



AGENDA

KERN COUNTY HOSPITAL AUTHORITY BOARD OF GOVERNORS

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

**Regular Meeting
September 16, 2026**

11:30 A.M.

BOARD TO RECONVENE

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

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

STAFF RECOMMENDATION SHOWN IN CAPS

PUBLIC PRESENTATIONS

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

BOARD MEMBER ANNOUNCEMENTS OR REPORTS

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

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on August 19, 2026 –
APPROVE

CA

- 4) Proposed ratification of appointment of Joshua L. Tobias, M.D., as Chair, Department of Emergency Medicine, effective September 16, 2026 –
RATIFY APPOINTMENT

CA

- 5) Proposed payment of incentive compensation in the amount of \$14,874, less all applicable federal and state taxes and withholdings, pursuant to Agreement 099-2023 with Alton Scott Thygerson, a contract employee, for Chief Executive Officer services for the period July 19, 2023 through July 19, 2028, for completion of certain annual performance-based metrics for Fiscal Year Ended June 30, 2026 –
APPROVE

CA

- 6) Proposed Amendment No. 1 to Memorandum of Understanding 058-2026 with the County of Kern, as represented by Kern Behavioral Health and Recovery Services for the period April 1, 2026 through September 30, 2026, extending the term for three months from October 1, 2026 through December 31, 2026 –
APPROVE; AUTHORIZE CHIEF EXECUTIVE OFFICER TO SIGN

CA

- 7) Proposed Agreement with Patton Sheet Metal Works, Inc., doing business as Patton Air Conditioning, an independent contractor, for maintenance, repair, and emergency response services for heating, ventilation, and air conditioning (HVAC) systems from September 16, 2026 through September 15, 2029, in an amount not to exceed \$950,000 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 8) Proposed Amendment No. 1 to Agreement 153-2023 with Xanitos, Inc., an independent contractor, for environmental services for the period December 1, 2023 through November 30, 2026, extending the term from December 1, 2026 through November 30, 2029, increasing the maximum payable by \$2,194,988, from \$2,109,775 to \$4,304,742, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 9) Proposed First Amendment to Agreement 14220 with Bluesight, Inc., an independent contractor, for medication management software and related services for the period March 27, 2020 through November 3, 2026, extending the term for three years from November 4, 2026 through November 3, 2029, and increasing the maximum payable by \$19,500, from \$18,000 to \$37,500, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 10) Proposed Change Letter to Agreement 079-2026 with De Lage Landen Financial, an independent contractor, amending the amortization schedule for purchase of a Kinevo neurosurgical microscope, increasing the maximum payable by \$20,332, from \$757,143 to \$777,475 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 11) Proposed Agreement with Welch Allyn, Inc., a subsidiary of Baxter International, Inc., an independent contractor, containing nonstandard terms and conditions, for purchase of vital sign machines, in an amount not to exceed \$19,000, plus applicable fees and taxes –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 12) Proposed retroactive Third Amendment to the Kern County Hospital Authority Defined Contribution Plan for Physician Employees, amending the definition of “Eligible Employee” to include the chief medical officer as a Plan participant, effective September 1, 2026 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 13) Proposed Amendment No. 12 to Agreement 947-2008 with Toyon Associates, Inc., an independent contractor, for third-party reimbursement services for the period October 14, 2008 through October 13, 2026, extending the term for two years from October 14, 2026 through October 13, 2028, updating the service pricing, and increasing the maximum payable by \$950,000, from \$6,190,000 to \$7,140,000, to cover the extended term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 14) Proposed Agreement with The Chartis Group, LLC doing business as The Greeley Company, LLC, an independent contractor, containing nonstandard terms and conditions for medical staff leadership development, in an amount not to exceed \$16,200 –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 15) Proposed Amendment No. 5 to Agreement 006-2020 with Neurodiagnostic Workforce LLC, an independent contractor, for neurodiagnostic monitoring services for the period February 12, 2020 through February 11, 2028, increasing the monthly stipend from \$37,500 to \$42,500 for an annual increase of \$60,000, and increasing the maximum payable by \$85,000, from \$3,452,000 to \$3,537,000, to cover the term –
APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 16) Proposed Amendment No. 10 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 September 18, 2026, extending the term from September 19, 2026 through March 15, 2026, revising the compensation methodology, and increasing the maximum payable by \$1,950,000, from \$11,016,787 to \$12,966,787, to cover the extended term – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 17) Proposed retroactive Amendment No. 4 to Agreement 103-2022 with Jack C. Hou, M.D., a contract employee, for professional medical services in the Department of Surgery for the period September 22, 2022 through September 21, 2026, revising the compensation schedule for outside call coverage – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 18) Proposed Agreement with Jack C. Hou, M.D., a contract employee, for professional medical services in the Department of Surgery from September 22, 2026 through September 21, 2029, in an amount not to exceed \$2,550,000, plus applicable benefits – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 19) Proposed Master Services Agreement and Statement of Work with Sollucio, Inc., an independent contractor, containing nonstandard terms and conditions, for technical support services for the electronic health record, in an amount not to exceed \$119,600, effective September 16, 2026 through project completion – APPROVE; AUTHORIZE CHAIRMAN TO SIGN

CA

- 20) Proposed Compliance Plan for Fiscal Year 2026-2027 – APPROVE

CA

- 21) Report on upcoming anticipated retroactive agreements – RECEIVE AND FILE

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

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

CA

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

CA

- 25) Claims and Lawsuits Filed as of August 31, 2026 – RECEIVE AND FILE

ADJOURN TO CLOSED SESSION

CLOSED SESSION

- 26) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) –
- 27) Request for Closed Session regarding peer review of health facilities (Health and Safety Code Section 101855(j)(2)) –
- 28) CONFERENCE WITH LEGAL COUNSEL - FORMALLY INITIATED LITIGATION (Government Code Section 54956.9(d)(1)) Name of case: Service Employees International Union, Local 521, Plaintiff/Petitioner, v. Kern County Hospital Authority, et al., Defendants/Respondents, Kern County Superior Court Case No. 26CUB02463 –
- 29) Request for Closed Session for the purpose of discussion or taking action on authority trade secrets (Health and Safety Code Section 101855(e)(1)) –
- 30) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –

RECONVENE FROM CLOSED SESSION

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

ADJOURN TO WEDNESDAY, OCTOBER 21, 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

25) CLAIMS AND LAWSUITS FILED AS OF AUGUST 31, 2026 –
RECEIVE AND FILE

- A) Claim in the matter of Bobby Joe West
- B) Notice of Intent to Commence Action for Medical Negligence in the matter of Meghan Medolick
- C) Summons and Complaint in the matter of Della Yvette Ramos, Individually and as Guardian Ad Litem for Matthew Miguel Ramos and Myla Ramos, Plaintiffs, v. Kern County Hospital Authority, a public entity; Hall Ambulance Service, Inc., a California Corporation; Kiley Faye Clark, M.D., an individual; Jagdipak Heer, M.D., an individual; and DOES 1 through 10, inclusive, Kern County Superior Court Case No. 26CUB01844

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, August 19, 2026

11:30 A.M.

BOARD RECONVENED

Board Members: Anderson, Berjis, McLaughlin, Merz, Pelz, Pollard, Stout
Roll Call: 5 Present; 2 Absent - Merz, Pollard

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

NOTE: DIRECTORS MERZ AND POLLARD JOINED THE MEETING AFTER THE ROLL CALL AND PRIOR TO THE VOTE ON THE CONSENT AGENDA

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)) –

DIRECTOR POLLARD SHARED A COMPLIMENT SHE RECEIVED ON BEHALF OF THE BOARD OF GOVERNORS FROM A COMMUNITY MEMBER REGARDING THE MOBILE CLINIC STAFF AT PANAMA BUENA VISTA SCHOOL DISTRICT

ITEMS FOR CONSIDERATION

CA

- 3) Minutes for the Kern County Hospital Authority Board of Governors regular meeting on July 20, 2026 –
APPROVED
Pelz-Anderson: All Ayes

CA

- 4) Proposed updated Conflict of Interest Policy and Code for Kern County Hospital Authority –
APPROVED; REFERRED TO KERN COUNTY BOARD OF SUPERVISORS FOR APPROVAL
Pelz-Anderson: All Ayes

CA

- 5) Proposed Agreement with Drager Inc., an independent contractor, containing nonstandard terms and conditions, for service of four bilirubinometers from August 19, 2026 through August 18, 2029, in an amount not to exceed \$15,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 125-2026
Pelz-Anderson: All Ayes

CA

- 6) Proposed Agreement with Stericycle, Inc., an independent contractor, for pharmaceutical and hazardous waste disposal service from September 1, 2026 through August 31, 2029, in an amount not to exceed \$3,000,000 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 126-2026
Pelz-Anderson: All Ayes

CA

- 7) Proposed Agreement with Foresight Imaging LLC, an independent contractor, containing nonstandard terms and conditions, for purchase and maintenance of video bedside swallow evaluation equipment from August 19, 2026 through August 18, 2031, in an amount not to exceed \$60,160, plus applicable fees and taxes –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 127-2026
Pelz-Anderson: All Ayes

CA

- 8) Proposed Agreement with W.L. Gore & Associates, Inc., an independent contractor, for purchase of vascular implants and related supplies from August 19, 2026 through June 30, 2028, in an amount not to exceed \$590,000, plus applicable fees and taxes –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 128-2026
Pelz-Anderson: All Ayes

CA

- 9) Proposed Amendment No. 1 to Agreement 86025 with Interim Diagnostic Imaging, LLC, an independent contractor, for rental of a mobile MRI trailer for the period December 29, 2025 through July 27, 2026, extending the term from August 19, 2026 through February 28, 2027, and increasing the maximum payable by \$339,522, from \$385,000 to \$724,522, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 129-2026
Pelz-Anderson: All Ayes

CA

- 10) Proposed retroactive Agreement with the County of Kern for lease of a portion of the Public Services Building at 2700 “M” Street from July 1, 2026 through June 30, 2029, in an amount not to exceed \$1,001,790 –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 130-2026
Pelz-Anderson: All Ayes

CA

- 11) Report on legislative update regarding Assembly Bill 1234 (AB 1234) and Senate Bill 827 (SB 827) –
RECEIVED AND FILED
Pelz-Anderson: All Ayes

CA

- 12) Proposed acceptance of donation of travel and related expenses from Oracle Health for two Kern Medical Center employees to attend the Oracle Health and Life Sciences Summit 2026 in Orlando, Florida, from September 22-24, 2026 –
APPROVED; ADOPTED RESOLUTION 2026-007
Pelz-Anderson: All Ayes

CA

- 13) Proposed acceptance of donation of travel and related expenses (conference fees only) from Oracle Health for 18 Kern Medical Center employees to attend the Oracle Health and Life Sciences Summit 2026 in Orlando, Florida, from September 22-24, 2026 –
APPROVED; ADOPTED RESOLUTION 2026-008
Pelz-Anderson: All Ayes

CA

- 14) Proposed acceptance of donation of travel and related expenses from Public Risk Innovation, Solution, and Management (PRISM) for two Kern Medical Center employees to attend the PRISM Annual Conference in Indian Wells, California, from September 29-October 2, 2026 –
APPROVED; ADOPTED RESOLUTION 2026-009
Pelz-Anderson: All Ayes

CA

- 15) Proposed acceptance of donation of travel and related expenses from Presidio Networked Solutions Group, Inc., for three Kern Medical Center employees to attend Presidio TechX, in Dallas, Texas, on September 15, 2026 –
APPROVED; ADOPTED RESOLUTION 2026-010
Pelz-Anderson: All Ayes

CA

- 16) Proposed acceptance of donation of travel and related expenses from Healthfuse, LLC, for two Kern Medical Center employees to attend the Healthfuse 2026 Client Summit, in Milwaukee, Wisconsin, on September 17, 2026 –
APPROVED; ADOPTED RESOLUTION 2026-011
Pelz-Anderson: All Ayes

CA

- 17) Proposed Amendment No. 9 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 August 24, 2026, extending the term from August 21, 2026 through September 18, 2026, and increasing the maximum payable by \$2,505,352, from \$8,511,435 to \$11,016,787, to cover the extended term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 131-2026
Pelz-Anderson: All Ayes

CA

- 18) Proposed rescission of Amendment No. 2 to Agreement 60523 with Yufan Brandon Chen, M.D., a contract employee, for professional medical and administrative services in the Department of Obstetrics and Gynecology, effective August 1, 2026 –
APPROVED
Pelz-Anderson: All Ayes

CA

- 19) Proposed retroactive Amendment No. 2 to Agreement 60523 with Yufan Brandon Chen, M.D., a contract employee, for professional medical and administrative services in the Department of Obstetrics and Gynecology for the period August 1, 2023 through July 31, 2026, extending the term for three years from August 1, 2026 through July 31, 2029, increasing the maximum payable by \$2,000,000, from \$2,000,000 to \$4,000,000, to cover the term –
APPROVED; AUTHORIZED CHAIRMAN TO SIGN AGREEMENT 132-2026
Pelz-Anderson: All Ayes

CA

- 20) Proposed rescission of Agreement 117-2026 with Barkat Ali, M.D., a contract employee, for professional medical services in the Department of Surgery, effective August 1, 2026 –
APPROVED
Pelz-Anderson: All Ayes

CA

- 21) Proposed retroactive Quote 127160K-QUOTE-26-00023341 with Getinge USA Sales, LLC, an independent contractor, containing nonstandard terms and conditions, for purchase of flixene vascular grafts from July 28, 2026 through July 27, 2027, in an amount not to exceed \$50,000, plus applicable fees and taxes –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 133-2026
Pelz-Anderson: All Ayes

CA

- 22) Proposed retroactive Agreement with Teleflex LLC, an independent contractor, containing nonstandard terms and conditions, for purchase of an EZ Blocker Kit from July 23, 2026 through May 31, 2027, in an amount not to exceed \$60,000, plus applicable fees and taxes –

APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 134-2026

Pelz-Anderson: All Ayes

CA

- 23) Proposed policy of the Medical Staff of Kern Medical Center titled Proctoring Requirements – APPROVED

Pelz-Anderson: All Ayes

CA

- 24) Report on upcoming anticipated retroactive agreements – RECEIVED AND FILED

Pelz-Anderson: All Ayes

- 25) Report on referral to staff from July 15, 2026 regarding monitoring costs and the return on investment related to the Electronic Health Record – CO-CHIEF INFORMATION OFFICER SANDRA BAKICH HEARD; DIRECTOR BERJIS ASKED ABOUT A PLAN TO CONTROL FUTURE COSTS; DIRECTOR MCLAUGHLIN ASKED IF THERE IS AN ANNUAL BUDGET TO COVER THE UPGRADES; MS. BAKICH RESPONDED
RECEIVED AND FILED

Berjis-Pollard: All Ayes

- 26) Kern County Hospital Authority Chief Financial Officer report – CHIEF FINANCIAL OFFICER ANDREW CANTU HEARD; DIRECTOR ANDERSON ASKED IF THE FQHC HAD RECEIVED ITS REIMBURSEMENT RATING; DIRECTOR BERJIS ASKED IF FQHC CLAIMS WILL BE SUBMITTED RETROACTIVELY; DIRECTOR MCLAUGHLIN ASKED WHEN THE ADDITIONAL REVENUE WILL BE ACCRUED; MR. CANTU RESPONDED; RECEIVED AND FILED

Pollard-Pelz: All Ayes

- 27) Kern County Hospital Authority Chief Executive Officer report – DIRECTOR POLLARD ASKED IF THERE WOULD BE A MEDIA RELEASE REGARDING THE CANCER PROGRAM ACCREDITATION; DIRECTOR POLLARD ACKNOWLEDGED THE NEWS COVERAGE ON THE JOINT EFFORT OF LOCAL LAW ENFORCEMENT AND KERN MEDICAL CENTER TO CLEAR THE HOMELESS ENCAMPMENTS; RECEIVED AND FILED

Stout-Pollard: All Ayes

CA

- 28) Monthly report on What's Happening at Kern Medical Center – RECEIVED AND FILED

Pelz-Anderson: All Ayes

CA

- 29) Claims and Lawsuits Filed as of July 31, 2026 – RECEIVED AND FILED

Pelz-Anderson: All Ayes

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

Pelz-Berjis

C-30) Kern Medical Surgery Center, LLC, Administrative Report –
RECEIVED AND FILED
Pollard-Anderson: All Ayes

C-31) Proposed credentialing recommendations –
APPROVED
Pollard-Anderson: All Ayes

C-32) Proposed retroactive Lease Agreement CFS-1015 with Canon Financial Services, Inc., an independent contractor, containing nonstandard terms and conditions, for Canon copier/scanner lease, maintenance and support, from August 1, 2026 through November 7, 2031, in an amount not to exceed \$29,421, plus applicable fees and taxes –
APPROVED; AUTHORIZED CHIEF EXECUTIVE OFFICER TO SIGN AGREEMENT 135-2026
Pollard-Anderson: All Ayes

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

ADJOURNED TO CLOSED SESSION
Pelz-Merz

CLOSED SESSION

- 33) Request for Closed Session regarding peer review of health practitioners (Health and Safety Code Section 101855(j)(2)) – SEE RESULTS BELOW
- 34) PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – SEE RESULTS BELOW

RECONVENED FROM CLOSED SESSION
Pollard-Pelz

REPORT ON ACTIONS TAKEN IN CLOSED SESSION

Item 33 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 34 concerning PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) – HEARD; NO REPORTABLE ACTION TAKEN

ADJOURNED TO WEDNESDAY, SEPTEMBER 16, 2026 AT 11:30 A.M.

Merz

/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

September 16, 2026

Subject: Proposed appointment of Joshua L. Tobias, M.D., as Chair, Department of Emergency Medicine

Requested Action: Ratify appointment

Summary:

Kern Medical is requesting that your Board ratify the appointment of Joshua L. Tobias, M.D., as Chair, Department of Emergency Medicine, effective September 16, 2026. Dr. Tobias has been employed by Kern Medical most recently since September 1, 2018, and serves as full-time faculty in the Department and residency program.

Dr. Tobias was appointed Acting Chair of the Department on September 1, 2026, following the retirement of Rick A. McPheeters, D.O., who served as Chair of the Department from 2008 until August 31, 2026. (Dr. McPheeters has since taken on the role of Interim Chief Medical Officer.) Dr. Tobias is a graduate of the University of Southern California and Creighton University School of Medicine, having graduated cum laude in 1997. Thereafter, he completed his residency training at Kern Medical, graduating from the program in 2001. He is board certified by the American Board of Emergency Medicine in emergency medicine, and has extensive experience as a practicing emergency physician. Since his appointment as Acting Chair, Dr. Tobias has performed the responsibilities and duties required of a department chair in exemplary fashion and in accordance with the Medical Staff Bylaws (Bylaws).

The process for appointing a department chair is set forth in the Bylaws, which includes the formation of a search committee to seek applicants to fill the position. After conducting a diligent search for the most desirable candidate, the search committee, comprised of the Chief Executive Officer, Chief Medical Officer, and members of the Medical Staff, has recommended to Mr. Thygerson that Dr. Tobias be appointed the Chair of the Department. Mr. Thygerson concurs with the recommendation. The Bylaws require that your Board ratify the final decision.

Therefore, it is recommended that your Board ratify the appointment of Joshua L. Tobias, M.D., as Chair, Department of Emergency Medicine, effective September 16, 2026.

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed payment of incentive compensation in the amount of \$14,874 pursuant to Agreement 099-2023 with Alton Scott Thygerson, a contract employee

Recommended Action: Approve

Summary:

Kern Medical requests your Board approve payment in the amount of \$14,874 pursuant to Agreement 099-2023 with Alton Scott Thygerson for completion of certain annual performance-based metrics for Fiscal Year Ended June 30, 2026.

On July 19, 2023, your Board approved an Agreement with Mr. Thygerson for services as chief executive officer of Kern County Hospital Authority for an initial term of three years, effective July 19, 2023, with an option to renew for one additional term of two years. On June 17, 2026, your Board approved Amendment No. 6 to the Agreement to extend the term for two years through July 19, 2028. The Agreement contains a provision for annual incentive compensation with maximum earnings payable at the end of each employment year not to exceed 3% of the annual base compensation and requires that your Board and Mr. Thygerson develop mutually agreed upon specific reasonable and achievable performance-based metrics annually. Payment is contingent upon the completion of the performance-based metrics.

Attached is a copy of the evaluation scorecard that reflects 20 measures, each with an assigned dollar value of \$929.62, with total potential incentive compensation of \$18,592 (3% of Mr. Thygerson's annual base compensation of \$619,744) for fiscal year 2025-2026. Mr. Thygerson achieved 16 of the 20 measures, which totals \$14,874 in earned incentive compensation.

Therefore, it is recommended that your Board approve payment of incentive compensation in the amount of \$14,874, less all applicable federal and state taxes and withholdings, pursuant to Agreement 099-2023 with Alton Scott Thygerson, a contract employee, for Chief Executive Officer services for the period July 19, 2023 through July 19, 2028, for completion of certain annual performance-based metrics for fiscal year ended June 30, 2026.

CEO Annual Performance Evaluation Scorecard
For Fiscal Year Ended June 30, 2026

Item	Measure	Description	Possible Points	Earned Points	Potential \$ Value	Earned \$ Value
1. Patient Experience and Safety						
1	Patient Experience	<u>Goal:</u> Achieve at least Top Box 67% Recommend Inpatient Hospital to Family/Friends, 51% for Emergency Dept, 78% Clinics (Top Box means scored a 9 or 10 on 10-point scale). <u>Result:</u> Hospital 63%, ER 51%, Clinics 81%.	5	0	\$ 929.62	\$ -
2	Safety Measures	<u>Goal:</u> 85% of measures meet or exceed target or not statistically different than CMS. <u>Result:</u> 69%	5	0	\$ 929.62	\$ -
3	Staff Safety Survey	<u>Goal:</u> +/- 3% of staff rated unit/work area on safety compared to national. <u>Result:</u> Actual 90% compared to benchmark of 89%.	5	5	\$ 929.62	\$ 929.62
2. Employer of Choice						
4	Staff Turnover	<u>Goal:</u> +/- 2.5% of national turnover rate. <u>Result:</u> Actual Kern Medical 13.5%; Median Benchmark 16.5%, 75th %tile 13.6%.	5	5	\$ 929.62	\$ 929.62
5	Leadership and Staff Engagement	<u>Goal:</u> Conduct Employee Engagement Survey with Follow Up Action Plan. <u>Result:</u> Completed.	5	5	\$ 929.62	\$ 929.62
3. Partnerships						
6	Community Workforce Development	<u>Goal:</u> Bakersfield Adult School - jointly evaluate needs for RT, Rad Tech, nursing, and EEG techs and where appropriate develop training programs. Align with Western Health Sciences as appropriate. <u>Result:</u> Completed.	5	5	\$ 929.62	\$ 929.62
4. Academic Training						
8	Undergraduate Medical Education	<u>Goal:</u> Complete 2nd, 3rd, and 4th year satellite campus program business case with Western. <u>Result:</u> Completed.	5	5	\$ 929.62	\$ 929.62
9	Graduate Medical Education	<u>Goal:</u> First class of Transitional Year residents to start July 1, 2026. <u>Result:</u> Completed.	5	5	\$ 929.62	\$ 929.62
10	Graduate Medical Education	<u>Goal:</u> Prepare application for Family Residency Program. <u>Result:</u> Submitted and approved by ACGME.	5	5	\$ 929.62	\$ 929.62
5. Community Understanding						
11	Outreach and Education	<u>Goal:</u> Annual Hospital Authority Outreach Plan Valley Fever Outreach Plan Trauma Outreach Activities Evaluate and Use Media Outlets as appropriate (including television/radio) <u>Result:</u> Achieved.	5	5	\$ 929.62	\$ 929.62
6. Stewardship						
12	Net Revenue	<u>Goal:</u> Exceed Net Revenue of \$333,193,880 (3 pts). Exceed \$335,791,417 (5 pts). <u>Result:</u> \$361,684,207.	5	5	\$ 929.62	\$ 929.62
13	EBIDA	<u>Goal:</u> Exceed Actual EBIDA of \$22,272,427 (3 pts). Exceed Actual of \$23,393,164 (5 pts). <u>Result:</u> \$49,829,035.	5	5	\$ 929.62	\$ 929.62
14	Cash Collections and Cash Management	<u>Goal:</u> Exceed fiscal year cash collections goal of \$330,000,000; implement cash reserves plan. <u>Result:</u> \$352,468,745; Cash reserves plan implemented.	5	5	\$ 929.62	\$ 929.62
15	Days Gross A/R	<u>Goal:</u> Equal or better than 60 days. <u>Result:</u> 67.81 days.	5	0	\$ 929.62	\$ -
16	Productivity	<u>Goal:</u> Better than 7.04 FTEs per AOB (3 pts). Better than 7.0 FTEs per AOB (5 pts). <u>Result:</u> 6.11 FTEs per AOB <u>Goal:</u> Develop Bridge Plan options for HR 1. <u>Result:</u> Completed.	5	5	\$ 929.62	\$ 929.62
17	Nurse Registry Expense	<u>Goal:</u> Better than \$22,762,265 (3 pts). Better than \$21,687,300 (5 pts). <u>Result:</u> \$17,900,317.	5	5	\$ 929.62	\$ 929.62
18	ER and Clinic Volumes	<u>Goal:</u> Maintain prior year volumes +/- 2.0%. <u>Result:</u> ER Actual 51,014, PY 54,971 (-7%); Clinics Actual 270,627, PY 250,103 (8%).	5	0	\$ 929.62	\$ -
19	Physician Recruitment	<u>Goal:</u> Recruit 10 physicians. <u>Result:</u> Recruited 13.	5	5	\$ 929.62	\$ 929.62
20	New or Expanded Services	<u>Goal:</u> Successfully pass HRSA FQHC Site Survey. <u>Result:</u> HRSA deemed FQHC clinics on May 1, 2026.	5	5	\$ 929.62	\$ 929.62
		<u>Goal:</u> Add 2 Mobile Clinic Locations in partnership with community-based organizations. <u>Result:</u> Partnered with 6 new organizations.	5	5	\$ 929.62	\$ 929.62
Total Points			95	80	\$ 18,592	\$ 14,874

\$ Value per Measure

Base Salary for Year Ended June 30, 2026 \$

Potential Incentive Compensation (3.0% of base) \$

Compensation per Measure \$

619,744

18,592

929.62

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed Amendment No. 1 to the Memorandum of Understanding 058-2026 with the County of Kern, as represented by the Kern Behavioral Health and Recovery Services

Recommended Action: Approve; Authorize Chief Executive Officer to sign

Summary:

Kern Medical requests your Board approve the proposed Amendment No. 1 to the Memorandum of Understanding (MOU) with the County of Kern, as represented by the Kern Behavioral Health and Recovery Services to extend the current term to continue negotiations for a new MOU and to update Exhibit G Maximum Funding Schedule to cover the extended term.

