additional insured on the public liability insurance. YOU will pay all premiums for such insurance and must deliver proof of insurance coverage satisfactory to US. If YOU do not provide such insurance, YOU agree that WE have the right, but not the obligation, to obtain insurance against theft and physical damage and add an insurance fee to the amount due from YOU, on which WE may make a profit.

14. DEFAULT: YOU are in default of this Lease if any of the following occurs: a) YOU fail to pay any Lease Payment or other sum when due; b) YOU breach any warranty or other obligation under this Lease, or any other agreement with US; c) YOU, any partner or any guarantor dies, YOU become insolvent or unable to pay YOUR debts when due; YOU stop doing business as a going concern; YOU merge, consolidate, transfer all or substantially all of YOUR assets; YOU make an assignment for the benefit of creditors or YOU undergo a substantial deterioration in YOUR financial condition; d) YOU, any guarantor or any partner, will voluntarily file or have filed against YOU or it involuntarily, a petition for liquidation, reorganization, adjustment of debt or similar relief under the Federal Bankruptcy Code or any other present or future federal or state bankruptcy or insolvency law, or a trustee, receiver or liquidator is appointed for YOU or it or a substantial part of YOUR or its assets; or e) you, your owner(s) or any guarantor(s) are listed on a US or foreign government sanctions list or are subject to sanctions therefrom.

15. REMEDIES: WE may declare the entire balance of the unpaid Lease Payments for the full term immediately due and payable, sue for and receive all Lease Payments and any other payments then accrued or accelerated under this Lease or any other agreement plus the estimated fair market value of the Equipment at the end of the originally scheduled Term, and all accelerated Lease Payments and the estimated fair market value will be discounted to the date of the default at the lesser of (i) a per annum interest rate equivalent to that of a U.S. Treasury constant maturity obligation (as reported by the U.S. Treasury Department) that would have a repayment term equal to the remaining Lease term, all as reasonably determined by US; or (ii) 3% per annum, but only to the extent permitted by law; charge YOU interest on all monies due US at the rate of eighteen percent (18%) per year from the date of default until paid, but in no event more than the maximum rate permitted by law; charge YOU a return-check or non-sufficient funds charge ("NSF Charge") of \$25.00 for a check that is returned for any reason; and require that YOU return the Equipment to US and in the event YOU fail to return the Equipment, enter upon the premises peaceably with or without legal process where the Equipment is located and repossess the Equipment. Such return or repossession of the Equipment will not constitute a termination of this Lease unless WE expressly notify YOU in writing. In the event the Equipment is returned or repossessed by US and unless WE have terminated this Lease, WE will sell or re-rent the Equipment to any persons with any terms WE determine, at one or more public or private sales, with or without notice to YOU, and apply the net proceeds after deducting the costs and expenses of such sale or re-rent, to YOUR obligations with YOU remaining liable for any deficiency and with any excess being retained by US. The credit for any sums to be received by US from any such rental shall be discounted to the date of the agreement at six percent (6%) per year.

YOU are also required to pay: (i) all expenses incurred by US in connection with the enforcement of any remedies, including all expenses of repossessing, storing, shipping, repairing and selling the Equipment; and (ii) reasonable attorneys' fees.

16. PURCHASE OPTION: Upon expiration of the Lease term, provided YOU are not in default, YOU shall have the option to purchase all but not less than all of the Equipment on the terms as indicated in the End of Lease Option section checked on Page 1. WE will use OUR reasonable judgment to determine the Equipment's fair market value for all FMV purchase options which shall be based on the Equipment remaining in place.

17. SECURITY DEPOSIT: Any security deposit is non-interest bearing. WE may apply any security deposit to cure any default by YOU, in which event YOU will promptly restore any amount so applied. If YOU are not in default, any security deposit will be returned to YOU at the termination of this Lease.

18. WARRANTIES: YOU warrant and represent that the Equipment will be used for business purposes, and not for personal, family or household purposes.

19. UCC FILINGS AND FINANCIAL STATEMENTS: YOU authorize US to file a financing statement with respect to the Equipment and grant US the right to sign such financing statement on YOUR behalf. If WE feel it is necessary, YOU agree to submit financial statements (audited if available) on a quarterly basis.

20. UCC — ARTICLE 2A PROVISIONS: YOU agree that this Lease is a Finance Lease as that term is defined in Article 2A of the Uniform Commercial Code ("UCC"). YOU acknowledge that WE have given YOU the name of the Supplier of the Equipment. WE hereby notify YOU that YOU may have rights under the contract with the Supplier and YOU may contact the Supplier for a description of any rights or warranties that YOU may have under this supply contract. YOU also waive any and all rights and remedies granted YOU under Sections 2A-508 through 2A-522 of the UCC.

21. CHOICE OF LAW: This Lease shall be deemed fully executed and performed in the Commonwealth of Pennsylvania and shall be governed and construed in accordance with the laws thereof. YOU consent and agree that exclusive jurisdiction, personal or otherwise, over YOU and over the Equipment may at OUR option be with the Courts of the Commonwealth of Pennsylvania or the Federal District Court for the Eastern District of Pennsylvania with respect to any provision of this Lease. YOU also agree to waive YOUR right to a trial by jury.

22. NOTICES: Written notices will be deemed to have been given when delivered personally or deposited in the United States mail, postage prepaid, addressed to YOU at YOUR address above and to US at OUR address set forth in OUR invoice to YOU, or at any other address subsequently provided in writing by either party.

23. ENTIRE AGREEMENT; SEVERABILITY; WAIVERS: This Lease contains the entire agreement and understanding. No agreements or understandings are binding on the parties unless set forth in writing and signed by the parties. Any provision of this Lease which for any reason may be held unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective without invalidating the remaining provisions of this Lease. THIS LEASE IS NOT INTENDED FOR TRANSACTIONS WITH AN EQUIPMENT COST LESS THAN \$1,000.

24. MISCELLANEOUS: YOU agree that this Lease may be executed in counterparts and any facsimile, photographic or other electronic transmission and/or electronic signing of this Lease by you when manually countersigned by US or attached to OUR original signature counterpart and/or in OUR possession shall constitute the sole original chattel paper as defined in the UCC for all purposes and will be admissible as legal evidence thereof. At OUR option, WE may require a manual signature. You authorize us and our agents to contact you about all of your accounts with us in any way, such as calling, texting, or using an automated dialer, at any number or email address you have provided to us, from which you have contacted us, or at which we believe we can reach you, even if you are charged for such contact by a provider. For information about our privacy practices, please review our privacy statement at dlgroup.com/usprivacy.



CZ Meditec (USA)

Sonia Gil
Kern Medical
1700 Mount Vernon Ave
Bakersfield CA 93306-4018
USA

Carl Zeiss Meditec USA, Inc.
5300 Central Parkway
Dublin CA 94568-7562
USA

Your Commercial Contact

Name: Tanner Delong
Telephone: +18589450802
Email: tannerd@surgicalwest.com

Customer Contact

Name: Sonia Gil
Email: sonia.gil@kernmedical.com

Date: 04/14/2026
Page: 1 of 5

Quotation

Quotation Number: 7767110483

Customer Number: 1335819

USA-HPG

OPPORTUNITY #00344403 v4

CLONED FROM ORIGINAL QUOTE 7767093512
TO BRING VALIDATION DATES CURRENT

THE PARTIES AGREE THAT THE TERMS OF THE HEALTH TRUST PURCHASING AGREEMENT NUMBER HPG16936 SHALL GOVERN THIS TRANSACTION. TO THE EXTENT ANY TERMS ATTACHED TO THIS QUOTATION CONFLICT IN ANY WAY WITH TERMS OF HPG16936, THE TERMS OF HPG16936 SHALL TAKE PRECEDENCE.

Please see full Terms & Conditions at <https://www.zeiss.com/meditec/us/imprint/terms-and-conditions.html>

F.E.I.N 85-2194142
D.U.N.S. 11-796-7987

Please remit to:
CZ Meditec (USA)
PO Box 102585
Pasadena, CA 91189-2585

Carl Zeiss Meditec USA, Inc.
5300 Central Parkway
Dublin, CA 94568-2585
1-925-557-4100 Fax 1-925-557-4559

ACH
Bank Name: J.P.Morgan Chase Bank N.A.
Account Name: Carl Zeiss Meditec USA, Inc.
Account ABA #: 021000021
Account Swift Code #: CHASUS33XXX
Account #: 662568879



Quotation No: 7767110483
 Date: 04/14/2026
 Page: 2 of 5

Item	Product ID / Product Description	Quantity	Item Price (USD)	Total Price (USD)
1	000000-2429-923 KINEVO 900 S System Consisting of the following items:	1 PC		
	01SYSFRS The Robotic Visualization System KINEVO 900 S is the ultimate microsurgical microscope platform that unlocks the true potential of modern microsurgery by Digital Hybrid Visualization, Cobotic Assistant and Connected Intelligence. KINEVO 900 S SELECT: The KINEVO 900 SELECT package starts with a basic configuration and provides high flexibility in adding optional functionalities to customize the system to individual needs. The SELECT package includes: - KINEVO 900 S Robotic Visualization System (REF: 6409) - Digital Hybrid Visualization Option with DepthPro and HD MultiVision - Cobotic Assistant including Z-mode, PointLock, Steering Assistant, PositionMemory, Park- and Height Assistant - Connected Intelligence enabled by a Wireless Network Package - Prepared for ZEISS Smart Service proactive care - Optional native 4K 3D Premium Video Package for Best Digital Visualization Note: Angled Optics is not included	1 PC	366,426.07	366,426.07
	10TUBMFO Foldable tube	1 PC	17,794.15	17,794.15
	20COFFFO Coobservation face-to-face with Foldable tube	1 PC	18,558.33	18,558.33
	Note: Angled Optics is not included. 20COLRTI Coobservation left/right with stereo-coobserver, tiltable tube 180°	1 PC	20,195.82	20,195.82
	30BL400M BLUE 400 Module Activates BLUE 400 functionality used in fluorescent visualization of suspected grade III and IV gliomas during neurosurgery. Enables 5-ALA induced fluorescence visualization during tumor surgery.	1 PC	57,858.31	57,858.31
	30IOFPRS IOF Preparation for future upgrades to any fluorescence option.	1 PC	33,922.31	33,922.31



Quotation No: 7767110483
 Date: 04/14/2026
 Page: 3 of 5

Item	Product ID / Product Description	Quantity	Item Price (USD)	Total Price (USD)
	Includes Fluorescence targets for BLUE 400, YELLOW 560 AND INFRARED 800.			
	30IR800M INFRARED 800 Module Activates full INFRARED 800 functionality for viewing and visual assessment of intra-operative blood flow in the cerebral vascular area including, but not limited to, assessing cerebral aneurysm and vessel branch occlusion, as well as patency of very small perforating vessels. It also aids in the real-time visualization of blood flow and visual assessment of vessel types before and after Arteriovenous Malformation (AVM) surgery. Likewise it aids in the visual assessment of intra-operative blood flow as well as vessel patency in bypass surgical procedures in neurosurgery and plastic and reconstructive procedures. It provides the functionalities automatic short and long replay, automatic and manual gain control, fluorescence augmentation, picture in picture display (only available with 3D units).	1 PC	69,936.49	69,936.49
	30YE560M YELLOW 560 Module Activates YELLOW 560 functionality.	1 PC	57,858.31	57,858.31
	404K2DPA 4K 2D Standard Video Package Fully integrated 3-chip 4K camera, 2160p. Includes one 4K HDMI video cable (5m) and one HD-SDI-Video Cable 75 Ohm 2xBNC Pin 10m.	1 PC	29,474.99	29,474.99
	40HD2DMO Integrated second video monitor 2D with dust cover	1 PC	6,017.27	6,017.27
	40HDRECO Video Recording HD Enhanced video recording with a video player. Provides parallel recording to a USB storage device. Supports parallel recording of a High Quality video in HD and a storage-saving Long Term Video to support presentation as well as documentation purposes simultaneously. Enables video streaming to Zeiss Livestream.	1 PC	32,749.98	32,749.98
	50NAVEXL Navigation Module: Activates navigation functionality incl. robotic alignment in all axis, depending on the connected navigation system.	1 PC	9,990.93	9,990.93
	50WLANPA Wireless Network Package Enables Wi-Fi and Hot Spot functionality for wireless shared network data exchange and Wi-Fi connection to mobile devices. Allows for network access to data via web browser.	1 PC		
	60CONKIT	1 PC		



Quotation No: 7767110483
Date: 04/14/2026
Page: 4 of 5

The Convenience Kit Yellow 560 contains fluorescein sodium, an imaging agent.
The Convenience Kit Yellow 560 will be shipped separately.

60TRSBOX	1 PC	4,366.66	4,366.66
Shipping Crate (single use, free of solid wood)			
90ACSTKI	1 PC	1,758.23	1,758.23
Essential Accessories for clinical use contains:			
- SMARTDRAPE starter pack (4 boxes, 5 pcs per box)			
- Dust Cover for microscope optics			
- Dust Cover for System Touchscreen			
- USB 3.0 Memory Stick 64 GB			
- External Mini-Harddisk 1TB USB 3.0			
90EYEP10	1 PC		
Widefield push-in eye pieces 10x			
90EYFT10	1 PC		
Widefield push-in eye pieces 10x			
90EYLR10	1 PC		
Widefield push-in eye pieces 10x			
Order Discount (Abs)			

List Total	726,907.85 USD
Total Discount Amount	-28,669.71 USD
Freight	1,300.00 USD
Subtotal	699,538.14 USD
Tax/VAT	57,604.65 USD
Total Including Taxes	757,142.79 USD

A tariff surcharge may be applied to this quotation and will be assessed on the import duties in effect at the time of importation. If such a tariff is in place at the time of importation the surcharge will be included in the final invoice (except where a current and applicable GPO agreement provides otherwise).

Please be advised that the products, technical data/technology and services included in this quotation, order confirmation or contract may be subject to European Union, U.S., or other export control regulations. This document will only be effective if not prohibited by sales ban (embargo) and/or if necessary licenses are granted. An export license or other government authorization may be required to complete this transaction. Your assistance may be required to complete export licensing requirements. Neither party will be responsible for performance or liable for damages if this transaction is determined to be restricted by regulation and/or denied a license or permission by applicable export controls authorities.

Select Payment Type



Quotation No: 7767110483
Date: 04/14/2026
Page: 5 of 5

1. Purchase Order
2. Payment in full
3. Check
4. Credit Card

Purchase Order Number:

Deposit Amount:

Check Number:

Credit Card Number:

Expiration Date:

CERTIFICATE OF AUTHORITY AND INCUMBENCY

I, the **ATTESTATION SIGNER**, certify to DE LAGE LANDEN FINANCIAL SERVICES, INC., its successors and assigns ("Company"):

1. I hold the position indicated below my signature on behalf of Kern County Hospital Authority ("Customer"), a: **(CHECK ONE BOX)** corporation limited liability company (manager-managed) limited liability company (member-managed) partnership limited partnership, LLP or LLLP formed and existing under the laws of CA ("State"). I am familiar with Customer's policies, officers, and authorized agents, and I am authorized to issue this Certificate of Authority and Incumbency ("Certificate").

2. The individual(s) named below (each an "Authorized Representative"), are each fully authorized and empowered, acting individually and in accordance with Customer's organizational documents authorizations, resolutions and/or governing body actions, to enter into leases, loans, financing agreements, arrangements, and other related documents, of any kind, amount, or nature. Such documents may be executed by or on behalf of Customer in transacting business with Company, as approved by any one or more of the Authorized Representatives (each an "Agreement"). This Certificate further ratifies and affirms any signature by an Authorized Representative on any Agreement executed on or prior to the date of this Certificate.

NAME OF AUTHORIZED REPRESENTATIVE (PERSON SIGNING AGREEMENT)	TITLE OF AUTHORIZED REPRESENTATIVE	SAMPLE SIGNATURE (This is N/A if Authorized Representative is signing Agreement electronically)
X	X	X
_____	_____	_____
_____	_____	_____
_____	_____	_____

Additionally, each Authorized Representative is permitted to execute Agreements using their electronic signature. Further, each Authorized Representative (i) has authorized the use of such person's electronic signature on any Agreement, (ii) has ratified the use of such electronic signature on any Agreement executed and delivered prior to the date hereof in the name and on behalf of the Customer and to bind the Customer, and (iii) has confirmed that each such Agreement constitutes valid, legal, binding, and enforceable obligations of Customer. Company may rely on the use of any such person's electronic signature on any Agreement without undertaking any independent investigation or inquiry as to authorization by the person electronically signing any such Agreement.

3. Company may conclusively rely on the accuracy, genuineness, and good faith of any written communication, whether physical or electronic, that bears the signature (as applicable) of any Authorized Representative listed above, for purposes of entering, modifying, funding, or relying upon any Agreement. Each Authorized Representative is authorized to communicate and transact in both physical and electronic formats, and to permit Company to do the same.

4. The authority granted herein does not conflict with any of Customer's organizational documents or other applicable agreements and falls within Customer's legal power and authority. Resolutions evidencing the authorizations contained in this Certificate are duly recorded in Customer's books and records.

5. Until Company receives written notice of any change or limitation to the authority of any Authorized Representative designated in this Certificate, Company is authorized to rely on the authority and powers set forth herein. To be effective, such notice must be received by Company at 1111 Old Eagle School Road, Wayne, PA 19087. Any notice received will apply only to Agreements entered after Company's receipt of such notice and will not affect Agreements entered into prior to that time.

6. CUSTOMER AGREES THAT A FACSIMILE COPY OF THIS DOCUMENT WITH FACSIMILE SIGNATURE(S) AND/OR AN ELECTRONIC COPY WITH ELECTRONIC SIGNATURE(S) MAY BE TREATED AS AN ORIGINAL AND WILL BE ADMISSIBLE AS EVIDENCE IN A COURT OF LAW.

I have so executed this Certificate on the date set forth below.

APPROVED AS TO FORM:
Legal Services Department

By: Phillip Jenkins
Kern County Hospital Authority

ATTESTATION SIGNATURE	Attestation Signature <u>X</u>
	Print Name <u>X Philip McLaughlin</u> <small>(AND PERSON CERTIFYING AUTHORIZED REPRESENTATIVE)</small>
	Title <u>X Chair, Board of Governors</u>
	Date <u>X May 20, 2026</u> <small>(Attestation Signer must be someone (i) not listed as an Authorized Representative; and (ii) must be named in the designated box below for the relevant entity)</small>

ATTESTATION SIGNER OF THIS CERTIFICATE MUST BE ONE OF THE PERSONS LISTED IN THE TABLE BELOW

Customer's Type of Entity	Person Who May Sign this Certificate as Attestation Signer
Corporation	President, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Treasurer, Secretary
Limited Liability Company – manager managed	Manager, President, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Treasurer, Secretary
Limited Liability Company – member managed	Member, Managing Member, President, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Treasurer, Secretary
Partnership Limited Partnership, Limited Liability Partnership, or Limited Liability Partnership	General Partner, Managing Partner, Partner (for Partnership only)
Individual / Sole Proprietorship	No title, Sole Owner, Sole Proprietor

17ANC008v4

FISCAL FUNDING ADDENDUM

CUSTOMER	Full Legal Name <u>Kern County Hospital Authority</u> DBA Name (If Any) _____
	Billing Address <u>1700 MOUNT VERNON AVE</u> Phone Number <u>(661) 326-2000</u>
	City <u>Bakersfield</u> County _____ State <u>CA</u> Zip Code <u>93306</u>
	Agreement Number <u>500-50841535</u> Agreement Date <u>03/04/2026</u>

Customer warrants that it has funds available to pay all rents (the "Payments") payable under the above identified Agreement until the end of Customer's current appropriation period. If Customer's legislative body or other funding authority does not appropriate funds for Payments for any subsequent appropriation period and Customer does not otherwise have funds available to lawfully pay the Payments (a "Non-Appropriation Event"), Customer may, subject to the conditions herein and upon prior written notice to Company (the "Non-Appropriation Notice"), effective sixty (60) days after the later of Company's receipt of same or the end of the Customer's current appropriation period (the "Non-Appropriation Date"), terminate the Agreement and be released of its obligation to make all Payments due Company coming due after the Non-Appropriation Date. As a condition to exercising its rights under this Addendum, Customer shall (1) provide in the Non-Appropriation Notice a certification of a responsible official that a Non-Appropriation Event has occurred, (2) deliver to Company an opinion of Customer's counsel (addressed to Company) verifying that the Non-Appropriation Event as set forth in the Non-Appropriation Notice has occurred, (3) return the equipment/system subject to the Agreement (the "Equipment/System") on or before the Non-Appropriation Date to Company or a location designated by Company, in the condition required by, and in accordance with the return provisions of the Agreement and at Customer's expense, and (4) pay Company all sums payable to Company under the Agreement up to the Non-Appropriation Date.

In the event of any Non-Appropriation Event, Company shall retain all sums paid hereunder or under the Agreement by Customer, including the Security Deposit (if any) specified in the Agreement.

Customer further represents, warrants and covenants for the benefit of Company that:

- (a) Customer is a municipal corporation and political subdivision duly organized and existing under the constitution and laws of the State.
- (b) Customer is authorized under the constitution and laws of the State, and has been duly authorized to enter into the Agreement and the transaction contemplated hereby and to perform all of its obligations thereunder.
- (c) The Agreement constitutes the legal, valid and binding obligation of Customer enforceable in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.
- (d) Customer has complied with such public bidding requirements as may be applicable to the Agreement.
- (e) The Equipment/System described in the Agreement is essential to the function of Customer or to the service Customer provides to its citizens. Customer has an immediate need for, and expects to make immediate use of, substantially all the Equipment/System, which need is not temporary or expected to diminish in the foreseeable future.
- (f) Customer has never failed to appropriate or otherwise make available funds sufficient to pay rental or other payments coming due under any lease, lease purchase, installment sale or other similar agreement.

CUSTOMER AGREES THAT A FACSIMILE COPY OR OTHER ELECTRONIC TRANSMISSION OF THIS DOCUMENT WITH FACSIMILE AND/OR ELECTRONIC SIGNATURES MAY BE TREATED AS AN ORIGINAL AND WILL BE ADMISSIBLE AS EVIDENCE IN A COURT OF LAW.

APPROVED AS TO FORM:
Legal Services Department

By: Phillip Jenkins
Kern County Hospital Authority

CUSTOMER SIGNATURE	Signature <input checked="" type="checkbox"/> _____ <small>(MUST BE SIGNED BY AUTHORIZED REPRESENTATIVE OR OFFICER OF GOVERNMENT ENTITY)</small>
	Print Name <input checked="" type="checkbox"/> <u>Philip McLaughlin</u>
	Title <input checked="" type="checkbox"/> <u>Chair, Board of Governors</u> Date <input checked="" type="checkbox"/> <u>May 20, 2026</u>
	Name of Government Entity <u>Kern County Hospital Authority</u>

ACCEPTED BY COMPANY	Signature X _____
	Print Name _____
	Title _____ Date _____
	Name of Corporation or Partnership <u>DE LAGE LANDEN FINANCIAL SERVICES, INC.</u>

OPINION OF COUNSEL LETTER

Date: 03/04/2026

DE LAGE LANDEN FINANCIAL SERVICES, INC.
1111 Old Eagle School Road
Wayne, PA 19087

Gentlemen/Ladies:

Reference is made to the Agreement between DE LAGE LANDEN FINANCIAL SERVICES, INC. (herein called "Company"), and Kern County Hospital Author # (herein called "Customer") for the lease or rental of All Equipment in contract #'s (equipment description). Unless otherwise defined herein, terms which are defined or defined by reference in the Agreement or any exhibit or schedule thereto shall have the same meaning when used herein as such terms have therein.

The undersigned is Counsel for the Customer in connection with the negotiation, execution and delivery of the Agreement, and as such I am able to render a legal opinion as follows:

1. The Customer is a public body corporate and politic of the State of CA and is authorized by the Constitution and laws of the State of CA to enter into the transactions contemplated by the Agreement and to carry out its obligations thereunder.
2. The Agreement set forth above has been duly authorized, executed and delivered by the Customer and constitutes a valid, legal and binding agreement enforceable in accordance with its terms.
3. No further approval, consent or withholding of objections is required from any federal, state or local governmental authority with respect to the entering into or performance by the Customer of the Agreement and the transactions contemplated thereby.
4. The entering into and performance of the Agreement and the other related documents will not violate any judgment, order, law or regulation applicable to the Customer or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest or other encumbrance upon any assets of the Customer or the equipment pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement or other instrument by which the Customer is a party or by which it or its assets may be bound.
5. There are no actions, suits or proceedings pending or, to the knowledge of the Customer, threatened against or affecting the Customer in any court or before any governmental commission, board or authority, which, if adversely determined, will have a material adverse effect on the ability of the Customer to perform its obligations under the Agreement.
6. The equipment is personal property and, when subject to use by the Customer, will not be or become fixtures under the laws of the State of CA.
7. All required public bidding procedures regarding the award of the Agreement have been followed by the Customer.
8. Except as provided in the Agreement, Customer has no authority (statutory or otherwise) to terminate the Agreement prior to the end of its term for any reason other than non-appropriation of funds to pay the Payments for any fiscal period during the term of the Agreement.

YOU AGREE THAT A FACSIMILE COPY OR OTHER ELECTRONIC TRANSMISSION OF THIS DOCUMENT WITH FACSIMILE AND/OR ELECTRONIC SIGNATURES MAY BE TREATED AS AN ORIGINAL AND WILL BE ADMISSIBLE AS EVIDENCE IN A COURT OF LAW.

Very truly yours,

BY: X Phillip Jenkins
PRINT NAME: X Phillip Jenkins
TITLE: X Hospital Counsel

BUSINESS OWNERSHIP – SELF DECLARATION

Why do we ask you to fill in this form?

To help the government fight the funding of terrorism and money laundering activities, regulatory authorities require that Funding Source (“Funder”) knows who is the ultimate beneficial owner(s) (“UBO”), or in other words, business owners, of the entities with which we do business. Therefore, we require the information set forth below including the right to verify your identity.

Via this form, kindly specify the UBO(s) of your organization.

A. CUSTOMER DATA	Organization Name X ern County Hospital Authority
	Legal Entity Type (i.e., LLC, Corporation, Sole Proprietorship, Partnership, Non Profit, Government) X ni of Local Government
	Tax Payer ID (TIN) X

Note: Check this box if your organization is listed on a US Stock Exchange, only complete Section A

Who is/are ultimate beneficial owners?

Beneficial owners are: **X**

1. An individual, if any, who owns, directly or indirectly, more than 25 percent of the equity interests or Profit Sharing/economic interest of the legal entity customer (e.g., each natural person that owns more than 25 percent of the shares of a corporation); or
2. If ultimate beneficial owner cannot be determined based on ownership, please provide the name of the natural person with effective control (day to day decision making).
3. If neither 1 or 2 apply, your senior management will qualify as UBO, please provide the names of all members of the Board of Directors (BODs) or Executive Management. If more room is required, please provide information on the back of the form or a separate sheet.

B. SUMMARY OF UBO(S). IF NONE AVAILABLE, THEN SUMMARY OF SENIOR MANAGEMENT.	First Name	Middle Initial	Last Name	Date of Birth (MM/DD/YYYY)	Ownership Type (Select One)	% Ownership	
	Country of Residence					<input type="checkbox"/> 1. Ownership, economic interest, voting rights or shares > 25% _____ % <input type="checkbox"/> 2. Person who exercises effective control <input type="checkbox"/> 3. BODs, Executive Management	
	Title / Position						
	First Name	Middle Initial	Last Name	Date of Birth (MM/DD/YYYY)	Ownership Type (Select One)	% Ownership	
	Country of Residence					<input type="checkbox"/> 1. Ownership, economic interest, voting rights or shares > 25% _____ % <input type="checkbox"/> 2. Person who exercises effective control <input type="checkbox"/> 3. BODs, Executive Management	
	Title / Position						
	First Name	Middle Initial	Last Name	Date of Birth (MM/DD/YYYY)	Ownership Type (Select One)	% Ownership	
	Country of Residence					<input type="checkbox"/> 1. Ownership, economic interest, voting rights or shares > 25% _____ % <input type="checkbox"/> 2. Person who exercises effective control <input type="checkbox"/> 3. BODs, Executive Management	
	Title / Position						
	First Name	Middle Initial	Last Name	Date of Birth (MM/DD/YYYY)	Ownership Type (Select One)	% Ownership	
	Country of Residence					<input type="checkbox"/> 1. Ownership, economic interest, voting rights or shares > 25% _____ % <input type="checkbox"/> 2. Person who exercises effective control <input type="checkbox"/> 3. BODs, Executive Management	
	Title / Position						

C. Authorization to Provide Personal Data to Funder and Accuracy of Information

By providing the information above it is acknowledged that (A) all individuals whose personal data is or will be directly or indirectly provided to Funder, on this form and any related credit application or documents, have consented: (i) to disclose all such personal data to Funder and (ii) for Funder to collect, use, and share such personal data for the purpose of fulfilling its legal, regulatory, and compliance requirements; (B) the information provided in this form is true, accurate, and complete and any updates will be provided to Funder.

BILLING INFORMATION

Agreement Number: 500-50837935, 500-50841742, 500-50841723

This form is required for DE LAGE LANDEN FINANCIAL SERVICES, INC. to properly bill and credit your account. Please complete this form and return it with the signed documents.

ENROLL IN PAPERLESS BILLING!

Paperless Convenient Access your invoices anytime, anywhere, from any device

Sign me up for Email Invoicing. Send my invoices to the email address below:

Email Address(es): ACCOUNTSPAYABLE@KERNMEDICAL.COM

NOTE: Your invoices will be emailed from noreply@notices.leasedirect.com.

Subject line will be: "Your Lease Direct Invoice is ready to view online!" You will not receive a physical invoice if you elect paperless billing.

Billing Information (Please fill out the below details completely and accurately)

Billing Name: Kern Medical Center Phone: 661-802-4909

Customer Contact Email (if different from above): ACCOUNTSPAYABLE@KERNMEDICAL.COM

Billing Address: PO BOX 3519
Street Address or PO Box
Bakersfield, CA 93385
City State Zip

FEDERAL TAX ID #: 47-5618278

Accounts Payable Contact Information (if different from above):

Name: See Above Email: _____ Phone: _____

Additional Details

- Do you require a Purchase Order Number on the invoice? Yes No
If yes, please provide the PO# _____ or forward a copy (front & back) for our file.
- Is a new purchase order required for each new fiscal period? Yes No
If yes, provide month/year PO expires: _____
- Do you have multiple contracts, and would like them all billed on one invoice (Summary Billing)? Yes No
If yes, please provide your contract number: _____
- Are you tax exempt? Yes No
If yes, please forward a copy of exempt certificate or direct pay permit.
- Do you require our W9 to establish us as a vendor? Yes No
- Are there any additional billing requirements to ensure timely payments? _____

Payment Information

Please check this box if you are interested in enrolling in AutoPay.

For other forms of payment, please note the following remittance address (it may differ from address for service and supplies). Please include remittance slip with payment and send to: PO BOX 825736, PHILADELPHIA, PA 19182-5736

Insurance Details

If this box is checked, proof of insurance is mandatory. Please provide information below or refer to your insurance checklist.

Insurance Agent: _____ Policy Number: _____
Telephone Number: _____ Fax Number: _____
Email Address: _____

This form completed by: Name: _____ Title: _____ Date: _____

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

May 20, 2026

Subject: Proposed Quote with ICU Medical Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed ICU Quote Medical Human Connection Transpac and Thermoset with ICU Medical, for the purchase of Transpac monitoring kits, Thermoset room temperature systems and torque-line catheters in an amount not to exceed \$20,000.00. The proposed quote would be effective from May 20, 2026 through May 19, 2029. This device provides for patient monitoring and this vendor is staff preferred for these supplies.

Counsel is unable to approve the terms as to form because they are the unmodified terms of the vendor. These nonstandard terms include the governing law of Illinois, limited liability, among other nonstandard terms. Despite attempts by counsel to negotiate, the vendor was unwilling to engage

Therefore, it is recommended that your Board approve the proposed ICU Medical Human Connection monitoring kits, temperature systems and torque-line catheters with ICU Medical Inc., for purchase of monitoring kits, temperature systems and torque-line catheters with a not to exceed amount of \$20,000, plus tax and shipping, effective May 20, 2026 through May 19, 2029, and authorize the Chairman to sign.



Customer Quotation

Facility KERN MEDICAL CENTER
Address 1700 MT VERNON AVE
City BAKERSFIELD
State CA

Quotation Number 64213
Date Requested 12/09/2025
Product Specialist Carlo Pietrosanti

Distributor

In response to your request, we offer the following quotation and 2 non sterile samples for your review:

Item 426150405	Description	Cust Price: \$14.71000 each / \$147.10 cs
Qty/CS 10	TRANSPAC™ IV BIFURCATED MONITORING KIT WITH MALE/MALE BRIDGE, 48", 2 3 ML SQUEEZE FLUSHES, MACRODRIP, DISPOSABLE TRANSDUCER (POLE MOUNT)	

Item 414240403	Description	Cust Price: \$11.07000 each / \$221.40 cs
Qty/CS 20	THERMOSET™ ROOM TEMPERATURE CLOSED-LOOP INJECTABLE DELIVERY SYSTEM WITH IN-LINE TEMPERATURE PROBE	

Item 412390405	Description	Cust Price: \$52.69000 each / \$263.45 cs
Qty/CS 5	TD Torque-Line Catheter, 7F, 4 lumen, 110 cm, Heparin Coated	

KERN COUNTY HOSPITAL AUTHORITY

By: _____
 Chairman, Board of Governors

Date: _____

REVIEWED ONLY
 NOT APPROVED AS TO FORM

By: Phillip Jenkins
 Kern County Hospital Authority

If you are satisfied with this quote and would like to place an order, please review Section 2 and contact your designated Customer Service or Sales Rep.

Note: This quote is valid for 90 day period unless otherwise notified.

Section 2

For Domestic Product:

The lead time (order placement to date of shipment) for the order of custom sets is 60 days from the receipt of your order. Standard customer lead time does not include shipping.

Requested GPO tier pricing will be honored, if customer is affiliated with the requested tier, otherwise, pricing will be extended based on the current tier assignment customer has activated with the GPO.

Customers may be invoiced List Price for product purchases, in the absence of a signed, binding customer or GPO contract. List Prices are subject to change without advance notice.

ICU Medical Customer Service is available to confirm ICU Medical's List Prices. Customers can contact their ICU Medical Sales Representative to confirm product contracting status and or to discuss contracting options.

Pricing may not be in effect for up to 45 days if ordering through distribution.

For International Products:

The lead time (order placement to date of shipment) for the initial order of a custom set is 90 days from the receipt of your order. If earlier availability is required then expedite costs such as air freight will need to be pre-approved by you.

*The product on this quote is a custom or unique to the customer named on this quote, a stocking agreement to guarantee supply will be required.

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

May 20, 2026

Subject: Proposed Quote with NeurOptics Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed warranty quote with NeurOptics, Inc., for two (2) year warranty to cover repairs to pupillometer, a device utilized during eye examinations, in an amount not to exceed \$2,500. Kern Medical requests approval of this quote as the vendor has provided reliable and effective services over the past several years.

Counsel is unable to approve the terms as to form because the terms are the unmodified terms and conditions of the vendor. The nonstandard terms include limited liability, liability for products lost in shipping among other nonstandard terms. Despite attempts by counsel to negotiate, the vendor was unwilling to change these terms.

Therefore, it is recommended that your Board approve the proposed warranty quote to repair pupillometer with NeurOptics, Inc., to cover repairs to pupillometer, effective May 20, 2026 through May 19, 2028, in an amount not to exceed \$2,500, and authorize the Chairman to sign.



Advancing the Science of Pupilometry

9223 Research Drive
Irvine, CA 92618 U.S.A.

Quote Number LN-KERN-EXTWAR-CA-3-20-26
Created Date 2026-03-20
Expiration Date 04/20/2026

Reference the above quote number on your purchase order. Send PO to orders@neuroptics.com.

Rep Assigned Lauren Murray Contact Name Arendis Gomez
Phone 732-693-1959 Phone
Email lmurray@neuroptics.com Email Arendis.Gomez@kernmedical.com
Fax (949)-250-9796 Fax

Bill To Ship To
Arendis Gomez Arendis Gomez
Kern Medical Center Kern Medical Center
PO Box 3519 1700 Mount Vernon Avenue
Bakersfield, CA, 93385 Bakersfield, CA, 93306
USA USA

Quantity	Item #	Product	Price	Total Price
1.00	NPI-300-EXTWARR-2YR-OUT	NPI-300 2-Year Extended Warranty - Out of Warranty	\$2,500.00	\$2,500.00

Total Price	\$2,500.00
Tax	To be reflected on the final invoice
Shipping & Handling	To be reflected on final invoice
Grand Total	\$2,500.00

For SN #P240319002

All Pricing Must Be Kept Confidential.

Payment Terms are NET 30.
FOB Shipping Point
Please visit www.NeurOptics.com for more information regarding our products.

KERN COUNTY HOSPITAL AUTHORITY

By: _____
Chairman, Board of Governors

Date: _____

REVIEWED ONLY
NOT APPROVED AS TO FORM

By: Phillip Jenkins
Kern County Hospital Authority

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

May 20, 2026

Subject: Proposed Quotation 60470798 from Welch Allyn, Inc, a subsidiary of Baxter International Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Quotation 60470798 with Welch Allyn, Inc, a subsidiary of Baxter International Inc., to purchase RV700 Protection Plus, hardware/software support, for the RetinaVue 700 Fundus Camera with Welch Allyn, Inc, a subsidiary of Baxter International Inc.

This hardware/software support includes accessory protection, drop protection software, software support, virtual diagnostics and troubleshooting, firmware updates and improvements, and smartcare remote management. This maintenance will support the RetinaVue fundus camera which is required to meet the state Quality Incentive Pool (QIP) metric. This agreement will allow us to see more patients and meet our QIP metric for state funding by performing the assessment during routine family practice appointments, increasing our capacity to perform more exams.

Counsel is unable to approve as to form to due non-standard terms which include third-party pass-through terms with no review, interest on late payments, issues with confidentiality, limitation of liability to last twelve months of payment, and law and venue in Illinois. Efforts were made to negotiate with the vendor, but to no avail.

Therefore, it is recommended that your Board approve the proposed Quotation 60470798 with Welch Allyn, Inc, a subsidiary of Baxter International Inc to purchase RV700 Protection Plus, hardware/software support, for a three (3) year term, effective May 20, 2026 through May 19, 2029, with a maximum payable of \$3,330, and authorize the Chairman to sign.