The current MOU with KernBHRS will expire on September 30, 2026. The proposed Amendment No. 1 will extend the current term by three (3) months, terminating on December 31, 2026. This extension will allow the negotiating team to finalize certain concerns with the proposed new MOU. The push to adopt a new MOU is due to the need for an updated compensation matrix.

Kern Medical and KernBHRS have partnered closely for many years providing psychiatry services to the Medi-Cal population in the community. KernBHRS's out-patient clinics also serve as the primary training site for our third and fourth year Residents and Fellows. The annual not-to exceed amount for the Agreement is undefined as both parties provide services for the other party.

Therefore, Kern Medical recommends that your Board approve the proposed retroactive Amendment No. 1 with County of Kern, as represented by KernBHRS, effective October 1, 2026 to extend the current term by three (3) months to December 31, 2026, with an undefined maximum payable, and authorize the Chief Executive Officer to sign.

AMENDMENT NO. 1

AGREEMENT FOR PROFESSIONAL SERVICES

(COUNTY OF KERN – KERN COUNTY HOSPITAL AUTHORITY)

THIS AMENDMENT NO. 1 is entered into on _____ by and between the County of Kern, a political subdivision of the State of California, as represented by the Behavioral Health and Recovery Services Department (hereinafter “County”, “BHRS”, “Department”), and Kern County Hospital Authority (“KCHA”), a local unit of government, which owns and operates Kern Medical Center (“KMC”) whose address is 1700 Mount Vernon Avenue, Bakersfield, CA 93306.

WITNESSETH:

WHEREAS:

A. BHRS and KCHA are parties to Memorandum of Understanding (“MOU”), Agreement Number 154-2026, dated April 28, 2026, entitled Memorandum of Understanding Between Behavioral Health and Recovery Services and Kern County Hospital Authority to liaison with KCHA to participate in Physician Services, Psychiatry Training Program, Crisis Services, Correction Services, and STAT Laboratory Services.

B. BHRS and KCHA wish to amend MOU No. 154-2026 to extend the current term to allow for continued negotiations to enter in a new Memorandum of Understanding.

NOW, THEREFORE, the parties agree as follows:

1. Section 1. TERM, first paragraph shall be deleted in its entirety and shall be superseded by the following:

The term of this MOU shall commence on April 1, 2026 and shall terminate on December 31, 2026.

2. Exhibit “G” Maximum Funding Schedule shall be superseded by Exhibit “G-1” Maximum Funding Schedule to Amendment No. 1, which is attached hereto and made a part hereof by this reference. All further references to Exhibit “G” in the body of the MOU, or any exhibits thereto, shall be deemed to read Exhibit “G-1” Maximum Funding Schedule to Amendment No. 1.

3. 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.

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IN WITNESS TO WHICH, each party to this MOU has signed this MOU 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 MOU.

COUNTY OF KERN:
Board of Supervisors

Kern County Hospital Authority

By: _____
Chairman
"County"

By: _____
Scott Thygerson
Chief Executive Officer
"KCHA"

APPROVED AS TO CONTENT
Behavioral Health and Recovery
Services Department

APPROVED AS TO FORM:
Legal Services Department

By _____
Alison Burrowes, MA, LCSW
Director

By Shannon Hochstein
Shannon Hochstein
Hospital Counsel

APPROVED AS TO FORM:
Office of the County Counsel

By _____
Kyle Holmes
Deputy

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AMENDMENT NUMBER ONE**KERN COUNTY HOSPITAL AUTHORITY****EXHIBIT “G-1” – MAXIMUM FUNDING SCHEDULE****April 1, 2026 through December 31, 2026**

FY 25-26 (04/01/2026-06/30/2026)	FFP	REALIGNMENT	MHSA CSS	MHSA PEI	Total
Psychiatry Training/Physician Costs	Allowed	Allowed	Allowed	Allowed	\$975,000
Bed Day/TARs	Allowed	Allowed	Allowed	Allowed	\$100,000
STAT Labs	Allowed	Allowed	Allowed	Allowed	\$56,250
Electroconvulsive Therapy	Allowed	Allowed	Allowed	Allowed	\$70,000
Emergency Department Holdover Cost	Allowed	Allowed	Allowed	Allowed	\$150,000
FY 25-26 Total:	Allowed	Allowed	Allowed	Allowed	\$1,351,250

FY 26-27 (07/01/2026-12/31/26)	FFP	REALIGNMENT	MHSA CSS	MHSA PEI	Total
Psychiatry Training/Physician Costs	Allowed	Allowed	Allowed	Allowed	\$975,000
AMENDMENT 1					\$975,000
Bed Day/TARs	Allowed	Allowed	Allowed	Allowed	\$100,000
AMENDMENT 1					\$100,000
STAT Labs	Allowed	Allowed	Allowed	Allowed	\$56,250
AMENDMENT 1					\$56,250
Electroconvulsive Therapy	Allowed	Allowed	Allowed	Allowed	\$70,000
AMENDMENT 1					\$70,000
Emergency Department Holdover Cost	Allowed	Allowed	Allowed	Allowed	\$150,000
AMENDMENT 1					\$150,000
FY 26-27 Total:	Allowed	Allowed	Allowed	Allowed	\$2,702,500

FY 25-27 Total Maximum Reimbursement:	Allowed	Allowed	Allowed	Allowed	\$4,053,750
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A. For Electro Convulsive Therapy Services (ECT) reimbursement rates per treatment of ECT services are:

Facility Fee - \$350

Professional Fee - \$150

[END OF AMENDMENT]

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed Agreement with Patton Sheet Metal Works, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed new Professional Services Agreement with Patton Sheet Metal Works, Inc., dba Patton Air Conditioning, to provide maintenance, repairs, and emergency response services for heating, ventilation, and air conditioning (HVAC) and other mechanical systems at Kern Medical and affiliated clinic locations.

The Agreement will be effective for a three-year term, from September 16, 2026 through September 15, 2029, with a total maximum payable amount of \$950,000.

Patton Sheet Metal Works, Inc. has been a reliable service provider, delivering timely maintenance and emergency repair services that are critical to maintaining the operation of HVAC and mechanical systems. Their expertise and rapid response have helped minimize disruptions to patient care, maintain regulatory compliance, and ensure a safe and comfortable environment for patients, visitors, and staff.

Approval of this Agreement will provide continued access to qualified mechanical services necessary to maintain the reliability and functionality of Kern Medical's facilities and support uninterrupted hospital operations.

Therefore, it is recommended that your Board approve the new Agreement for Professional Services with Patton Sheet Metal Works, Inc., dba Patton Air Conditioning, effective September 16, 2026 through September 15, 2029, with a maximum payable amount of \$950,000, and authorize the Chairman to sign.

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

THIS SCHEDULE shall be effective on: September 16, 2026 ("Effective Date") and shall terminate and shall terminate no later than September 15, 2029.

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

Service Provider: Patton Sheet Metal Works dba Patton Air Conditioning ("Consultant") Located at: 272 N. Palm Avenue, Fresno, California 93701.

Consultant is (select one):
☐ Sole Proprietorship
☒ Incorporated in the State of California.
☐ 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 \$950,000 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

APPROVED AS TO CONTENT:

Responsible KCHA Department

By: _____
Chairman, Board of Governors
"KCHA"

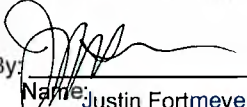
By: _____
Scott Thygerson, Chief Executive Officer

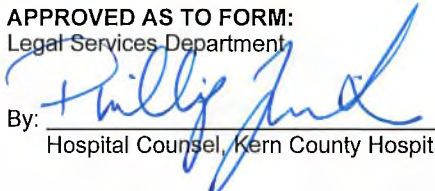
Date: _____

Date: _____

**PATTON SHEET METAL WORKS DBA
PATTON AIR CONDITIONING**

APPROVED AS TO FORM:
Legal Services Department

By:  _____
Name: Justin Fortmeyer Title: Vice President
"Consultant"

By:  _____
Hospital Counsel, Kern County Hospital Authority

Date: 08/20/2026

Date: 8/21/26

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 93306, 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.

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 and approval of the invoice by the Responsible KCHA Department.

4. **Term.** This term of this Agreement ("Term") shall start on the Effective Date and shall terminate on the Termination Date, unless sooner terminated as provided in this Agreement.

5. **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.

6. **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.

7. **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.

8. **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**") which arise out of or relate to any act or omission of Consultant or Consultant's officers, employees, agents and subcontractors of any tier hired by Consultant to perform the Services ("**Consultant Representatives**"). 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.

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.

9. **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

10. **Consultant 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
- b. **No Adverse Interests.** 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
- c. **Timeliness.** Consultant shall diligently provide the Services in a timely and professional manner in accordance with the terms and conditions in this Agreement.

11. **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.

12. **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.

13. **Termination.** The CEO 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.

14. **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.

15. **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.

16. **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.

17. **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. If 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.

18. **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 (ii) 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.

19. **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.

20. **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.

21. **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.

22. **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.

23. **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.

24. **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.

25. **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.

26. **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.

27. **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. 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.

28. **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.

29. **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.

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

31. **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.

32. **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.

33. **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.

34. **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.

35. **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.

36. **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.

37. **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.

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

39. **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.

40. **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.

41. **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.

42. **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

Provide professional labor, materials, and equipment to complete mechanical services and maintenance as needed per approved proposal for all KCHA locations. All work require individual job specific quotation.

EXHIBIT A-1
IRS FORM W-9

**Request for Taxpayer
Identification Number and Certification**

Go to www.irs.gov/FormW9 for instructions and the latest information.

Give form to the
requester. Do not
send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business's disregarded entity's name on line 2.) Patton Shoot Metal Works	
	2 Business name/disregarded entity name, if different from above. dba Patton Air Conditioning	
	3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor ☐ C corporation ☒ S corporation ☐ Partnership ☐ Trust/estate ☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. ☐ Other (see instructions)	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3). Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ (Applies to accounts maintained outside the United States.)	
3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions. ☐		
5 Address (number, street, and apt. or suite no.) See instructions. 272 N. Palm Avenue		Requester's name and address (optional)
6 City, state, and ZIP code Fresno, Ca 93701		
7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)	
Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see <i>How to get a TIN</i> , later.	
Social security number [][] - [][] - [][][][] OR Employer identification number 9 4 - 1 6 7 4 6 6 3	
Note: If the account is in more than one name, see the instructions for line 1. See also <i>What Name and Number To Give the Requestor</i> for guidelines on whose number to enter.	

Part II Certification	
Under penalties of perjury, I certify that:	
1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and	
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and	
3. I am a U.S. citizen or other U.S. person (defined below), and	
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.	
Certification Instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.	
Sign Here	Signature of U.S. person <i>Sherry Lopez</i> Date 1/1/2026

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

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 "P" 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]



PATTAIR-01

POOJAKRISHNEGOWDA

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

7/28/2026

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0E02096
DiBuduo & DeFendis Insurance Brokers, LLC
6873 N. West Ave, Ste 101
Fresno, CA 93711

CONTACT NAME: Angela Leon, AIS, CISR, AINS

PHONE

(A/C, No, Ext):

FAX

(A/C, No):

E-MAIL: angela.leon@dibu.com

ADDRESS:

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: Zurich

INSURER B: Lloyds of London

15792

INSURER C: Tokio Marine Specialty

23850

INSURER D:

INSURER E:

INSURER F:

INSURED

Patton Sheet Metal Works, Inc., DBA Patton Air Conditioning
272 N. Palm Avenue
Fresno, CA 93701

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATION MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PROJECT ☒ LOC OTHER:	X	X	GLO168199101	7/1/2026	7/1/2027	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 300,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY	X	X	BAP168199201	7/1/2026	7/1/2027	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED RETENTION \$			SXS186408301	7/1/2026	7/1/2027	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	WC973446401	7/1/2026	7/1/2027	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Cyber Liability			ESO0440768594	4/2/2026	4/2/2027	Agg/Each Claim \$ 5,000,000
C	Pollution Liability			PPK2629452002	11/24/2025	11/24/2026	Aggregate \$ 8,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

IF ANY FORMS ARE REFERENCED BELOW OR ATTACHED TO AND PART OF THIS CERTIFICATE, THEY WILL APPLY AS REQUIRED PER WRITTEN CONTRACT OR WRITTEN AGREEMENT BETWEEN THE LISTED PARTIES AND THE INSURED AND ARE SUBJECT TO THE POLICY PROVISIONS. IN THE ABSENCE OF SUCH WRITTEN CONTRACT OR WRITTEN AGREEMENT, THE REFERENCED OR ATTACHED FORMS MAY NOT BE APPLICABLE.

Kern County Hospital Authority, is named as additional insured with respects to General Liability per form UGL 21621ACW 0219 attached and to Auto Liability per form CA2048 1013 attached. Waiver of Subrogation applies to General Liability per form UGL 925BCW 1201 attached, to Auto Liability per form CA0444 1013 attached and to Workers Compensation per form WC04 0306 Ed 04-84 attached.

CERTIFICATE HOLDER

CANCELLATION

Kern County Hospital Authority
1700 Mount Vernon Ave.
Bakersfield, CA 93306

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



Additional Insured – Automatic – Owners, Lessees Or Contractors

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Policy No. GLO1681991-01

Effective Date: 7/1/2026

This endorsement modifies Insurance provided under the:

Commercial General Liability Coverage Part

A. Section II – Who Is An Insured is amended to include as an additional insured any person or organization whom you are required to add as an additional insured under a written contract or written agreement executed by you, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" and subject to the following:

1. If such written contract or written agreement specifically requires that you provide that the person or organization be named as an additional insured under one or both of the following endorsements:

- a. The Insurance Services Office (ISO) ISO CG 20 10 (10/01 edition); or
- b. The ISO CG 20 37 (10/01 edition),

such person or organization is then an additional insured with respect to such endorsement(s), but only to the extent that "bodily injury", "property damage" or "personal and advertising injury" arises out of:

- (1) Your ongoing operations, with respect to Paragraph 1.a. above; or
- (2) "Your work", with respect to Paragraph 1.b. above,

which is the subject of the written contract or written agreement.

However, solely with respect to this Paragraph 1., Insurance afforded to such additional insured:

- (a) Only applies if the "bodily injury", "property damage" or "personal and advertising injury" offense occurs during the policy period and subsequent to your execution of the written contract or written agreement; and
- (b) Does not apply to "bodily injury" or "property damage" caused by "your work" and included within the "products-completed operations hazard" unless the written contract or written agreement specifically requires that you provide such coverage to such additional insured.

2. If such written contract or written agreement specifically requires that you provide that the person or organization be named as an additional insured under one or both of the following endorsements:

- a. The Insurance Services Office (ISO) ISO CG 20 10 (07/04 edition); or
- b. The ISO CG 20 37 (07/04 edition),

such person or organization is then an additional insured with respect to such endorsement(s), but only to the extent that "bodily injury", "property damage" or "personal and advertising injury" is caused, in whole or in part, by:

- (1) Your acts or omissions; or
- (2) The acts or omissions of those acting on your behalf,

in the performance of:

- (a) Your ongoing operations, with respect to Paragraph 2.a. above; or
- (b) "Your work" and included in the "products-completed operations hazard", with respect to Paragraph 2.b. above,

which is the subject of the written contract or written agreement.

However, solely with respect to this Paragraph 2., insurance afforded to such additional insured:

- (i) Only applies if the "bodily injury", "property damage" or "personal and advertising injury" offense occurs during the policy period and subsequent to your execution of the written contract or written agreement; and
- (ii) Does not apply to "bodily injury" or "property damage" caused by "your work" and included within the "products-completed operations hazard" unless the written contract or written agreement specifically requires that you provide such coverage to such additional insured.

3. If neither Paragraph 1. nor Paragraph 2. above apply and such written contract or written agreement requires that you provide that the person or organization be named as an additional insured:

- a. Under the ISO CG 20 10 (04/13 edition, any subsequent edition or if no edition date is specified); or
- b. With respect to ongoing operations (if no form is specified),

such person or organization is then an additional insured only to the extent that "bodily injury", "property damage" or "personal and advertising injury" is caused, in whole or in part by:

- (1) Your acts or omissions; or
- (2) The acts or omissions of those acting on your behalf,

in the performance of your ongoing operations, which is the subject of the written contract or written agreement.

However, solely with respect to this Paragraph 3., insurance afforded to such additional insured:

- (a) Only applies to the extent permitted by law;
- (b) Will not be broader than that which you are required by the written contract or written agreement to provide for such additional insured; and
- (c) Only applies if the "bodily injury", "property damage" or "personal and advertising injury" offense occurs during the policy period and subsequent to your execution of the written contract or written agreement.

4. If neither Paragraph 1. nor Paragraph 2. above apply and such written contract or written agreement requires that you provide that the person or organization be named as an additional insured:

- a. Under the ISO CG 20 37 (04/13 edition, any subsequent edition or if no edition date is specified); or
- b. With respect to the "products-completed operations hazard" (if no form is specified),

such person or organization is then an additional insured only to the extent that "bodily injury" or "property damage" is caused, in whole or in part by "your work" and included in the "products-completed operations hazard", which is the subject of the written contract or written agreement.

However, solely with respect to this Paragraph 4., insurance afforded to such additional insured:

- (1) Only applies to the extent permitted by law;
- (2) Will not be broader than that which you are required by the written contract or written agreement to provide for such additional insured;
- (3) Only applies if the "bodily injury" or "property damage" occurs during the policy period and subsequent to your execution of the written contract or written agreement; and
- (4) Does not apply to "bodily injury" or "property damage" caused by "your work" and included within the "products-completed operations hazard" unless the written contract or written agreement specifically requires that you provide such coverage to such additional insured.

- B. Solely with respect to the insurance afforded to any additional insured referenced in Section A. of this endorsement, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or failure to render, any professional architectural, engineering or surveying services including:

1. The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
2. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

- C. Solely with respect to the coverage provided by this endorsement, the following is added to Paragraph 2. **Duties In The Event Of Occurrence, Offense, Claim Or Suit** of Section IV – **Commercial General Liability Conditions**:

The additional insured must see to it that:

- (1) We are notified as soon as practicable of an "occurrence" or offense that may result in a claim;
- (2) We receive written notice of a claim or "suit" as soon as practicable; and
- (3) A request for defense and indemnity of the claim or "suit" will promptly be brought against any policy issued by another insurer under which the additional insured may be an insured in any capacity. This provision does not apply to insurance on which the additional insured is a Named Insured if the written contract or written agreement requires that this coverage be primary and non-contributory.

- D. Solely with respect to the coverage provided by this endorsement:

1. The following is added to the **Other Insurance** Condition of Section IV – **Commercial General Liability Conditions**:

Primary and Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured provided that:

- a. The additional insured is a Named Insured under such other insurance; and
- b. You are required by written contract or written agreement that this insurance be primary and not seek contribution from any other insurance available to the additional insured.

2. The following paragraph is added to Paragraph 4.b. of the **Other Insurance** Condition under Section IV – **Commercial General Liability Conditions**:

This insurance is excess over:

Any of the other insurance, whether primary, excess, contingent or on any other basis, available to an additional insured, in which the additional insured on our policy is also covered as an additional insured on another policy providing coverage for the same "occurrence", offense, claim or "suit". This provision does not apply to any policy in which the additional insured is a Named Insured on such other policy and where our policy is required by a written contract or written agreement to provide coverage to the additional insured on a primary and non-contributory basis.

- E. This endorsement does not apply to an additional insured which has been added to this Coverage Part by an endorsement showing the additional insured in a Schedule of additional insureds, and which endorsement applies specifically to that identified additional insured.
- F. Solely with respect to the insurance afforded to an additional insured under Paragraph A.3. or Paragraph A.4. of this endorsement, the following is added to Section III – **Limits Of Insurance**:

Additional Insured – Automatic – Owners, Lessees Or Contractors Limit

The most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the written contract or written agreement referenced in Section A. of this endorsement; or
 2. Available under the applicable Limits of Insurance shown in the Declarations,
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

All other terms, conditions, provisions and exclusions of this policy remain the same.

Waiver Of Subrogation (Blanket) Endorsement



Policy No.	Eff. Date of Pol.	Exp. Date of Pol.	Eff. Date of End.	Producer	Add'l. Prem	Return Prem.
GLO1681991-01	7/1/2026	7/1/2027	7/1/2026	NA	\$0	\$0

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Commercial General Liability Coverage Part

The following is added to the **Transfer Of Rights Of Recovery Against Others To Us Condition**:

If you are required by a written contract or agreement, which is executed before a loss, to waive your rights of recovery from others, we agree to waive our rights of recovery. This waiver of rights shall not be construed to be a waiver with respect to any other operations in which the insured has no contractual interest.

POLICY NUMBER: BAP1681992-01

COMMERCIAL AUTO
CA 20 48 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: Patton Sheet Metal Works, Inc.

Endorsement Effective Date: 7/1/2026

SCHEDULE

Name Of Person(s) Or Organization(s): As listed on Certificate

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph A.1. of Section II – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph D.2. of Section I – Covered Autos Coverages of the Auto Dealers Coverage Form.

POLICY NUMBER: BAP1681992-01

COMMERCIAL AUTO
CA 04 44 10 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: Patton Sheet Metal Works, Inc.

Endorsement Effective Date: 7/1/2026

SCHEDULE

Name(s) Of Person(s) Or Organization(s): As listed on Certificate

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The **Transfer Of Rights Of Recovery Against Others To Us** condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

WC 04 03 06 (Ed. 4-84)

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT—
CALIFORNIA**

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on **7/1/2026** (DATE) at 12:01 A.M. standard time, forms a part of

Policy No. **WC9734464-01**

Endorsement No.

of the

Zurich American Insurance Company

issued to

Premium (if any) \$0

Authorized Representative

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be _____ % of the California workers' compensation premium otherwise due on such remuneration.

Schedule

Person or Organization

Job Description

As listed on Certificate

as listed on certificate

PWCR Number: 1000015202

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.

I. 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.

II. 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:

- A. When unemployment for the previous three month period in the area exceeds an average of 15 percent;
- B. When the number of apprentices in training in the area exceeds a ratio of one to five;
- C. 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
- D. 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.

III. SUPPLEMENTARY CONDITIONS – INSURANCE AND INDEMNIFICATION

1. INSURANCE

- A. 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.

2. INDEMNIFICATION

- A. In addition to the Indemnification requirements in the Agreement, 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.
- 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.
 - 3) The indemnities in the Contract Documents shall not apply to any indemnified party to the extent of its sole negligence or willful misconduct; nor shall they apply to KCHA or other indemnified party to the extent of its active negligence.

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed Amendment No. 1 to Agreement with Xanitos, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical is requesting your Board's approval of the proposed Amendment No. 1 to Agreement 153-2023 with Xanitos, Inc., to provide environmental services at Kern County Hospital Authority. On October 18, 2023, your Board entered into a three (3) year agreement, effective December 1, 2023 through November 30, 2026, with Xanitos, Inc., in an amount not to exceed \$2,109,755. The proposed Amendment extends the term for an additional three (3) years, from December 1, 2026 to November 30, 2029, increasing the maximum payable by \$2,194,988 from \$2,109,775 to \$4,304,742.

Therefore, it is recommended that your Board approve the proposed Amendment No. 1 to Agreement 153-2023 with Xanitos, Inc., extending the term for an additional three (3) years, from December 1, 2026 through November 30, 2029, increasing the maximum payable by \$2,194,988 from \$2,109,775 to \$4,304,742, to cover the extended term.

**AMENDMENT NO. 1
TO
PERSONAL/PROFESSIONAL SERVICES AGREEMENT
(Kern County Hospital Authority–Xanitos, Inc.)**

THIS AMENDMENT TO AGREEMENT, effective September 16, 2026 is between the Kern County Hospital Authority, a local unit of government ("KCHA"), which owns and operates Kern Medical Center ("KMC"), and Xanitos, Inc. ("Consultant") with its principal place of business located at 17 Campus Boulevard, Suite 150 Newton Square, PA 19073.