Welch Allyn Inc is a subsidiary of Baxter International Inc

Welch Allyn Inc
4341 State Street Road
SKANEATELES FALLS NY 13153

Quotation

Page 1 of 6

Reference # 60470798

Quotation Date 01/09/2026

Remit To:

WELCH ALLYN, INC
PO BOX 73040, CHICAGO IL 60673-7040
Account # 5145937
ABA: 071000013 (ACH) / ABA: 021000021 (Wires)
Remit: hrc_global_cash_remittances@baxter.com

Bill To: 10410321 / Payer: 10410321

Kern Medical Internal Medicine
1111 Columbus St Ste 2000
Bakersfield CA 93305-1936

Ship To: 10410321 / Sold To: 10410321

Kern Medical Internal Medicine
1111 Columbus St Ste 2000
Bakersfield CA 93305-1936

Ship Method: Best Way	Payment Terms: Net 30 Days
Customer PO #: New Service	
Delivery Terms: CPT Factory of Origin	Freight Terms: Flat Rate/Estimated
Valid from: 01/09/2026 to 05/25/2026	
Created By: Elena Slivka Phone #: Ext:	

Material Number / Description	U/M	Quantity	Unit Price	Extended Price	Disc. %	Total
THIS IS NOT AN INVOICE						
Contract Period: (3 Years) Annual Price: \$1,110.00						
Serial Number: 700222210034						
The attached General Services Terms and Conditions (also available at https://www.hillrom.com/serviceterms/) exclusively govern the Services Program(s) identified in this quotation. Welch Allyn, Inc.'s acceptance of a purchase order for Services Programs is expressly conditioned upon the customer's assent to the General Services Terms and Conditions; any additional or conflicting terms proposed by the customer are categorically rejected.						
Customer: Signature: _____ Date: <u>May 20, 2026</u>						
Printed Name: <u>Phil McLaughlin</u>						
Title/Position: <u>Chairman, Board of Governors</u>						
Baxter: Signature: _____ Date: _____						
Printed Name: _____						
Title/Position: _____						
S1-RV700-3P RV700 PROTECTION PLUS Services 3YR, 3-Year Hardware/Software Support Customer Service Advanced Exchange - Accessory Protection Drop Protection Software Support Virtual Diagnosis and Troubleshooting with our Technical Service Team Existing Software* and Firmware Updates and Improvements SmartCare Remote Management	EA	1	3,330.00	3,330.00	0.00	3,330.00
Sub Total				3,330.00		3,330.00
Total Amount						\$ 3,330.00

REVIEWED ONLY
NOT APPROVED AS TO FORM

By *Shannon Hochstein*
Kern County Hospital Authority



Welch Allyn Inc is a subsidiary of Baxter International Inc

Welch Allyn Inc
4341 State Street Road
SKANEATELES FALLS NY 13153

Quotation

Page 2 of 6

Reference # 60470798

Quotation Date 01/09/2026

Remit To:

WELCH ALLYN, INC
PO BOX 73040, CHICAGO IL 60673-7040
Account # 5145937
ABA: 071000013 (ACH) / ABA: 021000021 (Wires)
Remit: hrc_global_cash_remittances@baxter.com

Bill To: 10410321 / Payer: 10410321

Kern Medical Internal Medicine
1111 Columbus St Ste 2000
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Ship To: 10410321 / Sold To: 10410321

Kern Medical Internal Medicine
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Ship Method: Best Way
Customer PO #: New Service
Delivery Terms: CPT Factory of Origin
Valid from: 01/09/2026 to 05/25/2026
Created By: Elena Slivka Phone #: Ext:

Payment Terms: Net 30 Days
Freight Terms: Flat Rate/Estimated

Material Number / Description	U/M	Quantity	Unit Price	Extended Price	Disc. %	Total

GENERAL SERVICES TERMS AND CONDITIONS

1. **Scope; Entire Agreement.** These General Services Terms and Conditions apply to the repair, maintenance, support, and other services ("Services") offered by Hill-Rom Company, Inc. and Welch Allyn, Inc. (each, a "Services Provider") that are described in the **SERVinity** Services Program details at <https://www.hillrom.com/serviceoptions>, <https://www.hillrom.com/BSSserviceoptions/>, or <https://www.hillrom.com/FLCserviceoptions/>, as the same may be updated from time to time (each, a "Services Program"). The following documents, listed in order of precedence in the event of any inconsistency among them, constitute the agreement between Services Provider and Customer with respect to the Services Program ("Agreement"): (i) proposals or quotations executed by Services Provider and Customer (if any); (ii) these General Services Terms and Conditions; and (iii) the Services Program description. To the extent no proposals or quotations are executed by Services Provider and Customer, Customer's submission of a purchase order signifies Customer's acceptance of the terms of the Agreement. The Agreement represents the entire agreement between Services Provider and Customer with respect to the Services Program and supersedes any other oral or written agreement between Services Provider and Customer. The Agreement will prevail over any conflicting terms in Customer's purchase order and may only be modified in a writing signed by both parties.
2. **Effective Date.** The effective date of the Agreement is: (i) for Services Programs sold directly by Services Provider, as provided in the initial proposal or quotation; or (ii) for Services Programs sold by an authorized distributor, the date of Customer's purchase.
3. **Initial Term and Renewal; Cancellation.** The initial term of the Services Program is: (i) for Services Programs sold directly by Services Provider, the number of years set forth on the initial proposal or quotation; or (ii) for Services Programs sold by an authorized distributor, the number of years agreed to and paid for by Customer. The Services Program may be renewed upon Services Provider's and Customer's execution of a renewal proposal or quotation, or, in the absence of a renewal proposal or quotation, upon Customer's timely payment of renewal term invoices issued by Services Provider. A renewal term may be of lesser duration than the initial term or any previous renewal term in the event Services Provider deems covered products, equipment, or software "end-of-life" subject to a limited period of continuing support. Either party may cancel the Services Program upon 60 days' written notice to the other party. Customer shall pay Services Provider for all Services performed up to the effective date of cancellation (including Services performed pursuant to implementation projects under certain Services Programs). Customer may incur cancellation fees if it cancels certain Services Programs; such cancellation fees are described in the applicable Services Program description.
4. **Payment Terms.** For Services Programs sold directly by Services Provider, the fee for the Services Program may be paid in annual or monthly installments and is not refundable. Customer's election of annual or monthly payments may not be changed in either the initial term or any renewal term. The fee does not include any applicable sales, use or other taxes payable by Customer. Payment is due net 30 days from invoice date. Unless waived by Services Provider in writing, undisputed overdue invoices shall be subject to a late payment charge equal to the lesser of 1.5% per month or the maximum rate allowed by law. Customer agrees to pay Services Provider for any and all costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Services Provider to collect any amounts owed to it. Customer may be obligated to properly reflect and/or report any discount, rebate, or reduction in price in its costs claimed or charges made to federal (e.g., Medicare) or state (e.g., Medicaid) health care programs requiring such disclosure, and Services Provider's invoices may not reflect Customer's net cost. Customer may make written request to Services Provider in the event it requires additional information to meet applicable reporting or disclosure obligations. For Services Programs sold by authorized distributors, payment terms for the initial term are as agreed between Customer and the authorized distributor.
5. **Suspension of Performance.** If Customer fails to pay Services Provider's invoices as required, Services Provider may suspend the performance of Services upon 5 days' written notice unless (i) Services Provider receives full payment, or (ii) the parties agree in writing to alternative payment arrangements. Services Provider reserves the right to cancel the Services Program upon written notice to Customer with immediate effect if Customer fails to rectify its non-payment or continues to default on its payment obligation.
6. **Exclusions.** The Services Programs do not cover damage to or failure of covered products, equipment, or software caused by, in whole or in part, the following as determined by Services Provider in its sole discretion: (i) modification or upgrade, or improper repair, by anyone other than Services Provider; (ii) misuse or improper use, including failure to comply properly with routine maintenance requirements specified in the directions for use or service manual; (iii) natural disasters, extreme weather, or other catastrophe; (iv) loss of, or fluctuation in, power; or (v) use of non-Services Provider accessories, replacement parts, and/or third-party software not authorized in writing by Services Provider.
7. **Services for Non-Services Provider Products.** Under certain Services Programs, Services Provider will provide requested repair Services for non-Services Provider products, with the exception of operating room tables, lights, and equipment management systems. Customer is responsible at its sole expense to provide all parts to complete the repairs and to provide applicable service manuals unless otherwise agreed to by Services Provider. Services Provider will not be liable if Customer's request for or Services Provider's provision of repair Services on non-Services Provider products voids the warranty or service agreement of any third party.
8. **Non-Solicitation.** To the extent permitted by applicable law, during the term of the Services Program and for a period of 6 months following its expiration or cancellation, Customer agrees that it will not directly or indirectly: (i) induce any individual who has provided Services to Customer within the 6-month period immediately preceding the expiration or cancellation of the Services Program to terminate his/her relationship with Services Provider, or (ii) offer employment to, employ, or retain as an independent contractor any individual who was employed by Services Provider to provide Services at any time during the 6-month period immediately preceding the offer, employment, or retention without first paying to Services Provider a finder's fee equal to 50% of the annual fee for the Services Program. The foregoing restrictions do not prohibit Customer from placing any general advertisements for employees or hiring individuals who respond to such general advertisements so long as such general advertisements are not directed to any individuals who have provided Services to Customer.
9. **Incorporation of SCRM License Terms and Conditions.** Customer's access to or use of **SmartCare** Remote Management ("SCRM") in connection with any Services Program purchased by Customer (an "SCRM Services Program") is subject to the SCRM license terms and conditions in effect on the effective date of the Agreement (the "SCRM License Terms and Conditions"). The SCRM License Terms and Conditions, available at <https://www.hillrom.com/en/products/smartcare-remote-management/software-license-terms-and-conditions/> (password: RemoteManagement), are incorporated into these General Services Terms and Conditions in full by this reference.
10. **Warranty.** Services Provider warrants that it will perform Services in a reasonably timely, professional, and workmanlike manner using trained and qualified personnel capable of performing Services in accordance with industry standards. Services Provider's exclusive obligation, and Customer's exclusive remedy, for breach of the foregoing warranty is re-performance of defective Services. THE FOREGOING WARRANTY CONSTITUTES THE SOLE WARRANTY MADE BY SERVICES PROVIDER AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO EMPLOYEE OR REPRESENTATIVE OF SERVICES PROVIDER IS AUTHORIZED TO MODIFY THIS WARRANTY IN ANY WAY OR GRANT ANY OTHER WARRANTY. Warranty information on replacement parts is available at <https://parts.hillrom.com>.
11. **Limitation of Liability.** Services Provider will not be liable for loss or damages because of delays or nonperformance resulting from any cause beyond Services Provider's reasonable foresight or control. Any delays will extend Services Provider's period of performance under the Services Program. IN NO EVENT AND UNDER NO LEGAL THEORY—WHETHER IN TORT (INCLUDING NEGLIGENCE), CONTRACT, WARRANTY, PRODUCTS LIABILITY, OR OTHERWISE—WILL SERVICES PROVIDER BE LIABLE TO CUSTOMER FOR ANY CONSEQUENTIAL DAMAGES (INCLUDING BUSINESS INTERRUPTION, LOST PROFITS, OR LOST OR CORRUPTED DATA) ARISING OUT OF THE SERVICES PROGRAM (INCLUDING ANY SCRM SERVICES PROGRAM, OR THE USE OF SCRM OR ANY INABILITY TO USE SCRM) OR THESE GENERAL SERVICES TERMS AND CONDITIONS (INCLUDING, IF APPLICABLE, THE SCRM LICENSE TERMS AND CONDITIONS). IN NO EVENT WILL SERVICES PROVIDER'S AGGREGATE LIABILITY TO CUSTOMER FOR DIRECT DAMAGES ARISING OUT OF THE SERVICES PROGRAM (INCLUDING ANY SCRM SERVICES PROGRAM, OR THE USE OF SCRM OR ANY INABILITY TO USE SCRM) OR THESE GENERAL SERVICES TERMS AND CONDITIONS (INCLUDING, IF APPLICABLE, THE SCRM LICENSE TERMS AND CONDITIONS), REGARDLESS OF THE FORM OF ACTION AND REGARDLESS OF THE NUMBER OF CLAIMS MADE, EXCEED THE FEE FOR THE SERVICES PROGRAM PAID OR PAYABLE BY CUSTOMER FOR THE 12-MONTH PERIOD IN WHICH THE FIRST EVENT GIVING RISE TO SUCH DAMAGES OCCURRED. THIS SECTION 11 IS INDEPENDENT OF ANY OTHER LIMITATION OF LIABILITY AND REFLECTS AN ALLOCATION OF RISK SEPARATE FROM PROVISIONS SPECIFYING OR LIMITING A PARTY'S REMEDIES.
12. **General.** Services Provider and Customer shall comply at all times with applicable federal and state laws and regulations. Customer may assign the Agreement upon notice to Services Provider. The Agreement will be governed by and construed under the laws of the State of Illinois without reference to its conflicts of law principles. The provisions of these General Services Terms and Conditions (including, if applicable, the SCRM License Terms and Conditions) that by their nature are intended to survive the expiration or cancellation of the Services Program and the Agreement, including Section 8 and Section 11, will survive the expiration or cancellation of the Services Program and the Agreement.

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US-00-240033 [v4.0] 05/2024

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

May 20, 2026

Subject: Proposed Agreement with Yahya Daneshbod, M.D., a contract employee, for professional medical services in the Department of Pathology

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical is requesting that your Board approve the Agreement with Yahya Daneshbod M.D., for professional medical services in the Department of Pathology from July 20, 2026, through July 19, 2029, in an amount not to exceed \$1,525,000.

Dr. Daneshbod is a graduate of Shiraz University of Medical Sciences in Shiraz, Iran and completed his residency in Anatomical and Clinical Pathology at Loma Linda University. After completing his residency, Dr. Daneshbod completed a fellowship in Molecular Pathology at Cedars-Sinai Medical Center in Los Angeles, and a second fellowship in Surgical Pathology at the University of Utah in Salt Lake City, Utah. Dr. Daneshbod holds a California state medical license, and is board certified in Anatomic and Clinical Pathology by the American Board of Pathology.

The proposed Agreement is for a term of three years, beginning July 20, 2026, and ending July 19, 2029. Dr. Daneshbod will receive an annual salary of \$450,000, a signing bonus of \$32,500, and an annual grossing stipend of \$40,000. Dr. Daneshbod's annual salary is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey for specialty and represents the reasonable fair market value compensation for the services to be provided by Dr. Daneshbod. In addition to his compensation package, Dr. Daneshbod will receive the standard complement of benefits offered to all Kern Medical physicians. The maximum payable will not exceed \$1,525,000 over the three-year term of the Agreement.

Therefore, it is recommended that your Board approve the Agreement with Yahya Daneshbod, M.D., for professional medical services in the Department of Pathology from July 20, 2026, through July 19, 2029, in an amount not to exceed \$1,525,000, and authorize the Chairman to sign.

**AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Yahya Daneshbod, M.D.)**

This Agreement is made and entered into this _____ day of _____, 2026, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Yahya Daneshbod, M.D. (“Physician”).

**I.
RECITALS**

(a) Authority is authorized, pursuant to section 101852 of Part 4 of Division 101 of the Health and Safety Code, to contract for special services with individuals specially trained, experienced, expert, and competent to perform those services; and

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

(c) Physician is specially trained, experienced, expert, and competent to perform such services;

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 as follows:

**II.
TERMS AND CONDITIONS**

1. **Term.** The term of this Agreement shall be for a period of three (3) years, commencing as of July 20, 2026 (the “Commencement Date”). At the end of the Initial Term and each Renewal Term (as hereinafter defined), if any, this Agreement may be renewed for two (2) additional terms of two (2) years each (“Renewal Term”), but only upon mutual written agreement of the parties. As used herein, the “Term” of this Agreement shall mean the Initial Term and all Renewal Terms. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.

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

3. **Representations and Warranties.** Physician represents and warrants to Authority and KMC, upon execution and throughout the Term of this Agreement, as follows: (i) Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the services required under this Agreement; (ii) Physician's license to practice medicine in the state of California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to the terms of probation or other restriction; (iii) Physician's medical staff privileges at any health care facility have never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or made subject to terms of probation or any other restriction; (iv) Physician holds a valid Controlled Substance Registration Certificate issued by the Drug Enforcement Administration that has never been revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (v) Physician is not currently and has never been an Ineligible Person¹; (vi) Physician is not currently the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; and (vii) Physician has, and shall maintain throughout the Term of this Agreement, an unrestricted license to practice medicine in the state of California and staff membership and privileges at KMC.

4. **Obligations of Physician.**

4.1 **Services.** Physician shall engage in the practice of medicine on a full-time basis exclusively as an exempt employee of Authority. Physician shall render those services set forth in Exhibit "A," attached hereto and incorporated herein by this reference.

4.2 **Use of Premises.** Physician shall use the Practice Sites as designated by Authority or KMC exclusively for the practice of medicine in the care and treatment of patients and shall comply with all applicable federal, state, and local laws, rules and regulations related thereto.

4.3 **Qualifications.**

4.3.1 **Licensure.** Physician shall maintain a current valid license to practice medicine in the state of California at all times during the Term of this Agreement.

4.3.2 **Board Certification.** Physician shall be board certified by the American Board of Pathology in pathology-anatomic/pathology-clinical-general and maintain such certification at all times during the Term of this Agreement.

4.3.3 **Medical Staff Status.** Physician shall at all times during the Term of this Agreement be a member in good standing of the KMC medical staff with "active" staff status and hold all clinical privileges on the active medical staff appropriate to the discharge of his obligations under this Agreement.

¹ An "Ineligible Person" is an individual or entity who: (i) is currently excluded, debarred, suspended, or otherwise ineligible to participate in the federal health care programs or in federal procurement or non-procurement programs; or (ii) has been convicted of a criminal offense that falls within the range of activities described in 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible.

4.3.4 TJC and ACGME Compliance. Physician shall observe and comply with all applicable standards and recommendations of The Joint Commission and Accreditation Council for Graduate Medical Education.

4.4 Loss or Limitation. Physician shall notify KMC in writing as soon as possible (but in any event within three (3) business days) after any of the following events occur: (i) Physician's license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (ii) Physician's medical staff privileges at KMC or any other health care facility are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (iii) Physician's Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (iv) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (v) Physician becomes the subject of a disciplinary or other proceeding or action before any governmental, professional, medical staff or peer review body; or (vi) an event occurs that substantially interrupts all or a portion of Physician's professional practice or that materially adversely affects Physician's ability to perform Physician's obligations hereunder.

4.5 Standards of Medical Practice. The standards of medical practice and professional duties of Physician at designated Practice Sites shall be in accordance with the KMC Medical Staff Bylaws, Rules, Regulations, and policies, the standards for physicians established by the state Department of Public Health and all other state and federal laws and regulations relating to the licensure and practice of physicians, and The Joint Commission.

4.6 Managed Care Contracting. Physician shall cooperate in all reasonable respects necessary to facilitate KMC's entry into or maintenance of any third-party payer arrangements for the provision of services under any other public or private health and/or hospital care programs, including but not limited to insurance programs, self-funded employer health programs, health care service plans and preferred provider organizations. To enable KMC to participate in any third-party payer arrangements, Physician shall, upon request: (i) enroll as a provider (if required by the third-party payer), separate from KMC, with any third-party payer or intermediate organization (including any independent practice association) (each, a "Managed Care Organization") designated by KMC for the provision of professional services to patients covered by such Managed Care Organization; (ii) enter into a written agreement with such Managed Care Organization as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization; and/or (iii) enter into a written agreement with KMC regarding global billing, capitation or other payment arrangements as may be necessary or appropriate for the provision of professional services to patients covered by such Managed Care Organization.

4.7 Authorization to Release Information. Physician hereby authorizes Managed Care Organizations, government programs, hospitals and other third parties to release to KMC and its agents any information requested by KMC or its agents from time to time relating to Physician's professional qualifications or competency. Physician agrees to execute the

Authorization to Release Information in the form set forth in Exhibit “B,” attached hereto and incorporated herein by this reference, and to execute all other documents required by KMC from time to time and to otherwise fully cooperate with KMC to enable KMC and its agents to obtain such information from third parties.

4.8 Medical Records. Physician shall cause a complete medical record to be timely prepared and maintained for each patient seen by Physician. This record shall be prepared in compliance with all state and federal regulations, standards of The Joint Commission, and the KMC Medical Staff Bylaws, Rules, Regulations, and Policies. Documentation by Physician shall conform to the requirements for evaluation and management (E/M) services billed by teaching physicians set forth in the Medicare Carriers Manual, Part 3, sections 15016–15018, inclusive. All patient medical records of Practice Sites, including without limitation, patient medical records generated during the Term of this Agreement, shall be the property of KMC subject to the rights of the respective patients. Upon the expiration or termination of this Agreement by either party for any reason, KMC shall retain custody and control of such patient medical records.

4.9 Physician Private Practice. Physician understands and agrees that he shall not enter into any other physician employment contract or otherwise engage in the private practice of medicine or provide similar services to other organizations, directly or indirectly, during the Term of this Agreement or any extensions thereof.

4.10 Proprietary Information. Physician acknowledges that during the Term of this Agreement Physician will have contacts with and develop and service KMC patients and referring sources of business of KMC. In all of Physician’s activities, Physician, through the nature of his work, will have access to and will acquire confidential information related to the business and operations of KMC, including, without limiting the generality of the foregoing, patient lists and confidential information relating to processes, plans, methods of doing business and special needs of referring doctors and patients. Physician acknowledges that all such information is solely the property of KMC and constitutes proprietary and confidential information of KMC; and the disclosure thereof would cause substantial loss to the goodwill of KMC; and that disclosure to Physician is being made only because of the position of trust and confidence that Physician will occupy. Physician covenants that, except as required by law, Physician will not, at any time during the Term or any time thereafter, disclose to any person, hospital, firm, partnership, entity or organization (except when authorized in writing by KMC) any information whatsoever pertaining to the business or operations of KMC, any affiliate thereof or of any other physician employed by KMC, including without limitation, any of the kinds of information described in this paragraph.

4.11 Physician Covenants. Physician covenants that from the Commencement Date and continuing throughout the Term of this Agreement, Physician, unless otherwise permitted by the written consent of Authority shall not, on Physician’s own account or as an employee, landlord, lender, trustee, associate, consultant, partner, agent, principal, contractor, owner, officer, director, investor, member or stockholder of any other person, or in any other capacity, directly or indirectly, in whole or in part: (i) engage in any activities that are in competition with KMC, including the operation of any medical practice or offering of any medical services that

are similar to services offered at the Practice Sites; (ii) solicit or encourage the resignation of any employee of Authority or KMC with whom Physician had a working relationship during Physician's employment with Authority; (iii) solicit or divert patients with whom Physician had personal contact during such employment; or (iv) influence or attempt to influence any payer, provider or other person or entity to cease, reduce or alter any business relationship with Authority or KMC relating to the Practice Sites.

5. **Compensation Package.**

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.** Authority shall pay Physician an Annual Salary of \$17,307.69 biweekly not to exceed \$450,000 annually. The Annual Salary shall be comprised of (i) a base salary for teaching and administrative services and (ii) payment for care of KMC patients. 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 level of worked relative value units ("Worked RVU") at or above the seventy-fifth (75th) percentile based on the current MGMA Survey and fulfill all the duties set forth in Exhibit "A" during the Term of this Agreement.

5.1.2 **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.

5.1.3 **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.

5.2 **Grossing Stipend.** Authority shall pay Physician an annual grossing stipend of \$1,538.46 biweekly, less all applicable federal and state taxes and withholdings, not to exceed \$40,000 annually until such time as a Pathologist Assistant is hired by Authority.

5.3 **Signing Bonus.**

5.3.1 **Bonus.** Physician shall receive a signing bonus in the amount of \$32,500, payable within ten (10) business days of the date of the last signature herein below. Physician agrees to repay the entire amount of the signing bonus should Physician for any reason fail to report to work on the Commencement Date.

5.3.2 **Repayment.** In the event that Physician voluntarily terminates his employment with Authority for any reason whatsoever before July 20, 2027, Physician

will repay to Authority an amount equal to \$32,500 multiplied by the fraction, the numerator of which is three hundred sixty-five (365) less the number of days during which Physician was employed by Authority, and the denominator of which is three hundred sixty-five (365). Such repayment shall be made by Physician in full within thirty (30) days of the effective date of his termination of employment with Authority.

5.3.3 Offset. Physician hereby authorizes Authority to offset against and reduce any amounts otherwise due to Physician for any amounts in respect of the obligation to repay the signing bonus.

5.4 Professional Fee Billing.

5.4.1 Assignment. KMC shall have the exclusive right and authority to set, bill, collect and retain all fees, including professional fees, for all direct patient care services provided by Physician at the Practice sites during the Term of this Agreement. All professional fees generated by Physician for services rendered at the Practice Sites during the Term of this Agreement, including without limitation, both cash collections and accounts receivable, capitated risk pool fees, professional retainer fees, honoraria, professional consulting and teaching fees, and fees for expert testimony (but excluding Physician's private investment and nonprofessional income), will be the sole and exclusive property of KMC, whether received by KMC or by Physician and whether received during the Term of this Agreement or anytime thereafter. Physician hereby assigns all rights to said fees and accounts to KMC and shall execute all documents required from time to time by KMC and otherwise fully cooperate with KMC to enable KMC to collect fees and accounts from patients and third-party payers.

5.4.2 Remittance of Professional Fee Charges. Physician shall remit all professional fee charges to KMC within forty-five (45) days of the date direct patient care services are provided by Physician. Any professional fee charges not remitted by Physician to KMC within forty-five (45) days of the date of such service, or any charges for which relevant documentation has not been provided, will not be credited to Physician as Worked RVU.

5.5 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$1,525,000 over the three (3) year Initial Term of this Agreement.

6. **Benefits Package**.

6.1 Retirement. Physician shall participate in the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"), a qualified defined contribution pension plan, pursuant to the terms of the instrument under which the Plan has been established, as from time to time amended. Physician is not eligible to participate in any other retirement plan established by Authority for its employees, including but not limited to the Kern County Employees' Retirement Association, and this Agreement does not confer upon Physician any right to claim entitlement to benefits under any such retirement plan(s).

6.2 Health Care Coverage. Physician shall receive the same health benefits (medical, dental, prescription and vision coverage) as all eligible Authority employees. The employee share of cost is twenty percent (20%) of the current biweekly premium. Physician is eligible for coverage the first (1st) day of the biweekly payroll period coincident with or next following the day she completes one (1) month of continuous service. Physician's initial hire date is the initial opportunity to enroll in the health plan. Physician must work at least forty (40) hours per biweekly pay period to be eligible for coverage.

6.3 Holidays. Physician shall be entitled to paid holidays subject to Authority policy, as amended from time to time. Physician will not be paid for banked holidays upon termination of employment.

6.4 Vacation. Physician shall be entitled to vacation leave subject to Authority policy, as amended from time to time. Physician shall be paid for accrued and unused vacation leave, if any, upon termination or expiration of this Agreement calculated at Physician's current hourly rate (i.e., current Annual Salary divided by 2080 hours = hourly rate). All payments made by Authority to Physician under this paragraph will be subject to all applicable federal and state taxes and withholding requirements.

6.5 Sick Leave. Physician shall be entitled to sick leave subject to Authority policy, as amended from time to time. Physician will not be paid for accrued and unused sick leave upon termination of employment.

6.6 Education Leave. Physician shall receive eighty (80) hours paid education leave annually. The first eighty (80) hours will accrue on the Commencement Date. On each successive Employment Year, if any, an additional eighty (80) hours paid education leave will accrue. Education leave must be used within the year that it is accrued. Physician will not be paid for unused education leave upon termination of employment. The Department Chair must approve education leave in advance of use. Physician's participation in educational programs, services or other approved activities set forth herein shall be subordinate to Physician's obligations and duties under this Agreement.

6.7 CME Expense Reimbursement. Authority shall reimburse Physician for all approved reasonable and necessary expenditures related to continuing medical education in an amount not to exceed \$2,500 per Employment Year, payable in arrears, in accordance with Authority policy, as amended from time to time. This amount may not be accumulated or accrued and does not continue to the following Employment Year.

6.8 Flexible Spending Plan. Physician shall be eligible to participate in flexible spending plans to pay for dependent care, non-reimbursed medical expenses, and certain insurance premiums on a pre-tax basis through payroll deduction. This is a voluntary benefit that is paid by Physician if he elects to participate in the plan.

6.9 Attendance at Meetings. Physician shall be permitted to be absent from KMC during normal working days to attend professional meetings and to attend to such outside professional duties in the healthcare field as may be mutually agreed upon between Physician

and the Department Chair. Attendance at such approved meetings and accomplishment of approved professional duties shall be fully compensated service time and will not be considered vacation or education leave.

6.10 Unpaid Leave of Absence. Physician may take an unpaid leave of absence in accordance with Authority policies in effect at the time the leave is taken.

6.11 Social Security. Physician is exempt from payment of Social Security taxes as the Kern County Hospital Authority Defined Contribution Plan for Physician Employees is a qualified alternative to the insurance system established by the federal Social Security Act.

6.12 Deferred Compensation. Physician shall be eligible to participate in the Kern County Deferred Compensation Plan ("457 Plan") on a pre-tax basis. Physician shall make all contributions if he elects to participate in the 457 Plan.

6.13 Disability Insurance. Physician shall be eligible to purchase Long Term Disability or Short Term Disability insurance coverage through payroll deduction on a post-tax basis. This is a voluntary benefit that is paid by Physician if he elects to participate in the plan.

6.14 Employee Assistance/Wellness Programs. Physician shall be eligible to participate in any Authority-sponsored employee assistance and employee wellness programs.

6.15 Relocation Reimbursement. Authority shall reimburse Physician for actual relocation expenses (defined as the packing, moving and unpacking of household goods and vehicles) and travel expenses (defined as lodging, meals, mileage and incidental expenses) associated in moving to Bakersfield, California, in an amount not to exceed \$2,500, payable in arrears, in accordance with Authority policy (no later than 90 days from the Commencement Date). Reimbursement of travel expenses will include per mile reimbursement for one (1) personal vehicle at the current privately owned vehicle (POV) mileage reimbursement rate established by the U.S. General Services Administration, meals and incidental expenses for Physician only at the current domestic per diem rates established by the U.S. General Services Administration for Kern County, and reasonable hotel accommodations not to exceed the maximum allowable reimbursement rate including taxes established by Authority. Physician shall be deemed vested in reimbursement of relocation expenses in the amount of \$69.45 per month beginning on the last day of the month in which the relocation expenses are reimbursed to Physician. In the event Physician's employment is terminated by either party, with or without cause, then, on the effective date of such termination, Physician shall repay to Authority all amounts received in which Physician has not yet become vested.²

6.16 Limitation on Benefits. Except as expressly stated herein, Physician shall receive no other benefits from Authority.

² By way of example only, in the event Physician terminates his employment after eighteen (18) months then Physician will be vested to the extent of \$1,250 in the relocation expenses described herein and will be obligated to repay Authority the amount of \$1,250. **In the event Physician fails to pay such amount to Authority, Physician expressly grants to Authority the right to offset any amounts owed to Authority against any payments made to Physician by Authority.**

7. **Assignment.** Physician shall not assign or transfer this Agreement or his obligations hereunder or any part thereof. Physician shall not assign any money due or which becomes due to Physician under this Agreement without the prior written approval of Authority.
8. **Assistance in Litigation.** Upon request, Physician shall support and assist Authority as a consultant or expert witness in litigation to which Authority is a party.
9. **Authority to Incur Financial Obligation.** It is understood that Physician, in his performance of any and all duties under this Agreement, has no right, power or authority to bind Authority to any agreements or undertakings.
10. **Captions and Interpretation.** Paragraph headings in this Agreement are used solely for convenience, and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties.
11. **Choice of Law/Venue.** This Agreement shall be construed and enforced under and in accordance with the laws of the state of California, with venue of any action relating to this Agreement in the County of Kern, state of California.
12. **Compliance with Law.** Physician shall observe and comply with all applicable Authority, local, state and federal laws, ordinances, rules and regulations now in effect or hereafter enacted, each of which is hereby made a part hereof and incorporated herein by reference.
13. **Confidentiality.** Physician shall maintain confidentiality with respect to information that he receives in the course of his employment and not use or permit the use of or disclose any such information in connection with any activity or business to any person, firm or corporation whatsoever, unless such disclosure is required in response to a validly issued subpoena or other process of law or as required by Government Code section 6250 et seq. Upon completion of the Agreement, the provisions of this paragraph shall continue to survive.
14. **Conflict of Interest.** Physician covenants that he has no interest and that he will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law (Gov. Code, § 81000 et seq.) or that would otherwise conflict in any manner or degree with the performance of his services hereunder. It is understood and agreed that if such a financial interest does exist at the inception of this Agreement, Authority may immediately terminate this Agreement by giving written notice thereof.
15. **Counterparts.** This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.
16. **[RESERVED].**

17. **Enforcement of Remedies.** No right or remedy herein conferred on or reserved to Authority is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing by law or in equity or by statute or otherwise, and may be enforced concurrently or from time to time.

18. **Indemnification.** Authority shall assume liability for and indemnify and hold Physician harmless from any and all claims, losses, expenses, costs, actions, settlements, attorneys' fees and judgments incurred by Physician or for which Physician becomes liable, arising out of or related to services rendered or which a third party alleges should have been rendered by Physician pursuant to this Agreement. Authority's obligation under this paragraph shall extend from Physician's first date of service to Authority and shall survive termination or expiration of this Agreement to include all claims that allegedly arise out of services Physician rendered on behalf of Authority; provided, however, that the provisions of this paragraph shall not apply to any services rendered at any location other than Practice Sites designated by Authority or KMC without approval by the Kern County Hospital Authority Board of Governors, and, provided further, that Authority shall have no duty or obligation to defend, indemnify, or hold Physician harmless for any conduct or misconduct found to be intentional, willful, grossly negligent, or criminal.

19. **Invalidity of a Portion.** Should a portion, section, paragraph, or term of this Agreement be construed as invalid by a court of competent jurisdiction, or a competent state or federal agency, the balance of the Agreement shall remain in full force and effect. Further, to the extent any term or portion of this Agreement is found invalid, void or inoperative, the parties agree that a court may construe the Agreement in such a manner as will carry into force and effect the intent appearing herein.

20. **Modifications of Agreement.** This Agreement may be modified in writing only, signed by the parties in interest at the time of the modification.

21. **Non-appropriation.** Authority 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, Authority will be released from any further financial obligation to Physician, 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. Physician shall be given thirty (30) days' prior written notice in the event that Authority requires such an action.

22. **Nondiscrimination.** No party to this Agreement shall discriminate on the basis of race, color, religion, sex, national origin, age, marital status or sexual orientation, ancestry, physical or mental disability, medical conditions, political affiliation, veteran's status, citizenship or marital or domestic partnership status or on the basis of a perception that an individual is associated with a person who has, or is perceived to have, any of these characteristics.

23. **Non-waiver.** No covenant or condition of this Agreement can be waived except by the written consent of Authority. Forbearance or indulgence by Authority in any regard whatsoever shall not constitute a waiver of the covenant or condition to be performed by Physician.

Authority shall be entitled to invoke any remedy available to Authority under this Agreement or by law or in equity despite said forbearance or indulgence.

24. **Notices.** Notices to be given by one party to the other under this Agreement shall be given in writing by personal delivery, by certified mail, return receipt requested, or express delivery service at the addresses specified below. Notices delivered personally shall be deemed received upon receipt; mailed or expressed notices shall be deemed received four (4) days after deposit. A party may change the address to which notice is to be given by giving notice as provided above.

Notice to Physician:

Yahya Daneshbod, M.D.
2710 North Towne Avenue, Apt. 130
Pomona, California 91767

Notice to Authority:

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

25. **Relationship.** Authority and Physician recognize that Physician is rendering specialized, professional services. The parties recognize that each is possessed of legal knowledge and skill, and that this Agreement is fully understood by the parties, and is the result of bargaining between the parties. Each party acknowledges their opportunity to fully and independently review and consider this Agreement and affirm complete understanding of the effect and operation of its terms prior to entering into the same.

26. **Severability.** Should any part, term, portion or provision of this Agreement be decided finally to be in conflict with any law of the United States or the state of California, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, provided such remaining portions or provisions can be construed in substance to constitute the agreement which the parties intended to enter into in the first instance.

27. **Sole Agreement.** This Agreement contains the entire agreement between the parties relating to the services, rights, obligations, and covenants contained herein and assumed by the parties respectively. No inducements, representations, or promises have been made, other than those recited in this Agreement. No oral promise, modification, change, or inducement shall be effective or given any force or effect.

28. **Termination.**

28.1 **Termination without Cause.** Either party shall have the right to terminate this Agreement, without penalty or cause, by giving not less than one hundred twenty (120) days' prior written notice to the other party.

28.2 **Immediate Termination.** Notwithstanding the foregoing, Authority may terminate this Agreement immediately by written notice to Physician upon the occurrence of any of the following events: (i) Authority determines that Physician does not have the proper credentials, experience, or skill to perform the required services under this Agreement; (ii) Authority

determines the conduct of Physician in the providing of services may result in civil, criminal, or monetary penalties against Authority or KMC; (iii) Physician violates any federal or state law or regulatory rule or regulation or condition of accreditation or certification to which Authority or Practice Sites is subject; (iv) Physician engages in the commission of a material act involving moral turpitude, fraud, dishonesty, embezzlement, misappropriation or financial dishonesty against Authority or KMC; (v) the actions of Physician result in the loss or threatened loss of KMC's ability to participate in any federal or state health care program, including Medicare or Medi-Cal; (vi) Physician's license to practice medicine in the state of California lapses or is denied, suspended, revoked, terminated, relinquished or made subject to terms of probation or other restriction; (vii) Physician's medical staff privileges are denied, suspended, revoked, terminated, relinquished under threat of disciplinary action or made subject to terms of probation or other restriction; (viii) Physician's Controlled Substance Registration Certificate issued by the Drug Enforcement Administration is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way; (ix) Physician becomes debarred, excluded, or suspended, or if any other event occurs that makes Physician an Ineligible Person; (x) Physician fails to make a timely disclosure pursuant to paragraph 4.4; (xi) Physician engages in conduct that, in the sole discretion of Authority, is detrimental to patient care or to the reputation or operations of Authority and/or KMC; (xii) Physician breaches the confidentiality provisions of this Agreement; (xiii) Physician dies; (xiv) Physician fails to follow Authority's policies and procedures and other rules of conduct applicable to all employees of Authority, including without limitation, policies prohibiting sexual harassment; (xv) insubordination, flagrant tardiness, or interpersonal problems in the workplace with colleagues, patients or associates; or (xvi) Physician breaches any covenant set forth in paragraph 4.11.

29. **Effect of Termination.**

29.1 **Payment Obligations.** In the event of termination of this Agreement for any reason, Authority shall have no further obligation to pay for any services rendered or expenses incurred by Physician after the effective date of the termination, and Physician shall be entitled to receive compensation for services satisfactorily rendered, calculated on a prorated basis up to the effective date of termination.

29.2 **Vacate Premises.** Upon expiration or earlier termination of this Agreement, Physician shall immediately vacate KMC, removing at such time any and all personal property of Physician. KMC may remove and store, at the expense of Physician, any personal property that Physician has not so removed.

29.3 **No Interference.** Following the expiration or earlier termination of this Agreement, Physician shall not do anything or cause any person to do anything that might interfere with any efforts by Authority or KMC to contract with any other individual or entity for the provision of services or to interfere in any way with any relationship between KMC and any person who may replace Physician.

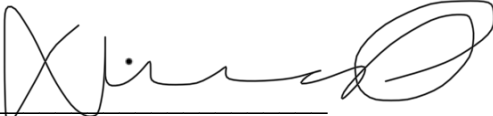
29.4 **No Hearing Rights.** Termination of this Agreement by Authority or KMC for any reason shall not provide Physician the right to a fair hearing or the other rights more particularly set forth in the KMC Medical Staff Bylaws.

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

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Agreement as of the day and year first written above.

PHYSICIAN

By 
Yahya Daneshbod, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:

By _____
Vice President & General Counsel
Kern County Hospital Authority

**EXHIBIT “A”
JOB DESCRIPTION
Yahya Daneshbod, M.D.**

Position Description: Reports to Chair, Department of Pathology; serves as a faculty member in the Department; provides no fewer than eighty (80) hours of service per biweekly pay period.

Essential Functions:

Clinical Responsibilities:

1. Provides professional pathology services required to process, interpret, and report on pathology specimens, including but not limited to surgical pathology specimens, bone marrow specimens, non-gynecologic cytology specimens, fine needle aspirates and outside facility consultation cases.
2. Performs professional surgical pathology, cytopathology and hematopathology services on a rotational basis.
3. Examines and interprets clinical microscopy specimens, including but not limited to body fluids, urine, sputum, peripheral blood, and other clinical specimens.
4. Performs collection procedures, such as bone marrow aspiration and biopsy and fine needle aspiration on an as-needed basis.
5. Performs medical autopsies and prepares complete autopsy reports.
6. Takes call coverage on a routine basis (one week at a time).
7. Serves as a clinical pathologist.
8. Completes all service work in a timely, accurate, and professional manner.
9. Complies with “Department of Pathology Protocols and Expectations” set forth in Exhibit “A-1,” attached hereto and incorporated herein by this reference.