WITNESSETH:

WHEREAS, KCHA and Consultant entered into a Personal/Professional Services Agreement dated December 1, 2023 (HA Agt. #152-2023) ("Agreement"), for the period December 1, 2023 through November 30, 2026; 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):

- X **Term.** The Agreement shall be extended from December 1, 2026 to November 30, 2029, unless sooner terminated as provided for in the Agreement.
- X **Fees** payable by KCHA under the Agreement shall increase by \$2,194,987.81, from \$2,109,754.07 to \$4,304,741.88.
- Travel Expenses** payable by KCHA under the Agreement shall increase from by \$, from \$ to \$.
- Services.** See , attached hereto and incorporated herein by this reference, for revised Services.
- X **Other:** Vendor waives the Contract CPI adjustment for 12/1/26-11/30/27 annual period described on page 1 of the Agreement.

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

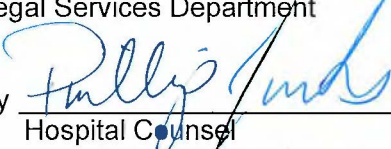
Date: _____

Date: _____

XANITOS, INC.

APPROVED AS TO FORM:
Legal Services Department

By  _____
Dave Crothall, Chief Executive Officer
"Consultant"

By  _____
Hospital Counsel
Kern County Hospital Authority

Date: Jul 1, 2026

Date: 7/13/26

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed First Amendment to Agreement 14220 with Bluesight, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests the Board approve the proposed First Amendment the Agreement 14220 with Bluesight, Inc for continued services with KitCheck, software and products that supports the management, tracking, and verification of medication and medical supply kits. KitCheck enhances operational efficiency, reduces manual processes, and supports patient safety and regulatory compliance.

On March 27, 2020, Kern Medical entered in an Agreement with KitCheck, Inc. for software that supports management, tracking, verification of medications, and medical supply kits. The Agreement is effective for one (1) year terms and automatically renews until terminated. This proposed First Amendment, extends the Agreement for an additional three (3) years, effective November 3, 2026 through November 2, 2029, and increases the maximum payable from \$3,000 to \$ 6,500 annually, a total increase of \$18,000 to \$37,500 to cover the term.

Kern Medical recommends that your Board approve the proposed First Amendment to Agreement 14220 with Bluesight, Inc., for medication management software and related products, extending the Agreement for three (3) years, effective November 3, 2026 through November 2, 2029, and increasing the maximum payable from \$3,000 to \$ 6,500 per year, a total increase of \$19,500 to \$37,500, and authorize the Chairman to sign.

FIRST AMENDMENT TO ORDER FORM: KITCHECK

THIS FIRST AMENDMENT ("First Amendment") to that certain Order Form: KitCheck with an effective date of November 4, 2024 ("Agreement"), by and between BLUESIGHT, INC., a Delaware corporation ("Vendor") and KERN COUNTY HOSPITAL AUTHORITY ("Customer"), is made effective as of November 4, 2026 ("First Amendment Effective Date"). Vendor and Customer are sometimes referred to herein individually as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, the Parties desire to amend the Agreement in certain respects as set forth below;

AGREEMENT

NOW, THEREFORE, in consideration of the of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

- 1. All capitalized terms not defined in this First Amendment shall have the meaning set forth in the Agreement.
- 2. Extension of the Term. The Term of the Agreement shall be extended by three (3) years, commencing on the First Amendment Effective Date, and may be renewed upon mutual agreement of the Parties (each a "Renewal Term").
- 3. Amendment. The "Facility and Module Identification" table as listed in Exhibit A of the Agreement, is hereby deleted in its entirety and replaced as follows:

"Facility and Module Identification:

Facility Name	Selected Module				Annual Subscription Fee Per Facility
	CP	# of Beds	OR	# of OR/Procedural Rooms	
Kern Medical Center	X	197			\$6,182.70

Annual Subscription Fee Total
\$6,182.70

- 4. Conflicts, Use of Terms. In the event of conflict between the terms and conditions of the Agreement and the terms and conditions of this First Amendment, the terms and conditions relating to the subject matter of this First Amendment will control.
- 5. Full Force and Effect of the Agreement. Except as expressly modified by this First Amendment, the Agreement shall remain in full force and effect as presently written and the rights, duties, liabilities and obligations of Parties thereto, as presently constituted, will continue in full effect.
- 6. Counterparts. This First Amendment may be executed in one or more counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. This First Amendment may be executed electronically or by facsimile. The Parties agree that facsimile and electronic copies of signatures have the same effect as original signatures.

[The remainder of this page is left intentionally blank. The signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment effective as of the First Amendment Effective Date.

VENDOR:

BLUESIGHT, INC.,
a Delaware corporation

By: Mark Peters
091CFEB983D7465...

Name: Mark Peters

Title: CFO

Date: 8/31/2026

CUSTOMER:

KERN COUNTY HOSPITAL AUTHORITY

By:

Name:

Title:

Date:

APPROVED AS TO FORM:
Legal Services Department

By: Phillip Jenkins
Kern County Hospital Authority

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

September 16, 2026

Subject: Proposed Change Letter to Agreement 079-2026 with De Lage Landen Financial Services Inc.

Requested Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Change letter to Agreement 079-2026 with De Lage Landen Financial Services Inc. with De Lage Landen Financial Services Inc. On May 20, 2026, your Board approved the financing agreement with De Delage Landen Financial Services, Inc., for purchase of a Kinevo Neurosurgical Microscope, in an amount not to exceed \$757,143. Subsequent to that approval, it was discovered that the amortization included with that Agreement was incorrect, requiring this proposed Amendment. The proposed Amendment corrects the amortization schedule and increases the not to exceed amount from \$757,143 to \$777,475, an increase of \$20,332.

Therefore, it is recommended that your Board approve the proposed Change Letter to Agreement 079-2026 with De Lage Landen Financial Services Inc., for purchase of a Kinevo Neurosurgical Microscope, increasing the not to exceed amount from \$757,143 to \$777,475, an increase of \$20,332, approximate tax and shipping included, and authorize the Chairman to sign.



September 4, 2026

Kern County Hospital Authority
1700 Mount Vernon Ave
Bakersfield, CA 93306

Dear Valued Customer -

This letter is regarding your Lease Agreement 500-50841535 dated 05/20/2026 for the Carl Zeiss equipment.

Presently, the payment structure is as follows:

36 MONTH LEASE AGREEMENT- 36 MONTHLY PAYMENTS OF \$20,502.40 PLUS APPLICABLE TAXES.

Due to the correction in the cost and pricing per the attached Amort schedule, the new payment structure is as follows:

36 MONTH LEASE AGREEMENT- 36 MONTHLY PAYMENTS OF \$21,596.51 PLUS APPLICABLE TAXES.

All other terms and conditions of the agreement will remain in full effect.

If you agree please sign below and email back to jlvolkert@leasedirect.com or you can fax back to my attention at 1-800-743-0177

Kern County Hospital Authority

Signature

Print Name

Title **Date**

APPROVED AS TO FORM:
Legal Services Department

By Phillip Jenkins
Kern County Hospital Authority

Please contact me with any questions you may have.
Thank you again for your business.

Regards,
Judi Volkert
De Lage Landen Financial Services, Inc.

Kern County Hospital Authority #500-50841535

Compounding Period: Monthly

Nominal Annual Rate: 6.990%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	09/04/2026	699,538.14	1		
2	Payment	10/04/2026	21,596.51	36	Monthly	09/04/2029

TValue Amortization Schedule - Normal, 365 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	09/04/2026				699,538.14
1	10/04/2026	21,596.51	4,074.81	17,521.70	682,016.44
2	11/04/2026	21,596.51	3,972.75	17,623.76	664,392.68
3	12/04/2026	21,596.51	3,870.09	17,726.42	646,666.26
2026 Totals		64,789.53	11,917.65	52,871.88	
4	01/04/2027	21,596.51	3,766.83	17,829.68	628,836.58
5	02/04/2027	21,596.51	3,662.98	17,933.53	610,903.05
6	03/04/2027	21,596.51	3,558.51	18,038.00	592,865.05
7	04/04/2027	21,596.51	3,453.44	18,143.07	574,721.98
8	05/04/2027	21,596.51	3,347.76	18,248.75	556,473.23
9	06/04/2027	21,596.51	3,241.46	18,355.05	538,118.18
10	07/04/2027	21,596.51	3,134.54	18,461.97	519,656.21
11	08/04/2027	21,596.51	3,027.00	18,569.51	501,086.70
12	09/04/2027	21,596.51	2,918.83	18,677.68	482,409.02
13	10/04/2027	21,596.51	2,810.03	18,786.48	463,622.54
14	11/04/2027	21,596.51	2,700.60	18,895.91	444,726.63
15	12/04/2027	21,596.51	2,590.53	19,005.98	425,720.65
2027 Totals		259,158.12	38,212.51	220,945.61	
16	01/04/2028	21,596.51	2,479.82	19,116.69	406,603.96
17	02/04/2028	21,596.51	2,368.47	19,228.04	387,375.92
18	03/04/2028	21,596.51	2,256.47	19,340.04	368,035.88
19	04/04/2028	21,596.51	2,143.81	19,452.70	348,583.18
20	05/04/2028	21,596.51	2,030.50	19,566.01	329,017.17
21	06/04/2028	21,596.51	1,916.53	19,679.98	309,337.19
22	07/04/2028	21,596.51	1,801.89	19,794.62	289,542.57
23	08/04/2028	21,596.51	1,686.59	19,909.92	269,632.65

Kern County Hospital Authority #500-50841535

	Date	Payment	Interest	Principal	Balance
24	09/04/2028	21,596.51	1,570.61	20,025.90	249,606.75
25	10/04/2028	21,596.51	1,453.96	20,142.55	229,464.20
26	11/04/2028	21,596.51	1,336.63	20,259.88	209,204.32
27	12/04/2028	21,596.51	1,218.62	20,377.89	188,826.43
2028 Totals		259,158.12	22,263.90	236,894.22	
28	01/04/2029	21,596.51	1,099.91	20,496.60	168,329.83
29	02/04/2029	21,596.51	980.52	20,615.99	147,713.84
30	03/04/2029	21,596.51	860.43	20,736.08	126,977.76
31	04/04/2029	21,596.51	739.65	20,856.86	106,120.90
32	05/04/2029	21,596.51	618.15	20,978.36	85,142.54
33	06/04/2029	21,596.51	495.96	21,100.55	64,041.99
34	07/04/2029	21,596.51	373.04	21,223.47	42,818.52
35	08/04/2029	21,596.51	249.42	21,347.09	21,471.43
36	09/04/2029	21,596.51	125.08	21,471.43	0.00
2029 Totals		194,368.59	5,542.16	188,826.43	
Grand Totals		777,474.36	77,936.22	699,538.14	

Last interest amount increased by 0.01 due to rounding.

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
6.990%	\$77,936.22	\$699,538.14	\$777,474.36

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed Agreement with 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 quote with Welch Allyn, Inc., a subsidiary of Baxter International, Inc., for the purchase of vital sign machines in an amount not to exceed \$19,000. This device provides assessment of vital signs and transmission of assessment to the medical record. Kern Medical has a current relationship with this vendor.

Counsel is unable to approve the terms as to form because they include limitations on the liability, interest on late payments, silence on jurisdiction, in addition to other nonstandard terms. Despite negotiations, counsel was unsuccessful in negotiating these terms.

Therefore, it is recommended that your Board approve the proposed Quotation with Welch Ally, Inc., a subsidiary of Baxter International, Inc., for purchase of vital sign machines, effective September 16, 2026, in an amount not to exceed \$19,000 plus tax and shipping, and authorize the Chairman to sign.

Quotation

Page 1 of 6
Reference # 60488530
Quotation Date 09/01/2026

Welch Allyn Inc
4341 State Street Road
SKANEATELES FALLS NY 13153

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

Sold To: 10642986
Kern Medical Center
1700 Mount Vernon Ave
Bakersfield CA 93306-4018

Bill To: 10925741 / Payer: 10925741
Kern Medical
PO Box 3519
Bakersfield CA 93385

Ship To: 10642986
Kern Medical Center
1700 Mount Vernon Ave
Bakersfield CA 93306-4018

Ship Method:	Best Way	Payment Terms:	Net 30 Days
Customer PO #:	20260901JLW-B	Contact/Buyer:	NICU/Peds
Delivery Terms:	FOB Factory of Origin	Freight Terms:	Prepaid
Valid from:	09/01/2026 to 12/01/2026		
Created By:	Jamie Williams-Blunt Phone #: Ext:		
Sales Rep:	Lauren Cieslinski Phone#:916-952-6973Ext.:Email.:Lauren_Cieslinski@Baxter.com		

Material Number / Description	U/M	Quantity	Unit Price	Extended Price	Disc. %	Total
FINANCING OPTIONS NOW AVAILABLE, please contact your Baxter sales representative for more information. Note: Once PO is placed, financing is no longer applicable. Chris Thompson, Solutions Architect Email: chris_thompson@baxter.com Phone: 775-223-9316 Connex Professional Services included in INS-PS-01: Includes remote development of configuration file to match existing CSM/CSVSM configurations. Does not include project management, go-live support, or clinical in-service training. All technical services whether remote or on-site will be delivered between the hours of 8 am and 5 pm Monday through Friday. CPU hardware provided by the Customer shall meet the minimum specifications as detailed in the Connex CS Minimum Technical Specifications document. All upgrades and expansions of existing Connex systems require an active Software Support Agreement in place. Installation and training dates shall be mutually agreed-upon during project planning. Customer shall notify Baxter of any changes to scheduled on-site activities at least 14 days prior to such scheduled event. If notification is less than 14 days prior to the on-site activity, rescheduling fees will be charged. These devices are connecting to Cerner.						
95MXT-B CONNEX 360 WIFI MASIMO SURETEMP PLUGB CONNEX 360 WIFI MASIMO SURETEMP PLUGB HealthTrust Monitoring Contract HPG-4772 Based on negotiated Purchase Agreement Expires 12/31/2030	EA	4	3,373.65	13,494.60	0.00	13,494.60
7000-916HS JADAK Barcode Scanner and Holster Kit, CSM HealthTrust Monitoring Contract HPG-4772 Based on negotiated Purchase Agreement Expires 12/31/2030	EA	4	462.00	1,848.00	0.00	1,848.00
9000-C360 CONNEX 360 MOBILE STAND CONNEX 360 MOBILE STAND HealthTrust Monitoring Contract HPG-4772 Based on negotiated Purchase Agreement Expires 12/31/2030	EA	4	375.00	1,500.00	0.00	1,500.00
INS-PS-01 Installation	EA	4	0.00	0.00		0.00

Quotation

Page 2 of 6
Reference # 60488530
Quotation Date 09/01/2026

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
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Bill To: 10925741 / Payer: 10925741 Kern Medical PO Box 3519 Bakersfield CA 93385

Ship To: 10642986 Kern Medical Center 1700 Mount Vernon Ave Bakersfield CA 93306-4018

Ship Method: Best Way	Payment Terms: Net 30 Days
Customer PO #: 20260901JLW-B	Contact/Buyer: NICU/Peds
Delivery Terms: FOB Factory of Origin	Freight Terms: Prepaid
Valid from: 09/01/2026 to 12/01/2026	
Created By: Jamie Williams-Blunt Phone #: Ext:	
Sales Rep: Lauren Cieslinski Phone#:916-952-6973Ext.:Email.:Lauren_Cieslinski@Baxter.com	

Material Number / Description	U/M	Quantity	Unit Price	Extended Price	Disc. %	Total
			Sub Total	16,842.60		16,842.60
			Total Taxes			1,389.51
			Total Amount			\$ 18,232.11
KERN COUNTY HOSPITAL AUTHORITY						
			REVIEWED ONLY			
By: _____			NOT APPROVED AS TO FORM			
Chairman, Board of Governors						
Date: _____			By <u>Phillip Jenkins</u>			
			Kern County Hospital Authority			

General Services Terms And Conditions

1. **Scope; Entire Agreement.** These General Service Terms and Conditions apply to the repair, maintenance, support, and other services ("Services") offered by Baxter Healthcare Corporation on behalf of itself and its controlled and/or managed affiliates: Hill-Rom Company, Inc. and Welch Allyn, Inc. (each, a "Services Provider") that are described in the **Baxter Global Services Program Details** at <https://www.hillrom.com/serviceoptions/>, <https://www.hillrom.com/GSSserviceoptions/>, <https://www.hillrom.com/ELCserviceoptions/>, and <https://www.hillrom.com/en/services/smartcare/equipment-maintenance-and-repair/baxter-technical-device-program-details/>, 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 catalog.baxter.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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BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed retroactive Third Amendment to the Kern County Hospital Authority Defined Contribution Plan for Physician Employees

Recommended Action: Approve; Authorize Chairman to sign

Summary:

The Defined Contribution Plan for Physician Employees (“Plan”) was established in 1980 by the County of Kern for the purpose of providing retirement benefits to eligible physician employees. The Plan was most recently amended and restated by the Kern County Hospital Authority effective July 1, 2016.

The physician employees covered under the Plan are not eligible to participate in or receive any benefit from the Kern County Employees’ Retirement Association. Funding of the Plan occurs exclusively through a combination of employer and mandatory employee contributions through payroll withholdings and earnings on such contributions. The Plan is an Internal Revenue Code 401(a) retirement plan and, as a qualified public retirement plan, the participants are exempt from participation in Social Security.

The Plan is amended from time to time based on changes in regulations or other changes in the operational environment. On September 20, 2023, your Board approved the Second Amendment to the Plan to amend the definition of “Eligible Employee” to exclude certain administrative, non-practicing physicians, which included the former chief medical officer, from participation in the Plan. On September 2, 2026, the Pension Committee met to discuss the recent appointment of Dr. Rick McPheeters as chief medical officer and his desire to remain a participant in the Plan, and determined that it is necessary to amend the definition of “Eligible Physician” to allow Dr. McPheeters to continue as a participant in the Plan. The Pension Committee unanimously approved the change, with Dr. McPheeters, who is a member of the committee, recusing himself from the discussion and vote. The amendment is retroactive to September 1, 2026, Dr. McPheeters’ appointment date.

Therefore, it is recommended that your Board retroactively approve the proposed Third Amendment to the Kern County Hospital Authority Defined Contribution Plan for Physician Employees, effective September 1, 2026, amending the definition of “Eligible Employee,” to include the chief medical officer as a Plan participant, and authorize the Chairman to sign

**THIRD AMENDMENT
TO THE
KERN COUNTY HOSPITAL AUTHORITY
DEFINED CONTRIBUTION PLAN FOR PHYSICIAN EMPLOYEES**

WHEREAS, the Kern County Hospital Authority (the "Authority") maintains the Kern County Hospital Authority Defined Contribution Plan for Physician Employees (the "Plan"); and

WHEREAS, the Plan was most recently restated effective July 1, 2016; and

WHEREAS, the Pension Committee has determined that it is necessary to amend the definition of "Eligible Physician" to allow the chief medical officer, who is employed by the Hospital Authority for, or through Kern Medical Center, to continue as a participant in the Plan; and

WHEREAS, the Plan is amended effective September 1, 2026;

NOW, THEREFORE, BE IT RESOLVED that effective as of the date set forth above and incorporating by this reference the foregoing recitals, the Authority hereby amends the Plan as follows:

1. Article 3, Plan Participation, section 3.1, Eligible Physician, shall be deleted in its entirety and replaced with the following:

"3.1 Eligible Physician. "Eligible Physician" means each Physician who is employed by the Hospital Authority for, or through Kern Medical Center, but excludes any Physician who:

(a) is employed by a department of the Hospital Authority other than Kern Medical Center; or

(b) participates in the Kern County Employees' Retirement Association."

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

3. 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.

4. 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.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, this Third Amendment to the Kern County Hospital Authority Defined Contribution Plan for Physician Employees is adopted by the Authority on this 16th day of September, 2026.

KERN COUNTY HOSPITAL AUTHORITY

By: _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By: _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:

By: _____
Karen S. Barnes
Vice President & General Counsel

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed Amendment No. 12 to Agreement 947-2008 with Toyon Associates, Inc. for third-party reimbursement services

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve Amendment No. 12 to Agreement 947-2008 with Toyon Associates, Inc. (Toyon), for third-party reimbursement services. Toyon is a consulting company providing government reporting advice and solutions, primarily for the Medicare and Medi-Cal programs. Toyon has provided services to Kern Medical since 2008.

Toyon is the only consulting company with the knowledge needed to properly account for and report on the many Medi-Cal expansion programs that Kern Medical participates in each year. Toyon's advice and expertise allows Kern Medical to maximize the reimbursement available from these programs. Each year Toyon ensures that Kern Medical receives several million more dollars of government reimbursement than may otherwise be realized without their services. In addition, their advice and reporting services ensure that Kern Medical's reporting is consistent and in compliance with all regulatory and compliance requirements.

The proposed Amendment extends the term of the Agreement for an additional two years from October 14, 2026 through October 13, 2028, updates the service pricing for the two-year extension, and increases the maximum payable by \$950,000, from \$6,190,000 to \$7,140,000, to cover the extended term. The annual cost associated with the Agreement is \$475,000 per year. The Amendment is effective October 14, 2026.

Therefore, it is recommended that your Board approve Amendment No. 12 to Agreement 947-2008 with Toyon Associates, Inc. for third-party reimbursement services for the period October 14, 2008 through October 13, 2026, extending the term for two years from October 14, 2026 through October 13, 2028, updating the service pricing, increasing the maximum payable by \$950,000, from \$6,190,000 to \$7,140,000, to cover the extended term, and authorize the Chairman to sign.

**AMENDMENT NO. 12
TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Toyon Associates, Inc.)**

This Amendment No. 12 to the Agreement for Professional Services is made and entered into this ____ day of _____, 2026, by and between Kern County Hospital Authority, a local unit of government (“Authority”), which owns and operates Kern Medical Center (“KMC”), and Toyon Associates, Inc., a California corporation (“Contractor”), with its principal place of business located at 1800 Sutter Street, Suite 600, Concord, California 94520.

RECITALS

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Kern County Agt. 947-2008), Amendment No. 1 (Kern County Agt. 789-2010), Amendment No. 2 (Kern County Agt. 159-2013), Amendment No. 3 (Kern County Agt. 748-2013), Amendment No. 4 (Kern County Agt. 777-2014), Amendment No. 5 (Kern County Agt. 007-2016), Assignment of Agreement (Kern County Agt. 335-2016), Amendment No. 6 (Agt. 2017-034), Amendment No. 7 (Agt. 073-2017), Amendment No. 8 (Agt. 071-2018), Amendment No. 9 (Agt. 045-2020), Amendment No. 10 (Agt. 102-2022), and Amendment No. 11 (Agt. 165-2024), for third party reimbursement services to KMC; and

(b) Section 21 of the Agreement provides that it may be amended; and

(c) It is the intent of the parties to have the terms of the Agreement provide for the payment of all reasonably projected costs and expenses related to the services provided by Contractor; and

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

(e) The Agreement is amended effective October 14, 2026;

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

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

“1. Term. Performance of Contractor and Authority shall commence October 14, 2008, and shall end October 13, 2028, unless earlier terminated pursuant to other provisions of this Agreement as herein stated.”

2. Section 3, Compensation, paragraph 3.5, Maximum Payable, shall be deleted in its entirety and replaced with the following:

“3.5 Maximum Payable. The maximum payable under this Agreement shall not exceed \$7,140,000 over the term of this Agreement.”

3. Amendment No. 8 to Exhibit “A,” Description of Services, shall be deleted in its entirety and replaced with Amendment No. 9 to Exhibit “A,” Description of Services, attached hereto and incorporated herein by this reference.
4. Exhibit “B-8,” Hourly Rates, October 14, 2024 – October 13, 2026, shall be deleted in its entirety and replaced with Exhibit “B-9,” Hourly Rates, October 14, 2026 – October 13, 2028, attached hereto and incorporated herein by this reference.
5. All capitalized terms used in the Agreement and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
6. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
7. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
8. Except as provided herein, all other terms, conditions and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 12 as of the day and year first written above.

TOYON ASSOCIATES, INC.

By _____
Ronald G. Knapp
Chief Executive Officer

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM: LEGAL
SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority

**AMENDMENT NO. 9
TO
EXHIBIT “A”
DESCRIPTION OF SERVICES**

1. Routine Services: Contractor shall provide any of the following routine third-party reimbursement services, if requested by KMC and approved in advance by KMC:
 - A) Medicare and Medicaid cost report preparation
 - B) Medicare Schedule 10 preparation and audit support
 - C) Medicare Schedule 12 preparation and audit support
 - D) Medicare Wage index preparation and audit support
 - E) Medicaid eligible days documentation development for Medicare DSH optimization
 - F) Review prior year Medicare and Medicaid cost reports for accuracy
 - G) Medi-Cal redesign cost analysis and interim rate support
 - H) Medicare and Medicaid cost report audit appeals
 - I) Medicare cost report compliance review and policies and procedures development
 - J) Contractual allowance and reserve analysis, including audit review
 - K) Medicare and Medicaid cost report audit assistance
 - L) Annual HCAI report assistance
 - M) Medicare and Medicaid reimbursement planning and strategy development
 - N) Medicare bad debt recovery documentation development, analysis and appeals
 - O) Medicare wage index review and reclassification requests
 - P) Medicare GME/IME reimbursement review and payment optimization
 - Q) AB 85 Public Hospital County data submission form preparation or review if applicable
 - R) Preparation and review of AB 915 claims
 - S) Preparation and review of Medi-Cal waiver workbooks (aka P-14 workbooks)
 - T) Preparation or review of CAPH and/or DHCS data requests regarding Medi-Cal program funding
 - U) Process Medi-Cal POS for aid code review
 - V) Assist with gathering data for the GPP Program
 - W) Provide assistance in reconciling patient data for EPP and QIP Programs
2. Specialized Services: Contractor shall provide the following specialized services, as requested by KMC:
 - A) Assist with monthly booking of revenue and periodic true-up of revenue based on updated schedules from CAPH, and review actual Medi-Cal outpatient and physician costs (AB 915 and Physician SPA)
 - B) Develop projections for KMC government program net revenue
 - C) Assist with development of template for monthly contractual allowance calculations and provide routine review
 - D) Review booking of Practice Plus revenue and ensure that data are captured in a format necessary for cost reporting and claiming
 - E) Provide ongoing training for designated KMC staff, as necessary, regarding state/federal funding and proper cost report and P14 preparation

- F) Identify data needs and items for review to prepare and/or revise P14 workbook(s) including, without limitation, dual eligible calculations
- G) Oversee and support P14, PPNP (MD SPA), Medi-Cal, GPP and EPP audits
- H) Prepare quarterly cost reports to validate data and identify potential adjustments prior to year-end
- I) Undertake special projects and/or analysis not otherwise covered regarding government funding

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**EXHIBIT “B-9”
HOURLY RATES
October 14, 2026 – October 13, 2028**

**TOYON ASSOCIATES, INC.
Kern Medical Center
Service Pricing
Effective October 14, 2026**

Title	10/14/2026	10/14/2027
CEO	\$685	\$710
COO	\$655	\$680
Vice President	\$570	\$590
Senior Director	\$510	\$530
Senior Manager	\$475	\$490
Director	\$390	\$405
Manager	\$360	\$375
Senior Consultant	\$340	\$350
Consultant	\$310	\$320
Senior Analyst	\$270	\$290
Analyst	\$210	\$215
Appeals Coordinator	\$240	\$250
Administrative	\$160	\$165

Programming Staff

Title	10/14/2026	10/14/2027
Manager Systems Development	\$280	\$290
Director of Information Technology	\$360	\$375
Systems Programmer	\$305	\$315
Systems Administrator	\$275	\$285
Web Applications Developer	\$240	\$250
Programmer Analyst	\$240	\$250

Fixed Fee Service Schedule

DSH POS – CR Prep/Yr	\$4,500
DSH Historical – Prep/Audit – Per Yr	\$13,500
Medicare/Medi-Cal Bad Debt – Prep/Audit – Per Yr	\$11,500
SSI Realignment – Analysis/MAC Request – Per Yr	\$5,000

DSH OP POS Look-up Service

Fees to process Medi-Cal OP POS are based on the volume of accounts processed. The POS system provides eligibility for the past 12 months. We therefore recommend processing the look-ups on a quarterly basis. Toyon’s fee for this service are:

- Initial Set-up Fee/Quarter \$400

Acct Volume	Fee/Lookup
0-100,000	\$.05/acct
100,001 – 500,000	\$0.25
500,001 – 1,000,000	\$.02
+1,000,001	\$.015

The volumes described above are based on cumulative claims processed in a fiscal year. Each July 1, the account volume is reset to zero.

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed Educational Services Agreement with The Chartis Group, LLC d/b/a The Greeley Company, LLC

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests that your Board approve the proposed educational services agreement with The Chartis Group, LLC d/b/a The Greeley Company, LLC to provide training for the Interim Chief Medical Officer and other medical staff and hospital leaders.

Kern Medical has identified a need for structured, expert-led training on medical staff governance, peer review, and professional practice evaluation as such services are unavailable from Kern Medical resources. Greeley, a division of The Chartis Group, is a nationally recognized provider of medical staff education, credentialing, and governance consulting services, and offers a curriculum drawn from its National Seminars, Medical Executive Committee Institute, and Peer Review Boot Camp programs.

Following discussions between Kern Medical leadership and Greeley, Greeley has proposed a two-part virtual education series tailored to Kern Medical's needs. This engagement is intended to strengthen the effectiveness of medical staff leaders in fulfilling their governance and peer review responsibilities, which supports the organization's broader quality, compliance, and accreditation objectives. The agreement is effective as of the last agreement signature and terminates at the conclusion of the educational event, with a not to exceed of \$16,200.

Counsel is unable to approve due to nonstandard terms, which include a termination fee of 40% of the fee. These nonstandard terms were negotiated at length and are better than initially proposed, but not optimal to meet Counsel's approval.

Approval of this Agreement will allow Kern Medical to move forward with a focused investment in medical staff leadership development at a defined, fixed cost. Therefore, it is recommended that your Board approve the Educational Services Agreement with The Chartis Group, LLC d/b/a The Greeley Company, LLC, effective upon signature, with a total cost of \$16,200, and authorize the Chairman to sign.

EDUCATIONAL SERVICES AGREEMENT

This EDUCATIONAL SERVICES AGREEMENT ("Agreement") effective as of the date last signed below ("Effective Date"), by and between Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center and Kern Medical Outpatient Health with its place of business at 1700 Mount Vernon Avenue, Bakersfield, CA 93306 ("Client") and The Chartis Group, LLC d/b/a The Greeley Company, LLC ("Greeley") with its place of business at 222 W. Merchandise Mart Plaza, Suite 560 ("Greeley"). Client and Greeley may hereinafter be collectively referred to as "Parties" and individually as "Party."

ARTICLE 1 - SERVICES

Client retains Greeley and Greeley agrees to provide for Client the following educational program as described below ("Educational Event"):

Title: Customized Virtual Education Program focused on content from our National Seminars, Medical Executive Committee Institute & Peer Review Boot Camp

Scope: The two-half day virtual programs will provide up to 3 content hours each for a total of 6 content hours.

Date(s): September 2026

Location: California (Virtual).

After the Agreement has been signed by both Parties: (a) the specific topics, agenda, and timing of the Educational Event will be discussed and confirmed by the Parties on a planning call, and (b) the employee(s) and/or contractor(s) of Greeley who will speak at the Educational Event ("Speaker") will be confirmed. Client agrees to ensure that its key medical staff and administrative leaders participate in the planning call to define the program goals and objectives, and to develop the agenda. For purposes of planning and billing, Client will provide Greeley a written list of program invitees (including name, title, and organization) prior to the planning call.

After the planning call, Greeley will provide to Client the agenda for the Educational Event or review and approval by Client. If the date(s) of the Educational Event set forth above is changed by the Client less than thirty (30) days prior to the date of the Educational Event, Client will pay Greeley a postponement fee of forty percent (40%) of the Fee (defined below) to change the date.

No recording or reproduction of the Educational Event is permitted without the express written consent of Greeley. If Client wishes to record the Educational Event, Client will pay Greeley an additional recording fee to be agreed upon by Client and Greeley. Client may only use the recording of the Educational Event solely for its internal purposes.

ARTICLE 2 – RESOURCES

Greeley and Client will cooperate to coordinate the details of the Educational Event, and Greeley will provide to Client an electronic copy of any handout materials one week prior to the Educational Event. Client shall use such presentation only for its internal purposes and shall not disclose it to any third-party without the prior written consent of Greeley.

ARTICLE 3 – TERM AND TERMINATION

This Agreement shall be in effect from the Effective Date until completion of the Education Event. This Agreement may be terminated earlier by either Party no later than thirty (30) business days prior to the Educational Event, upon written notice to the other Party at the address set forth above. Any termination of this Agreement by Client that is not in compliance with the preceding sentence shall result in a termination fee equal to forty percent (40%) of the Fee (as defined in Article 4 below), as well as of any non-refundable travel costs incurred by Greeley and/or Speaker prior to receipt of such notice. The Parties agree that Greeley may retain part or all of any payment received by Greeley under Article 4 as a credit against the termination fee and/or such travel costs. The provisions of Articles 3, 4, 6, 7, 8, 10 through 13 shall survive the expiration or termination of this Agreement.

ARTICLE 4 – FEES, EXPENSES, AND INVOICES

As consideration for Greeley's performance of its obligations under this Agreement, Client will pay Greeley the fees for the educational services described in Article 1 set forth below and if applicable, the Continuing Medical Education Credit Fees set forth below and any recording fee as agreed by the Parties (hereinafter collectively referred to as "Fee") due upon execution of this Agreement by both Parties. Greeley shall send an invoice to Client for the Fee via email to the Client's billing contact identified on the signature page of this Agreement. All invoices received by Client from Greeley hereunder shall be paid within thirty (30) days of receipt.

FEES	AMOUNT
Fees for the educational services described in this Agreement	\$16,200.00

ARTICLE 5 - INDEPENDENT CONTRACTOR STATUS

Greeley is entering into this Agreement as an independent contractor of Client. Greeley and Speaker are not employees of Client and are not entitled to participate in health or disability insurance, retirement benefits, or other benefits to which employees of Client may be entitled. Neither Party will hold itself out as a partner, agent, employee, or joint venture partner of the other Party.

ARTICLE 6 – MATERIALS

Greeley retains all rights, title, and interest in and to the content of its materials used form the Educational Event, including, without limitation, writings, course materials, visual aids, speech notes, slides, and any other materials (collectively, "Greeley Materials"). Client agrees not to use or disclose the Greeley Materials for any purpose other than the Educational Event in accordance with this Agreement.

ARTICLE 7 – INDEMNIFICATION AND LIABILITY

Client agrees to indemnify, defend and hold harmless Speaker, Greeley, its affiliates, and its and their respective directors, officers, employees, contractors and agents (collectively, "Greeley Indemnified Parties") from and against any third party claims, losses, damages, liabilities, including reasonable attorneys' fees (collectively, "Claims") arising from (a), (b) Client's negligence or willful misconduct, or (c) Client's breach of including reasonable attorneys' fees (collectively, "Claims") arising from (a) the physical Educational Event, (b) Client's negligence or willful misconduct, or (c) Client's breach of this Agreement, except to the extent any such Claims are caused by (i) the gross negligence or willful misconduct of Greeley; and/or (ii) a breach of this Agreement by Greeley.

Greeley agrees to indemnify, defend and hold harmless Client, its affiliates, and its and their respective directors, officers, employees, contractors and agents (collectively, "Client Indemnified Parties") from and against any third party claims, losses, damages, liabilities, including reasonable attorneys' fees (collectively, "Claims arising from (a) the Educational Event's furnished materials, (b) Greeley's negligence or willful misconduct, or (c) Greeley's breach of this Agreement, except to the extent any such Claims are caused by (i) the gross negligence or willful misconduct of Client; and/or (ii) a breach of this Agreement by Client.

Excluding any liability resulting from the indemnification obligations under this Section, neither Party will be responsible or liable to the other Party with respect to the subject matter of this Agreement for any indirect, incidental, special, or consequential damages. Liability of either Party to the other Party arising from this Agreement and/or the Educational Event will be limited to actual damages and will not exceed the Fee paid by Client to Greeley pursuant to this Agreement.

ARTICLE 8 - NO ASSIGNMENT

This Agreement may not be assigned by either Party without the prior written consent of the other Party.

ARTICLE 9 – FORCE MAJEURE

Neither Party will be liable for any failure or delay in performing its obligations under this Agreement if such failure or delay is due to circumstances beyond its control, including but not limited to, governmental actions or restrictions, war, terrorism or insurrections, strikes, fires, floods, storms, work stoppages, embargoes, pandemics, equipment, telecommunications, power, or electrical failures (each a "Force Majeure Event"); provided that, if possible, the affected Party promptly notifies the other Party of the Force Majeure Event. The affected Party will use its reasonable efforts to mitigate the effect of the Force Majeure Event upon its performance of its obligations under this Agreement.

ARTICLE 10 - NOTICES

All notices provided for in this Agreement shall be given in writing, either by personal delivery of the notice or by the mailing via certified mail to the Parties at the addresses set forth in the first paragraph of this Agreement, or at such other address as either Party shall notify the other Party in writing.

ARTICLE 11 - ENTIRE AGREEMENT; AMENDMENTS

This Agreement constitutes the entire agreement between the parties with respect to its subject matter, and supersedes all prior agreements or understandings, whether oral or written, between the parties relating to its subject matter. This Agreement may be modified only by a written amendment signed by both Parties.

ARTICLE 12 – COUNTERPARTS; ELECTRONIC SIGNATURES

This Agreement may be executed in any number of counterparts (including by .pdf, fax, or electronic signature software such as DocuSign®), each of which will be deemed to be an original and all of which together will constitute one and the same instrument. A facsimile, electronic copy, or portable document format (".pdf") copy of this Agreement, signed and transmitted by a Party will be deemed to contain an original signature of such Party. For avoidance of doubt, the words "execution," "signed," "signature," and words of similar import in this Agreement will be deemed to include electronic signatures.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

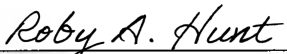
Kern County Hospital Authority

By _____
Phil McLaughlin
Chairman, Board of Governors

The Chartis Group, LLC

D/B/A The Greeley Company, LLC
By  9/11/2026
10F33BE1C48A4EA...
Mark Phillips
SVP of Business Development and Education

APPROVED AS TO CONTENT:
KERN MEDICAL CENTER

By 
Roby Hunt
Chief Transformation Officer

Reviewed Only
NOT APPROVED AS TO FORM:
Legal Services Department

By 
Hospital Counsel
Kern County Hospital Authority

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

SUBJECT: Proposed Amendment No. 5 to Agreement 006-2020 with Neurodiagnostic Workforce LLC

Requested Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board approve the proposed Amendment No. 5 to Agreement 006-2020 with Neurodiagnostic Workforce LLC, an independent contractor, for neurodiagnostic monitoring services.

Kern Medical has contracted with Neurodiagnostic Workforce since February 12, 2020. Neurodiagnostic Workforce currently provides four full-time EEG technicians and one part-time Chief Technician to perform inpatient and outpatient monitoring services and provide 24/7 in-house coverage Monday through Friday, excluding holidays, and 24/7 on-call coverage on weekends and holidays, including routine EEG monitoring services, for continuous monitoring of patients in the ICU, ambulatory and outpatient clinic setting, and epilepsy monitoring unit on an 24/7 on-call basis. These services are vital to the success of our neurosurgery and neurology programs and a critical component of the Epilepsy Monitoring Unit.

The proposed Amendment increases the monthly stipend effective October 1, 2026 from \$37,500 to \$42,500 for an annual increase of \$60,000 to account for raising costs of labor. The total maximum payable will also increase by \$85,000, from \$3,452,000 to \$3,537,000, to cover the term.

Therefore, it is recommended that your Board approve Amendment No. 5 to Agreement 006-2020 with Neurodiagnostic Workforce LLC, for neurodiagnostic monitoring services for the period February 12, 2020 through February 11, 2028, increasing the monthly stipend by \$5,000, from \$37,500 to \$42,500, increasing the maximum payable by \$85,000, from \$3,452,000 to \$3,537,000, to cover the term, and authorize the Chairman to sign.

**AMENDMENT NO. 5
TO
AGREEMENT FOR PROFESSIONAL SERVICES
INDEPENDENT CONTRACTOR
(Kern County Hospital Authority – Neurodiagnostic Workforce LLC)**

This Amendment No. 5 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 Neurodiagnostic Workforce LLC, a California limited liability company (“Contractor”), with its principal place of business located at 11604 Crabbet Park Drive, Bakersfield, California 93311.

RECITALS

(a) Authority and Contractor have heretofore entered into an Agreement for Professional Services (Agt. #006-2020, dated April 3, 2020), Amendment No. 1 (Agt. #008-2021, dated February 17, 2021), Amendment No. 2 (Agt. #022-2022, dated February 16, 2022), Amendment No. 3 (Agt. #012-2024, dated January 17, 2024), and Amendment No. 4 (Agt. 006-2026, dated January 21, 2026) (collectively, the “Agreement”), for the period February 12, 2020 through February 11, 2028, for neurophysiological monitoring and EEG technician support 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 October 1, 2026;

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

1. Section 4, Payment for Services, paragraph 4.1, Compensation, paragraph 4.1.1, Coverage, shall be deleted in its entirety and replaced with the following:

“4.1.1 Coverage. Authority shall pay Contractor a fixed fee in the amount of \$510,000 per year at the rate of \$42,500 per month for coverage provided by EEG Technicians in the outpatient clinic, ICU, and inpatient epilepsy monitoring unit.”

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

“4.2 Maximum Payable. The maximum payable under this Agreement shall not exceed \$3,537,000 over the term of this Agreement.”

3. All capitalized terms used in this Amendment and not otherwise defined, shall have the meaning ascribed thereto in the Agreement.
4. This Amendment shall be governed by and construed in accordance with the laws of the state of California.
5. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.
6. Except as provided herein, all other terms, conditions, and covenants of the Agreement and any and all amendments thereto shall remain in full force and effect.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 5
as of the day and year first written above.

NEURODIAGNOSTIC WORKFORCE LLC

By _____
Adora Calistro
Its Managing Member

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

September 16, 2026

Subject: Proposed Amendment No. 10 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 Chairman to sign

Kern Medical requests your Board approve Amendment No. 10 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 September 18, 2026.

The proposed Amendment extends the term of the Agreement for an additional period from September 19, 2026, through March 15, 2027, and increases the maximum payable by \$1,950,000, from \$11,016,787 to \$12,966,787, to cover the extended term and includes revised compensation terms, modifying his payment structure as follows:

- A base salary based on productivity whereby Dr. Rustagi will be paid \$73 per Worked RVU not to exceed 15,000 Worked RVU during the extended term;
- Kern Medical call coverage: \$500 per 24-hour day for weekday call coverage that exceeds 1:4 weekdays and \$1,000 per 24-hour day for weekend and holiday call coverage that exceeds 1:4 weekends
- Outside Call Coverage at Adventist Health: \$4,000 per 24-hour day not to exceed 91 days during the extended term for approved call coverage at Adventist Health (Adventist Health Bakersfield and its affiliated transfer facilities);
- Outside Call Coverage at Dignity Health effective June 1, 2026: \$1,800 per 24-hour day for approved call coverage at Bakersfield Memorial Hospital and \$1,800 per 24-hour day for approved combined call coverage at Mercy Hospital Downtown and Mercy Southwest Hospital, with total compensation shall not exceed \$3,600 per 24-hour day;
- Director Stipend: \$225 per hour not to exceed 55 hours during the extended term for services as Director of Endoscopy at Adventist Health; and
- Retention Bonus in the amount of \$12,500.

Kern Medical anticipates bringing a new agreement with Dr. Rustagi to your Board sometime prior to the March 15, 2027 expiration date.

Therefore, it is recommended that your Board approve Amendment No. 10 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 September 18, 2026, extending the term for an additional period from September 19, 2026 through March 15, 2027, revising the compensation methodology, increasing the maximum payable by \$1,950,000, from \$11,016,787 to \$12,966,787, to cover the extended term, and authorize the Chairman to sign.

AMENDMENT NO. 10
TO
AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Tarun Rustagi, M.D.)

This Amendment No. 10 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), Amendment No. 5 (Agt. 017-2026, dated February 18, 2026), Amendment No. 6 (Agt. 086-2026, dated May 20, 2026), and Amendment No. 7 (Agt. 101-2026, dated June 17, 2026), Amendment No. 8 (Agt. 122-2026, dated July 15, 2026), and Amendment No. 9 (Agt. 131-2026, dated August 19, 2026) (collectively, the “Agreement”), for the period March 16, 2023 through September 18, 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 September 19, 2026, except as otherwise set forth herein;

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 commence 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 March 15, 2027. 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 5.1, Annual Compensation, shall be deleted in its entirety and replaced with the following:

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

5.1.1 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 dividing the MGMA Survey ninetieth (90th) percentile Total Compensation for Gastroenterology divided by the MGMA Survey ninetieth (90th) percentile work relative value unit (“wRVU”) for Gastroenterology (“Worked RVU”), and rounding to the nearest dollar.

5.1.2 Annual Salary. Physician shall be compensated at the rate of \$73 for each Worked RVU (“RVU Effort”) not to exceed 15,000 Worked RVU for the period September 19, 2026 through March 15, 2027, for Worked RVU generated at KMC Practice Sites.²

5.1.3 Limitations on Compensation. Authority shall exclude from payment any Worked RVU generated by Physician for services provided to patients at Dignity Health when the patient’s payer is not contracted with KMC, unless authorized in advance by KMC.

5.1.4 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.

5.1.5 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.”

3. Section 5, Compensation Package, paragraph 5.2, Director of Endoscopy Stipend, shall be deleted in its entirety and replaced with the following:

5.2 Director Stipend. Authority shall pay Physician an hourly rate in the amount of \$225 per hour not to exceed fifty-five (55) hours for services as Director of

² Includes Worked RVU generated at KMC and Dignity Health only, except as otherwise provided herein.

Endoscopy at Adventist Health for the period September 19, 2026 through March 15, 2027. 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 detailing to KMC's satisfaction the date, time, and actual number of hours provided during the immediately preceding calendar month. Payment of the stipend is subject to approval of each time log by Adventist Health.

4. 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 \$12,966,787 over the Initial Term of this Agreement.”

5. Section 5, Compensation Package, paragraph 5.6, KMC Call Coverage, shall be made part of the Agreement as follows:

“5.6 KMC Call Coverage. Authority shall pay Physician for call coverage at KMC as follows: (i) Physician shall be paid a per diem rate in the amount of \$500, less all applicable federal and state taxes and withholding requirements, per twenty-four (24) hour day for weekday call coverage that exceeds one in four (1:4) weekdays (Monday-Friday); and (ii) Physician shall be paid a per diem rate in the amount of \$1,000, less all applicable federal and state taxes and withholding requirements, per twenty-four (24) day for weekend and holiday call coverage that exceeds one in four (1:4) weekends (Saturday and Sunday; designated Authority holidays only).”

6. Section 5, Compensation Package, paragraph 5.7, Outside Call Coverage, shall be made part of the Agreement as follows:

“5.7 Outside Call Coverage.

5.7.1 Adventist Health. Authority shall pay Physician a per diem rate in the amount of \$4,000 per twenty-four (24) hour day not to exceed ninety-one (91) days for the period September 19, 2026 through March 15, 2027, for scheduled call coverage at Adventist Health (Adventist Health Bakersfield and its affiliated transfer facilities).

5.7.2 Dignity Health (Effective June 1, 2026). Authority shall pay Physician a per diem rate for scheduled call coverage at Dignity Health as follows: (i) \$1,800 per twenty-four (24) hour day for coverage at Bakersfield Memorial Hospital; and (ii) \$1,800 per twenty-four (24) hour day for combined coverage at Mercy Hospital Downtown and Mercy Southwest Hospital. Total compensation shall not exceed \$3,600 per twenty-four hour day.

5.7.3 Taxes. All payments made by Authority to Physician for outside call coverage shall be subject to all applicable federal and state taxes and withholding requirements.”

7. Section 5, Compensation Package, paragraph 5.8, Retention Bonus, shall be made part of the agreement as follows:

“5.8 Retention Bonus. Physician shall receive a retention bonus in the amount of \$12,500, less all applicable federal and state taxes and withholdings, payable on or before September 30, 2026.”

8. Section 5, Benefits Package, paragraph 6.16, Immigration Expenses, shall be deleted in its entirety and replaced with the following:

“6.16 Immigration Expenses. Authority agrees to pay for all reasonable and necessary expenditures related to Physician’s H-1B status and Permanent Resident Card in an amount not to exceed \$56,000.”

9. Section 5, Effect of Termination, paragraph 29.5, Liquidated Damages, shall be deleted in its entirety and replaced with the following:

“29.5 Liquidated Damages. In the event that Physician terminates this Agreement during the Initial Term or this Agreement is terminated by Authority prior to the expiration of the Initial Term due to an Event of Default as defined in paragraph 28.2, the parties agree that Authority will suffer a substantial injury for which it is impracticable or extremely difficult to ascertain or fix actual damages with any degree of certainty. If Physician terminates this Agreement during the Initial Term or this Agreement is terminated by Authority prior to the expiration of the Initial Term due to an Event of Default, Physician agrees to pay liquidated damages to Authority according to the following schedule: \$32,500 if this Agreement is terminated on or before March 15, 2027. The parties intend that Physician’s payment of the liquidated damages amount would serve to compensate Authority for the early termination of this Agreement, and they do not intend for it to serve as punishment for such termination.”

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

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

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

13. 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.

14. 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.

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS TO THE FOREGOING, the parties have executed this Amendment No. 10
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

AMENDMENT NO. 1
TO
EXHIBIT “A”
JOB DESCRIPTION
Tarun Rustagi, M.D.

Position Description: Reports to Chair, Department of Medicine and Chief, Division of Gastroenterology; serves as a full-time faculty member in the Department; serves as Director of Endoscopy at Adventist Health.

Essential Functions:

1. Clinical Responsibilities

- Serves as attending physician in the Division of Gastroenterology
- Supervises residents and medical students assigned to the gastroenterology service
- Performs general and advanced gastroenterology procedures
- Supervises Advance Practice Providers (APP) assigned to the gastroenterology service and ensures competence
- Inpatient rounds – five (5) days per week, as needed
- GI Clinic – minimum of two (2) half-day clinics per week
- GI Call Coverage – weekday coverage (Monday-Friday), one in four (1:4) weekdays; weekend and holiday coverage (Saturday and Sunday; designated Authority holidays only), one in four (1:4) weekends
- Provides services to all patients regardless of payer status (e.g., health insurance), physical or mental disability, medical condition, or designated Practice Site

2. Administrative Responsibilities.

- Determines equipment needs for the gastroenterology laboratory
- Trains ancillary personnel assigned to the gastroenterology laboratory
- Attends and actively participates in assigned medical staff and hospital committees

3. Teaching Responsibilities.

- Prepares residents for oral boards and reviews case logs
- Assists in resident mentoring, counseling, and evaluation
- Didactic talks/lectures – a minimum of six (6) per year

4. Optional Outside Call Coverage¹ (see footnote below)

- Provides optional twenty-four (24) hour call coverage at Adventist Health (Adventist Health Bakersfield, Adventist Specialty Hospital, and its affiliated transfer facilities)
- Provides optional twenty-four (24) hour call coverage at Dignity Health (Bakersfield Memorial Hospital, Mercy Hospital Downtown, and Mercy Southwest Hospital)

¹ Physician understands and agrees that call coverage at Adventist Health or Dignity Health is subordinate to his duty to provide call coverage at KMC. Call coverage shall be limited to no more than two health systems at any given time.