Administrative Responsibilities:

1. Follows Department rules as specified in the Department policies and procedures.
2. Participates in the training of physician residents and medical students, including the review of active and past case material as required for patient care.
3. Participates in quality improvement and risk management activities, including peer review and quality control functions related to the pathology service.
4. Attends Department meetings as scheduled.
5. Attends tumor board and presents cases on a monthly basis.
6. Attends and presents at multi-disciplinary conferences on an as-needed basis.
7. Attends other laboratory meetings as appropriate or assigned by the Department Chair.
8. Attends inter-departmental meetings and committees as assigned by the Department Chair and President of the Medical Staff.
9. Attends general medical staff meetings on an annual basis.
10. Participates in proficiency testing and performance improvement programs as required.

Employment Standards:

Completion of an accredited residency program in pathology; two (2) years of post-residency experience in clinical and anatomic pathology

AND

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

AND

Certification by the American Board of Pathology in pathology-anatomic/pathology-clinical-general

Knowledge of: The principles and practices of modern medicine; current techniques, procedures, and equipment applicable to anatomic and clinical pathology; principles of effective supervision and program development.

[INTENTIONALLY LEFT BLANK]

EXHIBIT “A-1”
Department of Pathology
Protocols and Expectations

1. At least ninety percent (90%) of all routine surgical pathology cases are to be signed out within seventy-two (72) hours of being grossed in (additional time is allowed for special stains, IHC, flow studies, cytogenetic studies, decalcification and larger specimens requiring extra processing time).
2. At least ninety percent (90%) of all routine cytology cases are to be signed out within seventy-two (72) hours of having been received in histology (additional time is allowed for special stains, IHC and flow studies).
3. All malignant cases that are signed out must include a synoptic style report based on College of American Pathology (CAP) protocol guidelines.
4. All malignant biopsies (initial diagnosis only) are to be reviewed by a second pathologist.
5. All pathology reports are to be signed out in a consistent and concise manner with clarity.
6. All IHC that is ordered must demonstrate an absolute need for the workup of the case.
7. When grossing, all specimens are to be dictated at the grossing station in histology.
8. While grossing, blocks and specimen containers are to be checked routinely with the requisition label in order to maintain proper patient identification. Surgical specimens and/or blocks are never to be removed from or stored outside the histology room. Trash is to be disposed of in proper containers.
9. All gross specimens are to be examined and grossed, in accordance with the guidelines outlined in the grossing manual, incorporated herein by this reference.
10. All neoplastic colectomies and mastectomies are to be fixed overnight before being grossed in and to be inked as deemed appropriate.
11. Cassettes are to be routinely labeled using the cassette label maker. Only histotechnologists and pathologists are allowed to label cassettes. Cassettes should only be labeled by pencil if the cassette label maker is not working properly.
12. All cases that are to be sent out to UCLA or any other institution, hospital or reference lab for any reason are to be shown to the Department Chair prior to being sent out. All cases are to be worked up completely (with IHC and special stains, etc.) prior to being sent out to UCLA or any other institution for a second opinion. All reports received from UCLA or any other institution for consultation or second opinion are to be referenced in the final pathology report in a timely manner.

13. All frozen section requisitions are to be time stamped “in” immediately upon receipt by the pathologist. All frozen section requisitions are to be time stamped “out” after completion of the frozen section. All frozen section slides are to be reviewed in the pathologist’s office. The OR is to be informed of the frozen section diagnosis by the pathologist either in person or by telephone only. No faxing, texting, e-mail, etc. is allowed.
14. All frozen section diagnoses must be included within the final pathology report.
15. The on-call pathologist must carry a cell phone and a pager in the “on” position at all times when on-call. Office hours are 8:00 a.m. to 5:00 p.m. Pathologists assigned to grossing must stay in the Department until at least 5:00 p.m.

[INTENTIONALLY LEFT BLANK]

EXHIBIT "B"

AUTHORIZATION TO RELEASE INFORMATION

[TO BE ATTACHED]

AUTHORIZATION TO RELEASE INFORMATION

I, the undersigned physician, hereby authorize Kern Medical Center (“KMC”) and its duly authorized representatives to obtain information from time to time about my professional education, training, licensure, credentials competence, ethics and character from any source having such information. This information may include, without limitation, peer review information, DRG and RVU analyses, ancillary usage information and other utilization and quality related data.

I hereby release the Kern County Hospital Authority and KMC, its authorized representatives and any third parties from any liability for actions, recommendations, statements, reports, records or disclosures, including privileged and confidential information, involving me that are made, requested, taken or received by KMC or its authorized representatives to, from or by any third parties in good faith and relating to or arising from my professional conduct, character and capabilities.

I agree that this authorization to release information shall remain effective until termination of my employment by the Kern County Hospital Authority and KMC. A duplicate of this authorization may be relied upon to the same degree as the original by any third party providing information pursuant to this request.

Yahya Daneshbod

Physician



Date

5/13/2026

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

May 20, 2026

Subject: Proposed Agreement with Bakersfield Memorial Hospital and Dignity Health, doing business as Mercy Hospital, and Mercy Southwest Hospital, for professional medical services in the specialty of gastroenterology

Recommended Action: Approve; Authorize the Chairman to sign

Summary:

Kern Medical requests your Board approval to enter into an Agreement with Bakersfield Memorial Hospital and Dignity Health, doing business as Mercy Hospital and Mercy Southwest Hospital, for gastroenterology specialty coverage. Under the proposed Agreement, Kern Medical will provide access to gastroenterology coverage, and advanced gastrointestinal procedures, for emergency department patients and hospital inpatients requiring specialty consultation and treatment at the participating hospitals. The Agreement identifies Tarun Rustagi, M.D. as the physician providing services and requires physician availability for specialty medical care consistent with the parties' coordinated coverage schedule.

The Agreement is effective June 1, 2026, and will expire on May 31, 2027. Kern Medical will receive compensation under the Agreement of \$1,800 per day for coverage at Bakersfield Memorial Hospital and \$1,800 per day for coverage at Mercy Hospital and Mercy Southwest Hospital combined, not to exceed \$3,600 per day total if all three locations are being covered. The Agreement also provides for payment to Kern Medical for covered professional services furnished to uninsured patients at 100% of Medicare RBRVS, subject to the terms and conditions set forth in the Agreement. Kern Medical will bill and collect for all professional services rendered at any of the campuses named in the Agreement. Either party may terminate the agreement without cause upon 30 days' written notice.

Approval of the Agreement supports regional access to advanced gastroenterology services and establishes the contractual terms under which Kern Medical may provide specialty coverage to the participating hospitals. The Agreement is related to a companion agreement between the same parties for urology specialty coverage. Together, the agreements support an expanded interfacility specialty coverage framework between Kern Medical and the participating Dignity Health hospitals by establishing separate contractual arrangements for distinct specialty services. The gastroenterology agreement remains specific to advanced gastrointestinal services, while the companion urology agreement separately governs urology coverage.

Counsel is unable to approve the Agreement as to form due to nonstandard terms which include third-party pass-through terms with no review, dispute resolution, numerous unilateral obligations of Kern Medical, and indemnification. Significant efforts were made to negotiate with Dignity to no avail.

Therefore, it is recommended that your Board approve the Agreement with Bakersfield Memorial Hospital and Dignity Health, doing business as Mercy Hospital and Mercy Southwest Hospital, for gastroenterology specialty coverage, effective June 1, 2026 through May 31, 2027, and authorize the Chairman to sign.

HOSPITAL COVERAGE AGREEMENT (ENTITY)

THIS HOSPITAL COVERAGE AGREEMENT (“*Agreement*”) is made and entered into by and between the hospital(s) identified in the Key Informational Terms below (each, a “*Hospital*”), and the physician entity identified in the Key Informational Terms below (“*Entity*”). Entity and Hospital (each a “*Party*” and collectively the “*Parties*”) agree as follows:

KEY INFORMATIONAL TERMS

- A. Hospital(s).**
Bakersfield Memorial Hospital, a California nonprofit public benefit corporation (“*BMH*”)
Dignity Health, a California nonprofit public benefit corporation, doing business as: Bakersfield Memorial Hospital, Mercy Hospital and Mercy Southwest Hospital (collectively, “*MH*”)
- B. Hospital(s) Notice Address(es).**
Bakersfield Memorial Hospital
420 34th Street
Bakersfield, California 93301

Mercy Hospital
2215 Truxtun Avenue
Bakersfield, California 93301

Copy to: CommonSpirit Health Legal Team
330 North Brand Boulevard, Suite 300
Glendale, CA 91203
- C. Entity’s Information.**
Legal Name and Description: Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center

Specialty and Panel Name (if different): Gastroenterology which includes Endoscopic Retrograde Cholangiopancreatography (“*ERCP*”) and other advanced GI procedures (collectively, “*Specialty*”)

State of Licensure: California (“*State*”)
- D. Entity’s Notice Address.**
1700 Mt. Vernon Avenue
Bakersfield, California 93306
- E. Term.** This Agreement commences on the later of: (i) June 1, 2026, or (ii) the last date on which this Agreement is executed by both Parties, as indicated under the signature lines (the “*Effective Date*”). This Agreement expires on the last day of the 12th full calendar month following the Effective Date (the “*Expiration Date*”).
- F. Without Cause Termination.** Number of days’ notice required for without cause termination: 30
- G. Parts.** This Agreement is comprised of the following parts:
(i) **Part I** Standard Terms and Conditions.
(ii) **Part II** List of Physicians.
(iii) **Part III** Compensation Terms and Conditions.
(iv) **Addendum** Additional Terms and Conditions, incorporated herein by this reference.
- H. Compensation.** Hospital shall pay Entity the following compensation (“*Compensation*”):
(i) \$1,800 per diem for BMH; \$1,800 per diem for MH and MSH (both, MH and MSH, combined); NTE \$3,600 per diem (total).
(ii) Payments for Covered Professional Services provided to Uninsured Patients equal to 100% of Medicare RBRVS, subject to the terms set forth in **Part III**.
- I. Insurance Limits/Period.** For Part I, Section 6.1, “*Insurance Requirements*”, the minimum coverage limits are \$1,000,000 per claim and \$3,000,000 annual aggregate. For Part I, Section 6.2, the “*Insurance Period*” is 8 years.
- J. Trauma Center Coverage.** This Agreement includes Trauma Center coverage:
 Yes (See Addendum.)
 No

SIGNATURE PAGE FOLLOWS

SIGANATURE PAGE TO HOSPITAL COVERAGE AGREEMENT (ENTITY)

IN WITNESS WHEREOF, Hospital and Entity execute this Agreement as of the dates below.

HOSPITAL

Bakersfield Memorial Hospital, a California nonprofit public benefit corporation

Ken Keller

Printed Name/Title: Ken Keller President
Date: 05/14/2026

ENTITY

Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center

Printed Name/Title: _____
Date: _____

Dignity Health, a California nonprofit public benefit corporation, doing business as: Bakersfield Memorial Hospital, Mercy Hospital and Mercy Southwest Hospital

Simon Ratliff

Printed Name/Title: Simon Ratliff President
Date: 05/14/2026

Part I
HOSPITAL COVERAGE AGREEMENT (ENTITY)
STANDARD TERMS AND CONDITIONS

1. RECITALS

1.1 Hospital is a general acute care hospital that operates an emergency department (the “ED”).

1.2 Hospital desires to engage a panel of physicians (each, a “*Panel Member*”), including one or more physicians designated by Entity from time to time in accordance with this Agreement (each, a “*Physician*” and, collectively, the “*Physicians*”), to provide professional consultation and treatment of patients in need of emergency Specialty medical care who present to the ED or who are inpatients of Hospital (“*Patients*”), without regard to the Patient’s insurance status or ability to pay.

2. ENTITY’S OBLIGATIONS

2.1 **Services.** Entity shall cause each Physician to comply with all provisions of this Agreement and to be available on an on-call basis (the “*Services*”) to provide Specialty medical care (including professional consultation and treatment) to Patients as set forth herein. For Patients who present to the ED, the ED physicians shall determine whether Physician’s physical presence is necessary at the ED and, if so requested, Physician shall respond and be physically present in the ED within the timeframe required by Hospital Rules. Entity has initially engaged the Physicians listed in Part II and Hospital hereby approves such Physicians to perform the Services. Entity may from time to time engage additional Physicians who meet all requirements of this Agreement to furnish Services by delivering to Hospital and Hospital accepting written notice of each additional Physician’s name and NPI number. Entity shall immediately remove any Physician from providing Services who fails to meet the requirements of Sections 2.3, 2.4 or 2.5, or upon written request to do so by Hospital. Entity shall provide prompt written notice to Hospital if any Physician ceases to provide Services for any reason.

2.2 **Availability.** Physicians shall provide the Services on a fair and equitable basis along with other Panel Members in a manner sufficient to cover the Hospital 24 hours per day, seven days per week, including all holidays, in accordance with the schedule developed through coordination between Entity and Hospital, taking into account the availability of other Panel Members. Entity shall, on a periodic basis according to a schedule developed by Hospital, prospectively inform Hospital of each Physician’s availability to provide Services during the specified period (*e.g.*, monthly, quarterly, etc.). Each Physician shall use reasonable efforts to adjust their schedule if requested by Hospital in order to meet Hospital’s need for Services, provided that any requested adjustments do not interfere with any work scheduled or needing to be performed for Entity. If a Physician is unable to perform Services as scheduled for any reason, Entity shall use reasonable efforts to make arrangements with another Panel Member to provide Services on behalf of such Physician and inform Hospital of such arrangements as soon as reasonably practicable.

2.3 **Excluded Provider Status.** Entity represents and warrants that neither Entity nor any of its Physicians, principals, or employees are, or have been, excluded, debarred, suspended, proposed for debarment, or declared ineligible from participation (collectively, “*Exclusion*”) in any federally funded healthcare program as more fully defined at 42 USC 1320a-7b(f) (each, a “*Federal Healthcare Program*”). Entity shall immediately notify Hospital of any threatened or actual Exclusion from a Federal Healthcare Program. In the event of Exclusion of Entity, this Agreement shall immediately and automatically terminate. Entity shall indemnify and defend Hospital against all actions, claims, demands, liabilities, losses, damages, costs, and expenses, including reasonable attorneys’ fees, arising directly or indirectly out of any Exclusion.

2.4 **Professional Standards.** With regard to each Physician, Entity represents and warrants that: (a) Physician’s license to practice medicine in any state has never been suspended, revoked, or restricted; and (b) Physician’s medical staff membership or clinical privileges at any healthcare facility have never been suspended, limited, revoked, or denied for a medical disciplinary cause or reason. Each Physician shall at all times: (i) maintain an unrestricted license to practice medicine in the State free of any medical board accusation, probation, or disciplinary action; (ii) be a member of Hospital’s medical staff (the “*Medical Staff*”) with clinical privileges necessary to perform professional services in the Specialty; (iii) not be the subject of any Medical Staff investigation, disciplinary action, or peer review proceeding; (iv) maintain a valid and unrestricted DEA registration, and (v) be a participating provider in Medicare, Medicaid and, as requested by Hospital, any other Federal Healthcare Program.

2.5 Laws and Standards. Entity and each Physician shall comply with the following, as amended from time to time, to the extent applicable to the provision of Services under this Agreement: (a) the Ethical and Religious Directives for Catholic Health Services (“*ERDs*”), as adopted by the United States Conference of Catholic Bishops, when providing Services at a hospital subject to the ERDs; (b) Hospital and any CommonSpirit Health corporate integrity or compliance program, including related requirements imposed by any government agency; (c) CommonSpirit Health Standards of Conduct; (d) all applicable federal, State, and local laws, regulations, rules, and ordinances, including the Emergency Medical Treatment and Active Labor Act and rules and regulations thereunder and any similar State laws (collectively, “*Laws*”); and (e) the bylaws, rules, regulations, policies, procedures, and protocols of Hospital and its Medical Staff (the “*Hospital Rules*”).

2.6 Medicare Records. To the extent required by applicable Laws, until expiration of four years after the termination or expiration of this Agreement, Entity and Hospital shall make available, upon written request from the Secretary of Health and Human Services, the Comptroller General of the United States, or any other authorized agency, a copy of this Agreement and Entity’s and Hospital’s books, documents, and records (the “*Records*”) relating to any Services performed pursuant to this Agreement. If Entity or Hospital is requested to disclose their respective Records pursuant to this Section, the Party to whom the Records request has been made shall notify the other Party of the nature and scope of such request, and shall make available to the other Party all requested Records. If Entity carries out any of its duties under this Agreement through a subcontract with a value or cost of \$10,000 or more over a 12-month period, such subcontract shall contain the same requirements.

2.7 Use of Hospital Premises. Entity and Physicians shall not use any part of Hospital premises or equipment for the private practice of medicine or to conduct any other private business, except with Hospital’s prior written consent.

2.8 Disclosure of Interests. Upon request, Entity shall disclose to Hospital any ownership, investment, or compensation arrangement of Entity, any Physician, or any such physician’s immediate family members, in or with Hospital or any Affiliate.

2.9 Evaluation of Services. Provided that Hospital provides Entity of prior written notice no fewer than 30 days in advance of implementation, and secures Entity’s prior written approval of all such metrics, Hospital may, from time to time, adopt metrics for evaluating contracted services, such as those Services provided by Physicians. Physicians shall cooperate with Hospital with regard to annual or other periodic evaluations. Physicians shall use best efforts to meet or exceed metrics applicable to the provision of Services. No compensation shall be paid with respect to any such metrics or evaluations.

3. COMPENSATION

3.1 Monthly Reports. Entity shall submit to Hospital, on or before the 15th day of each calendar month, a monthly report in a form reasonably acceptable to Hospital that accurately documents Services provided by Physicians in the immediately preceding calendar month (the “*Monthly Report*”). Entity shall not provide Services under this Agreement that are duplicative of services provided under any other agreement between Entity or any Physician and Hospital or any Affiliate. Entity shall ensure that the Monthly Report submitted pursuant to this Agreement does not include any services for which Entity or any Physician has billed, or intends to bill, Hospital or any Affiliate pursuant to any other agreement.

3.2 Payment. Hospital shall, within 30 days after receiving a Monthly Report, pay to Entity the Compensation for Services performed by Physicians in such month; provided, however, that if Hospital does not receive a Monthly Report within 60 days after the end of the month during which Services were performed, Hospital shall not be obligated to pay Entity or any Physician for such Services. No Compensation shall be paid for any day on which a Physician is scheduled to provide Services but does not respond when called.

3.3 Reasonable Expenses; Program Attendance. Hospital shall reimburse Entity or pay for: (a) reasonable and necessary business expenses incurred in connection with the performance of the Services; and (b) reasonable costs for Physicians to attend certain programs for the benefit of Hospital or its Affiliates, as applicable, including tuition, travel, and room and board. The foregoing expenses shall be reimbursed or paid for by Hospital only if: (i) Hospital approves the expenses in writing, in advance; (ii) the expenses relate directly to Physicians’ performance of Services or, in the case of program attendance, Hospital has requested that Physicians attend the program; (iii) the expenses meet the requirements for reimbursement under the Hospital Rules; and (iv) Entity submits receipts to Hospital within 60 days of incurring the expenses.

3.4 Billing and Collections. Except as otherwise expressly stated in this Agreement, Entity shall be responsible for billing and collecting for all professional services provided by Entity. Entity shall accept assignment with respect to services provided to Federal Healthcare Program beneficiaries, where applicable. Entity shall comply, and shall ensure that any collection agency engaged by Entity complies, with the Fair Debt Collection Practices Act (15 U.S.C. 1692, *et seq.*) and similar State laws.

3.5 Non-Solicitation of Employees. During the term of this Agreement, neither Party shall solicit, directly or indirectly, for employment any employee of the other Party, or interfere with any relationship, contractual or otherwise, between such Party and any of its employees. In the event either Party breaches this Section 3.5, the non-breaching Party may, in its sole discretion, terminate this Agreement effective immediately upon written notice to the other Party.

4. TERMINATION AND SUSPENSION

4.1 Termination Without Cause. This Agreement may be terminated at any time by either Party, without cause, expense, or penalty, effective upon expiration of the number of days' prior written notice set forth in Section F of the Key Informational Terms above.

4.2 Termination Upon Breach. Each Party may terminate this Agreement upon any breach by the other Party if such breach is not cured to the satisfaction of the non-breaching Party within 10 days after written notice of such breach is given by the non-breaching Party.

4.3 Effect of Termination or Expiration. Upon termination or expiration of this Agreement: (a) Entity will cooperate with the orderly transfer of responsibilities to a successor at Hospital's direction; (b) all rights and obligations under this Agreement shall cease except those rights and obligations that have accrued and remain unsatisfied prior to, or which expressly survive, termination or expiration of this Agreement; and (c) in the event of termination or expiration of this Agreement, Entity shall immediately return to Hospital all of Hospital's property that is in Entity's or a Physician's possession or control. Any personal property of Physicians shall be removed by Entity or removed by Hospital at Entity's expense.

4.4 Suspension of Obligations. In the event that Entity fails to maintain full compliance with the representations, warranties, and requirements set forth in Section 2.4, each Party's obligations under this Agreement, except those obligations that survive expiration or termination under Section 4.3, shall be suspended immediately upon written notice by Hospital and shall remain suspended until such time as Entity documents to Hospital's reasonable satisfaction that Entity has reestablished full compliance with all such representations, warranties, and requirements. Suspension shall not alter the Expiration Date or limit either Party's right to terminate this Agreement as set forth herein. Unless Hospital provides notice otherwise, at Hospital's discretion, suspension of any rights or obligations under this Section 4.4 shall be limited to the particular Physician failing to comply with Section 2.4 and not to all Physicians rendering Services under this Agreement.

4.5 Jeopardy. If Hospital or Entity reasonably determines that the continued performance of this Agreement jeopardizes Entity's or Hospital's or any of its Affiliates (a) licensure, (b) participation in or recovery from any reimbursement or payment programs, (c) accreditation status, or (d) tax exempt or bond financing status, such Party shall notify the other Party so the Parties may resolve the issues. If no resolution is reached within 15 days, the noticing Party may terminate this Agreement immediately and without penalty.

5 PROTECTED INFORMATION

5.1 HIPAA. Entity and Hospital acknowledge that they are each a separate "**Covered Entity**" as defined under the Health Insurance Portability and Accountability Act of 1996 and all rules and regulations promulgated thereunder (collectively, "**HIPAA**"). Entity and Hospital shall implement all necessary policies, procedures, and training to comply with HIPAA and other Laws applicable to the use, maintenance, and disclosure of patient-related information when used, maintained or disclosed for their purposes as a separate Covered Entity. The Parties acknowledge that each Physician is a member of the Hospital's Organized Healthcare Arrangement ("**OHCA**"), as defined under HIPAA, and each Physician will comply with OHCA-related Hospital Rules. Entity/Physicians shall comply with Hospital Rules related to the use and disclosure of Hospital's PHI. Entity/Physicians shall notify the Hospital's Privacy Office within 24 hours of discovery of any Privacy Breach by calling (800) 845-4310 or email to PrivacyOffice@Commonspirit.org. "**Privacy Breach**" means the unlawful or unauthorized access to, viewing, acquisition, use, or disclosure of any Hospital patient's protected health information, as defined by HIPAA ("**PHI**").

5.2 Confidentiality. Neither Hospital nor Entity nor Physicians shall use or disclose any Confidential Information (as defined below) for any purpose not expressly permitted by or required for the performance of this Agreement without the prior written consent of Hospital. Hospital, Entity, and Physicians shall protect all Confidential Information from unauthorized use, access, or disclosure with no less than reasonable care and shall ensure these confidentiality and non-use obligations are imposed on its employees, agents, contractors, and authorized representatives. “Confidential Information” means the information contained within this Agreement and all confidential, proprietary, or non-public information, records, and proceedings: (a) related to the performance of this Agreement, (b) belonging or pertaining to Hospital, Hospital’s Affiliates, Hospital’s Medical Staff and peer review bodies, or any third party that may be in Hospital’s possession, and (c) belonging or pertaining to Entity, Entity’s Affiliates, or Entity’s Medical Staff, all except as may require disclosure by applicable law, including, without limitation, pursuant to the California Public Records Act (Gov. Code, § 7920.000 et seq.). Hospital and Entity, as applicable, shall not be responsible for any breach of this Section resulting from any disclosure of information by the other Party’s respective employees, agents, contractors or authorized representatives and this Section shall survive expiration or termination of this Agreement.

6 INSURANCE AND INDEMNIFICATION

6.1 Insurance Requirements. Entity and Hospital each shall maintain Continuous Coverage (as defined below) through a program of self-insurance, or carry policies of insurance, including, with respect to Entity only, a professional liability policy that names Entity as the named insured, and is issued by an insurance company authorized to do business in the State with a Best’s Rating of A VIII or higher with minimum coverage limits consistent with the requirements of the Medical Staff, but in no event less than the limits set forth in Section I of the Key Informational Terms above.

6.2 Continuous Coverage. “*Continuous Coverage*” means the maintenance of required insurance or self-insurance from the Effective Date, continuing through the term of this Agreement, and expiring not less than the number of years set forth in Section I of the Key Informational Terms above following the Expiration Date or earlier termination of this Agreement (the “*Insurance Period*”). If any insurance policy required by this Section is terminated, not renewed, or reduced below the minimum coverage requirements set forth above prior to the end of the Insurance Period, Entity or Hospital, as applicable, shall: (a) provide immediate notice to the other Party; (b) obtain a replacement insurance policy meeting the requirements of this Section; and (c) purchase either extended reporting coverage (*i.e.*, “*tail*” coverage) or prior acts coverage (*i.e.*, “*nose*” coverage) as necessary to meet the requirements of this Section. “Tail” coverage must provide for a discovery/reporting period that extends at least through the end of the Insurance Period, and “nose” coverage must provide for a retroactive discovery/reporting period at least as of the Effective Date. The Parties shall provide one another with certificates of insurance prior to the Effective Date, on each annual renewal of the insurance policies during the Insurance Period, and upon request.

6.3 Indemnification. Each Party shall indemnify and hold harmless the other Party, its directors, officers, employees, agents, representatives, successors, assigns, and subcontractors for, from, and against any and all claims, liabilities, losses, damages, penalties, and costs, including reasonable attorneys’ fees and costs, incurred by the indemnified Party and to the extent arising out of or resulting from the negligent acts or omissions or breach of this Agreement by the indemnifying Party or the indemnifying Party’s employees or agents.

7 MISCELLANEOUS PROVISIONS

7.1 Affiliate. “*Affiliate*” shall mean any entity that, directly or indirectly, controls, is controlled by, or is under common control with Hospital.

7.2 Assignment. Except as otherwise expressly provided in this Agreement, Entity may not assign any of its rights or obligations under this Agreement without the prior written consent of Hospital. Hospital may assign its rights and duties to an entity that controls, is under common control with, or is controlled by, Hospital, or to any successor in interest to Hospital, without the prior written consent of Entity. Hospital will provide Entity thirty (30) days advance notice of such assignment.

7.3 Counterparts/Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures submitted via facsimile or electronic means (including by means of scanned portable document format (PDF)) or, as permitted in accordance with the Parties’ policies and procedures, by an electronic signature method shall be deemed original signatures of the Parties and shall be valid and binding upon the Parties. Amendments to this Agreement may be

similarly executed pursuant to this Section.

7.4 Dispute Resolution. In the event of any dispute or claim arising out of or related to this Agreement (each, a “*Dispute*”) the Parties shall, as soon as reasonably practicable after one Party gives written notice of a Dispute to the other Party (the “*Dispute Notice*”), meet and confer in good faith regarding such Dispute at such time and place as mutually agreed upon by the Parties. If any Dispute is not resolved to the mutual satisfaction of the Parties within a reasonable time following the commencement of such discussions (not to exceed 60 days), shall be referred to mediation with a single mediator which shall be conducted in a Bakersfield, California, in accordance with the American Health Lawyers Association (“*AHLA*”) dispute Resolution Services Rules of Procedure for Mediation. The mediator will be mutually selected (which may be extended by the mediator for an additional 30 days if the mediator believes such an extension would be desirable) in an effort to reach a mutually satisfactory solution. The parties will pay an equal share of the costs associated with the mediation, provided that each party will be solely responsible for the fees and expenses of their own legal counsel. Any dispute which is not successfully resolved by mediation as provided herein may then be resolved by any available means. The Parties waive the right to seek specific performance or any other form of injunctive or other equitable relief or remedy arising out of this Agreement, except that such remedies may be utilized for purposes of enforcing the confidentiality of information and Medicare and Medicaid records provisions of this Agreement. Notwithstanding the foregoing, this Section shall not apply to any Dispute or termination of this Agreement arising out of or related to compliance or non-compliance with the ERDs (when Hospital is subject to the ERDs).

7.5 Entire Agreement/Amendment. This Agreement contains the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes any prior oral or written agreements and all other communications or representations between the Parties relating to such subject matter. This Agreement may not be modified or amended except by mutual written agreement signed by the Parties.

7.6 Governing Law. This Agreement shall be governed, interpreted and enforced in accordance with the laws of the State, without regard to State conflict of laws rules that would result in the application of laws of any other jurisdiction.

7.7 Independent Contractor. The Parties are independent contractors in performing Services under this Agreement and each is solely responsible for its and its employees’, agents’, and representatives’ actions and omissions and for any tax or employment-related liabilities related thereto. Entity and Physicians shall exercise medical judgment free of any direction or control by the Hospital, and Entity and Physicians shall not hold themselves out as employees or agents of Hospital.

7.8 Master List. This Agreement will be included on the master list of physician provider contracts maintained by or on behalf of Hospital.

7.9 No Conflicting Obligation. Each Party represents and warrants that it is not a party to any arrangement that may materially interfere with their respective obligations under this Agreement. The Parties shall immediately notify one another if they become involved in any such arrangement and of any current or potential conflict of interest between a Party and any other person or entity for which the other Party performs or is contemplating performing services, whether as an employee, independent contractor, volunteer, or otherwise. The Parties shall provide one another with all information reasonably requested to determine if a conflict exists, taking into consideration privacy and confidential issues, as applicable. If either Party determines a conflict exists, they may either waive such conflict or, upon written notice, immediately terminate this Agreement.

7.10 Non-Discrimination. The Parties shall be in full compliance with all applicable Laws and orders regarding discrimination, as amended from time to time. No Party shall differentiate or discriminate in the performance of this Agreement on any basis prohibited by the aforementioned federal, State, and local laws, rules, regulations, and orders or Hospital policies and procedures.

7.11 Notices. All notices under this Agreement shall be given in writing and shall be delivered to the Party to whom notice is to be given either by: (a) personal delivery, in which case such notice shall be deemed given on the date of delivery; (b) next business day courier service (e.g., FedEx, UPS, or similar service), in which case such notice shall be deemed given on the business day following the date of deposit with the courier service; or (c) U.S. mail, first class, postage prepaid, registered or certified, return receipt requested, in which case such notice shall be deemed given on the third business day following the date of deposit with the United States Postal Service. Notice shall be delivered or sent to the Party’s address as indicated in the Key Informational Terms or any such other address provided

by a Party, from time to time.

7.12 No Referral or Exclusivity Obligation. Nothing in this Agreement shall be construed to require admission or referral of any patients or business to Hospital or its Affiliates or require Hospital to refer patients to Entity or Physicians. Entity and Physicians shall not refer any patient to any healthcare provider that Entity or Physicians know or should know is excluded or suspended from any Federal Healthcare Program. This Agreement shall not preclude Entity's Physicians from obtaining or maintaining hospital or other clinical privileges at non-Hospital facilities.

7.13 Survival. The confidentiality, Medicare records, HIPAA, effect of termination, indemnification, and dispute resolution provisions survive the expiration or termination of this Agreement, as well as any other provisions that by their nature are intended to survive the expiration or termination of this Agreement.

7.14 Waiver. Any waiver granted by a Party of any term or condition of this Agreement must be in writing and shall apply solely to the specific instance expressly stated. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of such provision or any other provision of this Agreement, and no delay or failure to exercise any right or remedy a Party may have shall operate as a waiver of any such right or remedy.

8 REGION SPECIFIC REQUIREMENTS

8.1 Dignity Community Care Statement of Common Values. When providing Services at a Dignity Community Care Hospital, Entity and Physicians shall comply with the Statement of Common Values ("**SOCV**"), as adopted by Dignity Community Care, as amended from time to time, to the extent applicable to the provision of Services under this Agreement. Section 7.4 of Part I of the Agreement shall not apply to any Dispute or termination of this Agreement arising out of or related to compliance or non-compliance with the SOCV (when Hospital is subject to the SOCV).

8.2 Services. Services under this Agreement include responding to provide Specialty medical care for Hospital inpatients when requested. Patients include all Hospital inpatients.

8.3 California Compliance. For Hospitals located in California only: Without limiting the obligations of Entity, Hospital shall retain administrative responsibility for operation of the ED, as required by Title 22, California Code of Regulations, Section 70713. Expiration or termination of this Agreement shall not give rise to any "fair hearing" or other similar rights.

Part II

**HOSPITAL COVERAGE AGREEMENT (ENTITY)
PHYSICIANS**

Physician's Name	Physician's NPI Number
Tarun Rustagi, M.D.	1801045513

Part III

HOSPITAL COVERAGE AGREEMENT (ENTITY) COMPENSATION TERMS AND CONDITIONS

1 Compensation for Covered Professional Services for Uninsured Patients.

1.1 **Entity Billing Efforts**. Entity shall, for a period of ninety (90) days after the date Covered Professional Services (as defined below) are rendered by Entity, use good faith efforts to bill and collect payment for such Covered Professional Services in accordance with Part I, Section 3.4 of this Agreement.

1.2 **Submission of Claim to Hospital**. In the event Entity is unable to collect any amount from any Uninsured Patient within ninety (90) days after the date Covered Professional Services are rendered by Entity, Entity may submit a claim for payment to Hospital in accordance with this Part III. Entity shall cease all billing and collection activities with respect to such Covered Professional Services, and shall not submit any additional bills or claims to such Uninsured Patient or otherwise seek to collect any fees, compensation or other amounts from such Uninsured Patient or any other person or entity other than Hospital.

1.3 **Hospital Payment for Covered Professional Services**. Hospital shall, within 30 days after submission of a Complete Claim by Entity to Hospital, pay Entity for Covered Professional Services rendered by Entity to such Uninsured Patient at a rate equal to that set forth in Section H of the Key Informational Terms of this Agreement; provided, however, that Hospital shall have no obligation to pay Entity for any Covered Professional Services for which Entity has not submitted a Complete Claim within 180 days after the date such Covered Professional Services were rendered by Entity.

1.4 **Remission of Amounts Collected for Covered Professional Services**. In the event Entity or any Physician receives any payment amount from or on behalf of an Uninsured Patient with respect to Covered Professional Services for which Entity has also received payment from Hospital pursuant to Section 1.3 above, Entity shall return to Hospital the full amount previously paid by Hospital within 10 business days of receipt of such other payment amount made by or on behalf of the Uninsured Patient.

1.5 **Definitions**. For purposes of this Agreement:

1.5.1 ***“Complete Claim”*** shall mean, with respect to each Uninsured Patient, a fully complete and accurate CMS 1500 claim form for the Covered Professional Services rendered by Entity to such Uninsured Patient, together with such evidence of the Entity’s good faith billing and collection efforts with respect to such Uninsured Patient as may be reasonably requested by Hospital from time to time and/or as may be set forth in the Hospital Rules.

1.5.2 ***“Covered Professional Services”*** shall mean medically necessary professional medical services rendered by a Physician to Uninsured Patients (i) on an emergency basis in the ED; (ii) on a continuing basis during the time the Uninsured Patient is a Hospital inpatient, provided that such continuing treatment is directly related to the admitting diagnosis; or (iii) on an emergency basis during the time the Uninsured Patient is a Hospital inpatient, regardless of whether such emergency treatment is related to the admitting diagnosis.

1.5.3 ***“Uninsured Patient”*** shall mean any Patient who is not enrolled in any HMO, PPO, POS, or other third-party payor plan or program, or Medicare, Medicaid, or any other government funded healthcare benefit plan or program and who qualifies for payment assistance under Hospital’s Patient Payment Assistance Policy.

**HOSPITAL COVERAGE AGREEMENT (ENTITY)
ADDENDUM**

The Parties hereby incorporate the following provisions into the Agreement. In the event of a conflict between any provision of the Agreement and this Addendum, this Addendum shall control.

- A-1. Physicians shall not simultaneously be on-call to any other hospital or healthcare facility while scheduled to provide the Services for Hospital, except as otherwise approved by Hospital in writing.

- A-2. Physician has advanced training in endoscopy procedures, endoscopic ultrasound, gastrointestinal stenting, and additional gastroenterology procedures.

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

May 20, 2026

Subject: Proposed retroactive Agreement with Bakersfield Memorial Hospital and Dignity Health, doing business as Mercy Hospital and Mercy Southwest Hospital, for professional medical services in the specialty of urology

Recommended Action: Approve; Authorize the Chairman to sign

Summary:

Kern Medical requests your Board approval to enter into an Agreement with Bakersfield Memorial Hospital and Dignity Health, doing business as Mercy Hospital and Mercy Southwest Hospital, for urology specialty coverage. Under the proposed Agreement, Kern Medical will provide access to urology coverage for emergency department patients and hospital inpatients requiring specialty consultation and treatment at the participating hospitals. The Agreement identifies Soroush Bazargani, M.D., Shahab Hillyer, M.D., Jack Cheng-Tsung Hou, M.D., Danny Huynh, M.D., Jeffery Nalesnik, M.D., and Efe Ghanney Simons, M.D. as the physicians providing services and requires physician availability for specialty medical care consistent with the parties' coordinated coverage schedule.

The Agreement is effective May 18, 2026 through May 31, 2027. Kern Medical will receive compensation under the Agreement of \$1,250 per day for coverage at Bakersfield Memorial Hospital, \$1,250 per day for coverage at Mercy Hospital, and \$1,250 per day for coverage at Mercy Southwest Hospital. The Agreement also provides for payment for covered professional services furnished to uninsured patients at 100% of Medicare RBRVS, subject to the terms and conditions set forth in the Agreement. Kern Medical will bill and collect for all professional services rendered at any of the campuses named in the Agreement. Either party may terminate the Agreement without cause upon 30 days' written notice.

Approval of the Agreement supports regional access to urology services and establishes the contractual terms under which Kern Medical may provide specialty coverage to the participating hospitals. The Agreement is related to a companion agreement between the same parties for gastroenterology specialty coverage. Together, the agreements support an expanded interfacility specialty coverage framework between Kern Medical and the participating Dignity Health hospitals by establishing separate contractual arrangements for distinct specialty services. The Agreement remains specific to urology services, while the companion gastroenterology agreement separately governs advanced gastrointestinal services.

Counsel is unable to approve the Agreement as to form due nonstandard terms which include third-party pass-through terms with no review, dispute resolution, numerous unilateral obligations of Kern Medical, and indemnification. Significant efforts were made to negotiate with Dignity to no avail.

Therefore, it is recommended that your Board retroactively approve the Agreement with Bakersfield Memorial Hospital and Dignity Health, doing business as Mercy Hospital and Mercy Southwest Hospital, for urology specialty coverage, effective May 18, 2026 through May 31, 2027, and authorize the Chairman to sign.

HOSPITAL COVERAGE AGREEMENT

THIS HOSPITAL COVERAGE AGREEMENT (“*Agreement*”) is made and entered into by and between the hospital(s) identified in the Key Informational Terms below (each, a “*Hospital*”), and the entity identified in the Key Information Terms below (“*Entity*”). Entity and Hospital (each a “*Party*” and collectively the “*Parties*”) agree as follows:

KEY INFORMATIONAL TERMS

- A. Hospital(s).**
Bakersfield Memorial Hospital, a California nonprofit public benefit corporation (“*BMH*”)
Dignity Health, a California nonprofit public benefit corporation, doing business as: Mercy Hospital (“*MH*”) and Mercy Southwest Hospital (“*MSH*”)
- B. Hospital(s) Notice Address(es).**
Bakersfield Memorial Hospital
Attention: Chief Executive Officer
420 34th Street
Bakersfield, California 93301

Mercy Hospital
Attention: Chief Executive Officer
2215 Truxtun Avenue
Bakersfield, California 93301

Copy to: CommonSpirit Health Legal Team
185 Berry Street, Suite 200
San Francisco, CA 94107
- C. Entity’s Information.**
Legal Name and Description: Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center
Specialty and Panel Name (if different): Urology (“*Specialty*”) State of Licensure: California (“*State*”)
- D. Entity’s Notice Address.**
Kern Medical Center
Attention: Chief Executive Officer
1700 Mount Vernon Avenue
Bakersfield, California 93306
- E. Term.** This Agreement commences on the later of: (i) May 18, 2026, or (ii) the last date on which this Agreement is executed by both Parties, as indicated under the signature lines (the “*Effective Date*”). This Agreement expires on the last day of the 12th full calendar month following the Effective Date (the “*Expiration Date*”).
- F. Without Cause Termination.** Number of days’ notice required for without cause termination: 30
- G. Parts.** This Agreement is comprised of the following parts:
(i) **Part I** Standard Terms and Conditions.
(ii) **Part II** List of Physicians.
(iii) **Part III** Compensation Terms and Conditions.
(iv) **Addendum** Additional Terms and Conditions, incorporated herein by this reference.
- H. Compensation.** Hospital shall pay Entity the following compensation (“*Compensation*”):
(i) \$1,250 per diem for BMH; \$1,250 per diem for MH; and \$1,250 per diem for MSH.
(ii) Payments for Covered Professional Services provided to Uninsured Patients equal to 100% of Medicare RBRVS, subject to the terms set forth in **Part III**.
- I. Insurance Limits/Period.** For Part I, Section 6.1, “*Insurance Requirements*”, the minimum coverage limits are \$1,000,000 per claim and \$3,000,000 annual aggregate. For Part I, Section 6.2, the “*Insurance Period*” is eight (8) years.
- J. Trauma Center Coverage.** This Agreement includes Trauma Center coverage:
 Yes (See Addendum.)
 No

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE TO HOSPITAL COVERAGE AGREEMENT (ENTITY)

IN WITNESS WHEREOF, Hospital and Entity execute this Agreement as of the dates below.

HOSPITAL

Bakersfield Memorial Hospital, a California nonprofit public benefit corporation



Printed Name/Title: Ken Keller President
Date: 05/12/2026

ENTITY

Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center

Printed Name/Title: _____
Date: _____

Dignity Health, a California nonprofit public benefit corporation, doing business as: Mercy Hospital and Mercy Southwest Hospital



Printed Name/Title: Simon Ratliff President
Date: 05/12/2026

Part I
HOSPITAL COVERAGE AGREEMENT (ENTITY)
STANDARD TERMS AND CONDITIONS

1. RECITALS

1.1 Hospital is a general acute care hospital that operates an emergency department (the “**ED**”).

1.2 Hospital desires to engage a panel of physicians (each, a “**Panel Member**”), including one or more physicians designated by Entity from time to time in accordance with this Agreement (each, a “**Physician**” and, collectively, the “**Physicians**”), to provide professional consultation and treatment of patients in need of emergency Specialty medical care who present to the ED or who are inpatients of Hospital (“**Patients**”), without regard to the Patient’s insurance status or ability to pay.

2. ENTITY’S OBLIGATIONS

2.1 **Services.** Entity shall cause each Physician to comply with all provisions of this Agreement and to be available on an on-call basis (the “**Services**”) to provide Specialty medical care (including professional consultation and treatment) to Patients as set forth herein. For Patients who present to the ED, the ED physicians shall determine whether Physician’s physical presence is necessary at the ED and, if so requested, Physician shall respond and be physically present in the ED within the timeframe required by Hospital Rules. Entity has initially engaged the Physicians listed in Part II and Hospital hereby approves such Physicians to perform the Services. Entity may from time to time engage additional Physicians who meet all requirements of this Agreement to furnish Services by delivering to Hospital and Hospital accepting written notice of each additional Physician’s name and NPI number. Entity shall immediately remove any Physician from providing Services who fails to meet the requirements of Sections 2.3, 2.4 or 2.5, or upon written request to do so by Hospital. Entity shall provide prompt written notice to Hospital if any Physician ceases to provide Services for any reason.

2.2 **Availability.** Physicians shall provide the Services on a fair and equitable basis along with other Panel Members in a manner sufficient to cover the Hospital 24 hours per day, seven days per week, including all holidays, in accordance with the schedule developed through coordination between Entity and Hospital, taking into account the availability of other Panel Members. Entity shall, on a periodic basis according to a schedule developed by Hospital, prospectively inform Hospital of each Physician’s availability to provide Services during the specified period (*e.g.*, monthly, quarterly, etc.). Each Physician shall use reasonable efforts to adjust their schedule if requested by Hospital in order to meet Hospital’s need for Services, provided that any requested adjustments do not interfere with any work scheduled or needing to be performed for Entity. If a Physician is unable to perform Services as scheduled for any reason, Entity shall use reasonable efforts to make arrangements with another Panel Member to provide Services on behalf of such Physician and inform Hospital of such arrangements as soon as reasonably practicable.

2.3 **Excluded Provider Status.** Entity represents and warrants that neither Entity nor any of its Physicians, principals, or employees are, or have been, excluded, debarred, suspended, proposed for debarment, or declared ineligible from participation (collectively, “**Exclusion**”) in any federally funded healthcare program as more fully defined at 42 USC 1320a-7b(f) (each, a “**Federal Healthcare Program**”). Entity shall immediately notify Hospital of any threatened or actual Exclusion from a Federal Healthcare Program. In the event of Exclusion of Entity, this Agreement shall immediately and automatically terminate. Entity shall indemnify and defend Hospital against all actions, claims, demands, liabilities, losses, damages, costs, and expenses, including reasonable attorneys’ fees, arising directly or indirectly out of any Exclusion.

2.4 **Professional Standards.** With regard to each Physician, Entity represents and warrants that: (a) Physician’s license to practice medicine in any state has never been suspended, revoked, or restricted; and (b) Physician’s medical staff membership or clinical privileges at any healthcare facility have never been suspended, limited, revoked, or denied for a medical disciplinary cause or reason. Each Physician shall at all times: (i) maintain an unrestricted license to practice medicine in the State free of any medical board accusation, probation, or disciplinary action; (ii) be a member of Hospital’s medical staff (the “**Medical Staff**”) with clinical privileges necessary to perform professional services in the Specialty; (iii) not be the subject of any Medical Staff investigation, disciplinary action, or peer review proceeding; (iv) maintain a valid and unrestricted DEA registration, and (v) be a participating provider in Medicare, Medicaid and, as requested by Hospital, any other Federal Healthcare Program.

2.5 Laws and Standards. Entity and each Physician shall comply with the following, as amended from time to time, to the extent applicable to the provision of Services under this Agreement: (a) the Ethical and Religious Directives for Catholic Health Services (“*ERDs*”), as adopted by the United States Conference of Catholic Bishops, when providing Services at a hospital subject to the ERDs; (b) Hospital and any CommonSpirit Health corporate integrity or compliance program, including related requirements imposed by any government agency; (c) CommonSpirit Health Standards of Conduct; (d) all applicable federal, State, and local laws, regulations, rules, and ordinances, including the Emergency Medical Treatment and Active Labor Act and rules and regulations thereunder and any similar State laws (collectively, “*Laws*”); and (e) the bylaws, rules, regulations, policies, procedures, and protocols of Hospital and its Medical Staff (the “*Hospital Rules*”).

2.6 Medicare Records. To the extent required by applicable Laws, until expiration of four years after the termination or expiration of this Agreement, Entity and Hospital shall make available, upon written request from the Secretary of Health and Human Services, the Comptroller General of the United States, or any other authorized agency, a copy of this Agreement and Entity’s and Hospital’s books, documents, and records (the “*Records*”) relating to any Services performed pursuant to this Agreement. If Entity or Hospital is requested to disclose their respective Records pursuant to this Section, the Party to whom the Records request has been made shall notify the other Party of the nature and scope of such request, and shall make available to the other Party all requested Records. If Entity carries out any of its duties under this Agreement through a subcontract with a value or cost of \$10,000 or more over a 12-month period, such subcontract shall contain the same requirements.

2.7 Use of Hospital Premises. Entity and Physicians shall not use any part of Hospital premises or equipment for the private practice of medicine or to conduct any other private business, except with Hospital’s prior written consent.

2.8 Disclosure of Interests. Upon request, Entity shall disclose to Hospital any ownership, investment, or compensation arrangement of Entity, any Physician, or any such physician’s immediate family members, in or with Hospital or any Affiliate.

2.9 Evaluation of Services. Provided that Hospital provides Entity of prior written notice no fewer than 30 days in advance of implementation, and secures Entity’s prior written approval of all such metrics, Hospital may, from time to time, adopt metrics for evaluating contracted services, such as those Services provided by Physicians. Physicians shall cooperate with Hospital with regard to annual or other periodic evaluations. Physicians shall use best efforts to meet or exceed metrics applicable to the provision of Services. No compensation shall be paid with respect to any such metrics or evaluations.

3. COMPENSATION

3.1 Monthly Reports. Entity shall submit to Hospital, on or before the 15th day of each calendar month, a monthly report in a form reasonably acceptable to Hospital that accurately documents Services provided by Physicians in the immediately preceding calendar month (the “*Monthly Report*”). Entity shall not provide Services under this Agreement that are duplicative of services provided under any other agreement between Entity or any Physician and Hospital or any Affiliate. Entity shall ensure that the Monthly Report submitted pursuant to this Agreement does not include any services for which Entity or any Physician has billed, or intends to bill, Hospital or any Affiliate pursuant to any other agreement.

3.2 Payment. Hospital shall, within 30 days after receiving a Monthly Report, pay to Entity the Compensation for Services performed by Physicians in such month; provided, however, that if Hospital does not receive a Monthly Report within 60 days after the end of the month during which Services were performed, Hospital shall not be obligated to pay Entity or any Physician for such Services. No Compensation shall be paid for any day on which a Physician is scheduled to provide Services but does not respond when called.

3.3 Reasonable Expenses; Program Attendance. Hospital shall reimburse Entity or pay for: (a) reasonable and necessary business expenses incurred in connection with the performance of the Services; and (b) reasonable costs for Physicians to attend certain programs for the benefit of Hospital or its Affiliates, as applicable, including tuition, travel, and room and board. The foregoing expenses shall be reimbursed or paid for by Hospital only if: (i) Hospital approves the expenses in writing, in advance; (ii) the expenses relate directly to Physicians’ performance of Services or, in the case of program attendance, Hospital has requested that Physicians attend the program; (iii) the expenses meet the requirements for reimbursement under the Hospital Rules; and (iv) Entity submits receipts to Hospital within 60 days of incurring the expenses.

3.4 Billing and Collections. Except as otherwise expressly stated in this Agreement, Entity shall be responsible for billing and collecting for all professional services provided by Entity. Entity shall accept assignment with respect to services provided to Federal Healthcare Program beneficiaries, where applicable. Entity shall comply, and shall ensure that any collection agency engaged by Entity complies, with the Fair Debt Collection Practices Act (15 U.S.C. 1692, *et seq.*) and similar State laws.

3.5 Non-Solicitation of Employees. During the term of this Agreement, neither Party shall solicit, directly or indirectly, for employment any employee of the other Party, or interfere with any relationship, contractual or otherwise, between such Party and any of its employees. In the event either Party breaches this Section 3.5, the non-breaching Party may, in its sole discretion, terminate this Agreement effective immediately upon written notice to the other Party.

4. TERMINATION AND SUSPENSION

4.1 Termination Without Cause. This Agreement may be terminated at any time by either Party, without cause, expense, or penalty, effective upon expiration of the number of days' prior written notice set forth in Section F of the Key Informational Terms above.

4.2 Termination Upon Breach. Each Party may terminate this Agreement upon any breach by the other Party if such breach is not cured to the satisfaction of the non-breaching Party within 10 days after written notice of such breach is given by the non-breaching Party.

4.3 Effect of Termination or Expiration. Upon termination or expiration of this Agreement: (a) Entity will cooperate with the orderly transfer of responsibilities to a successor at Hospital's direction; (b) all rights and obligations under this Agreement shall cease except those rights and obligations that have accrued and remain unsatisfied prior to, or which expressly survive, termination or expiration of this Agreement; and (c) in the event of termination or expiration of this Agreement, Entity shall immediately return to Hospital all of Hospital's property that is in Entity's or a Physician's possession or control. Any personal property of Physicians shall be removed by Entity or removed by Hospital at Entity's expense.

4.4 Suspension of Obligations. In the event that Entity fails to maintain full compliance with the representations, warranties, and requirements set forth in Section 2.4, each Party's obligations under this Agreement, except those obligations that survive expiration or termination under Section 4.3, shall be suspended immediately upon written notice by Hospital and shall remain suspended until such time as Entity documents to Hospital's reasonable satisfaction that Entity has reestablished full compliance with all such representations, warranties, and requirements. Suspension shall not alter the Expiration Date or limit either Party's right to terminate this Agreement as set forth herein. Unless Hospital provides notice otherwise, at Hospital's discretion, suspension of any rights or obligations under this Section 4.4 shall be limited to the particular Physician failing to comply with Section 2.4 and not to all Physicians rendering Services under this Agreement.

4.5 Jeopardy. If Hospital or Entity reasonably determines that the continued performance of this Agreement jeopardizes Entity's or Hospital's or any of its Affiliates (a) licensure, (b) participation in or recovery from any reimbursement or payment programs, (c) accreditation status, or (d) tax exempt or bond financing status, such Party shall notify the other Party so the Parties may resolve the issues. If no resolution is reached within 15 days, the noticing Party may terminate this Agreement immediately and without penalty.

5 PROTECTED INFORMATION

5.1 HIPAA. Entity and Hospital acknowledge that they are each a separate "*Covered Entity*" as defined under the Health Insurance Portability and Accountability Act of 1996 and all rules and regulations promulgated thereunder (collectively, "*HIPAA*"). Entity and Hospital shall implement all necessary policies, procedures, and training to comply with HIPAA and other Laws applicable to the use, maintenance, and disclosure of patient-related information when used, maintained or disclosed for their purposes as a separate Covered Entity. The Parties acknowledge that each Physician is a member of the Hospital's Organized Healthcare Arrangement ("*OHCA*"), as defined under HIPAA, and each Physician will comply with OHCA-related Hospital Rules. Entity/Physicians shall comply with Hospital Rules related to the use and disclosure of Hospital's PHI. Entity/Physicians shall notify the Hospital's Privacy Office within 24 hours of discovery of any Privacy Breach by calling (800) 845-4310 or email to PrivacyOffice@Commonspirit.org. "*Privacy Breach*" means the unlawful or unauthorized access to, viewing, acquisition, use, or disclosure of any Hospital patient's protected health information, as defined by HIPAA ("*PHI*").

5.2 Confidentiality. Neither Hospital nor Entity nor Physicians shall use or disclose any Confidential Information (as defined below) for any purpose not expressly permitted by or required for the performance of this Agreement without the prior written consent of Hospital. Hospital, Entity, and Physicians shall protect all Confidential Information from unauthorized use, access, or disclosure with no less than reasonable care and shall ensure these confidentiality and non-use obligations are imposed on its employees, agents, contractors, and authorized representatives. “Confidential Information” means the information contained within this Agreement and all confidential, proprietary, or non-public information, records, and proceedings: (a) related to the performance of this Agreement, (b) belonging or pertaining to Hospital, Hospital’s Affiliates, Hospital’s Medical Staff and peer review bodies, or any third party that may be in Hospital’s possession, and (c) belonging or pertaining to Entity, Entity’s Affiliates, or Entity’s Medical Staff, all except as may require disclosure by applicable law, including, without limitation, pursuant to the California Public Records Act (Gov. Code, § 7920.000 et seq.). Hospital and Entity, as applicable, shall not be responsible for any breach of this Section resulting from any disclosure of information by the other Party’s respective employees, agents, contractors or authorized representatives and this Section shall survive expiration or termination of this Agreement.

6 INSURANCE AND INDEMNIFICATION

6.1 Insurance Requirements. Entity and Hospital each shall maintain Continuous Coverage (as defined below) through a program of self-insurance, or carry policies of insurance, including, with respect to Entity only, a professional liability policy that names Entity as the named insured, and is issued by an insurance company authorized to do business in the State with a Best’s Rating of A VIII or higher with minimum coverage limits consistent with the requirements of the Medical Staff, but in no event less than the limits set forth in Section I of the Key Informational Terms above.

6.2 Continuous Coverage. “*Continuous Coverage*” means the maintenance of required insurance or self-insurance from the Effective Date, continuing through the term of this Agreement, and expiring not less than the number of years set forth in Section I of the Key Informational Terms above following the Expiration Date or earlier termination of this Agreement (the “*Insurance Period*”). If any insurance policy required by this Section is terminated, not renewed, or reduced below the minimum coverage requirements set forth above prior to the end of the Insurance Period, Entity or Hospital, as applicable, shall: (a) provide immediate notice to the other Party; (b) obtain a replacement insurance policy meeting the requirements of this Section; and (c) purchase either extended reporting coverage (*i.e.*, “*tail*” coverage) or prior acts coverage (*i.e.*, “*nose*” coverage) as necessary to meet the requirements of this Section. “Tail” coverage must provide for a discovery/reporting period that extends at least through the end of the Insurance Period, and “nose” coverage must provide for a retroactive discovery/reporting period at least as of the Effective Date. The Parties shall provide one another with certificates of insurance prior to the Effective Date, on each annual renewal of the insurance policies during the Insurance Period, and upon request.

6.3 Indemnification. Each Party shall indemnify and hold harmless the other Party, its directors, officers, employees, agents, representatives, successors, assigns, and subcontractors for, from, and against any and all claims, liabilities, losses, damages, penalties, and costs, including reasonable attorneys’ fees and costs, incurred by the indemnified Party and to the extent arising out of or resulting from the negligent acts or omissions or breach of this Agreement by the indemnifying Party or the indemnifying Party’s employees or agents.

7 MISCELLANEOUS PROVISIONS

7.1 Affiliate. “*Affiliate*” shall mean any entity that, directly or indirectly, controls, is controlled by, or is under common control with Hospital.

7.2 Assignment. Except as otherwise expressly provided in this Agreement, Entity may not assign any of its rights or obligations under this Agreement without the prior written consent of Hospital. Hospital may assign its rights and duties to an entity that controls, is under common control with, or is controlled by, Hospital, or to any successor in interest to Hospital, without the prior written consent of Entity. Hospital will provide Entity thirty (30) days advance notice of such assignment.

7.3 Counterparts/Signatures. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures submitted via facsimile or electronic means (including by means of scanned portable document format (PDF)) or, as permitted in accordance with the Parties’ policies and procedures, by an electronic signature method shall be deemed original signatures of the Parties and shall be valid and binding upon the Parties. Amendments to this Agreement may be

similarly executed pursuant to this Section.

7.4 Dispute Resolution. In the event of any dispute or claim arising out of or related to this Agreement (each, a “*Dispute*”) the Parties shall, as soon as reasonably practicable after one Party gives written notice of a Dispute to the other Party (the “*Dispute Notice*”), meet and confer in good faith regarding such Dispute at such time and place as mutually agreed upon by the Parties. If any Dispute is not resolved to the mutual satisfaction of the Parties within a reasonable time following the commencement of such discussions (not to exceed 60 days), shall be referred to mediation with a single mediator which shall be conducted in a Bakersfield, California, in accordance with the American Health Lawyers Association (“*AHLA*”) dispute Resolution Services Rules of Procedure for Mediation. The mediator will be mutually selected (which may be extended by the mediator for an additional 30 days if the mediator believes such an extension would be desirable) in an effort to reach a mutually satisfactory solution. The parties will pay an equal share of the costs associated with the mediation, provided that each party will be solely responsible for the fees and expenses of their own legal counsel. Any dispute which is not successfully resolved by mediation as provided herein may then be resolved by any available means. The Parties waive the right to seek specific performance or any other form of injunctive or other equitable relief or remedy arising out of this Agreement, except that such remedies may be utilized for purposes of enforcing the confidentiality of information and Medicare and Medicaid records provisions of this Agreement. Notwithstanding the foregoing, this Section shall not apply to any Dispute or termination of this Agreement arising out of or related to compliance or non-compliance with the ERDs (when Hospital is subject to the ERDs).

7.5 Entire Agreement/Amendment. This Agreement contains the entire understanding and agreement of the Parties with respect to the subject matter hereof and supersedes any prior oral or written agreements and all other communications or representations between the Parties relating to such subject matter. This Agreement may not be modified or amended except by mutual written agreement signed by the Parties.

7.6 Governing Law. This Agreement shall be governed, interpreted and enforced in accordance with the laws of the State, without regard to State conflict of laws rules that would result in the application of laws of any other jurisdiction.

7.7 Independent Contractor. The Parties are independent contractors in performing Services under this Agreement and each is solely responsible for its and its employees’, agents’, and representatives’ actions and omissions and for any tax or employment-related liabilities related thereto. Entity and Physicians shall exercise medical judgment free of any direction or control by the Hospital, and Entity and Physicians shall not hold themselves out as employees or agents of Hospital.

7.8 Master List. This Agreement will be included on the master list of physician provider contracts maintained by or on behalf of Hospital.

7.9 No Conflicting Obligation. Each Party represents and warrants that it is not a party to any arrangement that may materially interfere with their respective obligations under this Agreement. The Parties shall immediately notify one another if they become involved in any such arrangement and of any current or potential conflict of interest between a Party and any other person or entity for which the other Party performs or is contemplating performing services, whether as an employee, independent contractor, volunteer, or otherwise. The Parties shall provide one another with all information reasonably requested to determine if a conflict exists, taking into consideration privacy and confidential issues, as applicable. If either Party determines a conflict exists, they may either waive such conflict or, upon written notice, immediately terminate this Agreement.

7.10 Non-Discrimination. The Parties shall be in full compliance with all applicable Laws and orders regarding discrimination, as amended from time to time. No Party shall differentiate or discriminate in the performance of this Agreement on any basis prohibited by the aforementioned federal, State, and local laws, rules, regulations, and orders or Hospital policies and procedures.

7.11 Notices. All notices under this Agreement shall be given in writing and shall be delivered to the Party to whom notice is to be given either by: (a) personal delivery, in which case such notice shall be deemed given on the date of delivery; (b) next business day courier service (e.g., FedEx, UPS, or similar service), in which case such notice shall be deemed given on the business day following the date of deposit with the courier service; or (c) U.S. mail, first class, postage prepaid, registered or certified, return receipt requested, in which case such notice shall be deemed given on the third business day following the date of deposit with the United States Postal Service. Notice shall be delivered or sent to the Party’s address as indicated in the Key Informational Terms or any such other address provided

by a Party, from time to time.

7.12 No Referral or Exclusivity Obligation. Nothing in this Agreement shall be construed to require admission or referral of any patients or business to Hospital or its Affiliates or require Hospital to refer patients to Entity or Physicians. Entity and Physicians shall not refer any patient to any healthcare provider that Entity or Physicians know or should know is excluded or suspended from any Federal Healthcare Program. This Agreement shall not preclude Entity's Physicians from obtaining or maintaining hospital or other clinical privileges at non-Hospital facilities.

7.13 Survival. The confidentiality, Medicare records, HIPAA, effect of termination, indemnification, and dispute resolution provisions survive the expiration or termination of this Agreement, as well as any other provisions that by their nature are intended to survive the expiration or termination of this Agreement.

7.14 Waiver. Any waiver granted by a Party of any term or condition of this Agreement must be in writing and shall apply solely to the specific instance expressly stated. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of such provision or any other provision of this Agreement, and no delay or failure to exercise any right or remedy a Party may have shall operate as a waiver of any such right or remedy.

8 REGION SPECIFIC REQUIREMENTS

8.1 Dignity Community Care Statement of Common Values. When providing Services at a Dignity Community Care Hospital, Entity and Physicians shall comply with the Statement of Common Values ("**SOCV**"), as adopted by Dignity Community Care, as amended from time to time, to the extent applicable to the provision of Services under this Agreement. Section 7.4 of Part I of the Agreement shall not apply to any Dispute or termination of this Agreement arising out of or related to compliance or non-compliance with the SOCV (when Hospital is subject to the SOCV).

8.2 Services. Services under this Agreement include responding to provide Specialty medical care for Hospital inpatients when requested. Patients include all Hospital inpatients.

8.3 California Compliance. For Hospitals located in California only: Without limiting the obligations of Entity, Hospital shall retain administrative responsibility for operation of the ED, as required by Title 22, California Code of Regulations, Section 70713. Expiration or termination of this Agreement shall not give rise to any "fair hearing" or other similar rights.

Part II
HOSPITAL COVERAGE AGREEMENT (ENTITY)
PHYSICIANS

Physician's Name	Physician's NPI Number
Soroush Bazargani, M.D.	1053859041
Shahab Hillyer, M.D.	1841529757
Jack Cheng-Tsung Hou, M.D.	1790922896
Danny Huynh, M.D.	1356637698
Jeffery Nalesnik, M.D.	1932181757
Efe Ghanney Simons, M.D.	1770014599

Part III
HOSPITAL COVERAGE AGREEMENT COMPENSATION TERMS AND CONDITIONS

1 Compensation for Covered Professional Services for Uninsured Patients.

1.1 **Entity Billing Efforts.** Entity shall, for a period of ninety (90) days after the date Covered Professional Services (as defined below) are rendered by Entity, use good faith efforts to bill and collect payment for such Covered Professional Services in accordance with Part I, Section 3.4 of this Agreement.

1.2 **Submission of Claim to Hospital.** In the event Entity is unable to collect any amount from any Uninsured Patient within ninety (90) days after the date Covered Professional Services are rendered by Entity, Entity may submit a claim for payment to Hospital in accordance with this Part III. Entity shall cease all billing and collection activities with respect to such Covered Professional Services, and shall not submit any additional bills or claims to such Uninsured Patient or otherwise seek to collect any fees, compensation or other amounts from such Uninsured Patient or any other person or entity other than Hospital.

1.3 **Hospital Payment for Covered Professional Services.** Hospital shall, within 30 days after submission of a Complete Claim by Entity to Hospital, pay Entity for Covered Professional Services rendered by Entity to such Uninsured Patient at a rate equal to that set forth in Section H of the Key Informational Terms of this Agreement; provided, however, that Hospital shall have no obligation to pay Entity for any Covered Professional Services for which Entity has not submitted a Complete Claim within 180 days after the date such Covered Professional Services were rendered by Entity.

1.4 **Remission of Amounts Collected for Covered Professional Services.** In the event Entity or any Physician receives any payment amount from or on behalf of an Uninsured Patient with respect to Covered Professional Services for which Entity has also received payment from Hospital pursuant to Section 1.3 above, Entity shall return to Hospital the full amount previously paid by Hospital within 10 business days of receipt of such other payment amount made by or on behalf of the Uninsured Patient.

1.5 **Definitions.** For purposes of this Agreement:

1.5.1 ***“Complete Claim”*** shall mean, with respect to each Uninsured Patient, a fully complete and accurate CMS 1500 claim form for the Covered Professional Services rendered by Entity to such Uninsured Patient, together with such evidence of the Entity’s good faith billing and collection efforts with respect to such Uninsured Patient as may be reasonably requested by Hospital from time to time and/or as may be set forth in the Hospital Rules. For the avoidance of doubt, to the extent that any claim form contains inadvertently omitted information which does not render the form complete and accurate, any such conditions do not serve to invalidate nor render any demand from Entity to Hospital for payment as incomplete within the meaning and spirit of this Agreement.

1.5.2 ***“Covered Professional Services”*** shall mean medically necessary professional medical services rendered by a Physician to Uninsured Patients (i) on an emergency basis in the ED; (ii) on a continuing basis during the time the Uninsured Patient is a Hospital inpatient, provided that such continuing treatment is directly related to the admitting diagnosis; or (iii) on an emergency basis during the time the Uninsured Patient is a Hospital inpatient, regardless of whether such emergency treatment is related to the admitting diagnosis.

1.5.3 ***“Uninsured Patient”*** shall mean any Patient who is not enrolled in any HMO, PPO, POS, or other third-party payor plan or program, or Medicare, Medicaid, or any other government funded healthcare benefit plan or program and who qualifies for payment assistance under Hospital’s Patient Payment Assistance Policy.

**HOSPITAL COVERAGE AGREEMENT
ADDENDUM**

The Parties hereby incorporate the following provisions into the Agreement. In the event of a conflict between any provision of the Agreement and this Addendum, this Addendum shall control.

- A-1. Physicians shall not simultaneously be on-call to any other hospital or healthcare facility while scheduled to provide the Services for Hospital, except as otherwise approved by Hospital in writing.

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

May 20, 2026

Subject: Proposed Amendment No. 6 to Agreement 041-2023 with Tarun Rustagi, M.D., a contract employee, for professional medical services in the Department of Medicine

Recommended Action: Approve; Authorize the Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 6 to Agreement 041-2023 with Tarun Rustagi, M.D., for professional medical services in the Department of Medicine. Dr. Rustagi is a fellowship-trained, board-certified gastroenterologist, and has been employed by Kern Medical since March 16, 2023. The term of the Agreement expires May 29, 2026.

Kern County and the Central Valley are designated as a Health Professional Shortage Area (HPSA). The region is primarily rural and relies economically on agriculture with some limited energy production. Nearly half of the population is enrolled in Medicaid (Medi-Cal) due to severe socio-economic challenges. A significant shortage of physicians exists across nearly all specialties in the area, and is particularly acute in gastroenterology due to the conditions described above. Further, the number of gastroenterologists coming out of training is not keeping up with growing national and local demands due to an aging population.

Kern Medical has been attempting to recruit an additional gastroenterologist to support its single part-time gastroenterology specialist for over 10 years without success. For most of those years, the medical center was unable to generate any interested candidates due to the challenges of recruiting to a less-than-desirable area. To bolster its chances to recruit additional physicians in this much needed specialty, Kern Medical entered into a Professional Services Agreement in 2020 with Adventist Health Physicians Network (Adventist) to jointly recruit more gastroenterologists. Adventist was experiencing the same needs and a lack of success in recruitment. Under the agreement with Adventist, Kern Medical employs physicians in various specialties that in turn provide coverage at Adventist and Kern Medical.

The gastroenterology service under the agreement between Kern Medical and Adventist provides emergency, inpatient, and outpatient coverage for eight Adventist Health hospitals and dozens of clinics located in the Central Valley and Central Coast as well as Kern Medical's hospital, trauma center and 12 outpatient clinics. Adventist refers all gastroenterology cases from its service area to the Adventist Health Bakersfield hospital.

Despite joint recruitment efforts to date, Adventist and Kern Medical have only been able to recruit a single gastroenterologist, Dr. Rustagi. In addition to basic gastroenterology services, Dr. Rustagi has advanced interventional gastroenterology fellowship training to treat the most complex cases, which allows for most patients in the area to be treated locally and not have to be transferred to Los Angeles or the Bay area. To support the demand, Dr. Rustagi has provided coverage nearly 365 days a year since he started. Dr. Rustagi's work effort as measured by a physician's productivity based on work RVUs far exceeds the 90th percentile for the MGMA Physician Compensation and Production Survey for gastroenterology.

The proposed Amendment extends the term of the Agreement for an addition period from May 29, 2026 through June 28, 2026, and increases the maximum payable by \$765,000, from \$7,626,435 to \$8,391,435, to cover the initial term of the Agreement.

Therefore, it is recommended that your Board approve Amendment No. 6 to Agreement 041-2023 with Tarun Rustagi, M.D., a contract employee, for professional medical services in the Department of Medicine, extending the term for 30 days from May 29, 2026 through June 28, 2026, increasing the maximum payable by \$765,000, from \$7,626,435 to \$8,391,435, and authorize the Chairman to sign.

**AMENDMENT NO. 6
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Tarun Rustagi, M.D.)**

This Amendment No. 6 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2026, between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Tarun Rustagi, M.D. (“Physician”).

RECITALS

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. 041-2023, dated March 15, 2023), Amendment No. 1 (Agt. 053-2024, dated March 20, 2024), Amendment No. 2 (Agt. 041-2025, dated April 16, 2025), Amendment No. 3 (Agt. 068-2025, dated June 18, 2025), Amendment No. 4 (Agt. 133-2025, dated November 19, 2025), and Amendment No. 5 (Agt. 017-2026, dated February 18, 2026) (collectively, the “Agreement”), for the period March 16, 2023 through May 29, 2026, whereby Physician provides professional medical services in the Department of Medicine at KMC; and

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

(c) The Agreement is amended effective May 20, 2026;

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

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

“1. **Term.** The initial term of this Agreement (“Initial Term”) shall be for a period of one (1) year, commencing as of March 16, 2023, or the approved date of Physician’s nonimmigrant H-1B status, which permits work authorization, but no later than ninety (90) days after the approved H-1B visa date (the “Commencement Date”), and shall end June 28, 2026. At the end of the Initial Term and each Renewal Term (as hereinafter defined), if any, this Agreement may be renewed for two (2) additional terms of two (2) years each (“Renewal Term”), but only upon mutual written agreement of the parties. As used herein, the “Term” of this Agreement shall mean the Initial Term and all Renewal Terms. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter if any.”

2. Section 5, Compensation Package, paragraph 5.5, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“5.5 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$8,391,435 over the Initial Term of this Agreement.”

2. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
3. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
4. 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.
5. 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.

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 6 as of the day and year first written above.

PHYSICIAN

By _____
Tarun Rustagi, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority

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

May 20, 2026

Subject: Report on upcoming anticipated retroactive agreements

Recommended Action: Receive and File

Summary:

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

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

BOARD OF GOVERNORS
REPORT ON UPCOMING ANTICIPATED RETROACTIVE AGREEMENTS
May 20, 2026

Agreement	Description
Special Price Agreement – Teleflex Medical, LLC	Agreement provides supplies used for robotic general and intestinal surgeries
Amendment No. 1 to Agreement 29824 with Healthcare Performance Group, Inc. for Professional Consulting Services	to extend the term for two (2) years to allow for additional services under Addendum A-6. This vendor provides Electronic Health Record Consulting services

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

May 20, 2026

Subject: Proposed retroactive Amendment No. 1 to Agreement 20623 with William R. Stull, M.D., a contract employee, for professional medical services in the Department of Pathology

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical is requesting that your Board retroactively approve Amendment No. 1 to Agreement 20623 with William R. Stull M.D., for professional medical services in the Department of Pathology. Dr. Stull has been employed full time with Kern Medical since May 5, 2014. The Agreement expired May 4, 2026.

The Amendment extends the term of the Agreement by a period of three months to provide for sufficient staffing within the department. The Amendment increases the annual salary to \$500,000 and increases the maximum payable of the Agreement by \$130,000 from \$1,140,000 to \$1,270,000 to cover the extended term. Dr. Stull's annual salary is calculated based on the current Medical Group Management Association Physician Compensation and Production Survey for specialty and represents a reasonable fair market value compensation for the services to be provided by Dr. Stull.

The Amendment is being brought to your Board for retroactive approval as negotiations were unable to be completed prior to the April board meeting.

Therefore, it is recommended that your Board retroactively approve Amendment No. 1 to Agreement 20623 with William R Stull, M.D., for professional medical services in the Department of Pathology for the period May 5, 2023 through May 4, 2026, extending the term for three months from May 5, 2026 through August 4, 2026, increasing the maximum payable by \$130,000, from \$1,140,000 to \$1,270,000, to cover the term, and authorize the Chairman to sign.

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

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

RECITALS

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. 20623, dated April 17, 2023) (the “Agreement”), for the period May 5, 2023 through May 4, 2026, whereby Physician provides professional medical services in the Department of Pathology 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 5, 2026;

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

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

“1. **Term.** The term of this Agreement shall commence as of May 5, 2023 (the “Commencement Date”), and shall end August 4, 2026 (the “Term”), unless earlier terminated pursuant to other provisions of this Agreement as herein stated. This Agreement may be renewed for additional terms of two (2) years each, but only upon mutual written agreement of the parties. As used herein, an “Employment Year” shall mean the annual period beginning on the Commencement Date and each annual period thereafter.”

2. Section 5, Compensation Package, paragraph 5.1, Annual Compensation, subparagraph 5.1.1, Annual Salary, shall be deleted in its entirety and replaced with the following:

“5.1.1 **Annual Salary.** Authority shall pay Physician an Annual Salary of \$19,230.76 biweekly not to exceed \$500,000 annually. The Annual Salary shall be comprised of (i) a base salary for teaching and administrative services and (ii) payment for care of KMC patients. 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 level of worked relative value units (“Worked RVU”) at or above the seventy-fifth (75th) percentile based on the current MGMA Survey and fulfill all the duties set forth in Exhibit “A” during the Term of this Agreement.”

3. Section 5, Compensation Package, paragraph 5.3, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“5.3 Maximum Payable. The maximum compensation payable under this Agreement shall not exceed \$1,270,000 over the Term of this Agreement.”

4. Section 6, Benefits Package, paragraph 6.3, Holidays, shall be deleted in its entirety and replaced with the following:

“6.3 Holidays. Physician shall be entitled to paid holidays subject to Authority policy, as amended from time to time. Physician shall be paid for accrued and unused banked holidays, if any, upon termination or expiration of this Agreement calculated at Physician’s current hourly rate (i.e., current Annual Salary divided by 2080 hours = hourly rate). All payments made by Authority to Physician under this paragraph will be subject to all applicable federal and state taxes and withholding requirements.”

5. Section 6, Benefits Package, paragraph 6.4, Vacation, shall be deleted in its entirety and replaced with the following:

“6.4 Vacation. Physician shall be credited with vacation leave of 6.15 hours for each pay period of service, with no maximum accrual per Employment Year. The Department Chair must approve all vacation leave in advance. Physician shall be paid for accrued and unused vacation leave, if any, upon termination or expiration of this Agreement calculated at Physician’s current hourly rate (i.e., current Annual Salary divided by 2080 hours = hourly rate). All payments made by Authority to Physician under this paragraph will be subject to all applicable federal and state taxes and withholding requirements.”

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

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

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

9. 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. 1 as of the day and year first written above.

PHYSICIAN

By William R. Stull
William R. Stull, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority

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

May 20, 2026

Subject: Proposed retroactive Product Placement Agreement with Stryker Sales, LLC

Recommended Action: Approve; Authorize Chief Executive Officer to sign

Summary:

Kern Medical requests your Board retroactively approve the proposed Product Placement Agreement with Stryker Sales, LLC, for the placement of Stryker helmets and purchase of supplies in an amount not to exceed \$250,000. These helmets are designed to protect healthcare professionals in the OR against contamination and exposure for specific procedures. The proposed Agreement is effective for a five (5) year term, from April 28, 2026 through April 27, 2031. The proposed Agreement is retroactive as additional supplies were needed immediately.

Therefore, it is recommended that your Board retroactively approve the proposed Product Placement Agreement with Stryker Sales, LLC. for the placement Stryker helmets and purchase of supplies in an amount not to exceed \$250,000, effective April 28, 2026 through April 27, 2031, plus tax and shipping, and authorize the Chief Executive Officer to sign.