Employment Standards:

Three (3) years of post-residency experience in gastroenterology

AND

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

AND

Certification by the American Board of Internal Medicine in gastroenterology-subspecialty

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

Ability to: Plan, organize, direct and coordinate endoscopy services; perform invasive endoscopy procedures; supervise and instruct professional and technical personnel; develop and present educational programs for interns, residents and ancillary medical staff; maintain records and prepare comprehensive reports; work effectively with staff, patients, and others.

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BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed retroactive Amendment No. 4 to Agreement 103-2022 with Jack C. Hou, M.D., a contract employee, for professional medical services in the Department of Surgery

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests your Board retroactively approve the proposed Amendment No. 4 to Agreement 103-2022 with Jack C. Hou, M.D., a contract employee, for professional medical services in the Department of Surgery. Dr. Hou, a fellowship trained urologist, has been employed by Kern Medical since September 22, 2022. The Amendment is effective June 1, 2026.

The proposed Amendment adds a provision for optional call coverage at Dignity Health facilities at a per diem rate for coverage as follows: (i) \$1,250 per 24-hour day for coverage at Bakersfield Memorial Hospital; (ii) \$1,250 per 24-hour day for coverage at Mercy Hospital Downtown; and (iii) \$1,250 per 24-hour hour day for coverage at Mercy Southwest Hospital. No increase to the maximum payable is required.

Therefore, it is recommended that your Board retroactively approve Amendment No. 4 to Agreement 103-2022 with Jack C. Hou, M.D., for professional medical services in the Department of Surgery for the period September 22, 2022 through September 21, 2026, adding optional call coverage at Dignity Health, and authorize the Chairman to sign.

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

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

RECITALS

(a) Authority and Physician have heretofore entered into an Agreement for Professional Services (Agt. 103-2022, dated September 21, 2022), Amendment No. 1 (Agt. 127-2023, dated September 20, 2023), Amendment No. 2 (Agt. 108-2024, dated June 26, 2024), and Amendment No. 3 (Agt. 110-2025, dated September 17, 2025) (collectively, the “Agreement”), for the period September 22, 2022 through September 21, 2026, whereby Physician provides professional medical services in the Department of Surgery and teaching services to resident physicians employed by Authority; and

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

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

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

1. Section 5, Compensation Package, paragraph 5.2, Dual Hospital Coverage, shall be deleted in its entirety and replaced with the following:

“5.2 Outside Coverage.

5.2.1 Adventist Health. Authority shall pay Physician a per diem rate in the amount of \$2,500 per twenty-four (24) hour day for coverage at Adventist Health (Adventist Health Bakersfield and its affiliated transfer facilities).

5.2.2 Dignity Health. Authority shall pay Physician a per diem rate for coverage at Dignity Health as follows: (i) \$1,250 per twenty-four (24) hour day for coverage at Bakersfield Memorial Hospital; (ii) \$1,250 per twenty-four (24) hour day for coverage at Mercy Hospital Downtown; and (iii) \$1,250 per twenty-four (24) hour day for coverage at Mercy Southwest Hospital.

5.2.3 Taxes. All payments made by Authority to Physician for outside coverage shall be subject to all applicable federal and state taxes and withholding requirements.”

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 taken 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.

[SIGNATURES FOLLOW ON NEXT PAGE]

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

PHYSICIAN

By Jack C. Hou 9/10/26
Jack C. Hou, M.D.

KERN COUNTY HOSPITAL AUTHORITY

By _____
Chairman
Board of Governors

APPROVED AS TO CONTENT:

By _____
Scott Thygerson
Chief Executive Officer

APPROVED AS TO FORM:
LEGAL SERVICES DEPARTMENT

By _____
Vice President & General Counsel
Kern County Hospital Authority

**AMENDMENT NO. 1
TO
EXHIBIT "A"
JOB DESCRIPTION
Jack C. Hou, M.D.**

Position Description: Reports to Chair, Department of Surgery and Chief, Division of Urology; serves as a full-time faculty member in the Department; provides those services assigned by the Department Chair; provides no fewer than eighty (80) hours of service per pay period.

Essential Functions:

1. Clinical Responsibilities

- Performs urologic procedures
- Provides a minimum of two (2) half-day outpatient clinics per week, and may be assigned additional half-day clinics per week as KMC may designate in its sole discretion, to meet the needs of the urology service
- Provides scheduled clinics at designated KMC Practice Sites or at such other clinic sites as KMC may designate in its sole discretion
- Provides a minimum of 1:4 hospital call coverage for KMC when there are four (4) KMC full-time employed urologists or fewer who participate in call coverage
- Provides services to all patients regardless of their payer status (e.g., health insurance), physical or mental disability, medical condition, or designated Practice Sites
- Provides services to correctional medicine patients at designated KMC Practice Sites or at such other clinic sites as KMC may designate in its sole discretion

2. Teaching Responsibilities

- Assists in didactic curriculum and teaching conferences, as requested
- Assists in resident research and scholarly activity

3. Administrative Responsibilities

- Assists in clinical and administrative integration efforts across KMC as appropriate for the urology service ensuring proper planning, surgeon recruitment, faculty development, resource allocation, analysis, communication, and assessment
- Gathers data through best practices and collaborates with other members of the Department to recommend services that will increase productivity, minimize duplication of services, increase productivity, increase workflow efficiency, and provide the highest quality of care to KMC patients
- Supports the Department Chair to develop monitoring tools to measure financial, access, quality, and satisfaction outcomes for the urology service
- Attends and actively participates in assigned Medical Staff and hospital committees

4. Optional Call Coverage¹ (see footnote below)

- Provides optional twenty-four (24) hour call coverage at Adventist Health (Adventist Health Bakersfield and its affiliated transfer facilities)
- Provides optional twenty-four (24) hour call coverage at Dignity Health (Bakersfield Memorial Hospital, Mercy Hospital Downtown, and Mercy Southwest Hospital)

Employment Standards:

Completion of an accredited residency program in urology; one (1) year of post-residency experience in urologic surgery desirable

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 Urology in urology-general

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

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¹ Physician understands and agrees that call coverage at Adventist Health or Dignity Health is subordinate to his duty to provide call coverage at KMC. Call coverage shall be limited to no more than two health systems at any given time.



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

September 16, 2026

Subject: Proposed Agreement with Jack C. Hou, M.D., a contract employee, 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 Jack C. Hou, M.D., a contract employee, for professional medical services in the Department of Surgery. Dr. Hou, a fellowship trained urologist, has been employed by Kern Medical since September 22, 2022. The proposed Amendment is for a term of three years from September 22, 2026 through September 21, 2029.

Dr. Hou's annual base salary of \$750,000 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 provided. Dr. Hou's compensation is comprised of (i) a base salary for teaching and administrative duties; (ii) payment for care of KMC patients; and (iii) weekday and weekend call coverage at Kern Medical. In addition to his annual salary, Dr Hou is eligible to receive incentive compensation at a rate of \$61.73 for each worked RVU generated in excess of 12,149 annually. Optional outside call coverage at Adventist Health at a per diem rate of \$2,500 per 24-hour day for coverage and optional call coverage at Dignity Health facilities at a per diem rate of \$1,250 per 24-hour day for coverage. Dr. Hou will also receive the same complement of benefits offered all employed physicians to include eligibility to participate in the physicians' pension plan, healthcare coverage, vacation and sick leave, education days and CME reimbursement, and the option to elect voluntary benefits at no cost to Kern Medical. The maximum payable under the Agreement will not exceed \$2,550,000 over the three-year term, excluding the cost of benefits.

Therefore, it is recommended that your Board approve the Agreement with Jack C. Hou, M.D., for professional medical services in the Department of Surgery from September 22, 2026 through September 21, 2029, in an amount not to exceed \$2,550,000, plus applicable benefits, and authorize the Chairman to sign.

**AGREEMENT FOR PROFESSIONAL SERVICES
CONTRACT EMPLOYEE
(Kern County Hospital Authority – Jack C. Hou, 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 Jack C. Hou, 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 and administrative 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;

(d) Authority currently contracts with Physician as a contract employee for the provision of professional medical services in the Department and teaching services to resident physicians (Agt. 103-2022, dated September 21, 2022, for the period September 22, 2022 through September 21, 2026) (the “2022 Agreement”); and

(e) Each party expressly understands and agrees that the 2022 Agreement is superseded by this Agreement as of the Commencement Date;

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 September 22, 2026 (the “Commencement Date”), and shall end September 21, 2029 (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. **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.

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.

4.3.2 Board Certification. Physician shall be board certified by the American Board of Urology in urology-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.

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 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 \$28,846.15 biweekly not to exceed \$750,000 annually.² 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 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 Outside Coverage.

² The Annual Salary paid to Physician is comprised of a base salary for teaching and administrative duties in the amount of \$80,000 and payment for care of KMC patients in the amount of \$670,000 (MGMA 50th percentile with Worked RVU threshold of 7,518 = \$480,000; call coverage = \$190,000).

5.2.1 Adventist Health Bakersfield. Authority shall pay Physician a per diem rate in the amount of \$2,500, less all applicable federal and state taxes and withholding requirements, for coverage at Adventist Health Bakersfield.

5.2.2 Dignity Health. Authority shall pay Physician a per diem rate for coverage at Dignity Health as follows: (i) \$1,250 per twenty-four (24) hour day for coverage at Bakersfield Memorial Hospital; (ii) \$1,250 per twenty-four (24) hour day for coverage at Mercy Hospital Downtown; and (iii) \$1,250 per twenty-four (24) hour day for coverage at Mercy Southwest Hospital. All payments made by Authority to Physician shall be subject to all applicable federal and state taxes and withholding requirements.

5.3 Worked RVU Productivity Incentive. Physician shall be compensated for each Worked RVU billed for professional services provided at KMC at the rate of \$61.73 ("RVU Effort"), less all applicable federal and state taxes and withholdings, for each Worked RVU in excess of 12,149 generated per Employment Year ("Worked RVU Annual Minimum Threshold").³

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 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.

5.4.2 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 \$2,550,000 over the three (3) year Term of this Agreement.

6. Benefits Package.

³ The Worked RVU Annual Minimum Threshold is calculated as follows: \$750,000 (Annual Salary) ÷ \$61.73 (Worked RVU conversion factor) = 12,149 (Worked RVU Annual Minimum Threshold).

6.1 Retirement. Physician shall continue to 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 continue to 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'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 retain his vacation leave credit balance, if any, as of the Commencement Date. Effective with the Commencement Date, Physician shall be credited with vacation leave of 9.23 hours for each pay period of service, for a maximum accrual of two hundred forty (240) hours per Employment Year. Total unused vacation leave accumulated shall not exceed a maximum of three hundred twenty (320) hours. No further vacation leave will accrue as long as Physician has the maximum number of hours credited. 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.

6.5 Sick Leave. Physician shall retain his sick leave credit balance, if any, as of the Commencement Date. Effective with the Commencement Date, 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 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 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:

Jack C. Hou, M.D.
10300 Mountain Gate Lane
Bakersfield, California 93311

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 ninety (90) 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 JCH ms 9/10/26
Jack C. Hou, 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
Jack C. Hou, M.D.**

Position Description: Reports to Chair, Department of Surgery and Chief, Division of Urology; serves as a full-time faculty member in the Department; provides those services assigned by the Department Chair; provides no fewer than eighty (80) hours of service per pay period.

Essential Functions:

1. Clinical Responsibilities

- Performs urologic procedures
- Provides a minimum of two (2) half-day outpatient clinics per week, and may be assigned additional half-day clinics per week as KMC may designate in its sole discretion, to meet the needs of the urology service
- Provides scheduled clinics at designated KMC Practice Sites or at such other clinic sites as KMC may designate in its sole discretion
- Provides a minimum of 1:4 hospital call coverage for KMC when there are four (4) KMC full-time employed urologists or fewer who participate in call coverage
- Provides services to all patients regardless of their payer status (e.g., health insurance), physical or mental disability, medical condition, or designated Practice Sites
- Provides services to correctional medicine patients at designated KMC Practice Sites or at such other clinic sites as KMC may designate in its sole discretion

2. Teaching Responsibilities

- Assists in didactic curriculum and teaching conferences, as requested
- Assists in resident research and scholarly activity

3. Administrative Responsibilities

- Assists in clinical and administrative integration efforts across KMC as appropriate for the urology service ensuring proper planning, surgeon recruitment, faculty development, resource allocation, analysis, communication, and assessment
- Gathers data through best practices and collaborates with other members of the Department to recommend services that will increase productivity, minimize duplication of services, increase productivity, increase workflow efficiency, and provide the highest quality of care to KMC patients
- Supports the Department Chair to develop monitoring tools to measure financial, access, quality, and satisfaction outcomes for the urology service
- Attends and actively participates in assigned Medical Staff and hospital committees

4. Optional Call Coverage¹ (see footnote below)

¹ Physician understands and agrees that call coverage at Adventist Health or Dignity Health is subordinate to his duty to provide call coverage at KMC. Call coverage shall be limited to no more than two health systems at any given time.

- Provides optional twenty-four (24) hour call coverage at Adventist Health (Adventist Health Bakersfield and its affiliated transfer facilities)
- Provides optional twenty-four (24) hour call coverage at Dignity Health (Bakersfield Memorial Hospital, Mercy Hospital Downtown, and Mercy Southwest Hospital)

Employment Standards:

Completion of an accredited residency program in urology; one (1) year of post-residency experience in urologic surgery desirable

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 Urology in urology-general

Knowledge of: The principles and practices of modern medicine; current techniques, procedures, and equipment applicable to general and urologic 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

9/10/26

Date

BOARD OF GOVERNORS KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed Master Services Agreement and Statement of Work with Sollucio, Inc.

Recommended Action: Approve; Authorize Chairman to sign

Summary:

Kern Medical requests that the Board of Governors approve the proposed Master Services Agreement and Statement of Work with Sollucio Inc. for ongoing data intelligence, enterprise data warehouse, reporting, analytics, and technical support services.

The proposed services include maintenance and optimization of Kern Medical's enterprise data warehouse, which supports data requests and reporting requirements, maintenance of datasets and ETL processes, report and dashboard enhancements, data integrations, population health reporting and analytics, and support for Oracle Health's analytics platforms. Sollucio Inc. will also provide production support, issue resolution, data corrections, technical documentation, testing, validation, and approved enhancements to support Kern Medical's operational, regulatory, clinical, and population health initiatives.

Services will be provided on a time-and-materials basis at a rate of \$115 per hour, with an estimated 1,040 hours of services. The total cost of the agreement will not exceed \$119,600 without prior written approval from Kern Medical.

Counsel is unable to approve as to form as the Vendor is not licensed to do business in California.

Approval of this agreement will ensure Kern Medical can continue to maintain and enhance its enterprise data warehouse, reporting and analytics environment, Oracle Health platforms, and data integrations. Failure to approve the agreement may result in delays to operational and regulatory reporting, production support, system enhancements, and the availability of critical data used for organizational decision-making.

Therefore, it is recommended that the Board of Governors approve the proposed Master Services Agreement and Statement of Work with Sollucio, Inc., effective September 16, 2026 and ending upon project completion, with a maximum payable of \$119,600 and authorize the Chairman to sign.

SOLLUCIO SHARED MASTER SERVICES AGREEMENT

This Master Services Agreement (“*Agreement*”) is made as of July 22, 2026 (“*Effective Date*”), by and between Sollucio Inc. having its principal place of business at 1760 NW 56th ST #107, Seattle, WA 98107 (“*Sollucio*”), and Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center and Kern Medical Outpatient Health, having its principal place of business at 1700 Mount Vernon Ave, Bakersfield, CA 93306 (“*Client*”).

BACKGROUND:

SolluCIO provides professional technology and business services through a shared services operating model. Services may be delivered by one or more SolluCIO divisions, including Advisory, Cybersecurity, Data Management, Recruiting, Artificial Intelligence, Product Development, Managed Services, and other affiliated business units established by SolluCIO from time to time.

This Agreement establishes the general terms and conditions governing all services provided by SolluCIO. Specific services, deliverables, pricing, and commercial terms shall be defined in one or more Statements of Work ("SOW"), Work Orders, Project Statements, Staffing Orders, or other mutually executed ordering documents, each of which shall be incorporated into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. SERVICES.

1.0 Shared Services Model

SolluCIO provides professional services through a shared services operating model. Services may be performed by SolluCIO, its affiliated business divisions, subsidiaries, subcontractors, or approved partners as determined by SolluCIO.

Services are ordered through one or more Statements of Work ("SOW"), Project Statements, Work Orders, Service Orders, Staffing Orders, or other mutually executed ordering documents, each of which is governed by this Agreement.

1.1 Project Statement. From time to time, Sollucio and Client may execute Project Statements (each, a “*Project Statement*”). If Client specifies, on the signature page to this Agreement, the authorized email address of a Client officer who is authorized to make legally binding commitments pertaining to this Agreement, then each Project Statement under this Agreement shall be transmitted, revised and approved electronically and will take the form through an electronic proposal, contracting, or project management platform designated by SolluCIO, or similar online project management and invoicing application. If no such authorized

email address is supplied, then each Project Statement under this Agreement shall, instead, be in writing and take the form of Exhibit A attached hereto. Each Project Statement shall describe specific services to be performed by Sollucio, including any work product to be delivered (“**Work Product**”) by Sollucio. As issued by Sollucio and approved by Client, each Project Statement will be a unique agreement that incorporates the terms of this Agreement and stands alone with respect to all other Project Statements. If there is a conflict between the terms of this Agreement and the terms of a Project Statement, the terms of this Agreement will control unless the Project Statement states that a specific provision of this Agreement will be superseded by a specific provision of the Project Statement.

1.2 Changes to Project Statements. Any revisions with respect to services or Work Product specified in a Project Statement will be set forth in a subsequent Project Statement that makes reference to the original Project Statement (a “**Project Statement Revision**”). If a Project Statement Revision recites revisions that materially increase the scope of services or the effort required to deliver Work Product under the original Project Statement, then Sollucio will include in the Project Statement Revision Sollucio’s reasonable determination of the revised services, Work Product, delivery schedule and payment schedule that will apply to the implementation of the revisions. If Client does not approve the Project Statement Revision within ten business days after its receipt by Client, the then-existing Project Statement will remain in full force and effect, and Sollucio will have no further obligation with respect to the applicable Project Statement Revision. An accepted Project Statement Revision will supplement and, as expressly specified in the Project Statement Revision, supersede a specific provision of the original Project Statement.

1.3 Client Deliveries. To assist Sollucio in performing services and delivering Work Product, Client agrees to make available to Sollucio in a timely manner such assistance as Sollucio may reasonably require. In addition, if applicable and reasonably requested by Sollucio, Client shall deliver to Sollucio within five (5) business days, or such other time as specified in a Project Statement, any artwork, graphic designs, specifications, or other materials in Client’s purview or control as may be reasonably required for the completion of such work. By delivering any such material, Client represents and warrants to Sollucio that Client has all necessary rights, permissions and clearances to deliver the same and to instruct Sollucio to include the same in Work Product. Client hereby grants to Sollucio (and its agents and subcontractors) a non-exclusive, non-transferable, worldwide license to use, copy, display, modify and distribute such materials (including any third party materials therein) and any other materials furnished to it by Client hereunder as necessary for the performance of services and delivery of Work Product under this Agreement.

1.4 Acceptance and Correction. If Client reasonably determines that any Work Product does not substantially conform to the specifications set forth in the applicable Project Statement, Client may, at its option, give written notice of rejection of the specific Work Product that does not conform. Sollucio shall then have the amount of time as described in the Project Statement (if not specified, then 30 days), from the date of such notice, to remedy such failure and resubmit the rejected Work Product(s) to Client for an additional test. If Client reasonably determines that such failure has not been remedied, then the foregoing correction and evaluation procedure shall be repeated. If Sollucio is unsuccessful in correcting such failures

after a reasonable number of attempts at doing so, then, subject to Section 6.3, this Agreement shall terminate upon Sollucio's receipt of written notice from Client.

1.5 Use of Subcontractors. Sollucio may engage subcontractors or otherwise acquire rights to such source code, artwork, graphic design or configuration information as may be necessary in its judgment to deliver Work Product under any Project Statement.

2. FEES AND PAYMENT; COLLECTION AND REMITTANCES.

2.1 Fees. Unless otherwise specified in a Project Statement, Client will pay Sollucio fees on a time and materials basis at Sollucio's then-current rates ("***Service Fees***").

2.2 Payment. Sollucio will issue invoices for Service Fees for services that have been performed, and Client will pay any undisputed amount set forth in an invoice no later than 30 days after receipt of Sollucio's invoice. Client will also reimburse any costs or expenses (including, but not limited to, reasonable attorneys' fees) incurred by Sollucio to collect any amount that is not paid when due.

2.3 Taxes. Unless otherwise specified in the applicable Project Statement, the Service Fees payable to Sollucio under this Agreement do not include any taxes or other amounts assessed or imposed by any governmental authority.

3. OWNERSHIP AND INTELLECTUAL PROPERTY RIGHTS.

3.1 Assignment of Work Product. Automatically upon payment in full of all amounts owing to Sollucio under the applicable Project Statement(s), Sollucio assigns, fully and irrevocably to Client, all right, title, and interest in and to such Work Product, including all related intellectual property rights. At Client's expense, Sollucio will execute additional documents as reasonably necessary to perfect the foregoing assignment.

3.2 Pre-Existing Work. Client acknowledges that Sollucio will incorporate in the Work Product certain pre-existing routines, subroutines, source code and related material ("***Pre-Existing Work***") that Sollucio owns or licenses. Such material may be identified in a Project Statement. To the extent that any Pre-Existing Work is contained in the Work Product, Sollucio shall retain ownership of such Pre-Existing Work, but, automatically upon payment in full of all amounts owing to Sollucio under the applicable Project Statement(s), Sollucio grants to Client a perpetual and irrevocable, nonexclusive, transferable, worldwide, fully paid-up and royalty-free license to use, execute, copy and distribute such Pre-Existing Work in conjunction with or as part of the Work Product, provided that such right does not grant to Client the right to reverse engineer, decompile or disassemble any of the software that constitutes preexisting Pre-Existing Work unless agreed to in writing by Sollucio.

3.3 Know-How. Notwithstanding anything to the contrary herein, the parties recognize that even though Work Product may be developed for Client, Sollucio retains the ownership of, including the non-exclusive, royalty-free right to use, the algorithms, know-how, original ideas, techniques and concepts used or developed by Sollucio in performing services under this Agreement or related to Work Product.

3.4 Warranties. Each party represents and warrants to the other that: (a) this Agreement has been duly executed and delivered and constitutes a valid and binding agreement enforceable against such party in accordance with its terms; (b) no authorization or approval from any third party is required in connection with such party's execution, delivery, or performance of this Agreement; (c) if an email address of a Client officer is provided on the signature page of this Agreement, as contemplated by Section 1.1, such address is secure to Client's satisfaction, and Sollucio may rely on communications via that email address; and (d) the execution, delivery, and performance of this Agreement does not violate the laws of any jurisdiction or the terms or conditions of any other agreement to which it is a party or by which it is otherwise bound.

3.5 Limited Performance Warranty. Sollucio warrants to Client that it will test all source code in accordance with established commercial standards in the software industry prior to delivery of any Work Product under and Project Statement.

3.6 Disclaimer. EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES STATED IN THIS SECTION 3 SOLLUCIO MAKES NO ADDITIONAL REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER EXPRESS, IMPLIED (EITHER IN FACT OR BY OPERATION OF LAW), OR STATUTORY, AS TO ANY WORK PRODUCT OR AS TO ANY MATTER WHATSOEVER. SOLLUCIO EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY, ACCURACY, TITLE, AND NON-INFRINGEMENT. SOLLUCIO DOES NOT WARRANT AGAINST INTERFERENCE WITH THE ENJOYMENT OF ANY WORK PRODUCT, OR AGAINST INFRINGEMENT. SOLLUCIO DOES NOT WARRANT THAT WORK PRODUCT IS ERROR-FREE OR THAT OPERATION OF ANY WORK PRODUCT WILL BE SECURE OR UNINTERRUPTED. SOLLUCIO EXPRESSLY DISCLAIMS ANY LIABILITY ARISING OUT OF OR BASED UPON THE CLIENT'S COMMERCIALIZATION OR OTHER USE OF WORK PRODUCT.

4. LIMITATIONS OF LIABILITY.

4.1 Disclaimer of Consequential Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, SOLLUCIO WILL NOT, UNDER ANY CIRCUMSTANCES, BE LIABLE TO CLIENT FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, OR EXEMPLARY DAMAGES ARISING OUT OF OR RELATED TO THE TRANSACTION CONTEMPLATED UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOST PROFITS OR LOSS OF BUSINESS, EVEN IF SOLLUCIO IS APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES OCCURRING.