Product Placement Agreement


Agreement No.: PP10278024

Owner:
Stryker Sales, LLC
4100 E. Milham Ave.
Kalamazoo, MI 49001

Customer:
KERN COUNTY HOSPITAL AUTHORITY
1700 MOUNT VERNON AVE
BAKERSFIELD, California 93306-4018

This Product Placement Agreement and any attached and referenced Exhibit(s) (collectively, the "Agreement") is entered into effective as of the date the equipment is placed ("Commencement Date"), by and between Stryker Sales, LLC ("Stryker"), and the undersigned ("Customer"). By their respective signatures below, the parties hereby agree and intend to be bound by the terms set forth herein.

Commencement Date:	Equipment (defined below) location (if other than Customer address above):	Placement Term:
Date of equipment delivery		60 months

Customer signature	
Signature: 	Date: 4/28/2026
Print name: Scott Thygeron	
Title: Chief Executive Officer	

Accepted by Flex Financial, a division of Stryker Sales, LLC	
Signature:	Date:
Print name:	
Title:	

- Overview of agreement:** Subject to the terms and conditions herein, Stryker agrees to place certain non-disposable equipment ("Equipment") at the location identified above, in return for Customer's agreement to use certain Stryker's disposable products ("Disposable Products") with the Equipment. The Equipment and Disposable Products subject to this Agreement are listed on Exhibit A. There is no additional charge for use of the Equipment during the Term. The use of reprocessed or non-Stryker disposable products or accessories with the Equipment will result in the termination of this Agreement and the removal of the Equipment and will subject Customer to the restocking fee in Section 3(b) hereunder.
- Purchase of Disposable Products.** In accordance with the terms and conditions set forth herein, Stryker agrees to provide to Customer the Disposable Products and, if applicable, Services set forth in this Agreement upon Stryker's receipt of Customer's purchase order or acceptance is received from Customer in response to Stryker's quotation.
- Term.** The term set forth above ("Term") will start on the Commencement Date and will continue until the expiration of the Term or earlier pursuant to Customer's Termination rights contained herein.
 - End of term options:** At least sixty (60) days prior to the end of the Term, Customer shall provide notice to Flex Financial at FlexEOT@stryker.com of its election to either: (i) return the Equipment to Stryker, at Stryker's expense; or (ii) renew this Agreement for an additional twelve (12) month term ("Renewal Term"). In the event this Agreement is renewed, the parties shall negotiate the purchase price of the Disposable Products for the Renewal Term. In the event Customer does not notify Stryker of its end of term election, the Agreement shall automatically renew for consecutive one (1) month terms ("Subsequent Terms") with all terms and conditions of the Agreement remaining in full force and effect. Customer may cancel any Subsequent Terms by providing Stryker thirty (30) days written prior to the expiration of the then-current Subsequent Terms.
 - Termination.** This Agreement shall terminate upon any one of the following events: (i) upon expiration of the Term (or any extension thereof); (ii) at any time, by either party with thirty (30) day written notice; (iii) by a non-breaching party upon the breach of a material obligation, including Customer's failure to purchase the Disposable Products in accordance with the terms herein (a "Material Breach"), which is not cured within thirty (30) days from the date of written notice thereof delivered to the breaching party; or (iv) by either party in the event of the other's insolvency, reorganization, liquidation, or if a valid application is made to have the other party declared bankrupt, or if a receiver or trustee is appointed for such other party. Customer acknowledges and agrees that the Equipment will potentially be exposed to contaminants and for the safety of Stryker personnel, the Equipment needs to be decontaminated by Stryker for safe handling. In the event that this Agreement is terminated prior to the expiration of the Term by Customer for its convenience in accordance with 3(b)(ii) or by Stryker upon Customer Material Breach in accordance with Section 1 or Section 3(b)(iii), Customer will be subject to a restocking fee payable to Stryker within thirty (30) days as a one-time payment of thirty (30%) of the List Price of the Equipment as found in Exhibit A. Upon Termination of this Agreement for any event other than purchase of the Equipment, Customer shall immediately return the Equipment to Stryker in good repair, ordinary wear and tear attributable to proper use is acceptable. In addition to the foregoing, Stryker shall have such other rights and remedies as may be available under applicable law. If Customer fails to return the Equipment to Stryker, Stryker shall be entitled to recover from Customer all damages caused by any such default to the extent permitted by law. Stryker may also use any of the remedies available to Stryker under the Uniform Commercial Code or any other law. If Stryker has to take possession of the Equipment pursuant to this Section 3, Customer agrees to pay the cost of repossession, storing, shipping, repairing, and selling the Equipment.
- Equipment.** The Equipment provided under this Agreement may be new or certified pre-owned. If certified pre-owned, that will be identified and included in Exhibit A.
- Payment and delivery.** Unless otherwise indicated on Stryker's invoice, each invoice shall be paid in full by Customer within thirty (30) days from the date of Stryker's invoice. Delivery terms for Disposable Products are F.O.B. origin, with freight and handling charges prepaid by Stryker. Stryker will deliver and set up Equipment at Customer's address or Equipment location, as indicated above, and make it ready and available for use. Customer shall order Disposable Products either through Stryker's local sales representative or through the appropriate Stryker customer service department.

APPROVED AS TO FORM:
Legal Services Department

By: Phillip Jenkins
Kern County Hospital Authority

6. **Risk of loss.** Effective upon delivery to Customer and continuing until the termination of this Agreement, Customer shall bear all risks of loss or damage to the Equipment.
7. **Customer covenants.** Customer agrees as follows: (a) Customer shall not sell, transfer, pledge, hypothecate, sublease or allow any lien or other encumbrance of the Equipment, and shall defend Stryker's right, title, and interest in and to the Equipment; (b) Customer will allow the Equipment to be used only by competent employees, physicians or contractors solely in the manner for which such Equipment was intended to be used and in accordance with the instructions for use provided to Customer by Stryker; (c) Customer shall have possession of the Equipment only and title to such Equipment shall be and remain in Stryker at all times; (d) Customer shall not allow any unauthorized third-party repairs to the Equipment; the foregoing, not withstanding, authorization may be provided in Stryker's sole discretion; (e) Customer shall only use approved Stryker Disposable Products and accessories in connection with the Equipment; (f) Customer shall, at all times, comply with all applicable laws, regulations and standards applicable to the Equipment or the possession, use or operation thereof; (g) upon reasonable notice, and during normal business hours, Customer shall allow Stryker to inspect the Equipment at the Equipment location and Customer shall make its records pertaining to the Equipment available for Stryker's inspection at such location; (h) Customer shall maintain adequate insurance covering the Equipment and if any insurance proceeds are paid as a result of any loss or damage to the Equipment, Customer agrees that such insurance proceeds shall be paid to Stryker for Equipment replacement and Customer shall continue its payment obligations under this Agreement; (i) if the Equipment is either lost or totally destroyed, Customer shall pay Stryker a lump sum equivalent to the then-prevailing list price of the Equipment as set forth on Exhibit A and (j) Customer will keep the Equipment at mutually agreed to locations and shall not move or transfer the Equipment to any other facility without Stryker's prior written consent which shall not be unreasonably withheld.
8. **Software.** In the event that software accompanies, is embedded in, or included with the Equipment, Stryker grants Customer a limited, personal, non-transferable, non-sublicensable, non-assignable license to use software with the Equipment in accordance with any accompanying Equipment or software documentation for the Term of Rental. Customer will not allow any third parties to access the software, nor will Customer modify, create derivative works, translate, reverse engineer, decompile, decrypt, or disassemble the software. Any and all intellectual property rights in the software are and shall remain the exclusive property of Stryker and/or its licensors.
9. **Return of equipment.** Upon termination of this Agreement for convenience by Customer or termination of this Agreement by Stryker for Customer Material Breach, Customer shall at its expense return the Equipment to Stryker in good repair, condition and working order, normal wear and tear is acceptable, to Stryker Sales LLC., 4100 E. Millham Ave. Kalamazoo, MI 49001 . Prior to return, Customer will notify Flex Financial at FlexEOT@stryker.com and Stryker will provide Customer a Returned Merchandise Authorization number ("RMA") that Customer will need to include with its shipping documents when returning such Equipment. If Customer does not return the Equipment to Stryker in accordance with the preceding sentence, Stryker may 1) continue billing the Customer the amount outlined in Exhibit A for the Equipment or 2) take possession of the Equipment, without demand or notice, without any court order or other process of law, all at Customer's expense.
10. **Service.** If service fees are listed in Exhibit A, then Stryker shall provide and Customer shall purchase service on the Equipment listed therein ("Service"), including repair or replacement as determined appropriate by Stryker in its sole discretion except in the event of damage to the Equipment as a result of or to the extent attributable to: (i) grossly reckless or intentional misconduct, abuse, or neglect to the Equipment by someone other than Stryker or an authorized agent of Stryker, (ii) accidents, catastrophe, fire, flood, or an act of God; or (iii) or repairs made by a third-party not approved by Stryker. In the event (i) or (iii) occurs, Customer shall either (a) pay Stryker the then-current fees to bring the Equipment back to its then-current manufacturing and operating specifications, or (b) pay Stryker the list price of the Equipment set forth in Exhibit A as replacement for the Equipment within 30 days of Stryker's invoice. In the event (ii) occurs, Customer shall pay Stryker any insurance proceeds in accordance with Section 17 below. In addition, in order to ensure safe operation of Stryker Equipment, only Stryker accessories should be used. Stryker reserves the right to invalidate any applicable Service Plan and complimentary loaner programs if Equipment is used with accessories not manufactured by Stryker. In the event a Stryker ProCare Service Plan is not purchased by Customer, Customer shall have the sole responsibility for maintenance and preservation of the Equipment and for all repairs and replacements necessary to keep the Equipment in good repair, working order and condition during the Term.
11. **Taxes.** Stryker's price does not include taxes, and Customer shall be liable for any applicable taxes, whether or not Stryker invoices Customer for them (unless Customer shall provide Stryker at the time an order is submitted with a valid tax exemption certificate or other documents acceptable to taxing or custom authorities).
12. **Proper reporting of discounts and pricing.** Customer shall (i) comply with all applicable laws and regulations relating to the accounting and application of discounts related to this Agreement (including Service coverage), including but not limited to all Federal and State laws and regulations regarding reimbursement and proper reporting of discounting and pricing, such as the requirements of the discount "safe harbor" located at 42 C.F.R. 1001.952(h) (the "Discount Safe Harbor"); (ii) properly report and appropriately reflect all prices paid under this Agreement net of all discounts as required by law or contract, including on all applicable Medicare, Medicaid and state agency cost reports; and (iii) retain a copy of this Agreement and all other communications regarding this Agreement, together with the invoices for purchases or lease and shall permit agents of the U.S. Department of Health and Human Services or any state agency access to such records upon request. If Customer is required to report components of Customer's payments to certain state and/or federal agencies or public health coverage programs such as Medicare, Medicaid, SCHIP or others, and these amounts are not adequately disclosed in any attachment to this Agreement, the Stryker will, upon Customer's written request, provide a detailed outline of the components of Customer's payments which may include equipment, software, services, and other related components. The discounted prices in the Proposal represent a reduction in the net purchase price of the Disposable Products and the net cost to use the Equipment such that the aggregate amounts paid by the Customer per unit of Disposable Products will pay for the Disposable Products and usage of the Equipment.
13. **WARRANTIES: STRYKER WARRANTS THAT THE EQUIPMENT SHALL BE FREE FROM MANUFACTURING AND MATERIAL DEFECTS FOR ONE YEAR AFTER DELIVERY OF SAME. EQUIPMENT THAT BECOMES DEFECTIVE DURING THIS PERIOD SHALL BE REPAIRED OR REPLACED, SUCH DETERMINATION BEING AT STRYKER'S SOLE DISCRETION. ALL WARRANTIES HEREIN ARE MADE SUBJECT TO THE PROPER USE BY CUSTOMER IN THE APPLICATION FOR WHICH SUCH EQUIPMENT WAS INTENDED. THE WARRANTY PROVIDED HEREUNDER DOES NOT COVER ANY EQUIPMENT (I) THAT HAS BEEN MISUSED, MODIFIED, REFURBISHED OR REPAIRED WITHOUT THE PRIOR CONSENT OF STRYKER, (II) THAT HAS BEEN SUBJECTED TO UNUSUAL STRESS OR HAS NOT BEEN PROPERLY MAINTAINED OR (III) ON WHICH ANY ORIGINAL SERIAL NUMBERS OR OTHER IDENTIFICATION MARKS HAVE BEEN REMOVED OR DESTROYED. STRYKER'S LIABILITY SHALL BE LIMITED TO THE REPLACEMENT VALUE OF ANY DAMAGED OR DEFECTIVE PART. STRYKER HAS NOT MADE AND DOES NOT MAKE ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT OR THE SERVICES, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTY, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY EXCLUDED.**
Customer acknowledges that it has used its own judgment to select the Equipment and Disposable Products (Equipment and Disposable Products taken together are the "Products") set forth on Exhibit A and expressly disclaims any reliance on statements or representations made by Stryker. Subject to Stryker's indemnification obligations under Section 14, Customer releases Stryker, of and from any and all liability, cost, loss, expense, cause of action, claim, including claims of patients or other third parties or damage of any kind or nature whatsoever, arising out of or relating to, Customer's operations or use of the Products or Services, including claims by patients arising out of procedures involving the Products or Services, or Customer's inability to use or operate the Products.
14. **Indemnity.** Stryker agrees to indemnify and defend Customer from any third-party claims related to bodily injury or damage to personal property which Customer may suffer solely as a result of (i) a defect in workmanship or design of the Products or (ii) the gross negligence or willful misconduct or violation of applicable law by Stryker, its employees, and authorized agents in their performance under this Agreement. This indemnification does not apply to liability and/or damages arising from: (a) the negligence of any person other than an employee or agent of Stryker; (b) the failure of any person other than an employee or agent of Stryker to follow any labeling, manuals and/or instructions for use of the Product; or (c) the use of any product not purchased from

Stryker, or Product that has been modified, altered, reprocessed, or repaired by any person other than an employee or agent of Stryker. Stryker will have no liability hereunder unless it is notified promptly of any such claim and given control of the defense and any settlement thereof.

15. **Limitations of Liabilities. EXCEPT FOR ANY STRYKER OBLIGATION OF INDEMNITY, STRYKER'S LIABILITY FOR ANY CLAIM HEREUNDER, WHETHER IN CONTRACT OR OTHERWISE, FOR ANY LOSS OR DAMAGE ARISING OUT OF OR RESULTING FROM THE EQUIPMENT AND/OR SERVICES PROVIDED UNDER THIS AGREEMENT SHALL IN NO EVENT EXCEED THE TOTAL LIST PRICE FOR ALL EQUIPMENT UNDER THIS AGREEMENT AS FOUND IN EXHIBIT A. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES.**
16. **Confidentiality.** The parties shall hold in strictest confidence the terms of this Agreement, as well as any information and materials which are related to the business of the other party or are designated by any such party as proprietary and confidential, herein or otherwise. The parties hereby covenant that they shall not disclose such information to any third-party without prior written authorization of the party to whom such information relates. Equipment pricing set forth in Stryker's proposal and invoice is the confidential and proprietary information of Stryker and shall not be disclosed by customer to any third-party, including, without limitation, posted on any on-line discounting websites or forums or disclosed to Stryker competitors. Customer must remove any "Protected Health Information" ("PHI") as defined in the Health Insurance Portability and Accountability Act of 1996 from Equipment prior to returning such Equipment to Stryker. Although Stryker will make commercially reasonable efforts to secure any PHI encountered, Stryker is not responsible for the security thereof. All medical information and/or data concerning specific patients (including, but not limited to, the identity of the patients), derived from or obtained during the course of the Agreement, shall be treated by both parties as confidential so as to comply with all applicable State and Federal laws and regulations regarding confidentiality of patient records, and shall not be released, disclosed, or published to any party other than as required or permitted under applicable laws.
17. **Insurance.** Stryker will maintain adequate general liability insurance, including coverage for Equipment and completed operations, and workers compensation and employer's liability insurance against any claim or claims which might arise out of Equipment provided to Customer by Stryker under the Agreement. Stryker has the right to self-fund to comply with this requirement. When requested by Customer, Stryker will furnish an insurance certificate signed by an authorized agent evidencing the above-referenced insurance coverage. Customer shall maintain adequate insurance to cover liability arising out of this Agreement including liability arising out of Customer's indemnity obligations set forth in the Indemnity Section 14 above. Upon request by Stryker, Customer will provide a certificate of insurance evidencing such coverage.
18. **Representations of the parties.** Each party represents and warrants to the other party that (i) it has the right to enter into this Agreement and to perform all of its obligations hereunder, and (ii) this Agreement, when executed and delivered by such party, will be a legal, valid and binding obligation of such party, enforceable against it in accordance with its terms, (iii) no cash, equity interest, merchandise, equipment, services or other forms of remuneration have been offered, shall be offered or will be paid or distributed by or on behalf of the other party and/or the employees, officers, or directors of the other party, or, to any other person, party or entity affiliated with other party, as an inducement to purchase or to influence the purchase or pricing of the Products or other products manufactured by Stryker or its affiliates; and (iv) it has not been convicted of a criminal offense related to health care; and (v) it is not currently listed by a federal agency as debarred, excluded or otherwise ineligible for participation in federally funded health care programs. With respect to the foregoing subsections (iv) and (v), each party shall notify the other party immediately, in writing, of any change in such representations during the Term. Such change in circumstances shall constitute cause by the non-debarred party to immediately terminate this Agreement.
19. **Miscellaneous.** The laws of the state of Michigan shall apply to this Agreement, without regard to principles of conflicts of laws. The relationship between the parties is that of independent contractors. It is mutually agreed that Stryker is at all times acting and performing as an independent contractor with respect to Customer, and vice versa, and nothing is intended nor shall be construed to create an employer/employee relationship between Stryker and Customer. The terms contained herein, and in the exhibits hereto, contain the full and final written expression of the parties respecting the subject matter of this Agreement. No modification or amendment of this Agreement shall be effective unless agreed to in writing and signed by authorized representatives of both parties. The failure of either party to enforce at any time any of the provisions of this Agreement shall in no way be construed as a waiver of such provision, nor shall such failure in any way affect the right of either party, thereafter, to enforce each and every provision of this Agreement. If any provision of this Agreement is determined to be unenforceable or invalid, such provision shall nonetheless be enforced to the fullest extent permitted by applicable law, and such determination shall not affect the validity and enforceability of any other remaining provisions. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute the same instrument. In the event of any termination or expiration of the Agreement, any terms which by their nature shall survive any such termination or expiration. Neither party may assign this Agreement without the advance written consent of the other party. However, any such assignment of this Agreement will not relieve either party of its obligations to the other party prior to any such assignment. Unless otherwise specified, each notice to a party must be given in writing and delivered personally or by courier, sent by prepaid registered mail or transmitted by email to the party at the address detailed above, or to any other address, email, or person that the party designates.

EXHIBIT A to Product Placement Agreement

Agreement No.: PP10278024

Description of Equipment

Commitment level: Pricing of Disposable Products is contingent upon Customer's commitment to purchase the annual quantity of \$50,000.00 in Disposable Products ("Annual Minimum Quantity") as set forth in Exhibit A. If at the end of any year during the Term, the Commitment Level is not met as demonstrated by a prorated quantity of Disposable Products purchased that is less than the total Commitment Level, Stryker will provide Customer with a written notice of such shortfall (the "Shortfall Notice"). Upon receiving the Shortfall Notice, Customer may, at its sole election (i) purchase additional Disposable Products to fulfill the Commitment Level for the shortfall year, or (ii) pay to Stryker the contract price set forth on Exhibit A for all Equipment represented by Customer's shortfall of the Commitment Level. Customer will provide written notice of its election to Stryker within ten (10) business days of its receipt of the Shortfall Notice. In the event Stryker does not receive Customer's notice of election within the ten-day period, Stryker reserves the right to terminate the placement and remove Equipment in quantities that do not meet the stated usage volume.

Part I - Equipment/service coverage (if applicable)

Model#	Equipment description	Quantity	List price	Total List Price	Placement price*
0424-610-000	STERI-SHIELD 8 SURGICAL HELMET WITH LIGHT	2	\$5,469.06	\$10,938.12	\$0.00
0424-600-000	STERI-SHIELD 8 SURGICAL HELMET	8	\$3,281.44	\$26,251.52	\$0.00
0424-655-000US	STERI-SHIELD 8 BATTERY CHARGER W/ (B) NEMA POWER CORD	2	\$6,116.25	\$12,232.50	\$0.00
0424-660-000	STERI-SHIELD 8 BATTERY PACK	12	\$1,093.81	\$13,125.72	\$0.00

*The "Placement Price" set forth above represents a no additional charge for use of the Equipment based upon Customer's purchase of Disposable Products in accordance with this Exhibit A during the Term.

Part II - Disposables Products

Model Number	Disposable description	Selling Price
0424-831-100	STERI-SHIELD 8 TOGA ZIPPERED XL PA	\$723.96
0424-841-100	STERI-SHIELD 8 TOGA ZIPPERED 2XL PA	\$643.52
0424-210-000	STERI-SHIELD 8 COMFORT PADS	\$324.00
0424-801-100	STERI-SHIELD 8, HOOD, PA	\$1,182.68

ADDENDUM TO PRODUCT PLACEMENT AGREEMENT NO. PP10278024 BETWEEN FLEX FINANCIAL, A DIVISION OF STRYKER SALES, LLC AND KERN COUNTY HOSPITAL AUTHORITY

This Addendum is hereby made a part of the agreement described above (the "Agreement"). In the event of a conflict between the provisions of this Addendum and the provisions of the Agreement, the provisions of this Addendum shall control.

The parties hereby agree as follows:

1. Section 15 of the Agreement is hereby **modified** to read as follows:

Limitations of Liabilities. *TO THE EXTENT ALLOWABLE UNDER CALIFORNIA LAW, EXCEPT FOR ANY STRYKER OBLIGATION OF INDEMNITY, STRYKER'S LIABILITY FOR ANY CLAIM HEREUNDER, WHETHER IN CONTRACT OR OTHERWISE, FOR ANY LOSS OR DAMAGE ARISING OUT OF OR RESULTING FROM THE EQUIPMENT AND/OR SERVICES PROVIDED UNDER THIS AGREEMENT SHALL IN NO EVENT EXCEED ~~THREE TIMES (3X)~~ FOR ALL EQUIPMENT UNDER THIS AGREEMENT AS FOUND IN EXHIBIT A. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES.*

2. Section 16 of the Agreement is hereby **modified** as follows:

Confidentiality. The parties shall hold in strictest confidence the terms of this Agreement, as well as any information and materials which are related to the business of the other party or are designated by any such party as proprietary and confidential, herein or otherwise. The parties hereby covenant that they shall not disclose such information to any third-party without prior written authorization of the party to whom such information relates. Equipment pricing set forth in Stryker's proposal and invoice is the confidential and proprietary information of Stryker and shall not be disclosed by customer to any third-party, including, without limitation, posted on any on-line discounting websites or forums or disclosed to Stryker competitors. Customer must remove any "Protected Health Information" ("PHI") as defined in the Health Insurance Portability and Accountability Act of 1996 from Equipment prior to returning such Equipment to Stryker. Although Stryker will make commercially reasonable efforts to secure any PHI encountered, Stryker is not responsible for the security thereof. All medical information and/or data concerning specific patients (including, but not limited to, the identity of the patients), derived from or obtained during the course of the Agreement, shall be treated by both parties as confidential so as to comply with all applicable State and Federal laws and regulations regarding confidentiality of patient records, and shall not be released, disclosed, or published to any party other than as required or permitted under applicable laws. *Notwithstanding the foregoing nothing shall prevent Customer from disclosing information as required by law or legal process, provided, that, if Customer is required by law to disclose any such information, Customer shall provide at least two (2) business days' notice to Stryker prior to making such disclosure so as to allow Stryker adequate time to undertake legal or other action, to prevent such disclosure or otherwise obtain confidential treatment of such disclosure.*

3. The first sentence of Section 19 of the Agreement is hereby **modified** to read as follows:

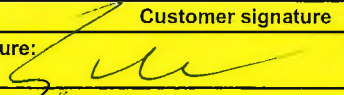
The laws of the state of **California** shall apply to this Agreement, without regard to principles of conflicts of laws.

4. New Sections 20 – 25 of the Agreement are hereby **inserted** to read as follows:

20. *Liabilities of Customer. The liabilities or obligations of Customer with respect to its activities pursuant to this quote 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.*
21. *Access to Books and Records. Until the expiration of four (4) years after the expiration or termination of this Agreement, Stryker shall make available, upon written request of the Secretary of the United States Secretary of Health and Human Services ("Secretary") or the Comptroller General of the United States General Accounting Office ("Comptroller General"), or any of their duly authorized representatives, a copy of this Agreement and such books, documents and records of either party as are necessary to certify the nature and extent of costs of the services Stryker provided under this Agreement. Stryker further agrees that if it carries out any of its duties under this Agreement through a subcontract with a value or cost of ten thousand dollars (\$10,000) or more over a twelve (12) month period with a related organization, that such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization shall make available, upon written request of the Secretary or the Comptroller General, or any of their duly authorized representatives, the subcontract, books, documents and records of such organization that are necessary to verify the nature and extent of such costs.*
22. *Audits, Inspection and Retention of Records. Stryker agrees to maintain and make available to CUSTOMER, accurate books and records relative to all its activities under this Agreement. Stryker shall permit CUSTOMER to audit, examine and make excerpts and transcripts from such records, and to conduct audits or reviews of all invoices, materials, records or other data related to all other matters covered by this Agreement. Stryker shall maintain such data and records in an accessible location and condition for a period of not less than four (4) years from the date of final payment under this Agreement, or until after the conclusion of any audit, whichever occurs last. The state of California or any federal agency having an interest in the subject of this Agreement shall have the same rights conferred upon CUSTOMER herein.*
23. *Health Insurance Portability and Accountability Act-HITECH. CUSTOMER is a covered entity that provides medical and mental health services. Stryker is not granted authorization to obtain access to any Protected Health Information ("PHI") in any form. If, in the course of my services, Stryker sees or hears any PHI, this PHI is to be treated as private and confidential, including the fact that a person has visited the facility(ies) or receives (or previously received) services from CUSTOMER. The privacy and confidentiality of CUSTOMER's patients are protected by CUSTOMER policies and procedures, state laws and regulations and Federal HIPAA Regulations. Stryker is not a "business associate" of CUSTOMER, as the term "business associate" is defined by HIPAA (the Health Insurance Portability and Accountability Act of 1996 and 45 C.F.R. parts 142 and 160-164, as amended). To the extent the parties mutually agree that Stryker becomes a business associate of Customer, the parties agree to negotiate to amend this Agreement as necessary to comply with HIPAA, and if an agreement cannot be reached this Agreement will immediately terminate. All medical information and/or data concerning specific patients (including, but not limited to, the identity of the patients), derived incidentally during the course of this Agreement, shall be treated by both Parties as confidential, and shall not be released, disclosed, or published to any party other than as required or permitted under applicable laws.*
24. *Disqualified Persons. To be best of its knowledge, upon the Commencement Date of this Agreement, Stryker 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 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. Stryker 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"), Stryker shall immediately notify CUSTOMER and such individual shall be immediately removed by Stryker 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 Stryker is directly involved in the Enforcement Action, any agreement between CUSTOMER and Stryker shall terminate immediately.

25. **Non-collusion Covenant.** Both parties represent and agree that it has in no way entered into any contingent fee arrangement with any firm or person concerning the obtaining of this Agreement with the other party. Neither party has received incentive or special payments, nor considerations, not related to the provision of services under this Agreement from the other party.

Customer signature		Accepted by Flex Financial, a division of Stryker Sales, LLC	
Signature:		Date:	4/28/2016
Print name:	Scott Thygeson		
Title:	Chief Executive Officer		
Signature:		Date:	
Print name:			
Title:			

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

May 20, 2026

Subject: Public Hearing pursuant to Government Code 3502.3 regarding Kern County Hospital Authority vacancies, recruitment and retention efforts (Assembly Bill 2561)

Requested Action: Open hearing; receive public comment; close hearing; receive and file

Summary:

On September 22, 2024, Governor Newsom signed into law Assembly Bill 2561 (AB 2561) which adds section 3502.3 to the Government Code. AB 2561 requires that public agencies hold an annual public hearing during which public agencies must report on the status of vacancies, recruitment and retention efforts. Recognized employee organizations are permitted to make presentations during the hearing with respect to positions within the organizations' bargaining units. This hearing must be held before your Board approves the annual budget, as required by the statute.

Therefore, it is recommended that your Board open the public hearing, receive public comment, close hearing, and receive and file.



AB 2561 Presentation

Status on Vacancies &
Recruitment & Retention Efforts

Presented by Roby Hunt, Chief Human Resources & Transformation Officer
May 20, 2026

Kern County Hospital Authority Board of Governors

Background

- Under the Meyers-Miliias-Brown Act local agencies must:
 - Hold an annual public hearing before the governing body to present information on vacancies, recruitment and retention efforts, and obstacles in the hiring process.
 - The public hearing must occur before approval of annual budget.
 - Allow employee organizations to make presentations during the public hearing.

Workforce Information

- Current Authorized **Full-Time** SEIU Represented FTE: **2105**
- Represented Bargaining Units: CIR Represented FTE: **119**

Supervisory

Clerical

Professional

Administrative

Technical Services

Trades/Craft/Labor

Resident/Fellows

Bargaining Unit Specific Information

<u>As of April 1, 2026</u>	<u>Vacancies FTE</u>	<u>Authorized FTE</u>	<u>Vacancy Rate</u>
Supervisory	4	49	8%
Professional	68	736	9%
Technical Services	16	289	6%
Clerical	12	331	4%
Administrative	2	34	5%
Trades/Craft/Labor	24	523	5%
CIR (Residents/Fellows)	0	119	0%

Staffing Challenges

Many roles attract strong candidate pools. However, despite low vacancy rates, the following recruitment obstacles remain:

- High Market Competitiveness.
 - Especially for licensed clinical and specialty roles.
- Skilled candidate pool shortages.
 - Most commonly occurring in roles requiring specialized certification, advanced degrees, or niche experience.
- Declined employment offers due to salary.
 - Newly negotiated MOU salary increases should attract top candidates to accept employment offers.

Staffing & Retention Efforts

Ongoing efforts to strengthen hiring strategy include:

- Outreach through marketing, events, and school partnerships to build talent pipelines.
- Actively posting positions on professional job boards.
- Actively monitoring market trends, turnover, and hard-to-fill roles.
- Using benchmarking to assess our competitiveness and guide compensation decisions.
- Proactively reviewing job descriptions and requirements to align with evolving candidate pools.

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

May 20, 2026

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

Recommended Action: Receive and File

Summary:

Kern Medical Operations:

Kern Medical key performance indicators:

- Operating gain of \$2,112,978 for March is \$1,899,836 more than the March budget of \$213,141 and \$765,122 more than the \$1,347,856 average over the last three months
- EBIDA of \$3,874,967 for March is \$2,013,003 more than the March budget of \$1,861,964 and \$943,023 more than the \$2,931,944 average over the last three months
- Average Daily Census of 175 for March is 4 more than the March budget of 171 and 1 more than the 174 average over the last three months
- Admissions of 945 for March are 84 more than the March budget of 861 and 80 more than the 865 average over the last three months
- Total Surgeries of 569 for March are 5 less than the March budget of 574 and 45 more than the 524 average over the last three months
- Clinic Visits of 24,627 for March are 3,869 more than the March budget of 20,758 and 3,446 more than the 21,181 average over the last three months

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

Patient Revenue:

Gross patient revenue has a 15% favorable budget variance for the month and a 4% favorable budget variance on a year-to-date basis. The favorable variance is mainly due to a 3.5% charge description master (CDM) price increase that became effective on July 1, 2025 and to a lesser extent, patient volumes. Kern Medical expects strong patient census levels and consistently high gross patient revenue for FY 2026.

Indigent and Correctional Medicine Funding Revenue:

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

Other Operating Revenue:

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

Other Non-Operating Revenue:

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

Salaries Expense:

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

Benefits Expense:

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

Nurse Registry Expense:

Nurse registry expense is 28% under budget for the month and 17% under budget on a year-to-date basis. The overall use of nurses under contract was reduced with the intent to hire more nurses as Kern Medical employees.

Medical Fees:

Medical fees are 21% over budget for the month and 19% over budget on a year-to-date basis. The unfavorable variance is due to higher-than-average fees paid to the Hayes Locums physician staffing agency.

Other Professional Fees:

Other professional fees are 22% under budget for the month and 13% over budget on a year-to-date basis. The unfavorable year-to-date variance is due to higher-than-average legal fees and an under accrual in prior months for Oracle EHR costs.

Supplies Expense:

Supplies expense is 0.04% over budget for the month and 1% under budget year-to-date. The favorable year-to-date variance is due to lower-than-average pharmaceuticals costs and lower than average surgical and other medical supplies costs.

Purchased Services:

Purchased services are 8% over budget for the month and 5% over budget on a year-to-date basis due to higher-than-expected software maintenance costs and ambulance fees.

Other Expenses:

Other expenses are 25% under budget for the month and 5% over budget on a year-to-date basis. The unfavorable year-to-date variance is due to higher-than-average insurance expenses and higher-than-average expenses for utilities and for dues and subscriptions.

Interest Expense:

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

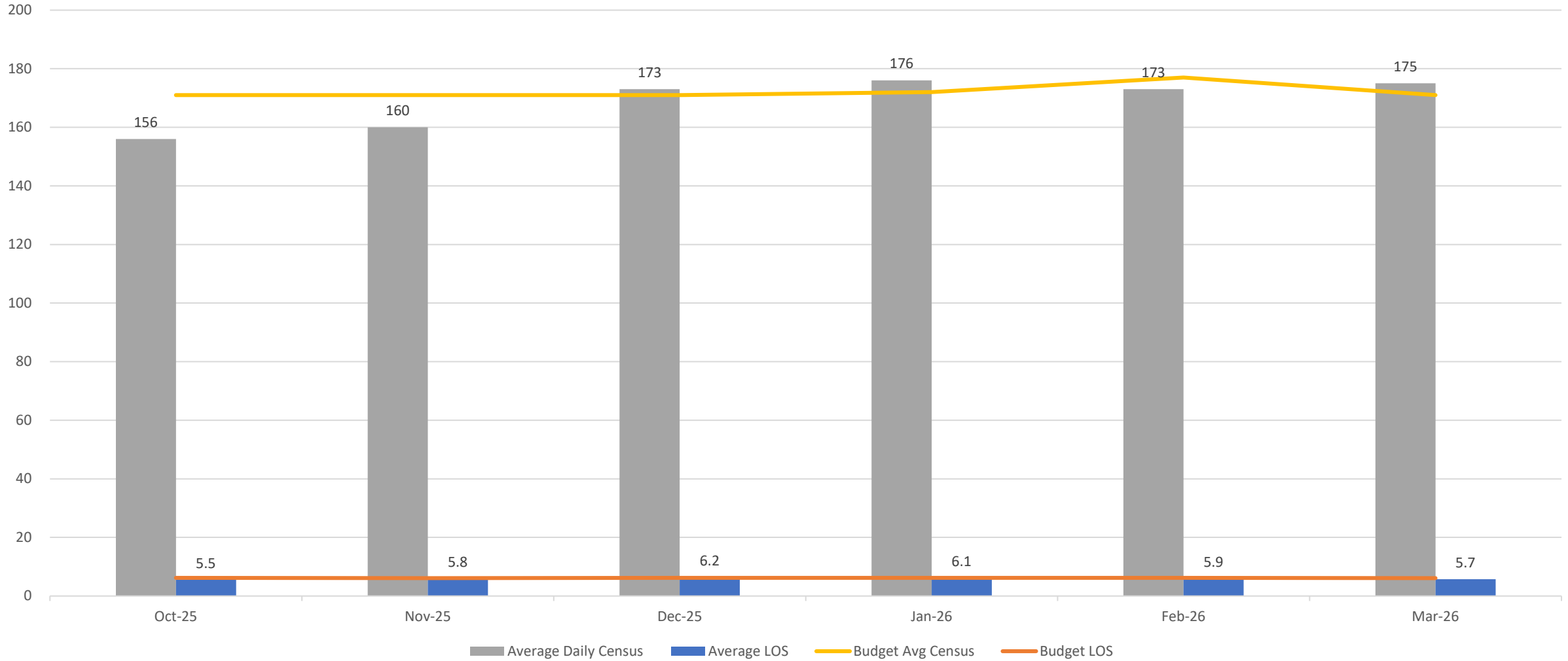
Depreciation and Amortization Expense:

Depreciation expense is 11% over budget for the month and 3% over budget on a year-to-date basis due to various equipment put in-service during FY 2026. Amortization is 10% over budget for the month but 2% under budget on a year-to-date basis. The year-to-date variance is due to less than average amortization expense for right-of-use (ROU) capital leases and less than average amortization expense for subscription-based information technology arrangement (SBITA) software. A change in the treatment of accounting for leases under GASB 87 was implemented in FY 2022. GASB 87 requires leases to be set up as assets at fair market value and amortized over time. Corresponding right-of-use liabilities are also set up for leases with applicable interest expense accrued. The net effect of the implementation of GASB 87 is minimal. There is a corresponding decrease in lease expense under the other expenses section of the income statement that offsets the increases in amortization expense and interest expense. A change in the treatment of accounting for subscription-based software under GASB 96 was implemented by Kern Medical in 2023. The accounting treatment for subscription-based software under GASB 96 and its net effect financially is the same as for lease accounting under GASB 87 as described above.



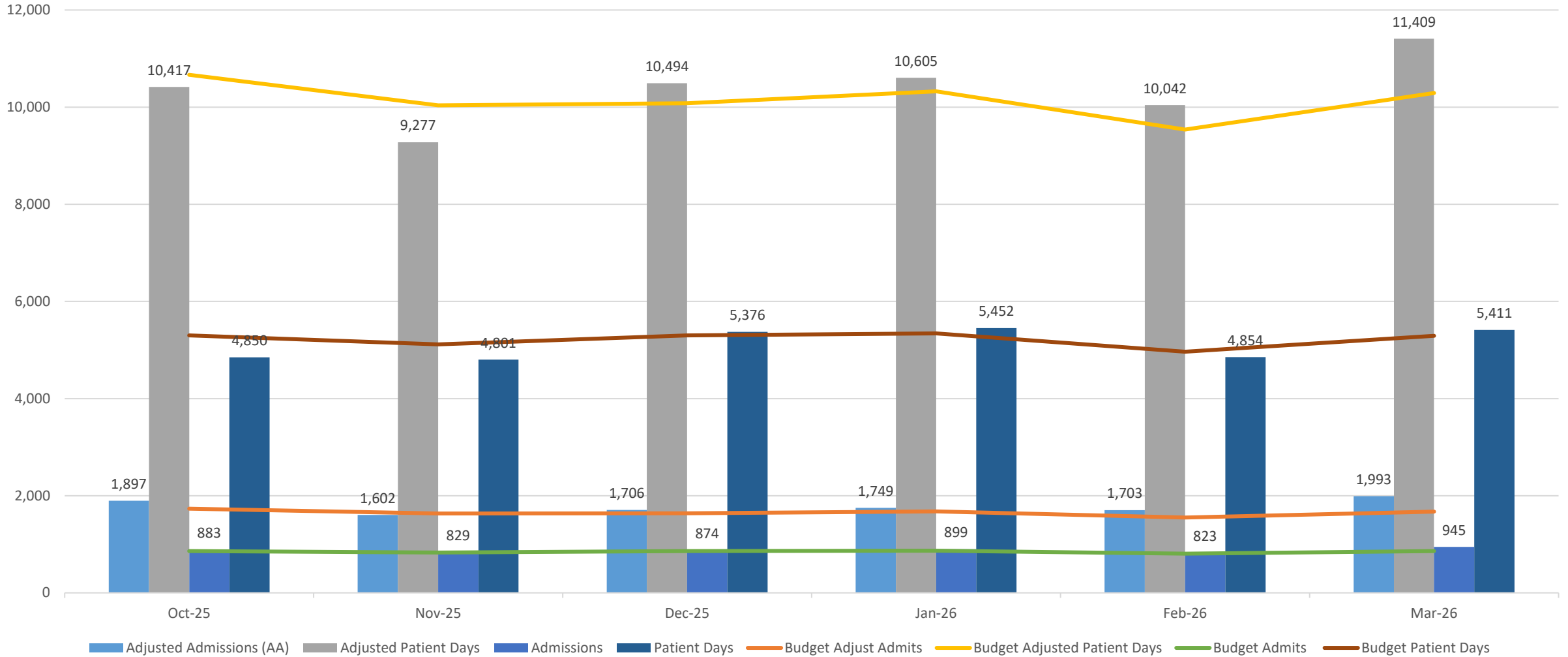
Board of Governors' Report
Kern Medical – March 2026

Census & ALOS



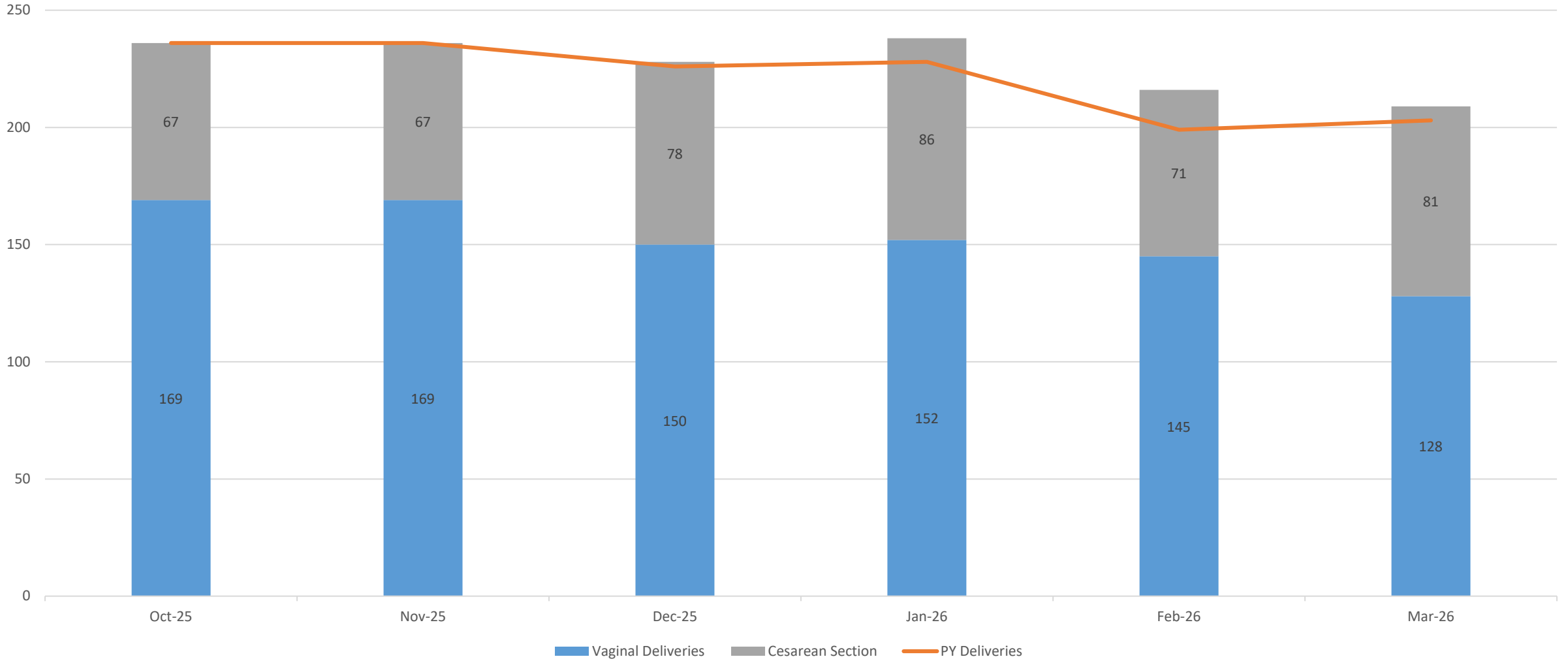
Slide 2

Hospital Volumes



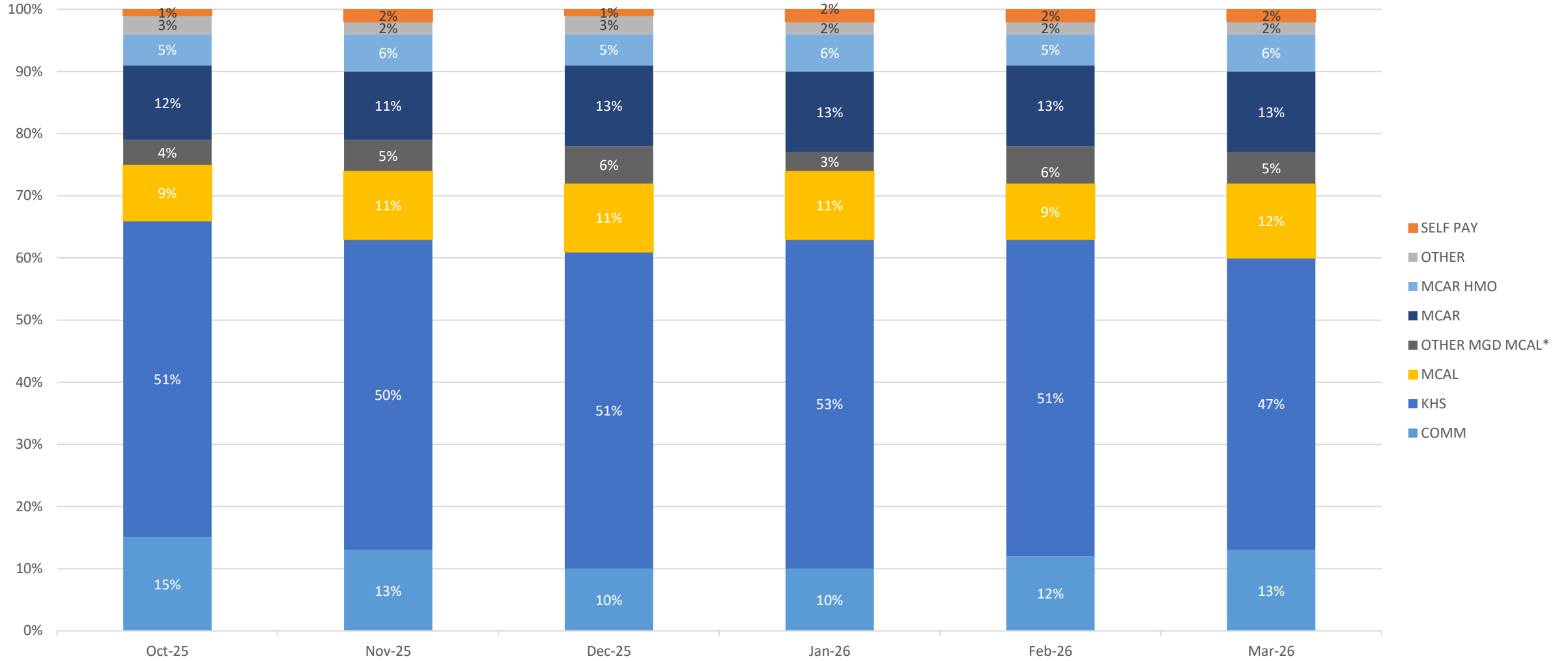
Slide 3

Deliveries

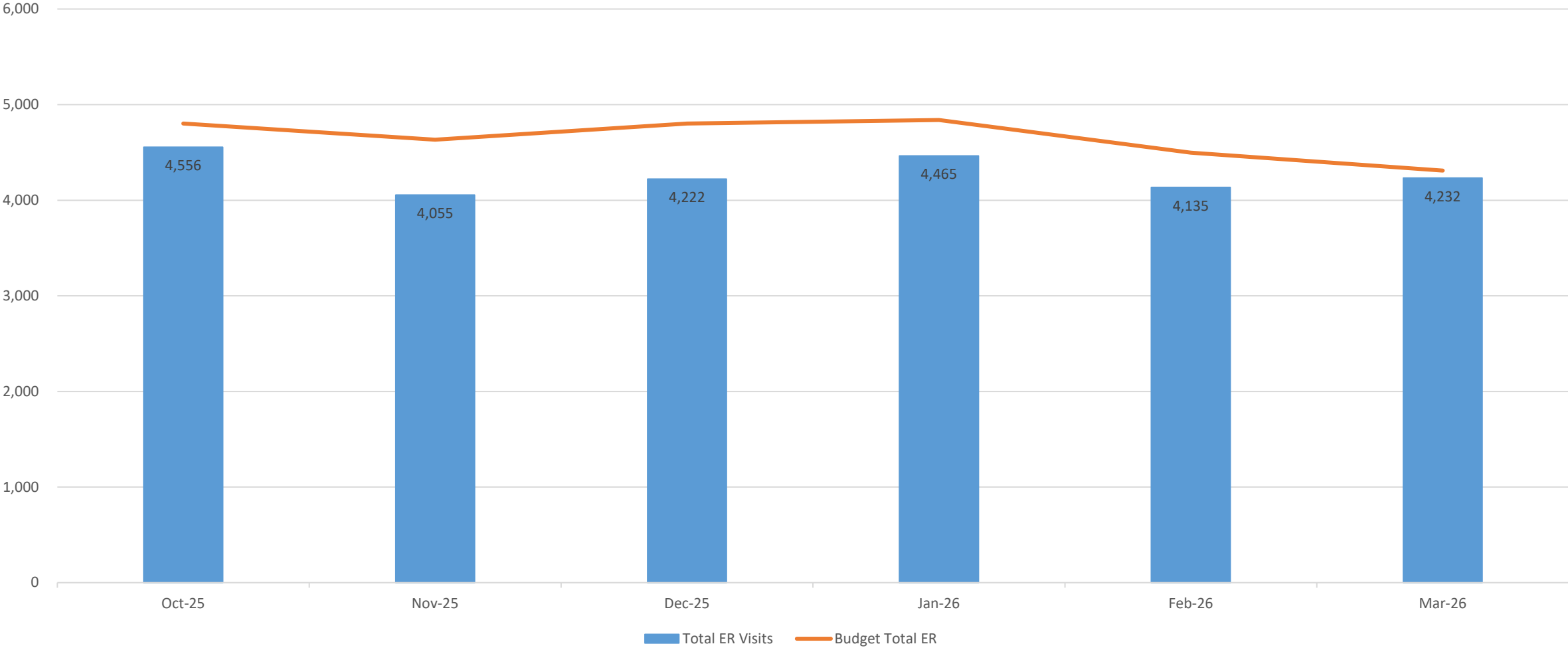


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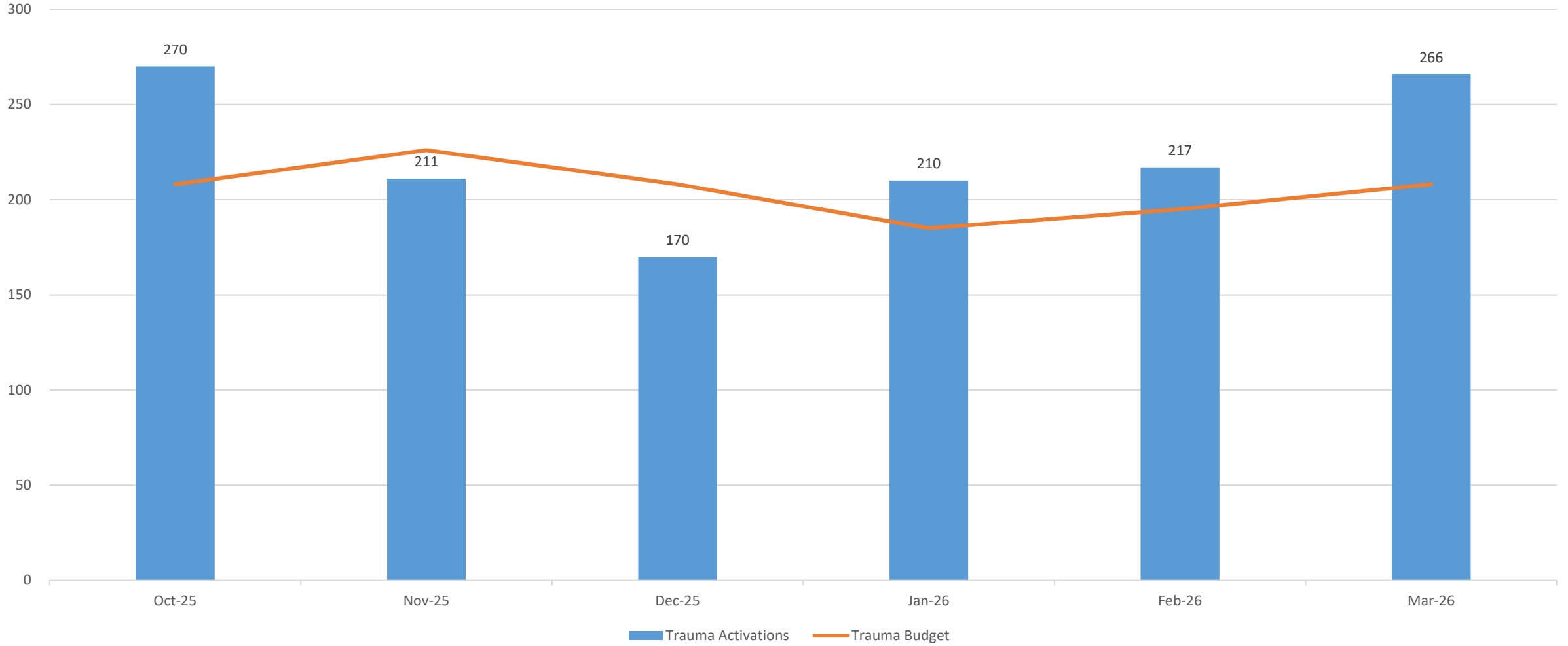
PAYER MIX



Emergency Room Volume

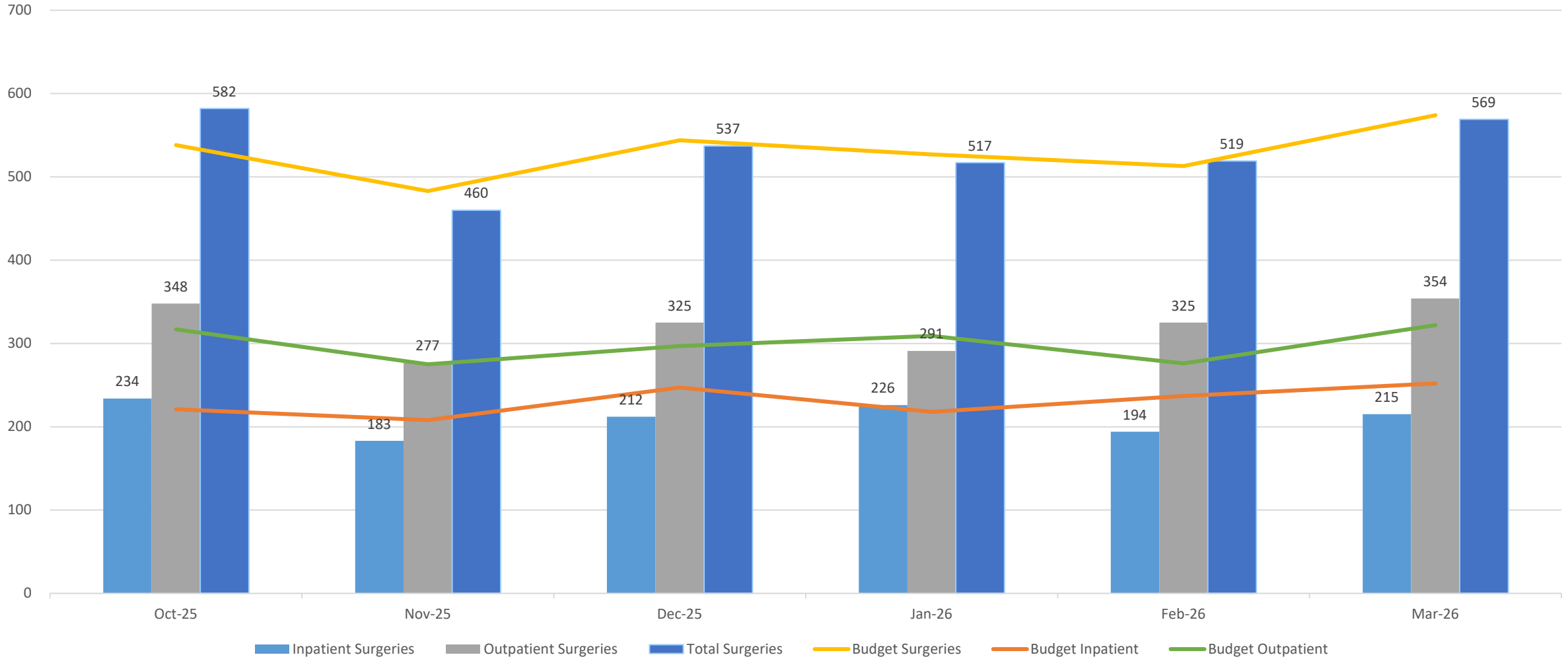


Trauma Activations



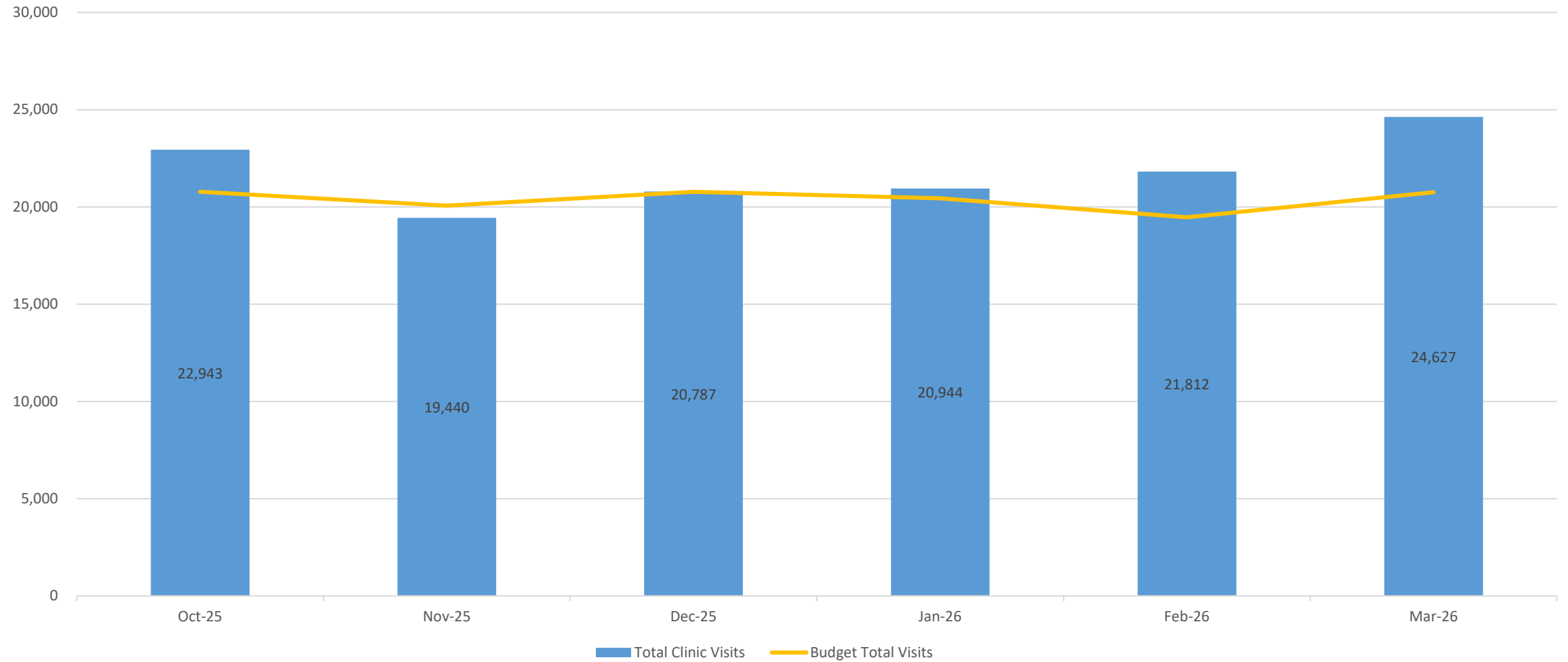
Slide 7

Surgical Volume

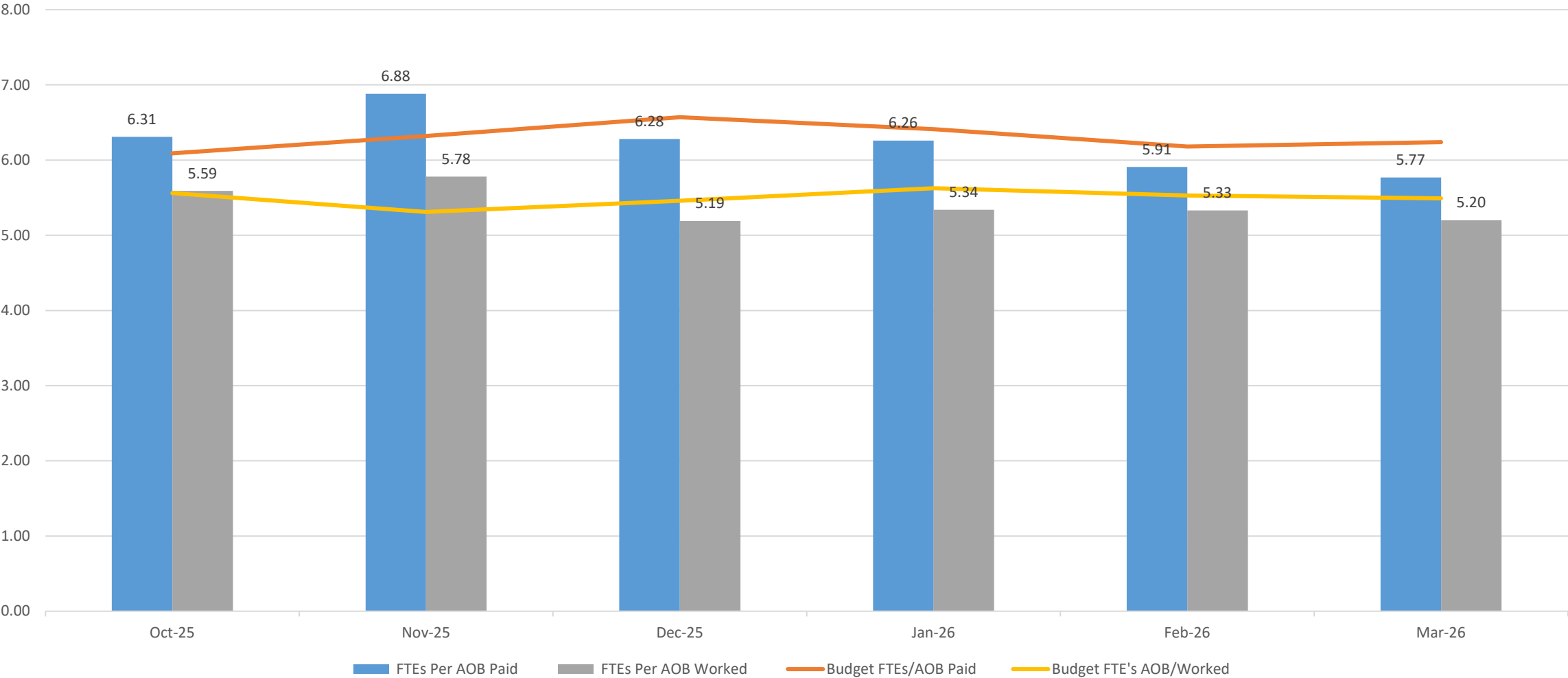


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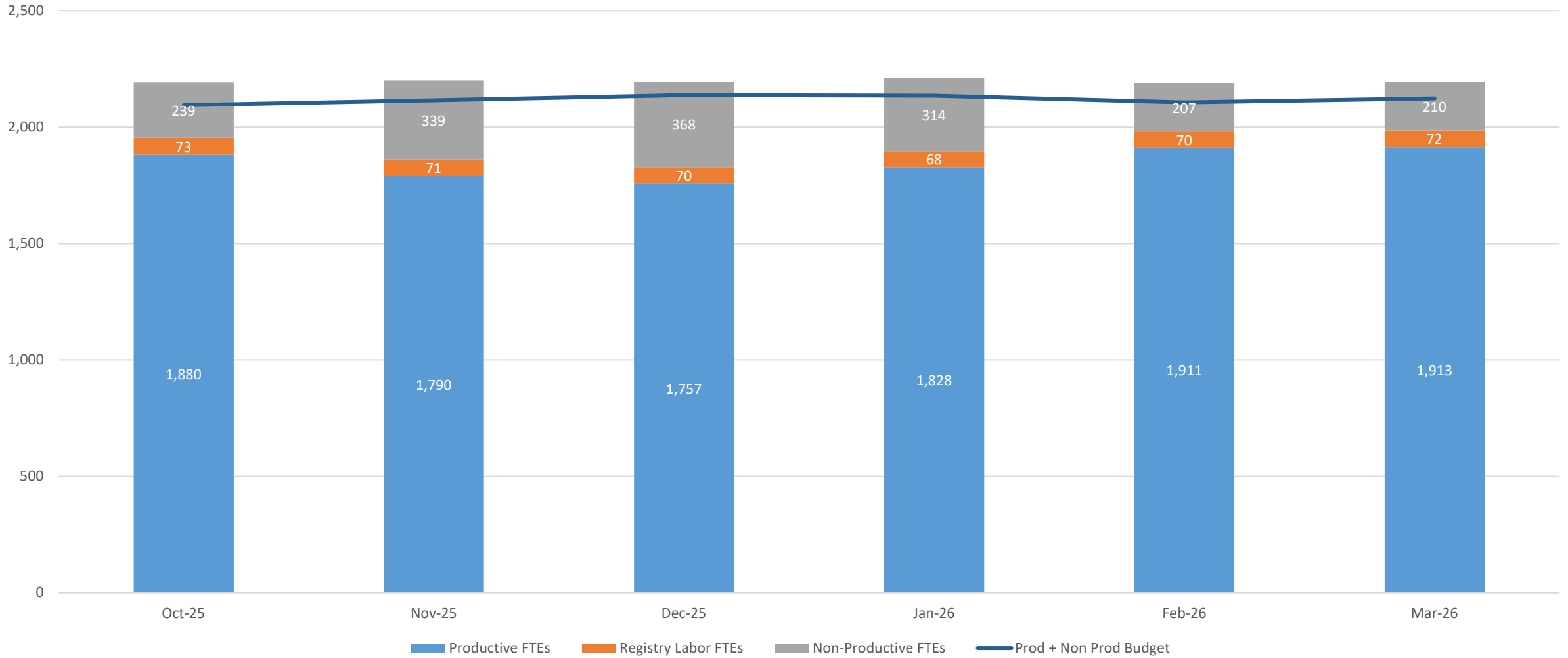
Clinic Visits



Labor Metrics

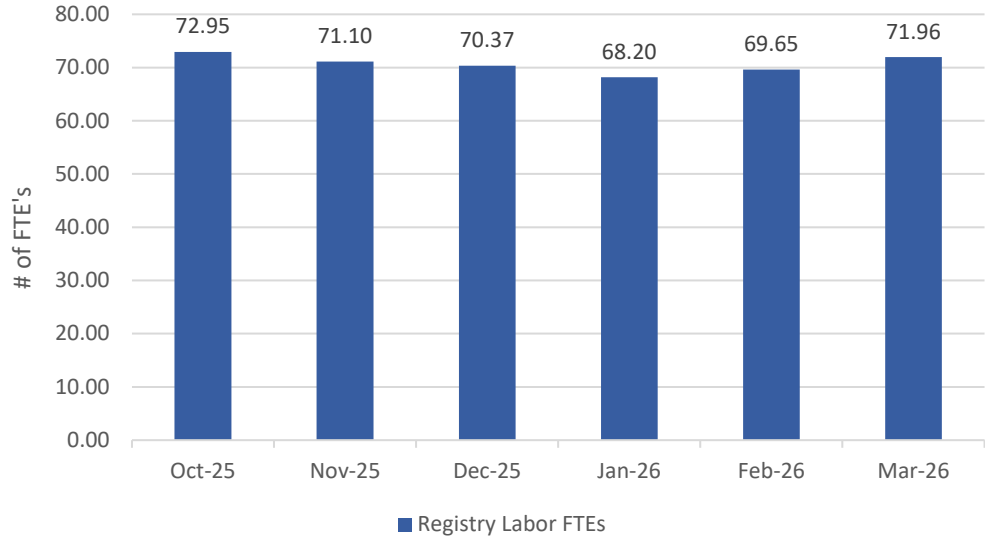


Productivity

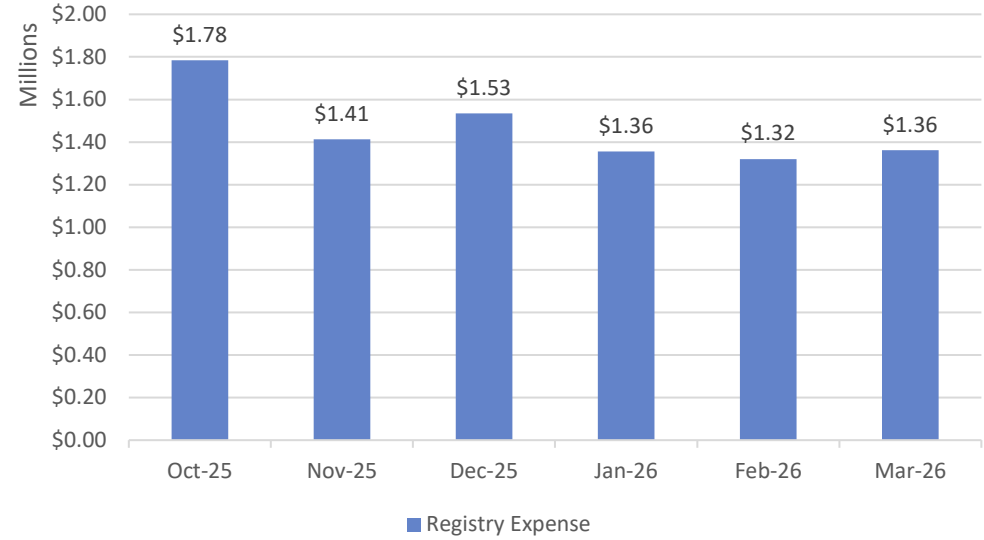


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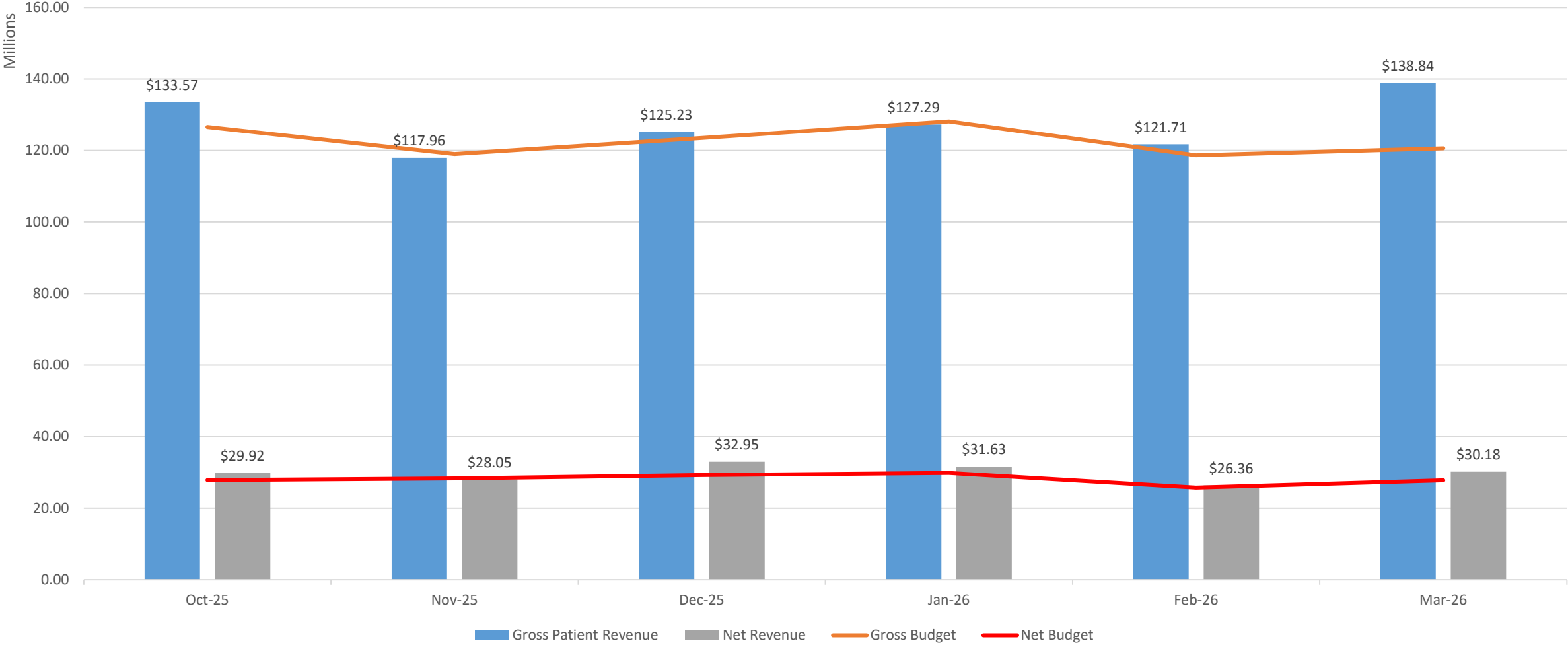
Registry FTE's