Cap on Liability. UNDER NO CIRCUMSTANCES WILL SOLLUCIO'S TOTAL LIABILITY OF ALL KINDS ARISING OUT OF OR RELATED TO THIS AGREEMENT (INCLUDING BUT NOT LIMITED TO WARRANTY CLAIMS), REGARDLESS OF THE FORUM AND REGARDLESS OF WHETHER ANY ACTION OR CLAIM IS BASED ON CONTRACT, TORT, OR OTHERWISE, EXCEED THE TOTAL SERVICE FEES PAID BY CLIENT TO SOLLUCIO UNDER THE APPLICABLE Project Statement (DETERMINED AS OF THE DATE OF ANY FINAL JUDGMENT IN AN ACTION). NOTWITHSTANDING ANYTHING

THE CONTRARY, SOLLUCIO'S LIMITATIONS OF LIABILITY SHALL NOT APPLY TO, AFFECT, OR LIMIT: (i) ANY OFSOLLUCIO'S DUTIES TO INDEMNIFY CLIENT IN ACCORDANCE WITH THIS AGREEMENT AND/OR (ii) ANY THIRD-PARTY CLAIMS.

4.2 Independent Allocations of Risk. EACH PROVISION OF THIS AGREEMENT THAT PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES, OR EXCLUSION OF DAMAGES IS TO ALLOCATE THE RISKS OF THIS AGREEMENT BETWEEN THE PARTIES. THIS ALLOCATION IS REFLECTED IN THE PRICING OFFERED BY SOLLUCIO TO CLIENT AND IS AN ESSENTIAL ELEMENT OF THE BASIS OF THE BARGAIN BETWEEN THE PARTIES. EACH OF THESE PROVISIONS IS SEVERABLE AND INDEPENDENT OF ALL OTHER PROVISIONS OF THIS AGREEMENT. THE LIMITATIONS IN THIS SECTION 4.3 WILL APPLY NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY IN THIS AGREEMENT.

5. INDEMNIFICATION.

5.1 Client's Obligation. Client shall defend, indemnify and hold harmless Sollucio, its officers, agents, directors, and employees, from and against all claims, damages, losses and expenses, including court costs and reasonable attorneys' fees, arising out of or resulting from, and, at Sollucio's option, Client will defend Sollucio against, any action by a third party, that is based on a claim that Client's supply of materials as contemplated by Section 1.3 of this Agreement, or Client's use, distribution or commercialization of the Work Product, infringes, misappropriate or violates a third party's intellectual property rights, personality rights, moral rights or similar intangible property rights.

5.2 Sollucio's Obligation. Sollucio shall defend, indemnify and hold harmless Client, its officers, agents, directors, and employees, from and against all claims, damages, losses and expenses, including court costs and reasonable attorneys' fees, arising out of or resulting from, and, at Client's option, Sollucio will defend Client against, any action by a third party, that is based on a claim that the software code contained in the Work Product infringes, misappropriate or violates a third party's copyrights. Notwithstanding the foregoing, Sollucio will have no liability to Client under this Section 5.2 for any claims, damages, losses or expenses to the extent that the same may arise from (a) unauthorized use of a Work Product, (b) post-delivery modifications to a Work Product undertaken other than by or with the written authorization of Sollucio, (c) Sollucio's compliance with the instructions, designs or specifications provided by Client, or (d) combination, operation or use of the Work Product with devices, programs, data, methods or specifications not contemplated by Sollucio hereunder, to the extent such infringement would not have occurred but for such combination, operation or use modification.

6. TERM AND TERMINATION.

6.1 Term. This Agreement will commence on the Effective Date and, unless terminated earlier in accordance with the terms of this Agreement, will remain in full force and effect for as long as Sollucio is performing services pursuant to a Project Statement.

6.2 Termination for Breach. Either party may terminate this Agreement (including all Project Statements) if the other party breaches any material term of this Agreement and fails to cure such breach within twenty (20) business days following written notice thereof from the non-breaching party.

6.3 Termination without Cause. Either party may terminate this Agreement (including all Project Statements) within thirty (30) days following written notice thereof from the other party.

6.4 Effect of Termination. Upon the expiration or any termination of this Agreement, Client will pay Sollucio any Service Fees that are due and payable under Section 2 and/or any Project Statement for services performed by Sollucio prior to the effective date of expiration or termination.

6.5 Survival. Sections 3, 4, 5, 6 and 7 will survive the expiration or termination of this Agreement.

7. GENERAL.

7.1 Independent Activities. Client acknowledges that Sollucio is in the business of assisting a wide variety of companies with the adoption of new and emerging technologies and standards. Nothing in this Agreement restricts Sollucio from undertaking projects from or providing services to any other party, whether or not similar to services performed or Work Products delivered under this Agreement, including without limitation the use of general skills and knowledge developed during the course of Sollucio's performance under this Agreement.

7.2 Independent Contractor. Sollucio is an independent contractor and is not an agent or employee of, and has no authority to bind, Client by contract or otherwise. Sollucio will perform services under the general direction of Client, but Sollucio will determine, in Sollucio's sole discretion, the manner and means by which services are accomplished. Client has no right or authority to control the manner or means by which services under this Agreement are accomplished.

7.3 Noninterference with Business. During this Agreement, and for a period of two (2) years immediately following the termination or expiration of this Agreement, neither party will knowingly solicit the services, directly or indirectly, of the other party's personnel associated with the work efforts under this Agreement, except with the other party's express written consent.

7.4 Successors and Assigns. This Agreement will be binding upon and will inure to the benefit of the parties' respective successors and assigns.

7.5 Waiver. Any waiver of the provisions of this Agreement or of a party's rights or remedies under this Agreement must be in writing to be effective. Failure, neglect, or delay by a party to enforce the provisions of this Agreement or its rights or remedies at any time will not be construed as a waiver of the party's rights under this Agreement and will not in any way affect the validity of the whole or any part of this Agreement or prejudice the party's right to

take subsequent action. Exercise or enforcement by either party of any right or remedy under this Agreement will not preclude the enforcement by the party of any other right or remedy under this Agreement or that the party is entitled by law to enforce.

7.6 Intentionally Omitted.

7.7 Governing Law. This Agreement will be interpreted, construed, and enforced in all respects in accordance with the local laws of the State of California, U.S.A., without reference to its choice of law rules and not including the provisions of the 1980 U.N. Convention on Contracts for the International Sale of Goods. The parties agree that any action arising out of or in connection with this Agreement will be heard in the federal, state, or local courts in Kern County, California, U.S.A., and each party hereby irrevocably consents to the exclusive jurisdiction and venue of these courts.

7.8 Severability. If any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of the Agreement will remain in full force and effect, and the provision affected will be construed so as to be enforceable to the maximum extent permissible by law.

7.9 Notices. All notices required or permitted under this Agreement will be in writing and delivered by confirmed email transmission, by courier or overnight delivery service, or by certified mail, and in each instance will be deemed given upon receipt. All notices will be sent to the addresses set forth above or to such other address as may be specified by either party to the other in accordance with this Section 7.9.

7.10 Entire Agreement. This Agreement, together with all Project Statements, constitutes the complete and exclusive understanding and agreement of the parties with respect to the subject matter hereof and supersedes all prior understandings and agreements, whether written or oral, with respect to the subject matter hereof. Any waiver, modification or amendment of any provision of this Agreement will be effective only if in writing and signed by the parties hereto.

7.11 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have signed this Agreement as of the Effective Date.

SOLLUCIO:

By: Chan Phouthavong

Title: Chief Executive Officer

Date: 9/8/2026

Kern County Hospital Authority:

By: _____

Title: _____
Chairman, Board of Governors

Date: _____
September 16, 2026



Exhibit A
KERN Medical Hospital – Development Services Statement of Work
Scope and Deliverables

1. Introduction

This Statement of Work (“SOW”) constitutes the full and complete understanding between **Kern County Hospital Authority, a local unit of government, which owns and operates Kern Medical Center and Kern Medical Outpatient Health (“Client”)** and **SolluCIO Inc. (“Contractor”)** for the services described herein.

This SOW is governed by the terms and conditions of the Sollucio Shared Services Agreement executed on **(.TBD)**

2. Scope of Work

SolluCIO Partners will provide ongoing **Data Intelligence, Enterprise Data Warehouse (EDW), reporting, analytics, and technical support services** for Client.

The primary objective of this engagement is to maintain, support, optimize, and enhance Client's existing data platforms and reporting environment while providing limited development services required to support business, operational, regulatory, and population health initiatives.

Work priorities will be established by Client and performed collaboratively with SolluCIO resources.

2.1 Data Intelligence Services

SolluCIO will provide ongoing maintenance and support of Client's Data Intelligence environment, including:

- Maintain and optimize the Enterprise Data Warehouse (EDW).
- Support data requests and reporting requirements.
- Maintain and enhance existing datasets, ETL processes, stored procedures, views, and database objects.
- Maintain enterprise reports, dashboards, and analytical solutions.
- Support legacy data management and migration activities.
- Integrate internal and external data sources using approved interfaces and APIs.



- Maintain technical documentation supporting the data environment.
 - Perform testing and validation for approved enhancements.
-

2.2 Population Health & Analytics

SolluCIO will support Population Health and Enterprise Analytics initiatives by:

- Supporting regulatory and operational reporting requirements.
 - Maintaining Population Health reporting and analytics.
 - Supporting evidence-based care data models.
 - Maintaining functional datasets and reporting structures.
 - Supporting Tableau reporting environments and semantic layers.
 - Providing analytical support for operational and clinical reporting needs.
-

2.3 Oracle Health (Cerner) Support

SolluCIO will provide ongoing support for Oracle Health (Cerner) analytics platforms, including:

- HealtheAnalytics
 - HealtheRegistries
 - Oracle Unifyd Analytics
 - Platform upgrades and maintenance support
 - Data conversion, testing, and validation
 - Technical consulting related to Oracle Health reporting and analytics
-

2.4 Operational Support

SolluCIO will provide ongoing operational support including:

- Issue resolution and defect remediation
- Performance monitoring and optimization
- Data corrections
- Production support
- Technical documentation updates
- Knowledge transfer



- End-user support for reporting and analytics
-

2.5 Deliverables

Deliverables may include:

- Enterprise Data Warehouse maintenance
 - Reporting and dashboard enhancements
 - ETL and database maintenance
 - Data integrations
 - Regulatory reporting support
 - Population Health reporting support
 - Legacy data support
 - Technical documentation
 - Production support activities
 - Approved data enhancements
-

2.6 Scope Control

Services provided under this Statement of Work are limited to ongoing maintenance, operational support, and mutually approved enhancements.

Requests for new enterprise projects, major application development, or material changes in scope may require a separate Statement of Work or written amendment.

3. Term

This Statement of Work shall commence on **TBD** and will remain in effect until terminated in accordance with the Consulting Services Agreement.

The services are estimated at **1,040 hours** on a Time & Materials basis.



4. Fees & Estimated Effort

4.1 Time and Materials

Services under this Statement of Work shall be provided on a **Time and Materials (T&M)** basis.

- **Hourly Rate:** \$115.00 per hour
- **Estimated Hours:** 1,040 hours
- **Estimated Contract Value:** \$119,600
- **Not-to-Exceed Amount:** \$119,600

Invoices will be based on actual hours worked. Total billings under this Statement of Work shall not exceed **\$119,600** without prior written approval from Kern Medical Hospital.

5. Billing & Payment Terms

- Contractor will invoice **bi-weekly** for actual hours worked.
- Time shall be billed at **\$115.00 per hour**.
- Total billings shall not exceed **\$119,600** without prior written approval from the Client.
- Payment terms are **Net 30** from receipt of invoice.
- All invoices should be submitted to:

Kern Medical Center
Attn: Sandra Bakich
1700 Mount Vernon Ave
Bakersfield, CA 93306

6. Travel & Expense Policy

Travel expenses must be **pre-approved in writing** by Client.

Approved expenses will be reimbursed in accordance with the **Client's Vendor Travel Reimbursement Policy**, with the following conditions:

- All expenses must include **original receipts**
- Air travel must be booked **at least 14 days in advance**



- If not booked within 14 days, reimbursement will be capped at the equivalent 14-day advance fare unless otherwise approved in writing

7. Personnel

This engagement is specifically structured around the services of:
Sollucio consultants

8. Acceptance

By signing below, both parties agree to the terms outlined in this Statement of Work.

Start date: .TBD

End date: .TBD

SolluCIO

By: *Chan Phouthavong*

Name: Chan Phouthavong

Title: Chief Executive Officer

Date: 9/8/2026

Kern County Hospital Authority

By: _____

Name:

Title: Chairman, Board of Governors

Date: September 16, 2026

REVIEWED ONLY
NOT APPROVED AS TO FORM

By *Shannon Hochstein*
Kern County Hospital Authority

BOARD OF GOVERNORS KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

Subject: Proposed approval of Compliance Plan for fiscal year 2026-2027

Recommended Action: Approve

Summary:

A compliance program is a set of internal policies and procedures that is put into place to assist Kern Medical in complying with the law. An effective compliance program can enhance an organization's operations, improve quality of care, and reduce overall costs. It can also help identify problems upfront and make it possible to address them before they become systemic and costly.

The Office of Inspector General (OIG) issues guidance on compliance programs, including, most importantly, the seven basic elements OIG has long identified as fundamental to any compliance program.

The proposed Compliance Plan outlines these seven elements and how Kern Medical plans to address these fundamental compliance elements

A robust compliance program is essential to achieving the standards of the seven elements and the first step is informing and integrating the plan into the management of Kern Medical.

Therefore, it is recommended that your Board approve the proposed Compliance Plan for fiscal year 2026-2027 in support of Kern Medical's efforts to conduct a robust, organization wide enforced and well-documented Compliance Program.

KERN COUNTY HOSPITAL AUTHORITY COMPLIANCE PLAN

KERN COUNTY HOSPITAL AUTHORITY MISSION STATEMENT

Guided by the needs of our patients and their families, Kern Medical will deliver safe, compassionate, high-quality care, and improve the health and well-being of our community.

Table of Contents

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Written Policies, Procedures and Standards of Conduct	3
Compliance Officer and Compliance Committee	4
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Response to Potential Compliance Offenses	6

I. PURPOSE

The Kern County Hospital Authority's Compliance Plan provides a foundational roadmap that guides the agency's ethical and compliance practices related to service delivery, scope of work, oversight, standards, and risk management. The Compliance Plan is constructed to align with the following seven (7) elements, as recommended by the U.S Office of Inspector General:

1. Written policies, procedures and standards of conduct
2. Designation of a Compliance Officer and Compliance Committee
3. Effective education and training
4. Effective lines of communication
5. Internal monitoring and auditing
6. Enforcement of standards through well-publicized disciplinary guidelines
7. Prompt response to detected/reported/actual offenses

The Kern County Hospital Authority Compliance Plan was developed to provide standards and expectations for all staff members, subcontractors, interns and volunteers. Each individual is responsible for ensuring the spirit and implementation of the Plan in their programs or departments. The Compliance Plan not only directs current practices but also assures the integrity of the agency. The Plan will be reviewed annually by Compliance, Administrative, and Board Leadership. The Plan provides a valuable resource for staff orientation, training, system development, reporting, and improvement plans for strategic planning and risk mitigation.

II. PHILOSOPHY – THE KERN COUNTY HOSPITAL AUTHORITY COMPLIANCE PLAN

Kern County Hospital Authority is committed to providing the highest quality of service delivery to our adults, children, youth, families and the communities we serve. We believe and adhere to our agency values.

In addition, the Kern County Hospital Authority Compliance Plan incorporates the following principles:

- Commitment to working with vendors to meet contract expectations in the most efficient and effective manner possible;

- Integration of compliance practices in our service delivery and business practices;
- Proactive approaches to risk management and compliance activities;
- Consistently value staff as an integral part of implementation of the Compliance Plan;
- Respect for the individual, family and youth voice in our practice, policy and program development;
- Development and review of policies, procedures, practices and systems that are streamlined, efficient, accountable, and user friendly.

III. WRITTEN POLICIES, PROCEDURES AND STANDARDS OF CONDUCT

The Compliance department is responsible for developing and maintaining written privacy policies and procedures pursuant to the HIPAA and CRF 42 standards. The department must monitor changes in federal and state law and regulations that may require changes in related policies and procedures, notify the CEO and Executive Management Team when changes are required, update or develop the necessary documentation, and submit for review and approval. Any new or revised policies and procedures are sent out electronically to all management staff to review at staffing meetings. Additionally, communications may be sent out directly to all staff depending on the nature of the changes/updates and immediacy of implementation. All policies are available on the Kern County Hospital Authority Sharepoint and a hard copy is kept in a binder at each site and department for ease of access.

Related policies and procedures include, but are not limited to:

- | | |
|--|--|
| • Breach Reporting and Analysis | • Password Management |
| • Accounting for Disclosures | • Exceptions to Confidentiality |
| • Client Record Maintenance, Storage and Destruction | • Notice of Privacy Practices |
| • Transporting PHI and ePHI | • Acceptable Use of Technology Resources |
| | • Network-Internet-E-Mail Acceptable Use |

The Kern County Hospital Authority recognizes ethics as a paramount foundation of all daily operations and service delivery. It is expected that:

- Leadership and staff will demonstrate integrity in their behavior and decision making, accountability, and legal compliance at all times;

- Leadership will role model ethical decision-making in compliance with all federal and state laws and regulations;
- Managers and supervisors will implement, sustain and nurture a culture of compliant behavior and adherence to principles and decision making throughout their programs and departments.

III. COMPLIANCE OFFICER AND COMPLIANCE COMMITTEE

The Compliance, Privacy and Security Officers are appointed by the governing body of the Kern County Hospital Authority and are responsible for specific areas across the agency. The Officers work with the Compliance/ Privacy Department to address areas of risk and implement plans to prevent and/or mitigate risk.

The Compliance/Privacy Committee convenes a minimum of annually, and more frequently when necessary, to address current areas of compliance risk. The Committee can include involvement from any and all departments as requested by the Compliance Officer.

Incidents related to compliance, privacy, security and risk from each department are reviewed and monitored for trends as well as development and implementation of mitigation plans. Decisions made within the Committee can impact policy and procedure development, changes or updates, and may include development of systems to address areas that require action.

IV. EDUCATION AND TRAINING

The Kern County Hospital Authority is committed to the success and competence of all staff, interns and volunteers as demonstrated by comprehensive orientation and training standards. The Kern County Hospital Authority has clear standards and expectations for each staff to act in an appropriate and compliant manner which adheres to all laws, regulations and ethical standards. Staff and volunteers receive initial training upon engagement with the Kern County Hospital Authority as well as ongoing annual/refresher training on compliance topics.

Training topics include, but are not limited to:

- | | |
|------------------------------|--------------------------------------|
| • HIPAA Privacy | • Federal and State False Claims Act |
| • HIPAA Security | • Conflict of Interest Training |
| • Sexual Harassment Training | • Human Trafficking |

Completion of required training will be monitored by supervisors and tracked within the Kern County Hospital Authority training system and employee personnel files.

V. LINES OF COMMUNICATION

When in doubt ask! The Kern County Hospital Authority understands that staff members are barraged daily with potential situations that may bring up questions related to compliance, privacy and security practices. It is the responsibility of each staff member to be aware and up to date on these practices and to request clarification as needed. Reports of possible violations or breaches may be made anonymously through any venue that ultimately will be reported to the appropriate Officer. Please note that when reports are received by the Officer/s investigations will be based on the information provided. At any time, any staff may contact the Officers directly at 661-862-8193 and/or at compliance@kernmedical.com

VI. INTERNAL MONITORING AND AUDITING

The Kern County Hospital Authority is committed to maintaining and integrating the highest levels of quality improvement, system oversight, and contract compliance. The Kern County Hospital Authority expects all programs and departments to be accountable, accurate, and thorough in meeting these expectations and providing quality care. Internal monitoring and auditing practices will meet the Kern County Hospital Authority's standards, policies and procedures related to compliance, as well as any governing boards/departments related to one's licensure and/or certification.

The Kern County Hospital Authority has established a comprehensive security management process to ensure the availability, integrity and confidentiality of client information and other sensitive information. The goals of this program include preventing, detecting, containing, and correcting threats to the security of sensitive information through risk analysis, risk management, sanctions, and information system activity review. As an annual monitoring activity, the Security Officer oversees the Security Risk Assessment (SRA) for the agency and produces a plan to remedy any findings identified by the SRA.

VII. ENFORCEMENT OF STANDARDS AND DISCIPLINARY GUIDELINES

The Kern County Hospital Authority requires all staff, subcontractors, interns and volunteers to complete pre-hire screening and ongoing monitoring of professional

licensure and certification and ability to provide service. Human Resources (HR) will conduct initial background checks as well as subsequent checks on a monthly basis.

Sources checked by HR include:

- Licensing/Certification Boards
- General Services Administration Excluded Parties List System (SAM-EPLS)
- DHCS Medi-Cal List of Suspended or Ineligible Providers
- Office of Inspector General List of Excluded Individuals/Entities (LEIE)
- Social Security Administration's Death Master File
- National Plan and Provider Enumeration System (NPPES)

The Kern County Hospital Authority does not allow any person to render services if the background checks have indicated that they should be ineligible and/or excluded.

All employees and board members will be required to submit a Potential Conflict of Interest Disclosure form upon hire, annually and at any point in which a potential conflict is identified.

VIII. RESPONSE TO POTENTIAL COMPLIANCE OFFENSES

It is the policy of the Kern County Hospital Authority that employees, subcontractors, volunteers and business associates will be responsible for reporting any suspected violations of compliance policies or procedures. All potential violations shall be reported to a supervisor. If the supervisor determines that a violation occurred or that the situation warrants further investigation or consult, the potential violation should be reported to the Compliance/Privacy department. If the potential violation involves the staff member's supervisor it must be reported directly to the Compliance/Privacy department, or if it involves the Compliance/Privacy department it must be reported to the Chief Executive Officer of the Kern County Hospital Authority. Staff members always have the ability to utilize the Kern County Hospital Authority Compliance Hotline as well as the right to directly contact the Department of Health and Human Services Office for Civil Rights or the Office of the Inspector General.

Upon any reasonable indication of noncompliance, the Compliance Officer or designee will promptly investigate the allegation and ensure that necessary corrective actions are completed. All unusual or critical incidents, including any potential privacy and security violations, must be reported through the Incident Reporting process. Submission of the Incident Reporting form for critical incidents will initiate a Critical Incident Review Committee meeting which will be convened to review the violation and identify actions to eliminate, reduce or mitigate damage caused by the violation as well as ensure similar violations do not happen in the future.

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

September 16, 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 August. 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
September 16, 2026

Agreement	Description
Joshua L. Tobias, M.D.	Amendment reflecting appointment as Chair, Department of Emergency Medicine
Adventist Health Physician Network	New Professional Services Agreement for urology and gastroenterology services
Kern Medical Center Foundation Staffing Agreement	Amendment for reimbursement of costs associated with staffing for the Foundation from October 1, 2026-September 30, 2027
Travel Resolution	For one employee to attend the CHRO Summit in Las Vegas, Nevada, in October

BOARD OF GOVERNORS
KERN COUNTY HOSPITAL AUTHORITY REGULAR MEETING

September 16, 2026

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

Recommended Action: Receive and File

Summary:

Kern Medical Operations:

Kern Medical key performance indicators:

- Operating gain of \$316,958 for July is \$107,437 more than the July budget of \$209,521 and \$7,079,003 less than the \$7,395,961 average over the last three months.
- EBIDA of \$1,744,424 for July is \$1,506 more than the July budget of \$1,742,918 and \$7,260,271 less than the \$9,004,695 average over the last three months
- Average Daily Census of 178 for July is 4 more than the July budget of 174 and 4 more than the 174 average over the last three months
- Admissions of 935 for July are 41 more than the July budget of 894 and 21 more than the 914 average over the last three months
- Total Surgeries of 597 for July are 44 more than the July budget of 553 and 50 more than the 547 average over the last three months
- Clinic Visits of 23,366 for July are 343 more than the July budget of 23,023 and 133 less than the 23,499 average over the last three months

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

Patient Revenue:

Gross patient revenue has a 3% favorable budget variance for the month and on a year-to-date basis. The favorable variance is mainly due to strong patient volumes. Kern Medical expects strong patient census levels and consistently high gross patient revenue throughout FY 2027. A charge description master (CDM) price increase was not implemented for FY 2027.

Indigent and Correctional Medicine Funding Revenue:

Indigent funding has a 0.9% favorable budget variance for the month. For the remainder of the fiscal year, Kern Medical will take a conservative approach to recognizing indigent funding revenue. Throughout FY 2027, Kern Medical will recognize 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 will recognize 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 by 3% for the month and on a year-to-date basis. Other operating revenue consists of items such as medical education funding, grant funding, Proposition 56 funding, and other miscellaneous non-patient related revenue. These items are received quarterly or otherwise periodically. Therefore, actual month-to-date and year-to-date revenue compared to the budget fluctuates throughout the year.

Other Non-Operating Revenue:

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

Salaries Expense:

Salaries expense is 6% under budget for the month and on a year-to-date basis.

Benefits Expense:

Benefits expense is 6% under budget for the month and on a year-to-date basis.

Nurse Registry Expense:

Nurse registry expense is 23% under budget for the month and 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 2% under budget for the month and on a year-to-date basis.

Other Professional Fees:

Other professional fees are 0.7% over budget for the month and on a year-to-date basis.

Supplies Expense:

Supplies expense is 7% over budget for the month and 2% over budget on a year-to-date basis due to higher-than-average pharmaceuticals costs and medical supplies costs.

Purchased Services:

Purchased services are 0.9% over budget for the month and on a year-to-date basis.

Other Expenses:

Other expenses are 28% over budget for the month and on a year-to-date basis. The unfavorable variance is due to higher-than-average expenses for repairs and maintenance, insurance expenses, utilities, and merchant services fees.

Interest Expense:

Interest expense is under budget for the month and year-to-date due to lower-than-average pension obligation bond interest. 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:

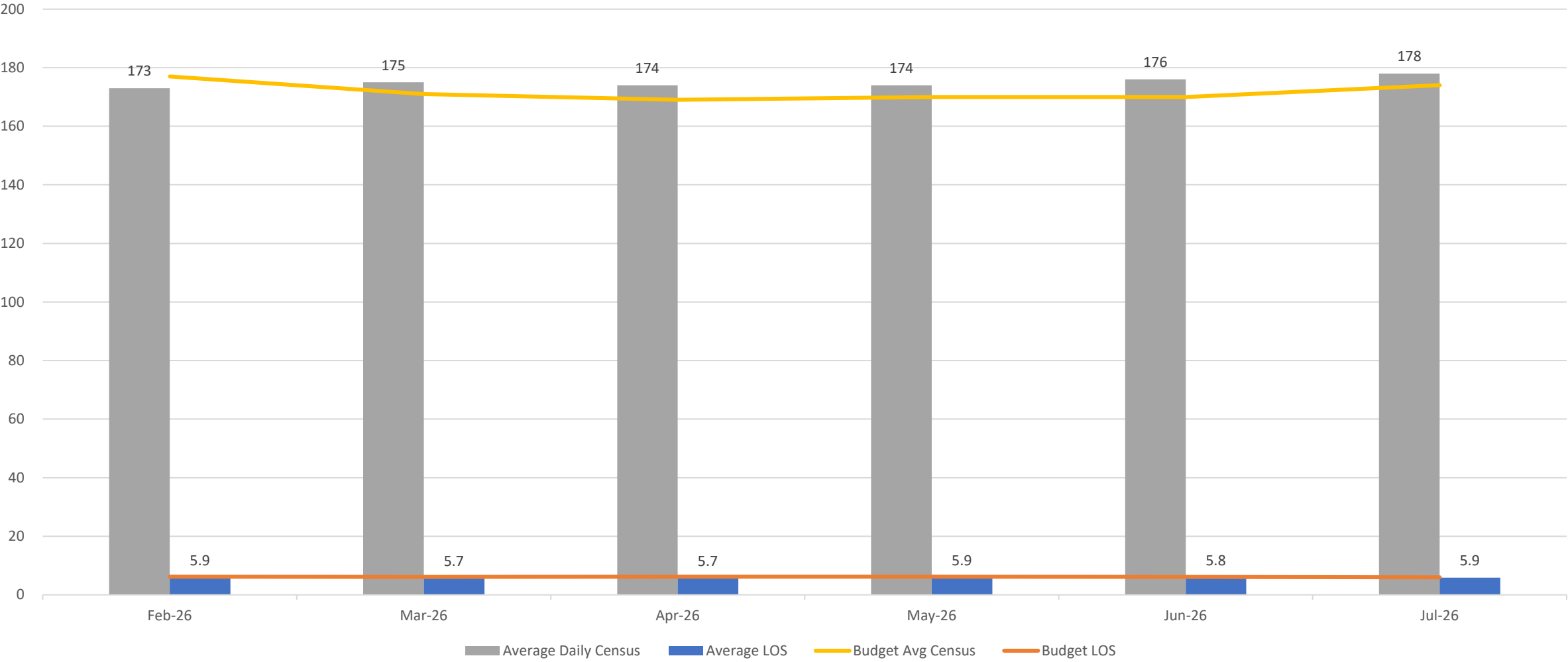
Depreciation expense is 13% under budget for the month and on a year-to-date basis due to various equipment put in-service at the end of FY 2026 and the beginning of FY 2027. Amortization is 17% over budget for the month and on a year-to-date basis. The year-to-date variance is due to less than average amortization expense for right-of-use (ROU) capital leases and more 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