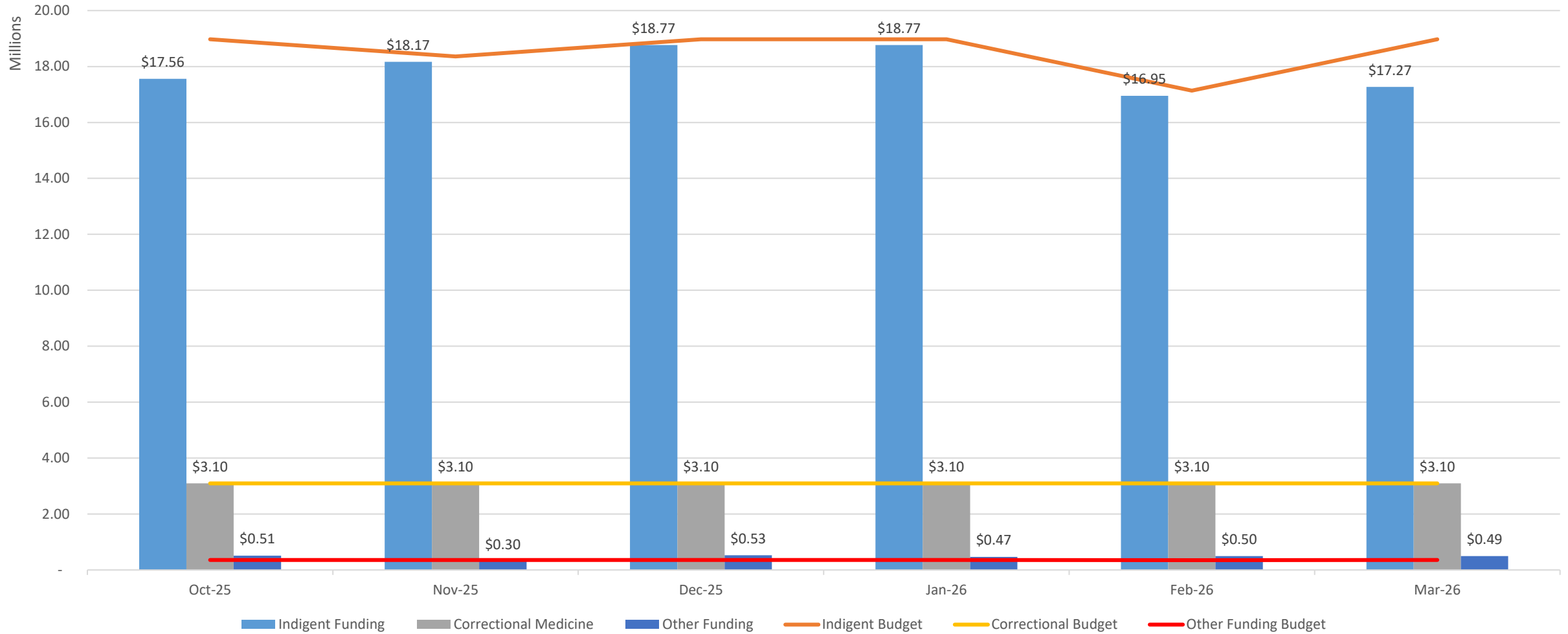
Registry Expense



Patient Revenue

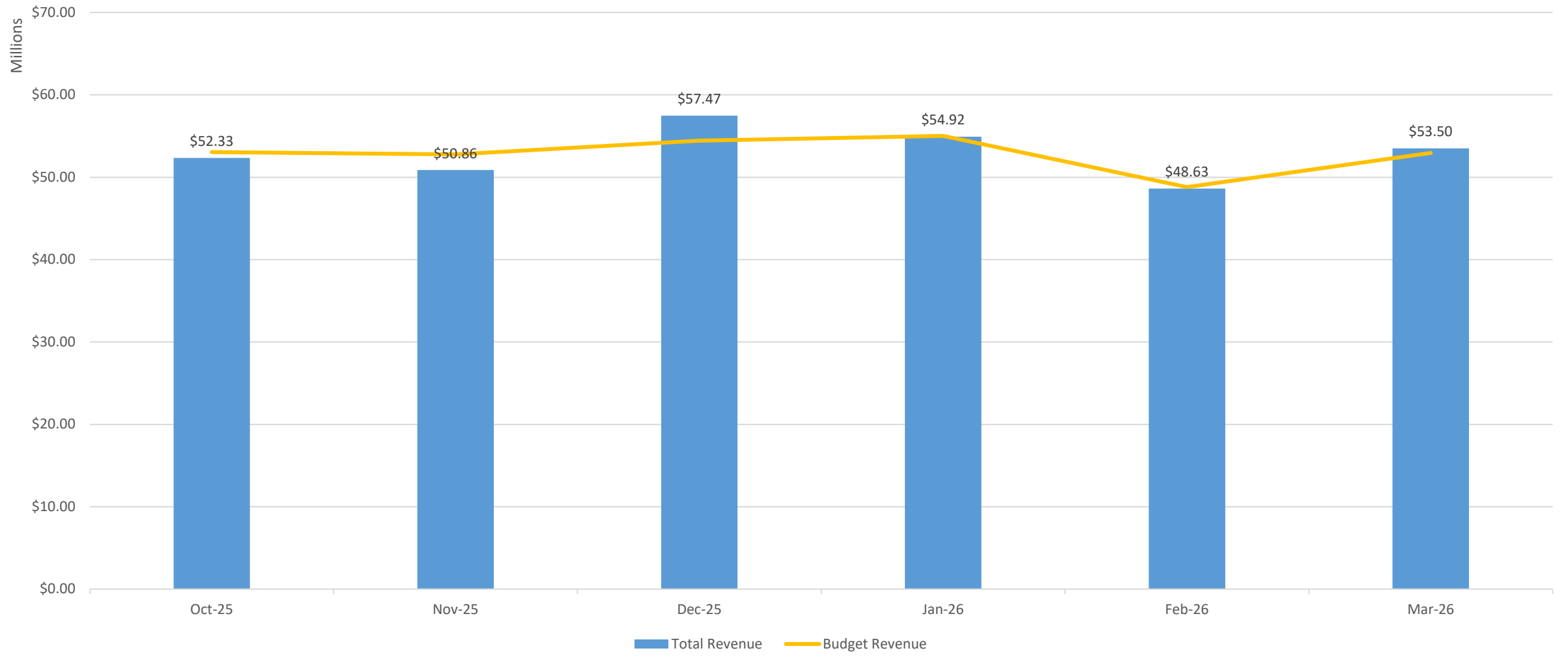


Indigent & Correctional Revenue

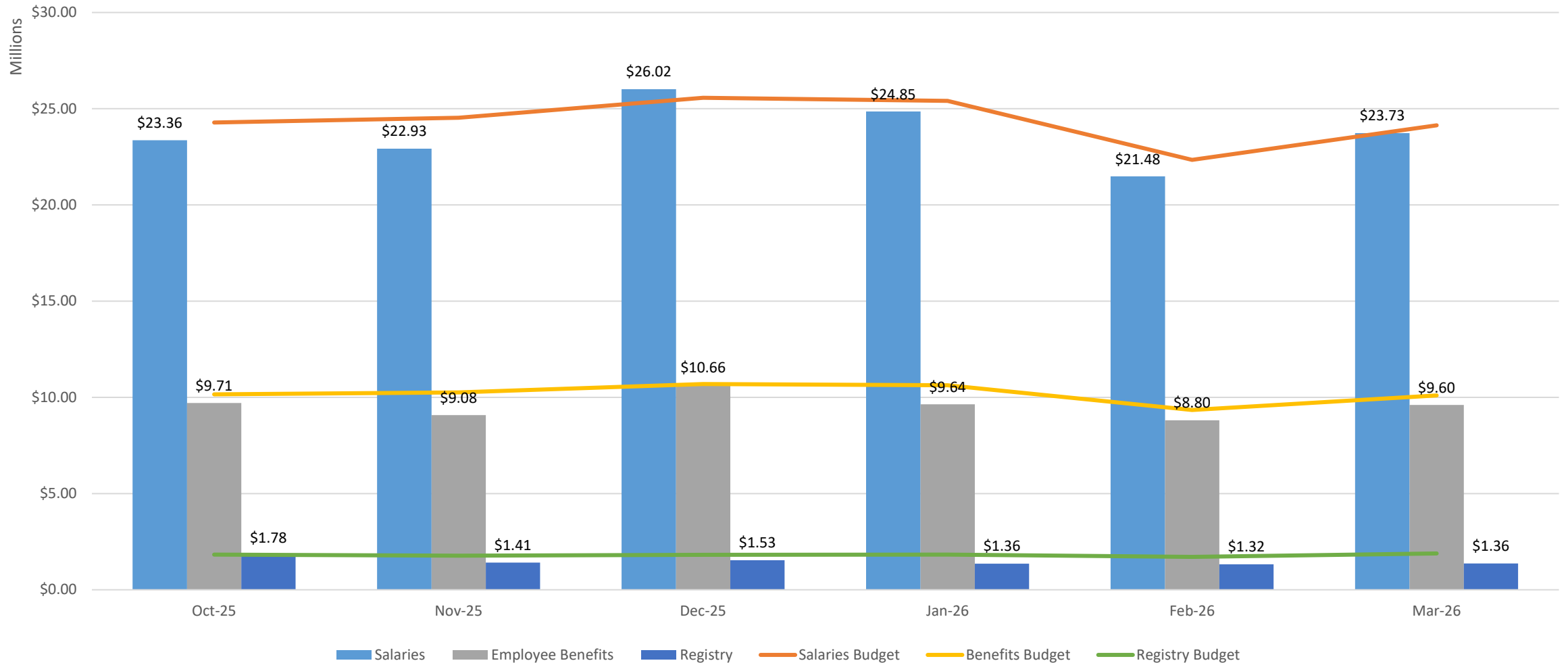


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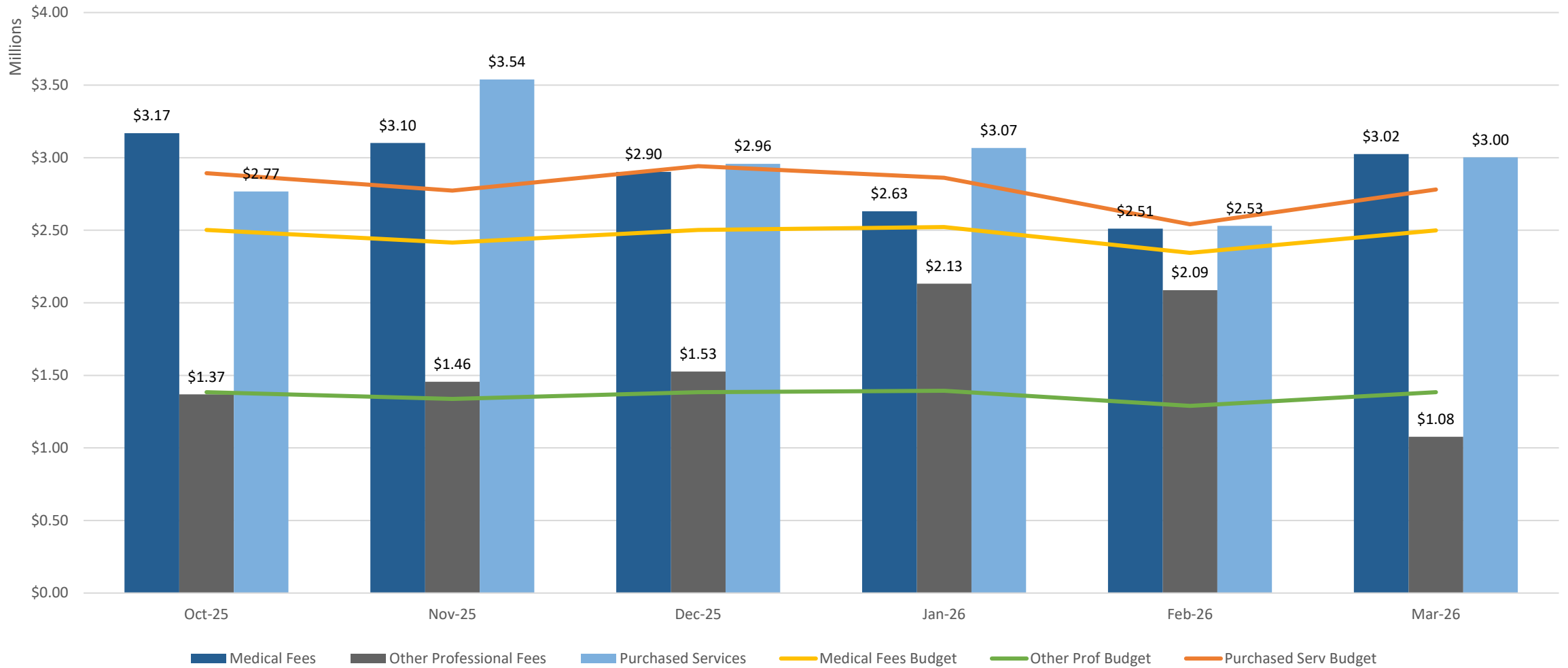
Total Revenue



Expenses

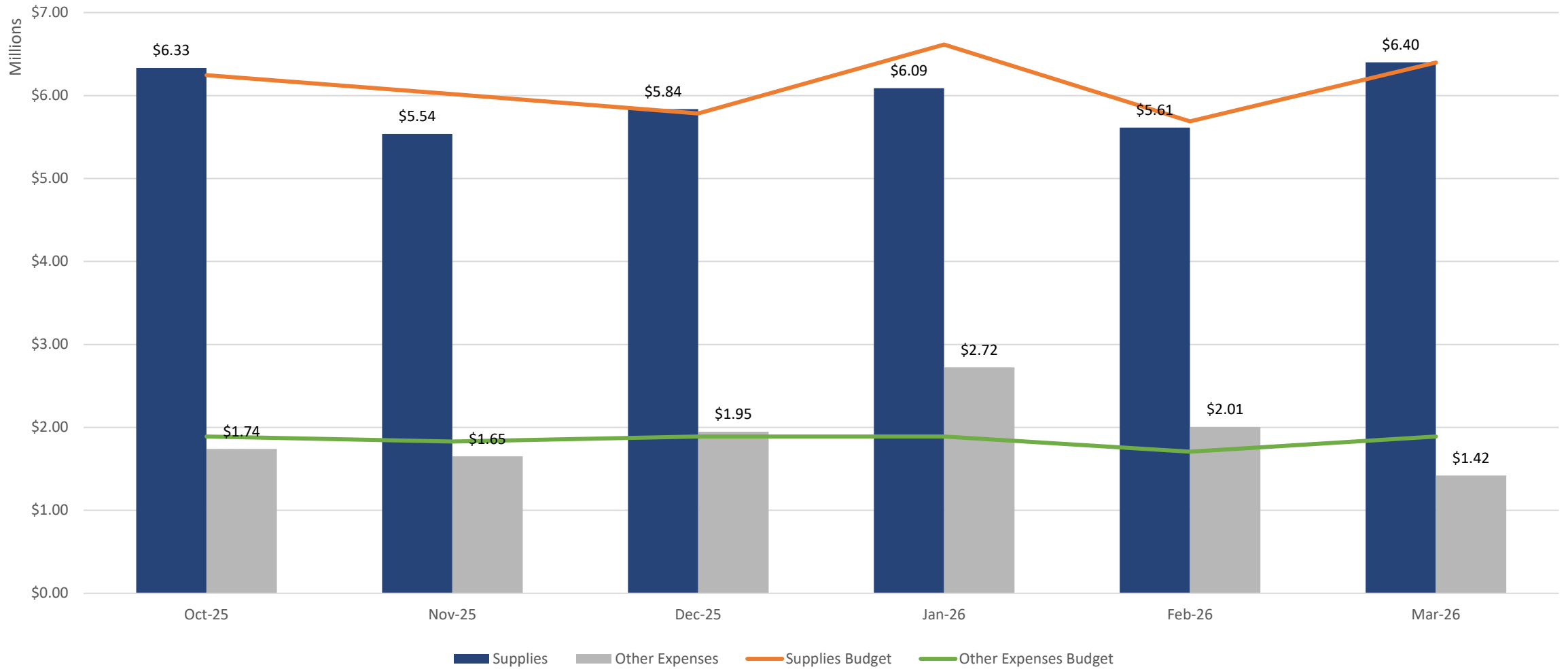


Expenses

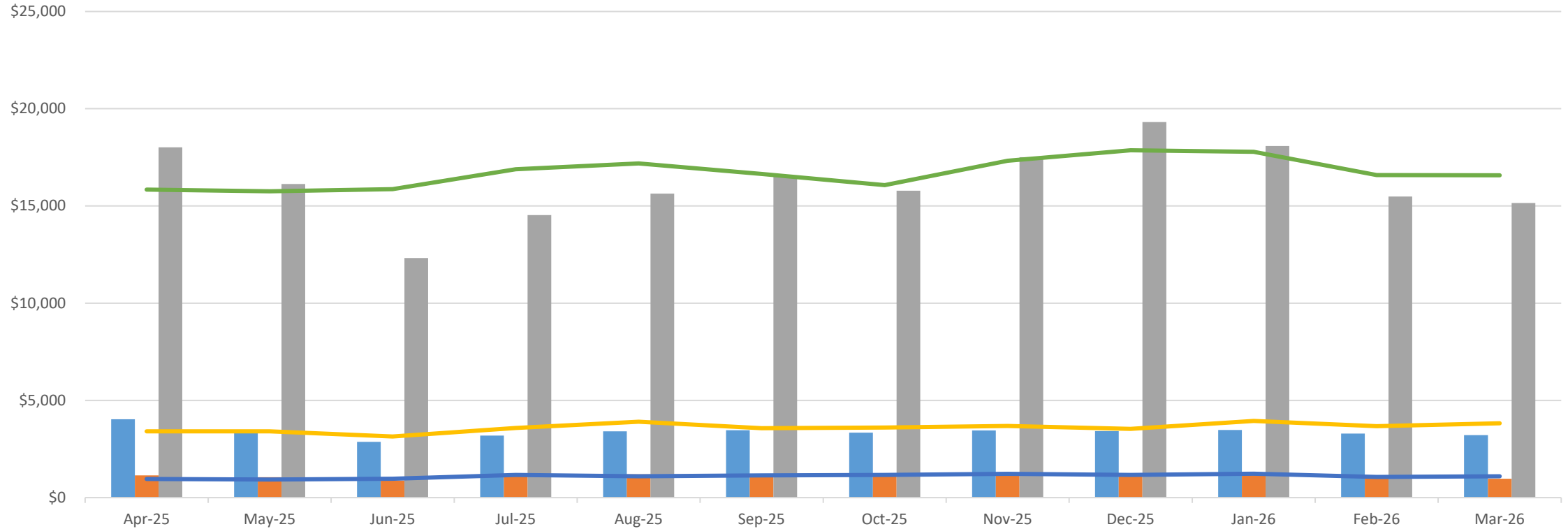


Slide 17

Expenses



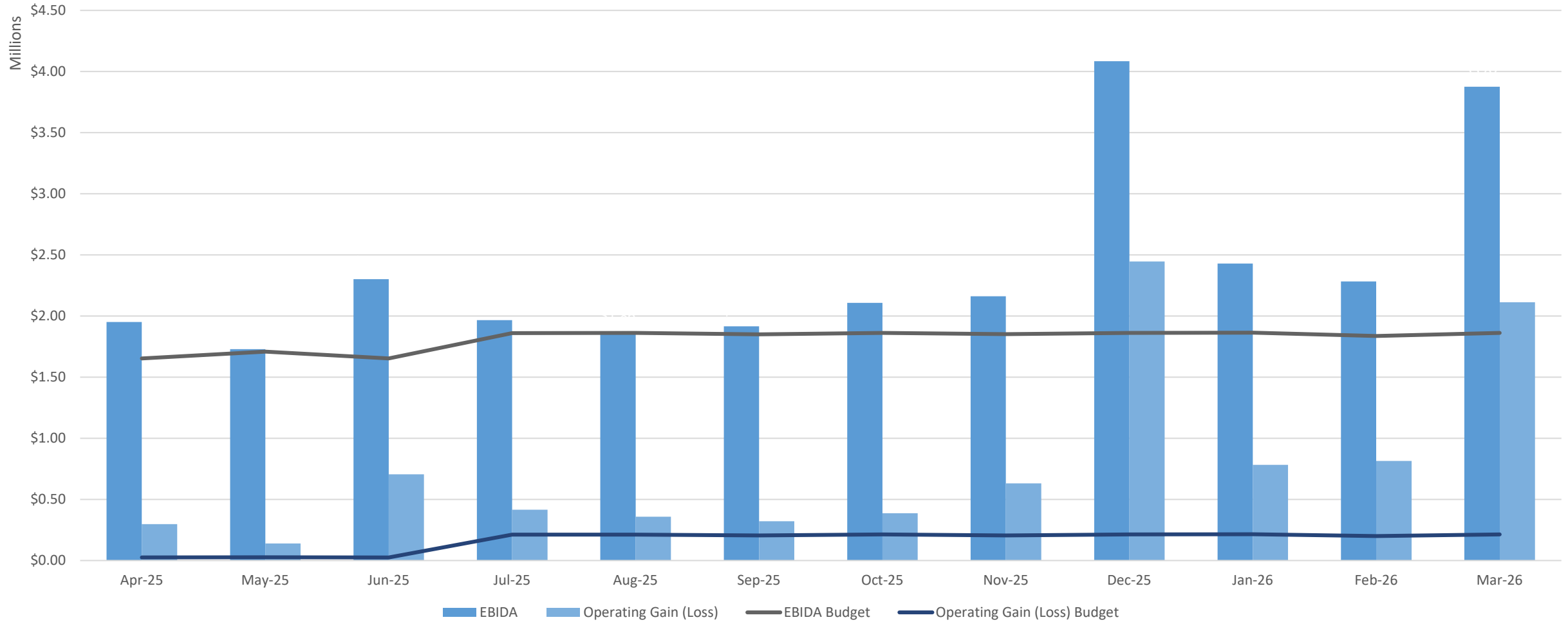
Operating Metrics



	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
Supply Expense per AA	\$4,028	\$3,426	\$2,868	\$3,191	\$3,412	\$3,471	\$3,338	\$3,458	\$3,421	\$3,482	\$3,298	\$3,212
Pharm Cost per AA	\$1,142	\$1,051	\$883	\$1,192	\$1,199	\$1,118	\$1,140	\$1,194	\$1,094	\$1,211	\$1,093	\$971
Net Revenue Per AA	\$18,019	\$16,125	\$12,325	\$14,532	\$15,633	\$16,506	\$15,778	\$17,508	\$19,312	\$18,085	\$15,482	\$15,148
Budget Supp/AA	\$3,413	\$3,408	\$3,143	\$3,583	\$3,909	\$3,567	\$3,604	\$3,686	\$3,532	\$3,943	\$3,669	\$3,822
Budget Pharm/AA	\$965	\$930	\$965	\$1,160	\$1,098	\$1,142	\$1,162	\$1,228	\$1,162	\$1,230	\$1,065	\$1,092
Budget Net Rev/AA	\$15,841	\$15,753	\$15,862	\$16,892	\$17,181	\$16,643	\$16,073	\$17,329	\$17,863	\$17,783	\$16,593	\$16,581

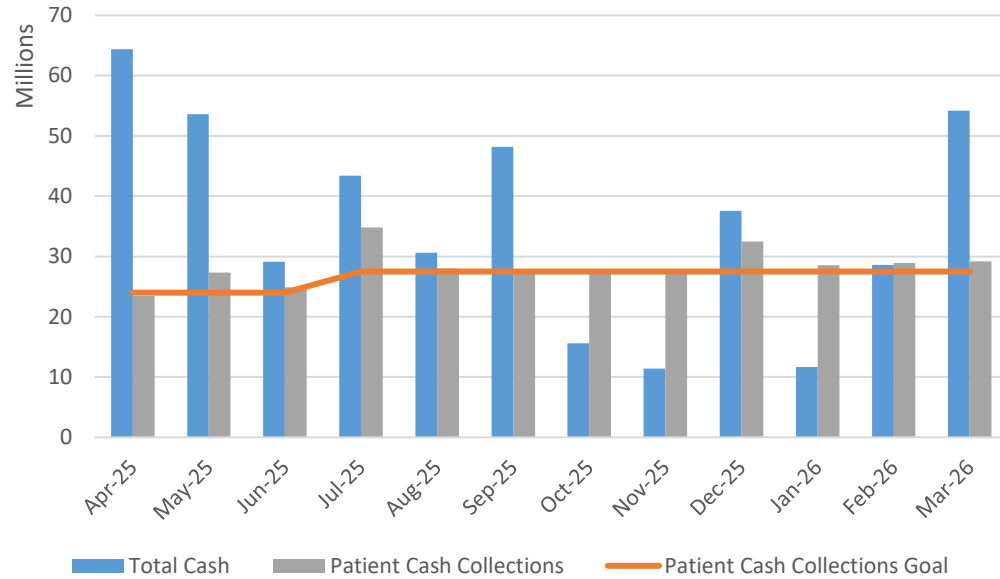
Slide 19

EBIDA Rolling Year

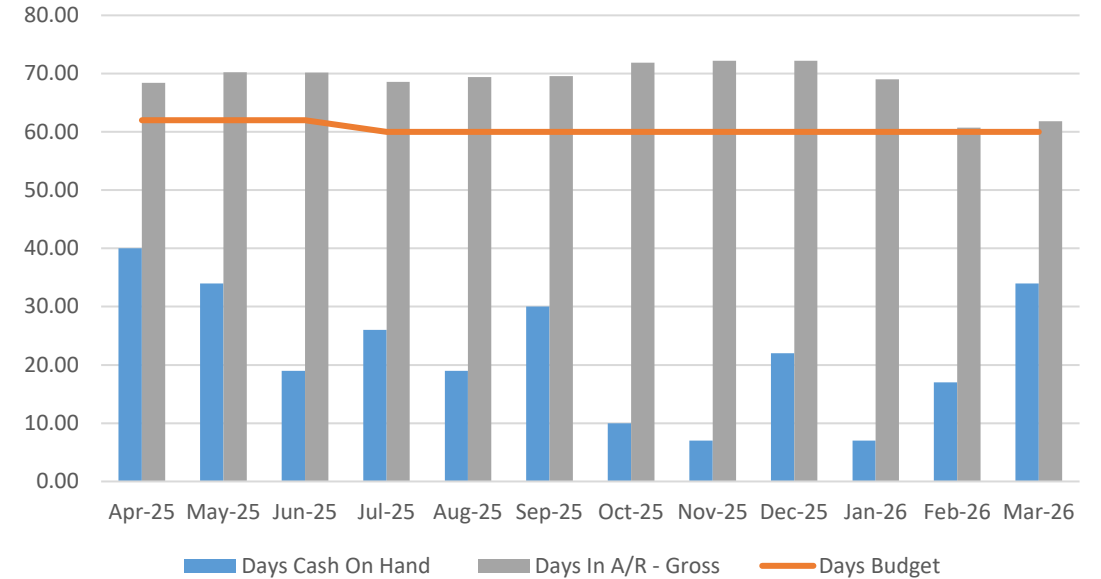


Slide 20

Cash Rolling Year



AR Days Rolling Year



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

	JANUARY	FEBRUARY	MARCH	BUDGET MARCH	VARIANCE POS (NEG)	PY MARCH
Gross Patient Revenue	\$ 127,287,097	\$ 121,705,651	\$ 138,835,088	\$ 120,611,594	15.1%	\$ 119,368,535
Contractual Deductions	(95,661,587)	(95,345,216)	(108,651,815)	(92,856,645)	17%	(76,926,554)
Net Revenue	31,625,509	26,360,436	30,183,273	27,754,949	9%	42,441,981
Indigent Funding	18,770,930	16,954,388	17,270,930	18,973,856	(9%)	24,488,108
Correctional Medicine	3,097,714	3,097,713	3,097,714	3,095,522	0.1%	3,097,714
County Contribution	285,211	285,211	285,211	285,211	(0%)	285,211
Incentive Funding	183,817	212,224	208,356	72,378	188%	98,896
Net Patient Revenue	53,963,180	46,909,971	51,045,484	50,181,916	2%	70,411,909
Other Operating Revenue	938,832	1,716,341	2,433,190	2,746,242	(11%)	4,818,721
Other Non-Operating Revenue	15,486	6,802	18,058	12,139	49%	17,265
Total Revenues	54,917,498	48,633,113	53,496,732	52,940,297	1.1%	75,247,895
Expenses						
Salaries	24,850,652	21,479,147	23,734,647	24,142,484	(2%)	23,748,333
Employee Benefits	9,638,359	8,802,854	9,601,619	10,096,387	(5%)	(2,416,372)
Registry	1,355,982	1,320,370	1,361,962	1,887,618	(28%)	1,690,326
Medical Fees	2,631,537	2,510,508	3,024,479	2,499,668	21%	2,403,905
Other Professional Fees	2,131,463	2,087,480	1,077,527	1,383,493	(22%)	1,434,955
Supplies	6,088,466	5,614,647	6,400,198	6,397,709	0%	5,283,963
Purchased Services	3,066,890	2,529,985	3,001,778	2,780,884	8%	2,510,783
Other Expenses	2,724,575	2,005,768	1,419,555	1,890,090	(25%)	8,375,967
Operating Expenses	52,487,925	46,350,760	49,621,765	51,078,333	(3%)	43,031,861
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 2,429,573	\$ 2,282,353	\$ 3,874,967	\$ 1,861,964	108.1%	\$ 32,216,034
EBIDA Margin	4%	5%	7%	4%	106%	43%
Interest	300,878	295,068	317,786	339,518	(6%)	361,383
Depreciation	696,790	532,429	726,652	657,304	11%	670,467
Amortization	648,952	640,357	717,552	652,001	10%	585,896
Total Expenses	54,134,545	47,818,614	51,383,754	52,727,156	(3%)	44,649,607
Operating Gain (Loss)	\$ 782,953	\$ 814,499	\$ 2,112,978	\$ 213,141	891%	\$ 30,598,288
Operating Margin	1.43%	1.67%	3.95%	0.40%	881.0%	40.7%

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KERN MEDICAL
Year-to-Date Analysis: Revenues & Expenses

March 31, 2026

	ACTUAL	BUDGET	VARIANCE	PY	PY VARIANCE
	FYTD	FYTD	POS (NEG)	FYTD	POS (NEG)
Gross Patient Revenue	\$ 1,143,444,186	\$ 1,101,644,274	4%	\$ 1,046,140,155	9%
Contractual Deductions	(878,690,659)	(849,479,717)	3%	(802,635,642)	9%
Net Revenue	264,753,527	252,164,557	5%	243,504,513	9%
Indigent Funding	162,387,114	167,704,406	(3%)	170,316,442	(5%)
Correctional Medicine	27,879,421	27,859,700	0%	27,879,423	(0%)
County Contribution	2,566,898	2,566,898	(0%)	3,040,135	(16%)
Incentive Funding	1,395,509	639,725	118%	764,678	82%
Net Patient Revenue	458,982,468	450,935,286	2%	445,505,191	3%
Other Operating Revenue	15,120,074	24,273,236	(38%)	27,216,664	(44.45%)
Other Non-Operating Revenue	177,295	107,726	65%	115,923	53%
Total Revenues	474,279,838	475,316,248	(0%)	472,837,778	0%
Expenses					
Salaries	212,340,360	219,149,005	(3%)	203,223,280	4%
Employee Benefits	86,679,332	91,648,114	(5%)	71,654,306	21%
Registry	13,550,003	16,262,810	(17%)	16,948,527	(20%)
Medical Fees	26,323,346	22,182,907	19%	21,948,040	20%
Other Professional Fees	13,881,123	12,269,717	13%	12,710,960	9.2%
Supplies	54,309,311	54,945,596	(1%)	50,253,425	8%
Purchased Services	26,821,679	25,439,694	5%	25,481,271	5%
Other Expenses	17,559,733	16,705,955	5%	22,923,778	(23%)
Operating Expenses	451,464,886	458,603,798	(2%)	425,143,588	6%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 22,814,951	\$ 16,712,450	37%	\$ 47,694,190	(52.2%)
EBIDA Margin	5%	4%	37%	10%	(52%)
Interest	2,558,576	3,036,791	(16%)	3,202,512	(20%)
Depreciation	6,097,953	5,915,732	3%	6,079,867	0%
Amortization	5,757,980	5,868,013	(2%)	5,481,856	5%
Total Expenses	465,879,395	473,424,333	(2%)	439,907,823	6%
Operating Gain (Loss)	\$ 8,400,443	\$ 1,891,915	344%	\$ 32,929,955	(74%)
Operating Margin	1.8%	0.4%	345.0%	7.0%	(75%)

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**KERN MEDICAL
BALANCE SHEET**

	MARCH 2026	MARCH 2025
ASSETS:		
<i>Total Cash</i>	\$ 54,172,991	\$ 56,916,382
Patient Receivables Subtotal	266,457,305	274,289,683
Contractual Subtotal	(207,413,448)	(237,930,515)
<i>Net Patient Receivable</i>	59,043,857	36,359,168
Total Indigent Receivable	248,302,694	244,864,321
Total Other Receivable	24,395,655	8,347,626
Total Prepaid Expenses	5,984,760	8,028,044
Total Inventory	6,011,973	4,833,105
<i>Total Current Assets</i>	397,911,930	359,348,646
Deferred Outflows of Resources	113,460,412	124,532,718
Total Land, Equipment, Buildings and Intangibles	279,913,069	271,687,978
Total Construction in Progress	20,502,629	14,445,916
<i>Total Property, Plant & Equipment</i>	300,415,697	286,133,894
Total Accumulated Depr & Amortization	(191,957,784)	(179,550,085)
<i>Net Property, Plant, and Equipment</i>	108,457,914	106,583,809
<i>Total Long Term Assets</i>	113,460,412	124,532,718
<i>Total Assets</i>	\$ 619,830,256	\$ 590,465,172

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**KERN MEDICAL
BALANCE SHEET**

	MARCH 2026	MARCH 2025
LIABILITIES & EQUITY:		
Total Accounts Payable	\$ 12,230,164	\$ 8,425,627
Total Accrued Compensation	32,480,692	33,956,750
Total Due Government Agencies	3,669,872	4,021,207
Total Other Accrued Liabilities	52,289,327	43,667,863
<i>Total Current Liabilities</i>	100,670,055	90,071,447
Unfunded Pension Liability	331,776,526	344,447,058
Other Long-Term Liabilities	72,366,780	80,733,074
<i>Total Long-Term Liabilities</i>	404,143,306	425,180,132
<i>Total Liabilities</i>	504,813,361	515,251,580
<i>Total Net Position</i>	115,016,894	75,213,593
<i>Total Liabilities and Net Position</i>	\$ 619,830,256	\$ 590,465,172

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**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date March 2026	Fiscal Year-End June 2025	Fiscal Year-to-Date March 2025	Fiscal Year-End June 2024
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for patient/current services	\$ 263,685,894	\$ 318,273,169	\$ 240,271,546	\$ 292,533,084
Cash received for other operations	202,896,194	262,872,978	194,018,115	233,602,712
Cash paid for salaries and benefits	(295,243,096)	(382,309,780)	(278,810,782)	(339,411,493)
Cash paid for services and supplies	(147,464,041)	(198,862,050)	(147,791,165)	(186,981,598)
Net cash (used in) provided by operating activities	<u>23,874,952</u>	<u>(25,683)</u>	<u>7,687,713</u>	<u>(257,296)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash (provided to) received from various County funds	-	381,436	-	-
Interest paid - pension obligation bond	-	(2,539,472)	-	420,331
Principal paid - pension obligation bond	-	(1,062,281)	-	(1,062,281)
Interest paid - line of credit	-	(783,152)	-	-
Line of credit payment	10,000,000	-	10,000,000	-
Net cash provided by (used in) noncapital financing activities	<u>10,000,000</u>	<u>(4,003,469)</u>	<u>10,000,000</u>	<u>(641,950)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition or construction of capital assets	(11,073,449)	(13,228,131)	(8,300,517)	(18,896,864)
Payments on right-of-usage lease liability	3,189,472	(3,802,269)	(2,196,872)	3,896,089
Interest paid - right-of-usage lease liability	(338)	-	(6,336)	31,211
Payments on SBITA liability	(558,157)	(817,100)	(569,521)	(752,150)
Interest paid - SBITA	(418)	-	(443)	2,013
Net cash used by capital and related financing activities	<u>(8,442,889)</u>	<u>(17,847,500)</u>	<u>(11,073,688)</u>	<u>(15,719,700)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on bank deposits and investments	-	185,478	-	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	25,432,062	(21,691,174)	6,614,025	(16,618,946)
CASH AND CASH EQUIVALENTS, beginning of year	<u>28,740,929</u>	<u>50,432,103</u>	<u>50,302,358</u>	<u>66,921,303</u>
CASH AND CASH EQUIVALENTS, year-to-date	<u>\$ 54,172,991</u>	<u>\$ 28,740,929</u>	<u>\$ 56,916,382</u>	<u>\$ 50,302,358</u>



Kern Medical Surgery Center, LLC
9300 Stockdale Hwy., Suite 200
Bakersfield, CA 93311
661-964-2470

**BOARD OF MANAGERS
REGULAR MEETING
KERN MEDICAL SURGERY CENTER, LLC**

April 15, 2026

Subject: Proposed Kern Medical Surgery Center Operating Budget for Fiscal Year 2026-2027

Recommended Action: Approve

Summary:

The FY 2026-2027 budget for Kern Medical Surgery Center, LLC reflects continued operational growth with a focus on volume optimization, cost management, and efficient resource utilization. The proposed budget is based on an estimated case volume of 3,050 surgeries and projected gross patient revenue of \$21.1 million. The budgeted operating revenue includes Medicare, Medi-Cal, commercial insurance, private pay cases and contractual adjustments.

For comparison, FY 2025-2026 projected performance reflects total case volume of 2,637 cases and projected gross patient revenue of \$18.0 million. The FY 2026-2027 budget, therefore, reflects continued growth in both procedural volume and revenue.

Strategic emphasis for FY 2026-2027 includes maintaining strong case growth, managing supply costs, and controlling purchased services expenditures while continuing to deliver high-quality surgical care.

Operating and Other Expense:

- \$2.4 million total supply budget reflects anticipated procedural growth and inflationary increases in medical and surgical supplies. Ongoing supply chain management and vendor negotiations will continue to mitigate cost increases
- \$1.4 million total purchased services budget includes contracted clinical services, maintenance agreements, IT support, and operational service contracts. Efforts will continue to evaluate vendor performance and identify cost-containment opportunities

Salary and Benefit Expense:

The proposed budget provides funding for all authorized positions. Although all recommended positions are funded for FY 2026-2027, it is important to note that Kern Medical Surgery Center budgets for staffing based on patient census. Industry standard nurse-to-patient staffing ratios with appropriate allocation to driving staff costs, as is customary in an ambulatory surgical center setting.

Financial Outlook:

Kern Medical Surgery Center is anticipating revenue to remain stable. However, expense growth is projected to outpace revenue increases during this budget cycle. Key contributing factors to the projected loss include increased staffing costs to maintain safe patient care levels, rising medical and surgical supply expenses, technology and equipment investments, and contractual service cost increases. Additionally, reimbursement rates from certain payers have not kept pace with inflation and operational cost increases, further impacting overall financial performance.

Kern Medical Surgery Center, LLC
Fiscal Year 2026-27 Operating Budget

	Jul 25 - Jan 26 YTD	Full Year 2026 Projection	Fiscal Year 2027 Budget
Cases	1,538	2,637	3,050
Income			
20290000 - Patient Refunds			
57800000 - Income			
35210050 - Gross KMSC Patient Revenue	\$ 10,518,231	\$ 18,031,253	\$ 21,090,870
58510050 - Contractual Expense	(7,611,018)	(13,047,459)	(15,261,405)
Total for 57800000 - Income	2,907,213	4,983,794	5,829,465
Expenses			
62600000 - Contract Labor PEO	1,397,739	2,396,125	2,515,931
62600001 - Medical Insurance	211,924	363,298	381,463
Total for 62600000 - Contract Labor PEO	1,609,663	2,759,423	2,897,394
62900000 - Accounting	27,943	47,902	50,297
63100000 - Implants	357,549	612,941	992,618
63600000 - Medical Gas	31,076	53,273	56,469
63800000 - Pharmaceuticals	40,826	69,987	105,402
63900000 - Radiation Badges	10,823	18,554	19,667
64100000 - Medical Supplies	578,534	991,772	1,150,402
64400000 - Laundry / Linen	42,594	73,017	77,399
64600000 - Office Expense	7,494	12,847	13,618
64600000 - Office Supplies	2,585	4,431	4,697
64800000 - Small Medical Equipment	5,105	8,751	9,277
64900000 - Computer and Internet Expenses	24,605	42,180	44,289
66200000 - Repairs and Maintenance	38,468	65,945	69,243
66900000 - Accreditation Survey	618	1,059	1,112
66900000 - Billing Expense	53,696	92,050	96,652
66900000 - Janitorial Expense	30,900	52,971	55,620
66900000 - Medical Waste	7,500	12,857	13,500
66900000 - Outside Services	139,283	238,771	342,510
66900000 - Transcription	16,004	27,436	28,808
66910000 - Building Security	1,094	1,876	1,969
67500000 - Rent Expense	258,656	443,411	465,582
67600000 - Rental Equipment	3,832	6,569	6,898
67700000 - Utilities-Electric	58,461	100,219	105,230
67800000 - Utilities - Gas	3,618	6,202	6,512
68300000 - Business Licenses and Permits	12,814	21,966	23,065
68300000 - CA Franchise Tax	27,664	47,424	49,795

68500000 - Telephone Expense	5,149	8,828	9,269
69000000 - Meals and Entertainment	186	320	336
69010000 - Postage / Shipping	3,181	5,453	5,726
Operating Expenses	3,399,921	5,828,436	6,703,354
Gain/(Loss) From Operations	(492,708)	(844,642)	(873,889)
68410000 - Interest Expense	4,609	7,901	8,296
67200000 - Depreciation Expense-Building	45,378	77,791	77,791
67400000 - Depreciation Expense - Equip.	152,970	262,234	262,234
Total Non-Operating Expenses	202,957	347,926	347,926
Net Income/(Loss)	\$ (695,665)	\$ (1,192,568)	\$ (1,221,816)
EBIDA	\$ (492,708)	\$ (844,642)	\$ (873,494)



**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

April 22, 2026

Subject: Proposed preliminary approval of the Kern County Hospital Authority Community Health Center budget for the fiscal year period July 1, 2026 through June 30, 2027

Recommended Action: Approve; Refer to Kern County Hospital Authority Board of Governors for final approval

Summary:

A priority of Kern County Hospital Authority is to both develop an integrated healthcare delivery system and meet certain regulatory requirements for primary care in the County of Kern. As part of this effort, Kern County Hospital Authority is seeking a Federally Qualified Health Center (FQHC) designation for its primary care clinics. The Kern County Hospital Authority is specifically seeking a FQHC Look-Alike (LAL) designation from the Health Resources and Services Administration (HRSA) instead of a stand-alone FQHC designation. In order to receive this designation, the Kern County Hospital Authority must show compliance with all HRSA requirements for a LAL clinic. One of these requirements is a proposed budget for the next fiscal year that will be separate from the Kern Medical budget, but incorporated into the Kern County Hospital budget that will be ultimately submitted to the State of California for approval.

The proposed budget for the Kern County Hospital Authority Community Health Center (KCHA CHC) includes all current in-scope services provided in a one-year budget period, including medical and behavioral health visits provided across in-scope clinical sites. During FY 2027 operations, KCHA CHC expects to provide a total of 135,083 clinic visits, generating a total of \$95.9 million in patient service revenue. As a FQHC LAL, KCHA CHC will be eligible for enhanced PPS reimbursement for Medicaid and Medicare patients, who are expected to comprise 69% and 13% of patients respectively, with 12% of its payer mix to consist of commercially insured patients, and 6% of patients to be self-pay.

Net Revenues

KCHA CHC has budgeted \$61.0 million of total revenue for the period of July 1, 2026 through June 30, 2027. Total revenue includes \$16.3 million of patient service revenue which is based on the approximate number of total clinic visits expected and a conservative per visit reimbursement rate. In addition, the budgeted total revenue includes \$8.4 million in contributions from Medi-Cal supplemental programs. HRSA requires that the FQHC LAL provide a breakeven budget, therefore, in FY 2027, the Kern County Hospital Authority is expected to invest \$36.3 million into KCHA CHC to cover expected expenses.

Operating and Other Expenses

Budgeted operating and other expenses total \$61 million for the fiscal year 2026 through 2027. Staffing costs, including benefits, account for \$47 million, which is KCHA CHC's largest expense. These costs include 30 directly employed physicians, advanced practice providers, and residents, 14 full-time equivalent (FTE) directly employed behavioral health providers, and additional ancillary and support staff. The remaining \$14 million of operating expenses are comprised primarily of medical supplies, contracted physician fees, purchased medical services, insurance, utilities, and repairs and maintenance. Other expenses include recruiting, legal expenses, and lease expenses for office space and information technology. In addition, a percentage of overhead expenses from Kern Medical services and support departments such as housekeeping, engineering, and information systems has been allocated to the KCHA CHC clinics and is included in total operating expense.

Staffing and Authorized Positions

The proposed preliminary budget provides funding for all authorized positions. Although all recommended positions are funded for the year, it is important to note that the KCHA CHC budgets for staffing based on patient clinic visits and FTEs, not authorized positions. The appropriate allocation of FTEs drive staffing costs, as is customary in the healthcare industry.



**Kern County Hospital Authority
Community Health Center
Preliminary Budget Report – April 2026**

Kern County Hospital Authority Community Health Center FY 2027 Budget

**KERN MEDICAL OUTPATIENT HEALTH
INCOME STATEMENT BUDGET
FISCAL YEAR 2027
JULY 2025 - FEBRUARY 2026**

	Year-to-Date Actual	FY 2026 Budget	FY 2026 Projection	FY 2027 Budget
Operating Revenues:				
Gross Patient Revenue				
Outpatient				
OP Self-Pay	\$473,634	\$428,152	\$710,451	\$753,078
OP Self-Pay Professional Fees	321,335	380,426	482,002	510,922
OP Commercial Fee-for-Service (FFS)	165,152	248,553	247,729	262,592
OP Commercial Fee-for-Service (FFS) Professional Fees	156,660	272,786	234,989	249,089
OP Commercial Managed Care (HMO/PPO)	2,902,264	3,864,881	4,353,396	4,614,600
OP Commercial Managed Care (HMO) Professional Fees	2,960,829	4,741,944	4,441,244	4,707,719
OP Workers' Compensation Fee-for-Service (FFS)	49,214	20,696	73,821	78,250
OP Workers' Compensation Fee-for-Service (FFS) Professional Fees	129,772	139,047	194,657	206,337
OP Medicare Fee-for-Service (FFS)	2,036,142	2,723,425	3,054,214	3,237,466
OP Medicare Fee-for-Service (FFS) Professional Fees	2,280,853	3,183,190	3,421,280	3,626,556
OP Medicare Managed Care (HMO)	171,003	184,038	256,504	271,895
OP Medicare Managed Care (HMO) Professional Fees	172,141	197,673	258,212	273,705

Kern County Hospital Authority Community Health Center FY 2027 Budget

KERN MEDICAL OUTPATIENT HEALTH INCOME STATEMENT BUDGET FISCAL YEAR 2027 JULY 2025 - FEBRUARY 2026				
	Year-to-Date Actual	FY 2026 Budget	FY 2026 Projection	FY 2027 Budget
Operating Revenues:				
Gross Patient Revenue				
Outpatient				
OP Medi-Cal Fee-for-Service (FFS)	\$ 1,156,055	\$ 1,869,626	\$ 1,734,083	\$ 1,838,128
OP Medi-Cal Fee-for-Service (FFS) Professional Fees	783,928	1,416,794	1,175,891	1,246,445
OP Medi-Cal Managed Care (HMO)	24,739,029	33,165,715	37,108,543	39,335,056
OP Medi-Cal Managed Care (HMO) Professional Fees	16,306,619	23,577,783	24,459,928	25,927,524
OP Other Government Fee-for-Service (FFS)	2,843,864	4,195,077	4,265,796	4,521,744
OP Other Government Fee-for-Service (FFS) Professional Fees	<u>2,636,170</u>	<u>4,344,445</u>	<u>3,954,255</u>	<u>4,191,511</u>
Total Outpatient	60,284,664	84,954,252	90,426,996	95,852,615
Total Gross Patient Revenue	60,284,664	84,954,252	90,426,996	95,852,615
Patient Revenue Deductions	<u>(50,036,271)</u>	<u>(70,536,496)</u>	<u>(75,054,406)</u>	<u>(79,557,671)</u>
Net Patient Revenue	<u>10,248,393</u>	<u>14,417,756</u>	<u>15,372,589</u>	<u>16,294,945</u>
Total Indigent	5,431,415	10,575,593	8,147,123	8,391,536
Other Income	<u>21,245,311</u>	<u>31,402,009</u>	<u>32,091,800</u>	<u>36,299,135</u>
Total Operating Revenues	<u>\$ 36,925,119</u>	<u>\$ 56,395,358</u>	<u>\$ 55,611,512</u>	<u>\$ 60,985,616</u>

Kern County Hospital Authority Community Health Center FY 2027 Budget

**KERN MEDICAL OUTPATIENT HEALTH
INCOME STATEMENT
FISCAL YEAR-TO-DATE
JULY 2025 - FEBRUARY 2026**

	Year-to-Date Actual	FY 2026 Budget	FY 2026 Projection	FY 2027 Budget
Operating Expenses:				
Salaries	\$ 21,511,017	\$ 29,240,163	\$ 32,266,526	\$ 35,847,848
Benefits	6,662,497	14,666,281	9,993,745	11,193,245
Total Salaries and Benefits	<u>28,173,514</u>	<u>43,906,444</u>	<u>42,260,271</u>	<u>47,041,093</u>
Physicians	4,037,036	5,785,612	6,055,554	6,418,887
Therapists	96,798	100,994	145,196	153,908
Total Medical Fees	<u>4,133,834</u>	<u>5,886,606</u>	<u>6,200,751</u>	<u>6,572,796</u>
Consulting	156,335	194,657	234,502	241,538
Legal	72,455	22,488	108,682	111,942
Other contracted services	322,830	429,966	484,244	498,772
Total Other Professional Fees	<u>551,619</u>	<u>647,111</u>	<u>827,429</u>	<u>852,252</u>

Kern County Hospital Authority Community Health Center FY 2027 Budget

**KERN MEDICAL OUTPATIENT HEALTH
INCOME STATEMENT
FISCAL YEAR-TO-DATE
JULY 2025 - FEBRUARY 2026**

	Year-to-Date Actual	FY 2026 Budget	FY 2026 Projection	FY 2027 Budget
Operating Expenses:				
Computer software	\$ 282,870	\$ 460,583	\$ 424,305	\$ 449,763
Food	35,669	65,860	53,504	56,714
Office Supplies	64,896	121,713	97,344	103,184
Minor Equipment	58,494	64,281	87,740	93,005
Non-Medical Supplies	228,602	347,361	342,903	363,477
Pharmaceuticals	342,650	574,332	513,974	544,813
Surgery Supplies-General	14,329	47,663	21,494	22,783
Total Supplies	<u>1,027,509</u>	<u>1,681,794</u>	<u>1,541,263</u>	<u>1,633,739</u>
Conferences-Travel-Residents	6,639	42,971	9,959	10,258
Licenses - Residents	16,714	28,219	25,071	25,823
Laundry and Linen	20,619	34,775	30,929	32,784
Medical Services	3,016	3,132	4,524	4,796
Purchase Services	474,430	906,752	711,646	754,344
Security	49,718	84,783	74,577	76,814
Support & maintenance-IT Software	136,520	203,208	204,780	210,923
Total Purchased Services	<u>707,657</u>	<u>1,303,839</u>	<u>1,061,486</u>	<u>1,115,743</u>

Kern County Hospital Authority Community Health Center FY 2027 Budget

**KERN MEDICAL OUTPATIENT HEALTH
INCOME STATEMENT
FISCAL YEAR-TO-DATE
JULY 2025 - FEBRUARY 2026**

	Year-to-Date Actual	FY 2026 Budget	FY 2026 Projection	FY 2027 Budget
Operating Expenses:				
Advertising	\$ 6,903	\$ 9,140	\$ 10,355	\$ 10,666
Catering	18,888	38,973	28,332	29,181
Insurance	48,301	26,106	72,452	74,626
Licenses Permits and Taxes	45,486	27,524	68,229	70,276
Repairs and Maintenance	124,401	87,014	186,602	192,200
Utilities	125,253	64,271	187,879	193,516
Dues and subscriptions	39,850	30,225	59,775	61,568
Outside and online training	69,559	39,405	104,338	107,468
Residents precept-rotations	62,368	18,929	93,552	96,358
Recruiting	65,939	28,437	98,908	101,876
Bank fees	18,069	11,739	27,103	27,916
Equipment Rental	38,024	11,383	57,035	58,746
Rent	1,226,960	2,064,274	2,064,274	2,064,274
Interest Expense	440,986	512,144	661,479	681,323
Total Other Expenses	<u>2,330,985</u>	<u>2,969,564</u>	<u>3,720,312</u>	<u>3,769,993</u>
Total Operating Expenses	<u>36,925,119</u>	<u>56,395,358</u>	<u>55,611,512</u>	<u>60,985,616</u>
Net Income (Loss)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Kern County Hospital Authority Community Health Center FY 2027 Budget

KERN MEDICAL OUTPATIENT HEALTH TRENDED FTEs & CLINIC VISITS - BUDGET JULY 2025 - FEBRUARY 2026				
	Year-to-Date Actual	FY 2026 Budget	FY 2026 Projection	FY 2027 Budget
FTEs				
Productive FTEs	261	262	279	294
Non-Productive FTEs	51	57	42	52
Total FTEs	312	320	321	346
Clinic Visits	84,958	119,520	127,437	135,083
Capital Expenditures				\$ 500,000

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

May 20, 2026

Subject: Proposed Kern County Hospital Authority Operating and Capital Budgets for Fiscal Year 2026-2027

Recommended Action: Approve; Refer to Kern County Board of Supervisors for Approval

Summary:

Kern Medical is anticipating a potential budget emergency due to Medicaid cuts by the Congress through H.R.1. The extent of the potential Medicaid cuts is unknown at this time as the Centers for Medicare and Medicaid (CMS) must still issue regulations to implement this legislation. The H.R.1 blueprint has extensive Medicaid reductions with a goal to cut upwards of \$900 billion in funding over 10 years.

The recommended budgets for operations and capital are based on the best available information at this time. The Kern County Hospital Authority, which owns and operates Kern Medical Center (and referred to herein as “Kern Medical”), closely monitors economic and operational conditions in our organization, our local market, the state, and our nation, and will adjust operations as necessary throughout FY 2026-27 to ensure that adequate supplies and staffing levels are maintained to provide safe and quality patient care as well as fiscal sustainability.

Summary of FY 2026-27 Recommended Budgets

Kern Medical budgeted \$669.7 million total operating revenue from all sources and \$667.3 million of expenses with EBIDA of \$20.5 million and net income of \$2.5 million. Kern Medical is also planning on \$9.5 million in capital expenditures with the funds provided by operations.

Net Revenues

Kern Medical budgeted \$669.7 million of total operating revenue for FY 2026-27. Budgeted operating revenue includes \$383.2 million from patient revenue net of contractual adjustments and bad debt from services to Medicare, Medi-Cal, commercial insurance, and private pay patients. Total revenue also includes \$223.4 million in net state and federal funding and \$3.4 million in county funding to reimburse Kern Medical for providing services to indigent and certain government-funded patients. Other operating revenue includes cafeteria sales, reimbursement from medical education, and services provided to other county departments. The budget also includes reimbursement of \$37.1 million from the County for Kern Medical to provide inpatient and outpatient services for adult inmates and juvenile detainees.

State and Federal Funding Program Changes

Kern Medical will continue to participate in various indigent funding programs in FY 2026-27 including the Global Payment Program (GPP), the Quality Incentive Pool (QIP), the Enhanced Payment Program (EPP), and the Enhanced Care Management and Community Supports (ECM) program. ECM has replaced the Whole Person Care program as part of the State's CalAIM initiative. The largest program Kern Medical participates in is the QIP. QIP is a pay-for-performance, quality incentive-based program that ties payments to designated performance metrics in primary care, specialty care, inpatient care, and resource utilization. EPP is based on overall utilization of contracted services with Medi-Cal managed care plans. For FY 2026-27, QIP net revenue is estimated at \$69.1 million, EPP net revenue is estimated at \$66.4 million, and \$34.3 million has been budgeted for GPP. It is anticipated that the overall total funding amounts for all of these supplemental programs will be comparable to prior year. Estimates for all indigent funding streams are subject to change at the discretion of the state.

The FY 2026-27 budget includes approximately \$150 million in Intergovernmental Transfers (IGTs) paid to the state that will be used to draw down federal funding that corresponds with the indigent revenue programs. The IGT amounts represent the non-federal share of the indigent programs. Matching contributions to the state, as well as the return of the initial IGT investments, are reported in the budget under other charges and intergovernmental revenue, respectively.

As part of Kern Medical's priorities to both develop an integrated delivery system and meet certain regulatory requirements in primary care as a public hospital, Kern Medical will continue to pursue alternative payment models in FY 2026-27. Additionally, the Kern Medical primary care clinics have been designated as Federally Qualified Health Center Look-Alike (FQHC LAL) clinics by the federal Health Resources and Services Agency (HRSA). This is a significant opportunity for Kern Medical to receive additional reimbursement to better cover organizational costs.

Operating and Other Expenses

Budgeted operating expenses total \$667.3 million for FY 2026-27. Staffing costs, including nurse registry, accounts for \$451.2 million, which is Kern Medical's largest expense. The remaining \$216.1 million in operating expenses are comprised primarily of medical supplies, contracted physician fees, purchased medical services, external provider care services, insurance, utilities, and repairs and maintenance. Other expenses include recruiting, outreach, and legal expenses. The following annual obligations and amounts are included in the operating and other expenses: lease expenses of approximately \$395,000 per month for office space and information technology equipment; pension obligation bonds that total 2.3% of payroll; and approximately \$11,000 per covered employee per year for health and retiree health benefits.

Kern Medical has budgeted for a significant increase in total salaries and benefits expenses for FY 2026-27. A total of \$430.4 million of salaries and benefits have been budgeted for FY 2026-27, an increase of 4.3% over prior year. Approximately \$6.0 million in salary increases and a corresponding \$2.5 million increase in benefits are related to annual employee performance reviews.

Staffing and Authorized Positions

The proposed budget provides funding for all authorized positions. Although all recommended positions are funded for FY 2026-27, it is important to note that Kern Medical budgets for staffing based on patient census and full-time equivalents (FTEs), not authorized positions. Mandated nurse-to-patient staffing ratios and the appropriate allocation of FTEs drive staffing costs, as is customary in the hospital industry.

Kern Medical has 2,549 authorized positions for FY 2026-27. At this point in time, 2,347 of these positions have been filled and 202 are vacant. We anticipate a 10% vacancy rate due to staff turnover and recruiting issues.

Planned Capital Expenditures

Kern Medical is budgeting \$9.5 million in capital expenditures for FY 2026-27 funded by operations. Of the \$9.5 million, \$2.5 million is for the replacement or upgrade of existing operating equipment. It is anticipated that \$1.0 million will be used to upgrade and modernize IT systems and infrastructure. The hospital continues to make significant capital investments to address deficiencies in aging buildings and patient care areas with \$6.0 million budgeted for major capital and construction projects to address areas of immediate concern.

Summary of Changes in Net Position

Kern Medical is projected to have an ending fund balance of \$83.4 million as of June 30, 2026. Long-term liabilities primarily related to pension obligations incurred prior to the formation of the Kern County Hospital Authority reduce the net position by \$404.1 million. Adjusting for the effect of these liabilities leaves a budgetary net position of \$487.6 million. With a budgeted \$669.7 million in revenues from operations, total expenses of \$667.3 million, and \$9.5 million in capital expenditures, the planned change in net position is a decrease of \$7.0 million with an estimated budgetary balance of \$480.6 million.

#####

Kern Medical has proudly served our community for 160 years and is one of California's 21 designated public hospitals and safety net providers caring for the most vulnerable. Our organization has a broad and vital mission as a teaching hospital and the county's only trauma center. Kern Medical also has the distinction of providing vital specialty services not available elsewhere in our area. This includes inpatient and crisis behavioral health services for the most acute and medically complex patients as well as programs offered in the Sickle Cell Clinic, HIV Clinic, Shelter Medicine services, Addiction Medicine, GYN/Oncology, and mobile clinics in rural school settings. We continuously look forward to advancing our mission and enhancing access to care for all.



Kern Medical

FY 2026-27 Operations Indicator Report

KERN MEDICAL

Hospital Operations Indicator Report

Revenues

Volume	Actual 2024	Actual 2025	Projected 2026	Budget 2027	Financial Overview	Actual 2024	Actual 2025	Projected 2026	Budget 2027
Admits - Acute	9,608	10,184	10,360	10,593	EBIDA	19,646	53,677	30,289	20,538
Patient Days - Acute	60,008	64,240	63,332	63,999	EBIDA - SCRUBBED	18,146	53,677	30,289	
LOS - Acute	6.2	6.3	6.1	6.0					
Adjusted Admissions	18,125	19,869	20,943	21,414	NOI	2,291	34,070	12,760	2,484
		<i>Change in Adj. Admissions:</i>		<i>2.3%</i>	NOI - SCRUBBED	791	34,070	12,760	
Births	2,530	2,604	2,688	2,742	Operating Margin % - SCRUBBED	0.1%	2.4%	0.8%	0.2%
Surgeries - Inpatient	2,641	2,686	2,536	2,587	EBIDA Margin % - SCRUBBED	1.4%	3.8%	2.0%	1.3%
Surgeries - Outpatient	3,262	3,670	3,885	3,963	Debt Coverage Ratio	2.44	6.07	3.48	2.25
ER Visits	55,753	54,971	52,888	53,946					
Outpatient Visits	216,772	248,979	267,567	272,918	Gross Revenue per APD	11,261	11,299	11,908	12,197
					Outpatient Revenue %	47.0%	48.7%	50.5%	50.5%
Reimbursement	Actual 2024	Actual 2025	Projected 2026	Budget 2027	Payor Mix	Actual 2024	Actual 2025	Projected 2026	Budget 2027
Net Patient Revenue	287,982	321,924	353,005	383,169	COMM FFS/HMO/PPO	12%	12%	13%	13%
Indigent Funding	201,287	221,263	216,516	223,402	MEDI-CAL FFS	16%	16%	12%	12%
County Contribution	3,423	3,423	3,423	3,423	MEDI-CAL HMO - KERN HEALTH SYSTEMS	43%	43%	47%	47%
Correctional Medicine	34,173	42,224	37,146	37,146	MEDI-CAL HMO - OTHER	10%	10%	5%	5%
Capitation Revenue	186	1,046	1,861	1,750	MEDICARE FFS	11%	11%	13%	13%
Ambulatory Surgery Center	0	0	0	0	MEDICARE HMO	5%	5%	6%	6%
Other Operating Revenue	24,163	32,164	20,160	20,765	OTHER GOVERNMENT	2%	2%	2%	2%
Total Operating Revenue	551,213	622,044	632,110	669,654	SELF-PAY	1%	1%	2%	2%
Net Patient Revenue Yield	22.6%	22.7%	23.2%	24.3%					
Net Patient Revenue Per AA	15,889	16,202	16,855	17,893					
		<i>Change In Net Revenue per AA:</i>		<i>6.2%</i>					

KERN MEDICAL

Hospital Operations Indicator Report

Expenses

Labor*	Actual 2024	Actual 2025	Projected 2026	Budget 2027	Supplies	Actual 2024	Actual 2025	Projected 2026	Budget 2027
Labor Costs including Benefits	343,316	369,109	398,693	430,424	Supply Costs	61,103	67,721	72,412	79,705
Productive FTE's (Excl. Contract Labor)	1,964	2,007	2,053	2,114	Supplies as a % of Net Pt Rev	11.1%	10.9%	11.5%	11.9%
Non-Productive FTE's	273	287	313	310	Supplies per AA	3,371	3,408	3,458	3,722
Contract Labor % of Total Prod	5.5%	4.2%	3.6%	3.9%	<i>Change in Supply Cost per AA:</i>				<i>7.6%</i>
Overtime % of Prod HRs (Excl CL)	0.6%	0.6%	0.4%	0.6%	Pharmaceutical Cost per AA	952	1,054	1,166	1,255
Total FTE's per AOB	7.23	6.68	6.74	6.84					
Labor Cost per FTE (Inc Benefits)	153,472	160,926	168,538	177,573					
				<i>Change in Labor Cost per FTE:</i>					<i>5.4%</i>
Lbr Cost (Inc Ben) % of Total Exp	64.6%	64.9%	66.2%	66.3%					
Pur Ser & Other Expenses	Actual 2024	Actual 2025	Project 2026	Budget 2027	Other Key Statistics	Actual 2024	Actual 2025	Project 2026	Budget 2027
Medical Fees	27,495	29,777	35,098	37,555	Adjusted Patient Days	113,204	125,334	128,027	129,375
Other Professional Fees	16,648	17,280	18,508	19,248	Adjusted Occupied Beds	309.3	343.4	350.8	354.5
Purchased Services	31,236	34,557	35,762	37,193	Gross Days in AR, Excl Cap	72	72	62	60
Other Expenses	21,270	28,349	23,413	24,349					
Depreciation and Amortization	15,225	15,571	13,740	14,153					
Capital Expenses	Budget 2027								
Funded through operations									
Routine Equipment	2,500								
Information Technology	1,000								
Projects	6,000								

**Kern County Hospital Authority
Budget for Fiscal Year 2027
Exhibit A - Projected Income Statement**

	ACTUAL-FY26 JUL - MAR	PROJECTED FY26	BUDGET FY27
Revenues			
Total Gross Charges	\$ 1,143,444,186	\$ 1,524,592,248	\$ 1,577,952,977
Total Patient Revenue Deductions	(878,690,659)	\$(1,171,587,545)	(1,194,784,350)
Net Patient Revenue	264,753,527	353,004,703	383,168,626
Indigent Funding			
Correctional Medicine	27,879,421	37,146,267	37,146,267
County Indigent Funding	2,566,898	3,422,531	3,422,531
State and Federal Indigent Funding	162,387,114	216,516,152	223,401,855
Total Indigent Funding	192,833,433	257,084,950	263,970,653
Capitation Premium Revenue	1,395,509	1,860,679	1,750,000
Income From Other Healthcare Related Entity (ASC)	-	-	-
Other Operating Revenue	15,120,074	20,160,099	20,764,902
Total Operating Revenue	\$ 474,102,543	\$ 632,110,430	\$ 669,654,181

**Kern County Hospital Authority
Budget for Fiscal Year 2027
Exhibit A - Projected Income Statement**

	ACTUAL-FY26 JUL - MAR	PROJECTED FY26	BUDGET FY27
Expenses			
Salaries	\$ 212,340,360	\$ 283,120,480	\$ 303,500,363
Benefits	86,679,332	115,572,443	126,923,852
Registry Nurses	13,550,003	18,066,671	20,776,671
Medical Fees	26,323,346	35,097,795	37,554,640
Purchased Services	26,821,679	35,762,239	37,192,728
Supplies	54,309,311	72,412,415	79,705,408
Other Professional Fees	13,881,123	18,508,164	19,248,491
Other Expenses	17,559,733	23,412,977	24,349,496
Operating Expenses	451,464,887	601,953,183	649,251,650
Gain/(Loss) From Operations	22,637,656	30,157,247	20,402,531
Interest Expense	(928,082)	(1,237,443)	(1,274,566)
Interest-COP	(1,913,048)	(2,550,731)	(2,627,253)
Interest Expense	(2,841,130)	(3,788,173)	(3,901,819)
Depreciation Expense	(5,409,400)	(7,212,533)	(7,428,909)
Amortization	(4,895,960)	(6,527,947)	(6,723,785)
Other Non-Operating Revenue	98,658	131,544	135,490
Net Non-Operating Revenue and Expense	(13,047,832)	(17,397,109)	(17,919,023)
Net Income/(Loss)	\$ 9,589,824	\$ 12,760,138	\$ 2,483,508
EBIDA	\$ 22,736,314	\$ 30,288,791	\$ 20,538,021

Kern County Hospital Authority
Budget for Fiscal Year 2027
Exhibit D - Position Summary

<u>Division</u>	<u>Authorized</u>	<u>Filled</u>	<u>Vacant</u>	<u>Total</u>
Kern Medical	2,549	2,347	202	2,549

Kern County Hospital Authority

Budget for Fiscal Year 2027

Exhibit C - Summary of Capital Expenditures

Uses of Capital			
<u>Operating Equipment</u>	<u>IT Capital Projects</u>	<u>Capital Building and Construction</u>	<u>Total</u>
\$ 2,500,000	\$ 1,000,000	\$ 6,000,000	\$ 9,500,000
Sources of Capital			
<u>Operations</u>			
\$ 9,500,000			

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

May 20, 2026

Subject: Kern County Hospital Authority Chief Executive Officer Report

Recommended Action: Receive and File

Summary:

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

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

May 20, 2026

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

Recommended Action: Receive and File

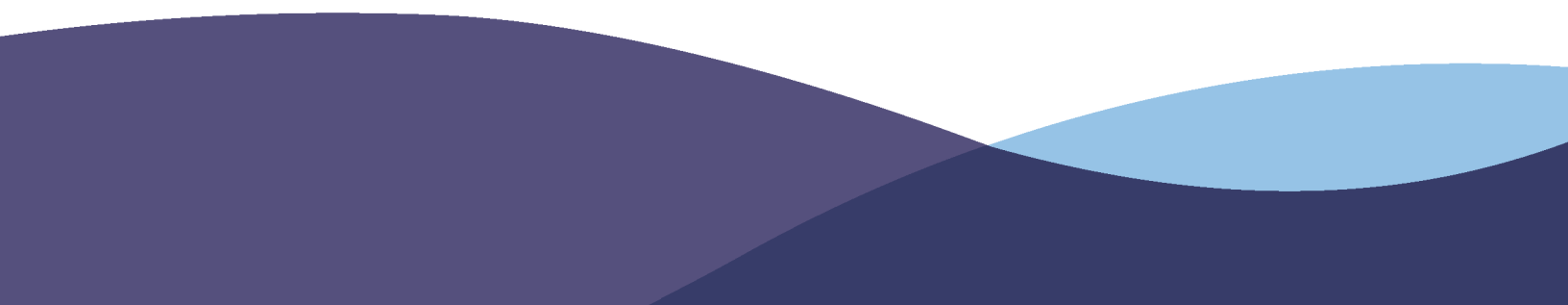
Summary:

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

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



What's Happening?



Association of California Nurse Leaders (ACNL) Nurse of the Year Dinner



Several Kern Medical nurses were recognized at the ACNL Nurse of the Year Awards Dinner, including Ana Palacio, who was honored with the Humanitarian Nurse of the Year award.



Donate Life Flag-Raising Ceremony



Donate Life

FLAG RAISING CEREMONY

APRIL 21, 2026
10:00 am

WELCOME

Scott Thygerson, Chief Executive Officer, Kern Medical

COMMUNITY RECOGNITION

Lori Malkin, Donor Mother, Founder of JJ's Legacy

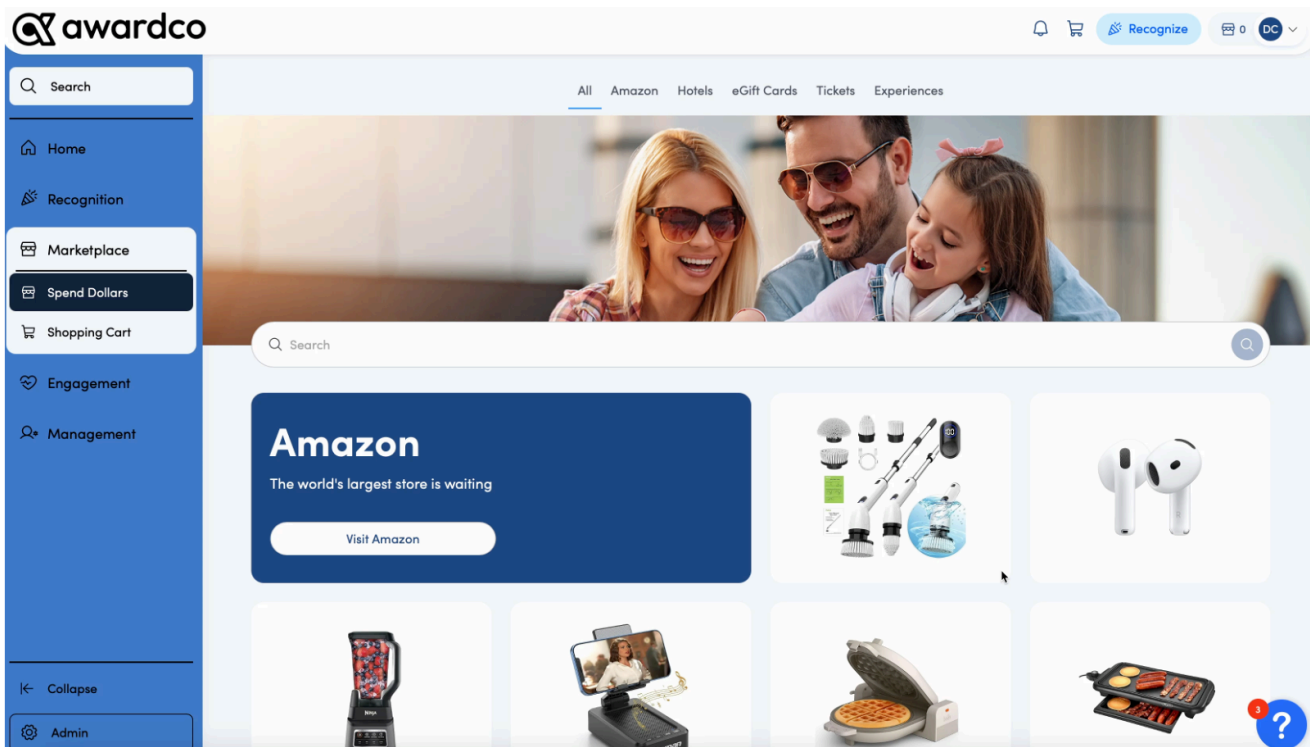
Javier Muñoz, OneLegacy

Selina Reeve, Wife of Organ Donor

FLAG RAISING

*Kern Medical Nursing Staff,
Donation Champions*

New Staff Recognition Software



Kern Medical announced the launch of AwardCo, a new staff recognition platform designed to celebrate employees and strengthen workplace appreciation. The program allows staff to recognize one another for their contributions, while employees can redeem points earned through years of service for rewards including Amazon purchases, travel experiences, and more.

Kern Medical Night at Sam Lynn Ballpark

OPENING DAY
2026 SEASON

Austin WEIRDOS

BAKERSFIELD TRAIN ROBBERS

Opening Day FUNDRAISER

THE BAKERSFIELD TRAIN ROBBERS

May 18, 2026 at 7:45 PM

Join us for an exciting night of baseball while supporting Kern Medical Foundation!

TICKETS \$10

♥ \$2 from every ticket will be donated to Kern Medical Foundation

Send your receipt to Alexandra.Campos@KernMedical.com

Be entered into a Game Day Drawing!

Kern Medical Foundation

Kern Medical Launches Cancer Support Group



Employee Cancer Survivor & Caregiver Support Group

Kern Medical is offering confidential support, open access, community healing, with no referral required. Open to all employees with a focus on cancer survivors and caregivers. It's important that you know you are not alone.

MAY 21, 2026, 5 PM

1111 Columbus Street, Suite 5000
Bakersfield, CA 93305
Room 5033

The support group will meet on the third Thursday of every month.

Questions? Email Jacqueline.Laws@kernmedical.com

New Podcast Episode

NEW PODCAST EPISODE

Search "Kern Medical - Health for Life"

*EPISODE 16 - Fentanyl: Fact vs. Fiction in Medical Care
w/ Dr. Jeff Jolliff*



Apple

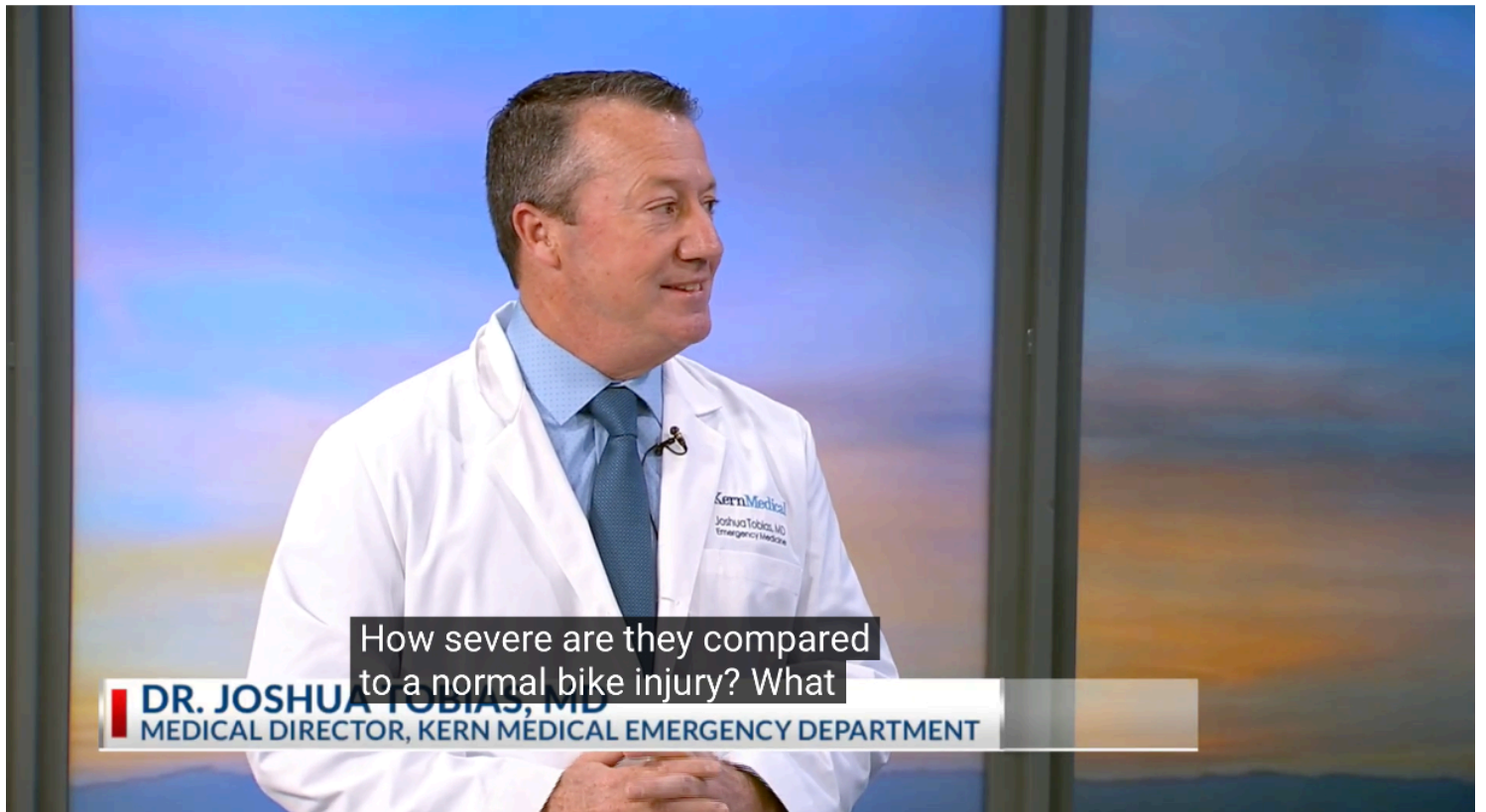


Spotify



Kern
Medical

In the News: E-Bike Injuries



Kern Medical's Dr. Joshua Tobias joined KGET-17 News to discuss the importance of helmet safety amid the growing popularity of e-bikes and e-scooters, and how wearing a helmet can help prevent serious injuries.

In the News: The State of COVID-19



Kern Medical infectious disease physician Dr. Carlos D'Assumpcao joined KGET-17 News to discuss the current state of COVID-19, including trends, prevention, and what the community should know moving forward.

In the News: Kern Medical's Commercial



We're on the air!
*Look for Kern Medical's
commercial on TV and
streaming platforms*

 KernMedical
160 YEARS
Health for Life.

National Recognitions - April

- Mental Health Awareness Month
- National Women's Health Month
- American Stroke Month / National Stroke Awareness Month
- Arthritis Awareness Month
- Hepatitis Awareness Month
- Skin Cancer Prevention/Melanoma Awareness Month.
- Older Americans Month
- Better Sleep Month
- National Physical Fitness and Sports Month
- Hospital Week
- Nurses Week

April 24, 2026

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, 2026. Please accept this letter as notice of my intent to seek reappointment to the Board of Governors, term to expire June 30, 2029. 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,



Amir Berjis, M.D.

cc: Scott Thygerson, Chief Executive Officer
Authority Board Coordinator

April 24, 2026

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, 2026. Please accept this letter as notice of my intent to seek reappointment to the Board of Governors, term to expire June 30, 2029. 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,



Stephen Pelz

cc: Scott Thygerson, Chief Executive Officer
Authority Board Coordinator



May 20, 2026

Kern Medical Hospital Authority
Board of Governors
Attention: Mona Allen
Mona.Allen@kernmedical.com

Re: Proposed Kern Medical Surgery Center, LLC operating budget for fiscal year 2026-2027 –
APPROVE

A copy of the approved preliminary approved budget for Fiscal Year 2026-2027 of the Kern Medical Surgery Center, LLC is attached along with the Tracking Page.

Sincerely,

A handwritten signature in blue ink that reads "Mona A. Allen".

Mona A. Allen
Kern County Hospital Authority
Board Coordinator

Kern Medical Surgery Center, LLC
Board of Directors

TRACKING PAGE

11:30 A.M.
Wednesday, April 15, 2026

BOARD COORDINATOR

- 33) Proposed Kern Medical Surgery Center, LLC operating budget for fiscal year 2026-2027 –
APPROVED
Pollard-Berjis: All Ayes



**BOARD OF DIRECTORS
COMMUNITY HEALTH CENTER
REGULAR MEETING**

May 20, 2026

Kern County Hospital Authority
Board of Governors
Attention: Mona Allen
Mona.Allen@kernmedical.com

Re: Proposed preliminary approval of the Kern County Hospital Authority Community Health Center budget for the fiscal year period July 1, 2026 through June 30, 2027.

A copy of the preliminary approved Budget for the period July 1, 2026 through June 30, 2027 of Kern County Hospital Authority Community Health Center is attached along with the Tracking Page.

Sincerely,

A handwritten signature in blue ink, appearing to read "Marisol Urcid".

Marisol Urcid
Community Health Center
Board Coordinator

Kern County Hospital Authority
Community Health Center
Board of Directors

TRACKING PAGE

11:30 A.M.
Wednesday, April 22, 2026

BOARD COORDINATOR

10)

Proposed preliminary approval of the Kern County Hospital Authority Community Health Center budget for the fiscal year period July 1, 2026 through June 30, 2027 – APPROVED; REFERRED TO KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS FOR FINAL APPROVAL

Smith - Behill: 7 Ayes; 2 Absent – Sandoval, Williams

**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 May 20, 2026, to discharge its responsibility to evaluate and improve the quality of care rendered by health facilities and health practitioners. The closed session involves:

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

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Government Code Section 54956.9

Based on the advice of Counsel, the Board of Governors is holding a closed session on May 20, 2026, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

 X CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION
(Government Code Section 54956.9(d)(1)) Name of case: Iliana Peralta, Plaintiff, v. Kern County Hospital Authority; San Joaquin Community Hospital Corporation dba Adventist Health Bakersfield; Angelica Braga, NP; and DOES 1 through 50, Inclusive, Defendants, Kern County Superior Court Case No. BCV-24-103763 TSC –

**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 May 20, 2026, to confer with, or receive advice from Counsel regarding pending litigation, because discussion in open session concerning this matter would prejudice the position of the authority in the litigation. The closed session involves:

- X CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Government Code Section 54956.9(d)(4)) Number of cases: One (1) Based on existing facts and circumstances, the Board of Governors has decided to initiate or is deciding whether to initiate litigation –

**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 May 20, 2026, to consider:

 X PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –

**KERN COUNTY HOSPITAL AUTHORITY
BOARD OF GOVERNORS
PUBLIC STATEMENT REGARDING CLOSED SESSION**

Health and Safety Code Section 101855(e)(1)

On the recommendation of the Chief Executive Officer, the Board of Governors will hold a closed session on May 20, 2026, the premature disclosure of which would create a substantial probability of depriving the authority of a substantial economic benefit or opportunity. The closed session involves:

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