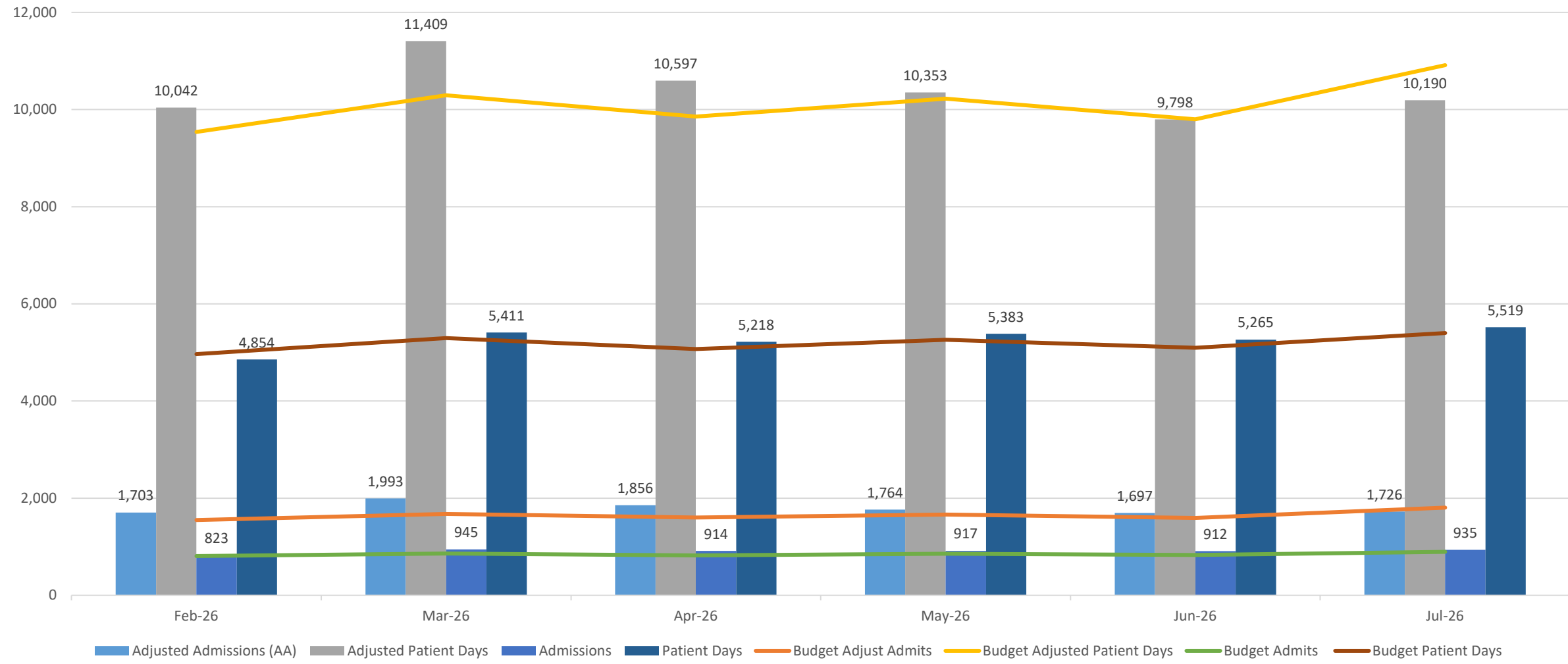
Kern Medical – July 2026

Census & ALOS

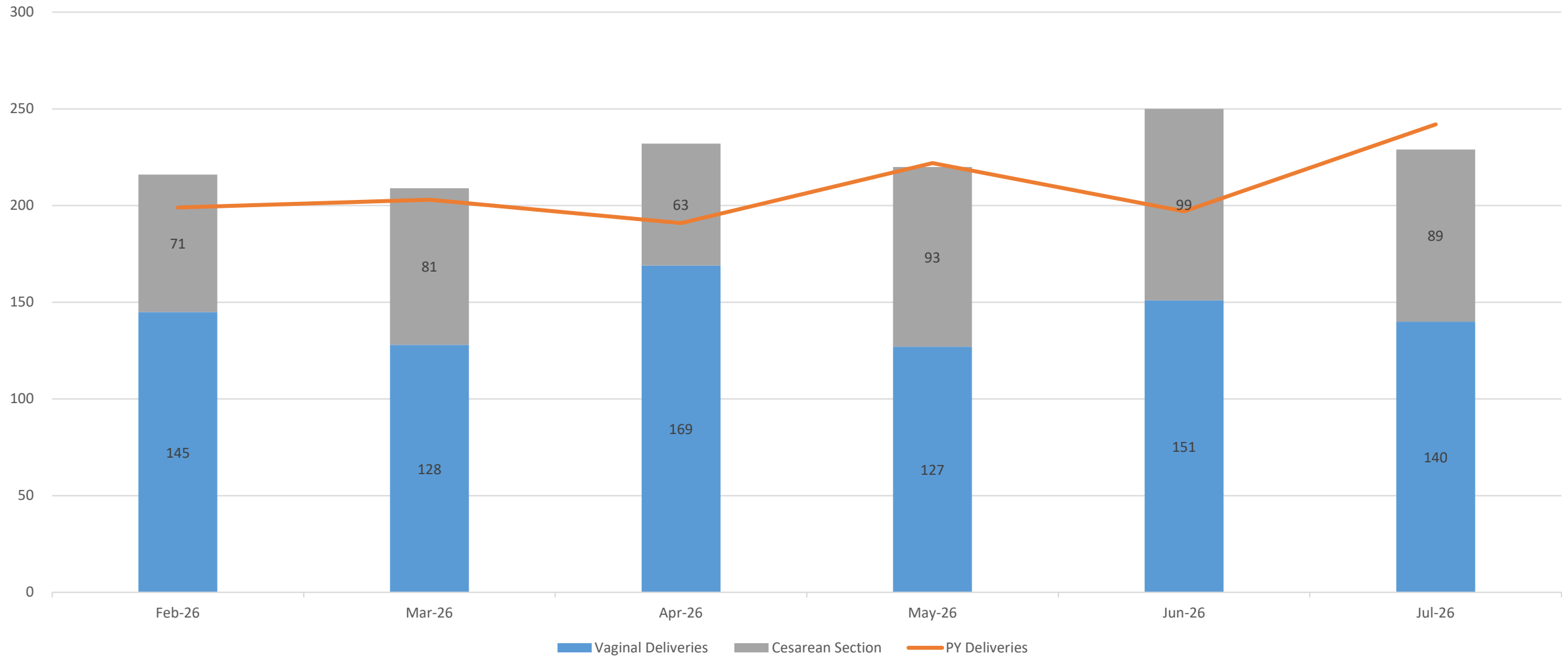


Slide 2

Hospital Volumes

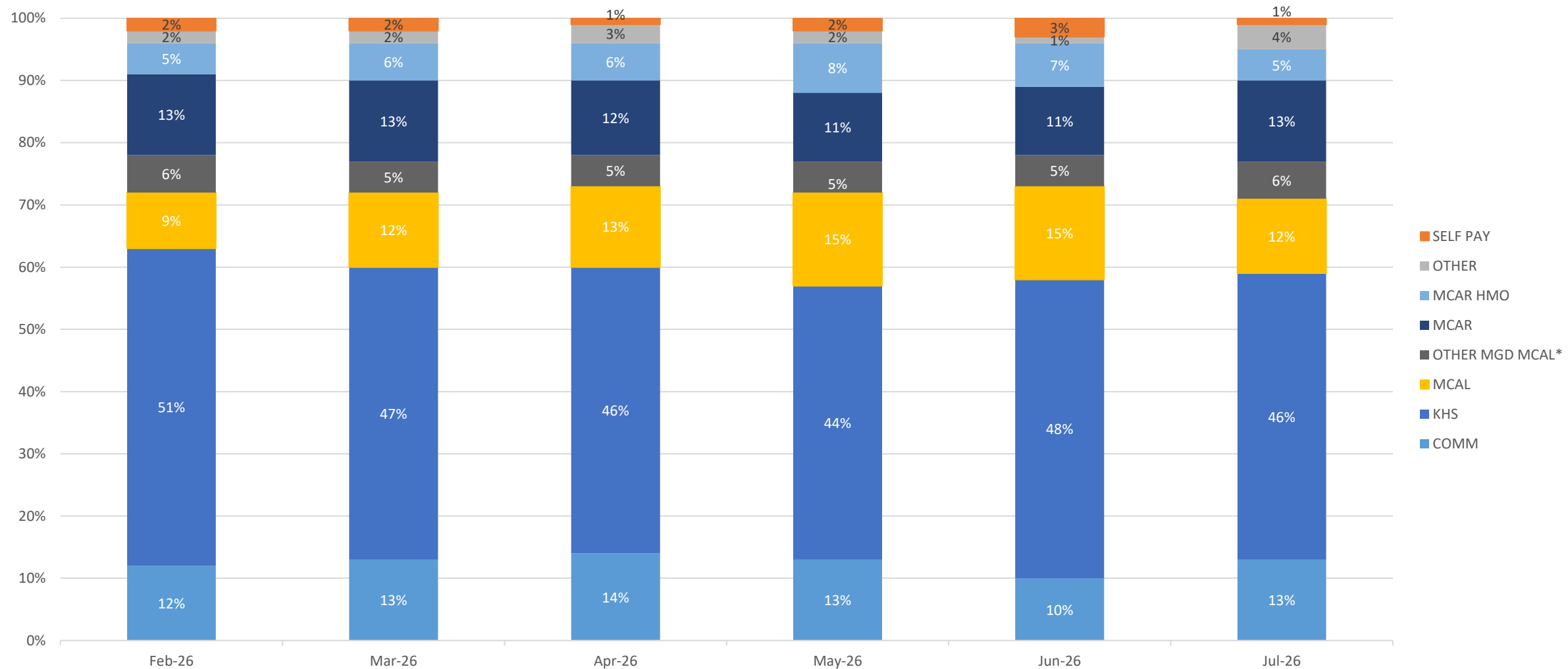


Deliveries

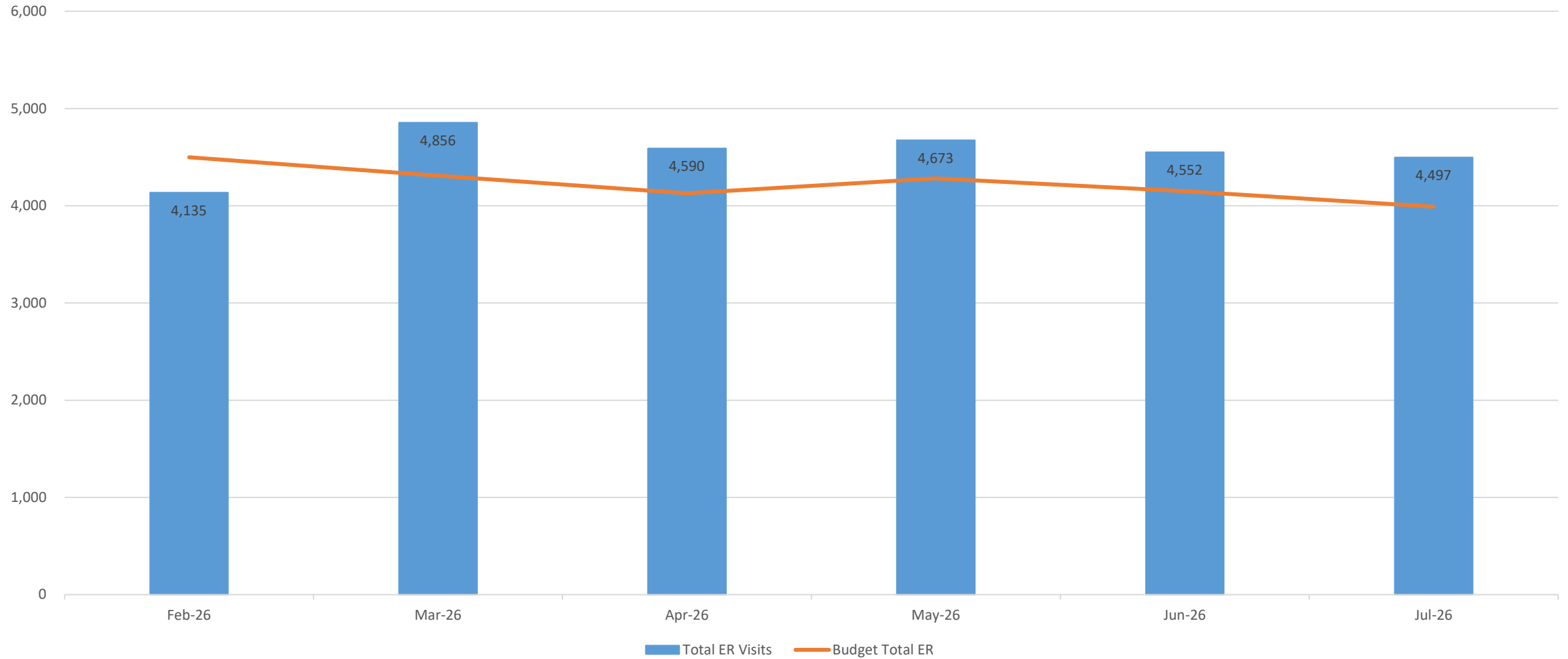


Slide 4

PAYER MIX

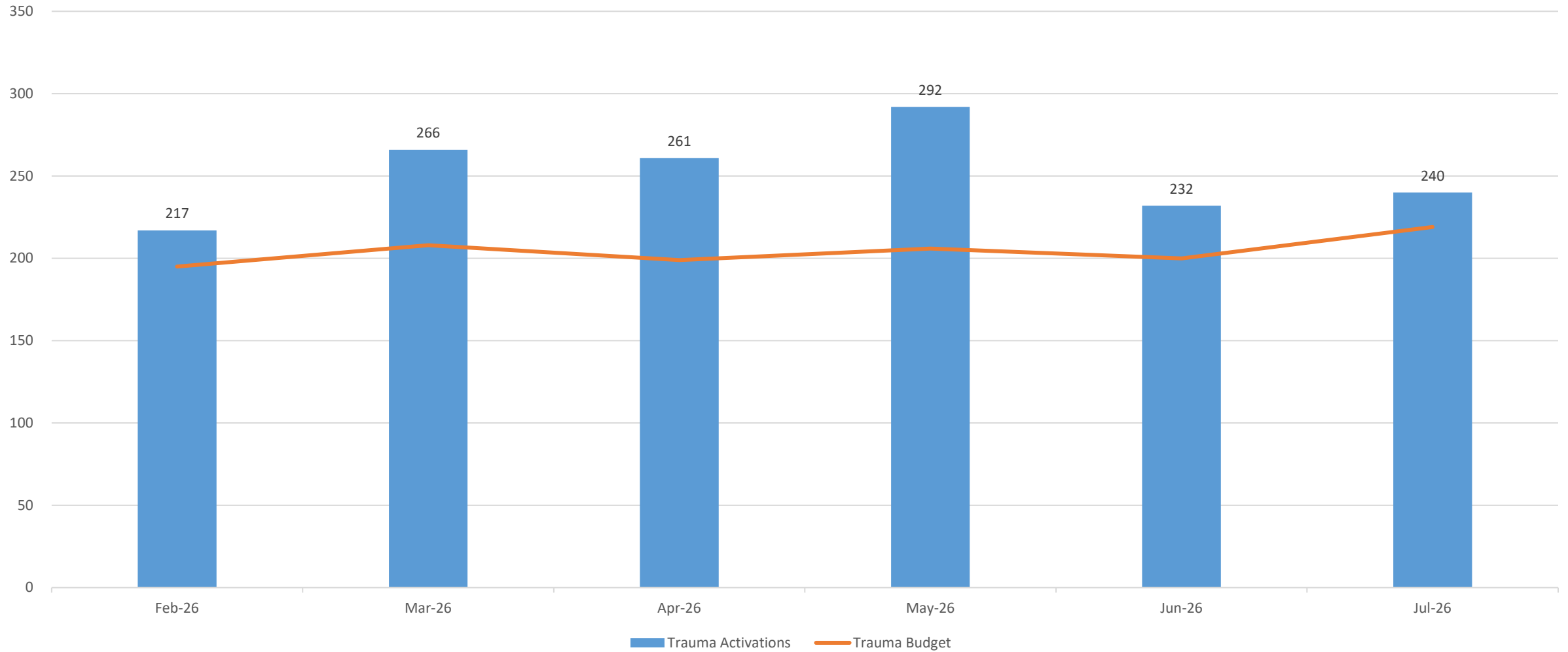


Emergency Room Volume



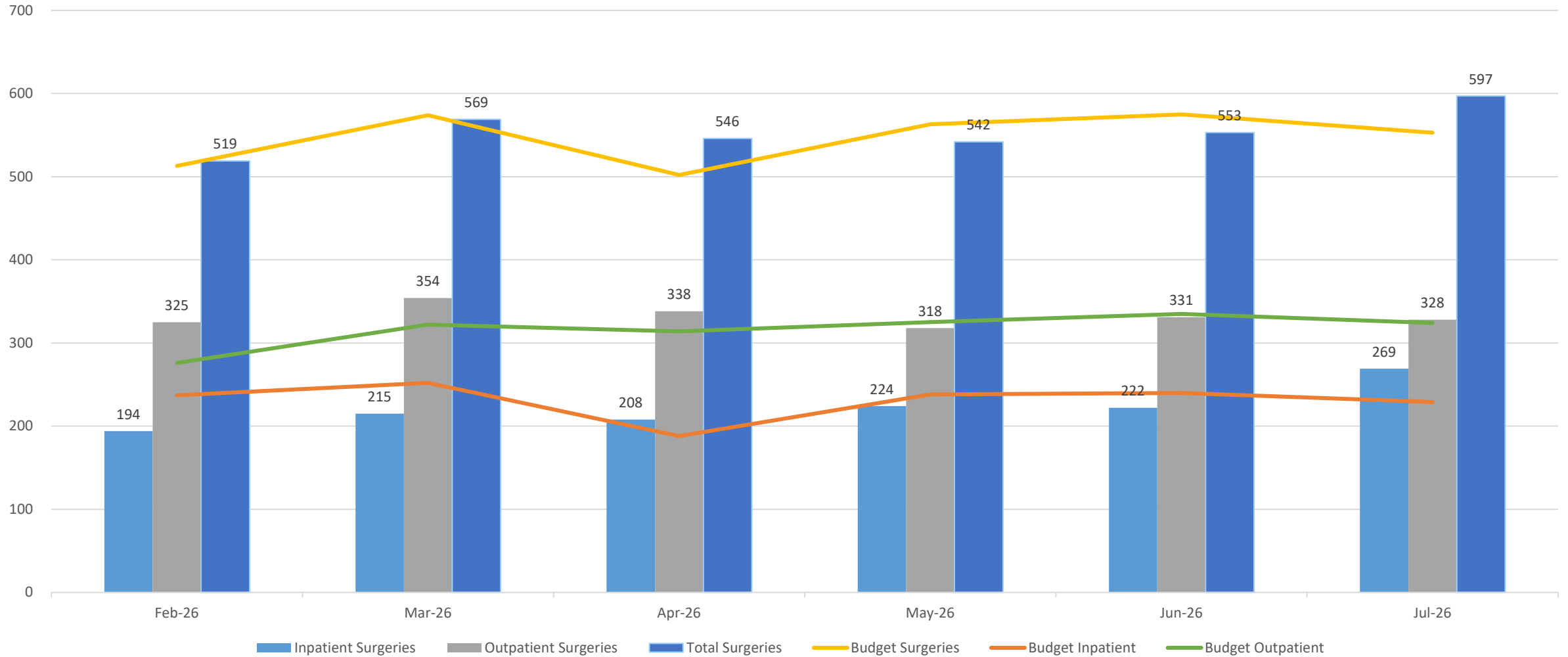
Slide 6

Trauma Activations



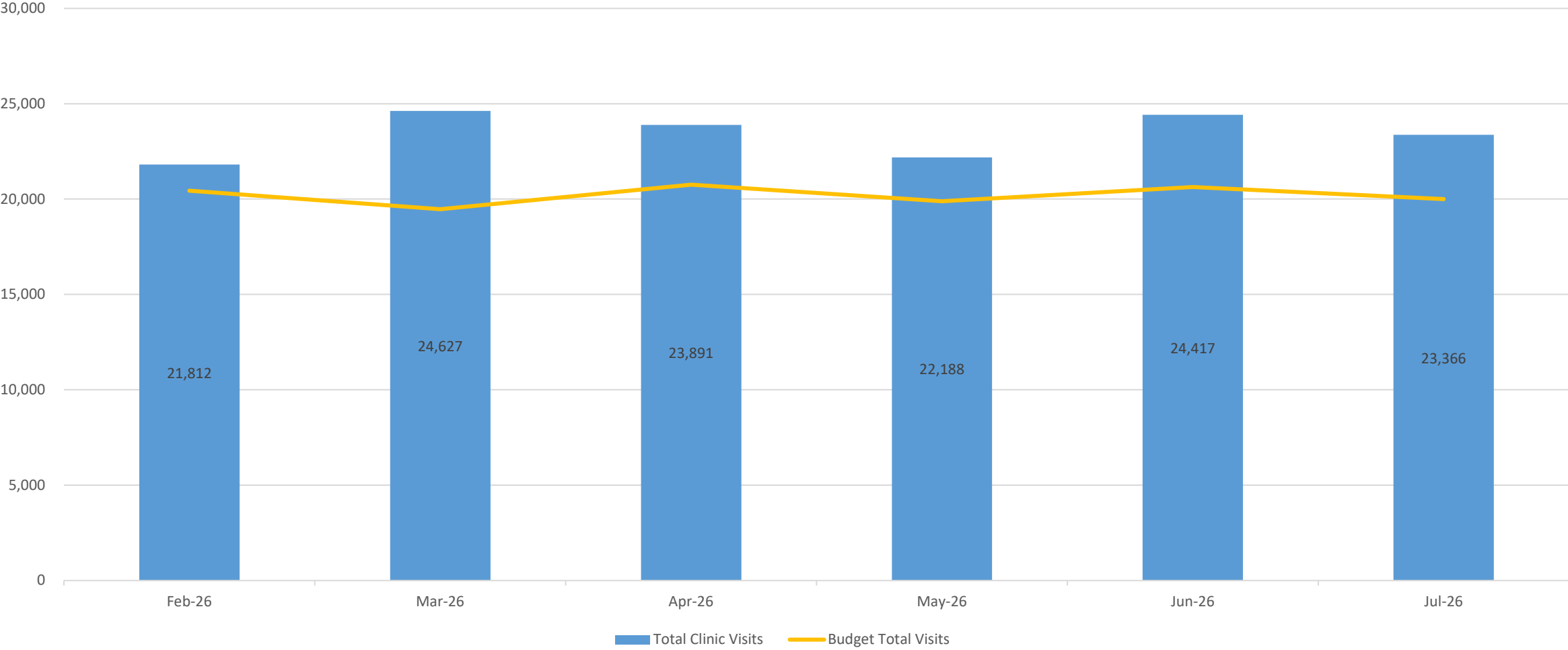
Slide 7

Surgical Volume

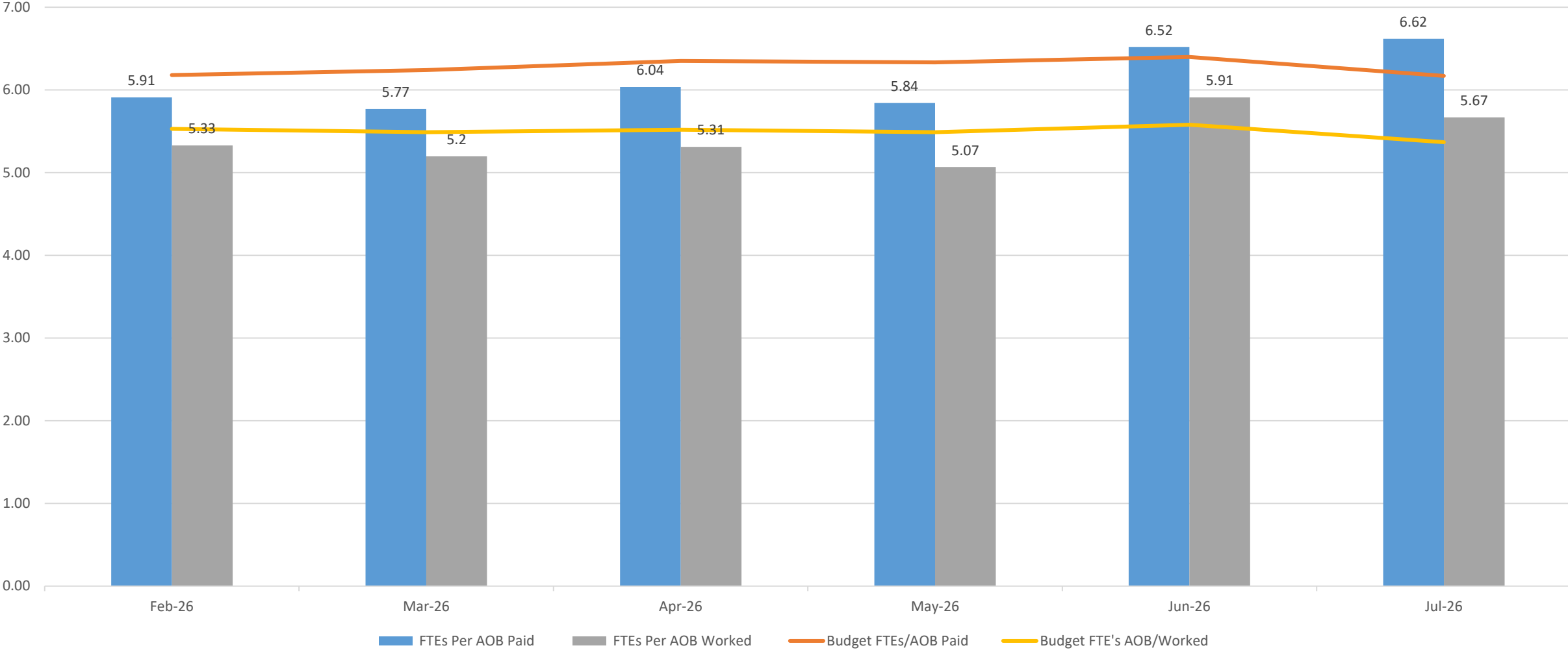


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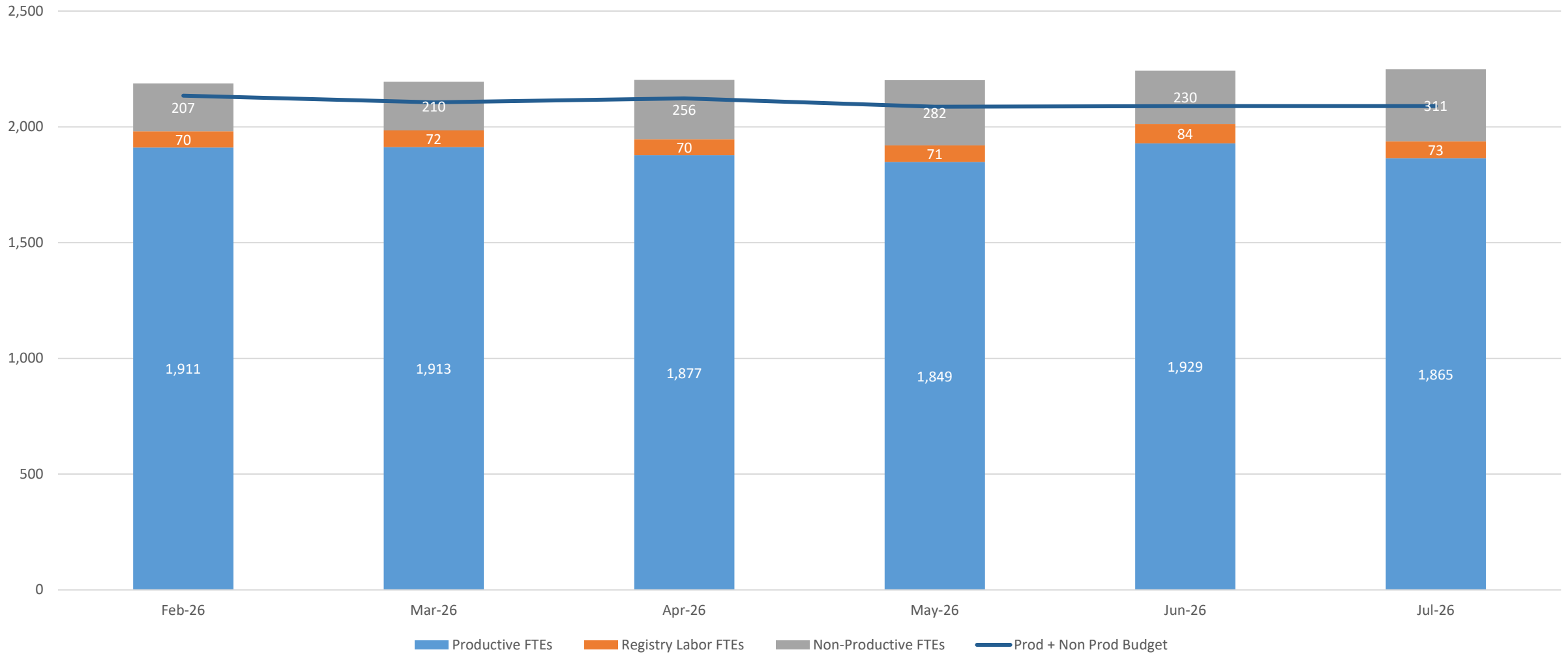
Clinic Visits



Labor Metrics

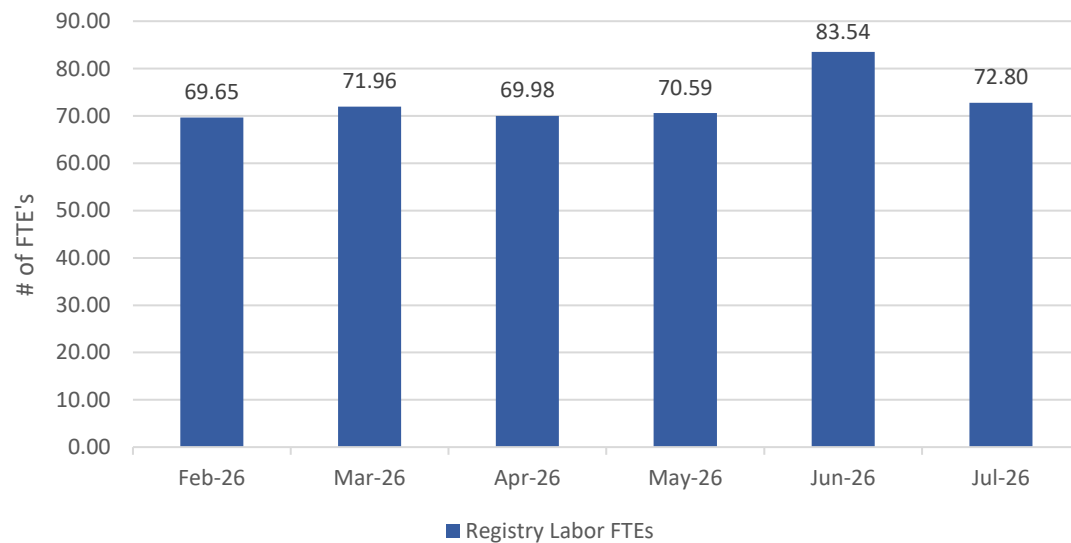


Productivity

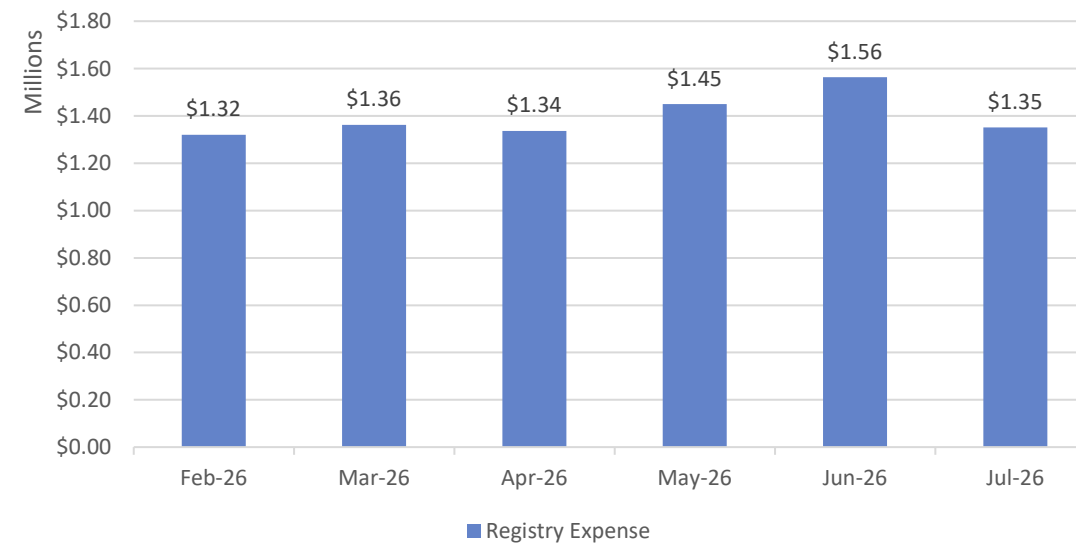


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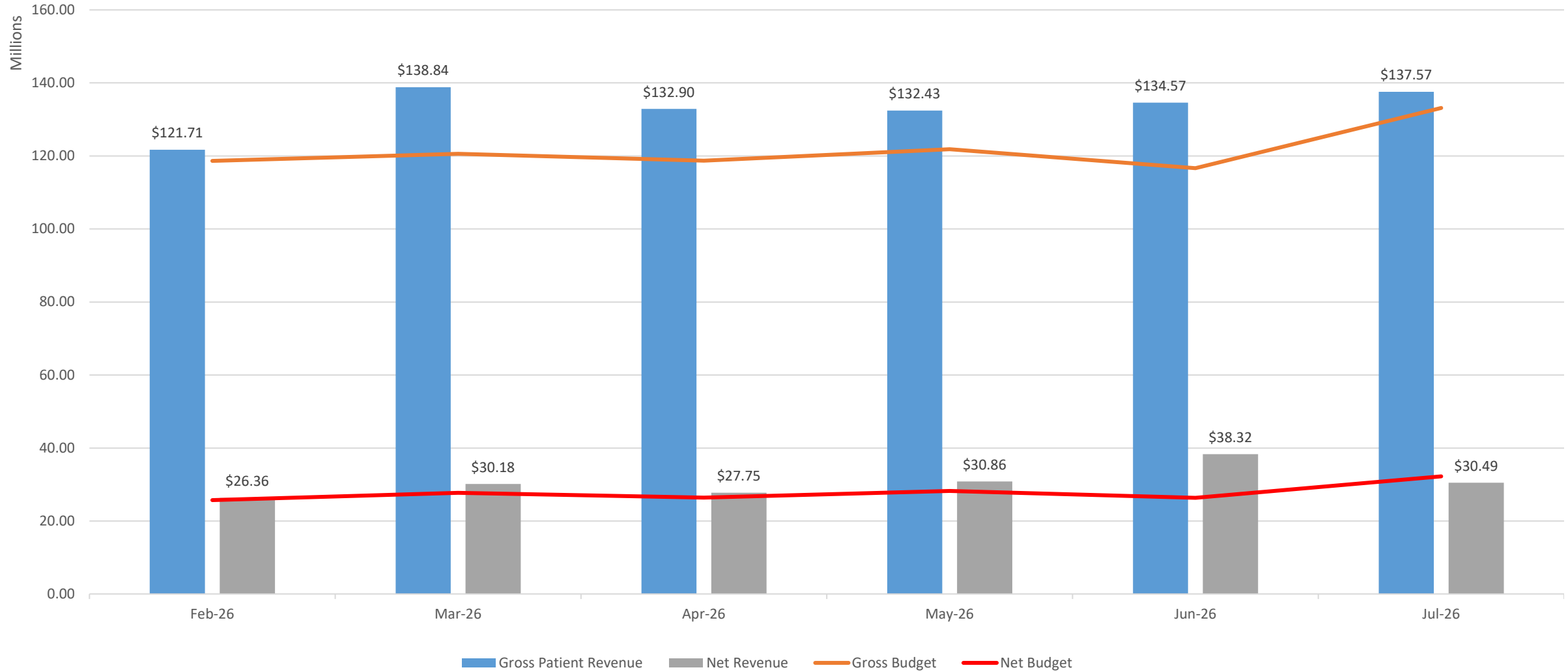
Registry FTE's



Registry Expense

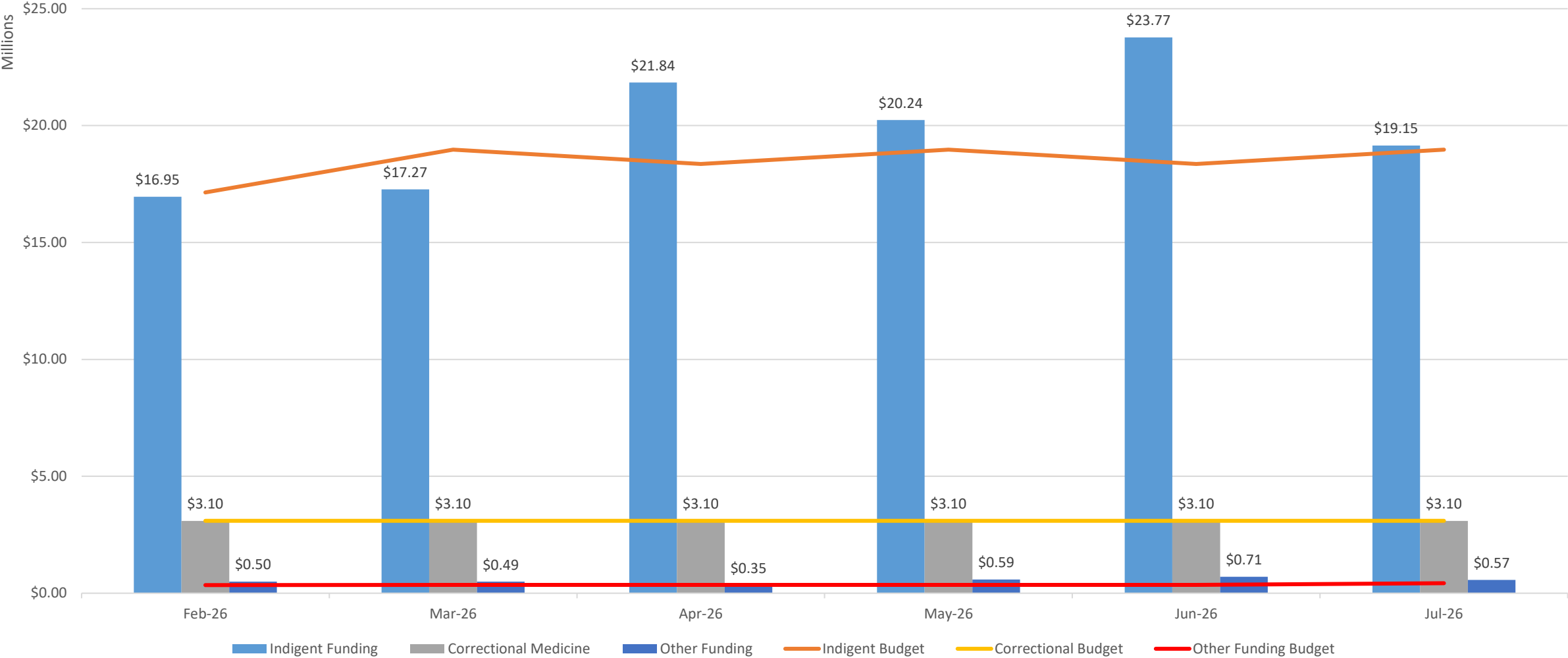


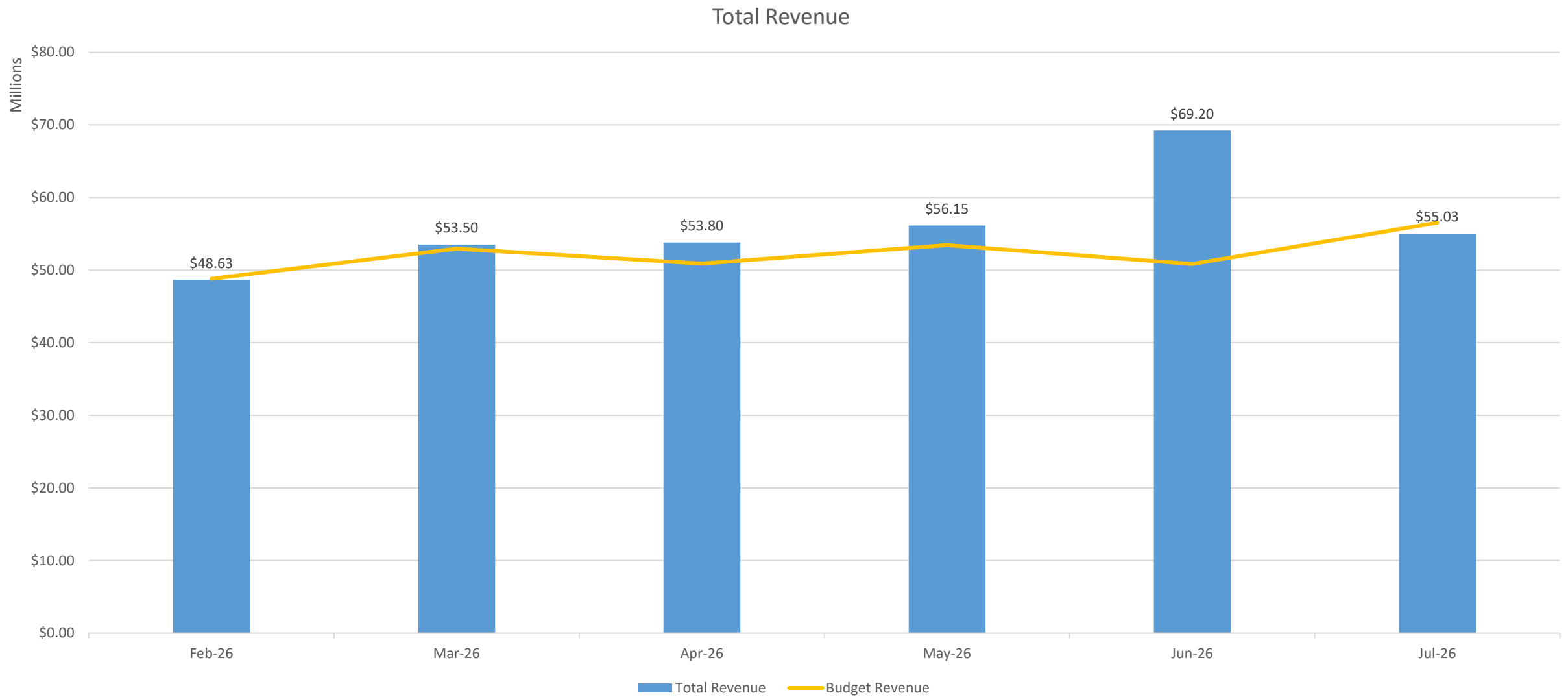
Patient Revenue



Slide 13

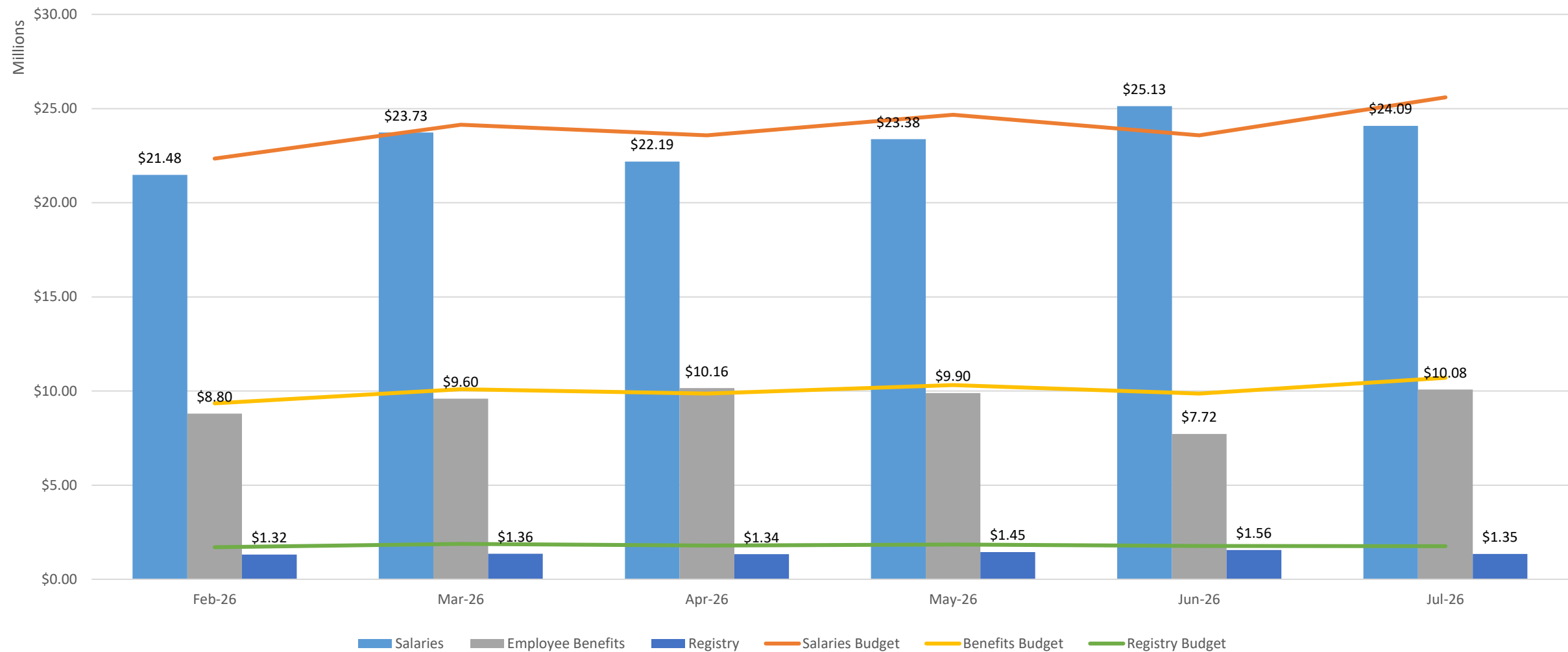
Indigent & Correctional Revenue



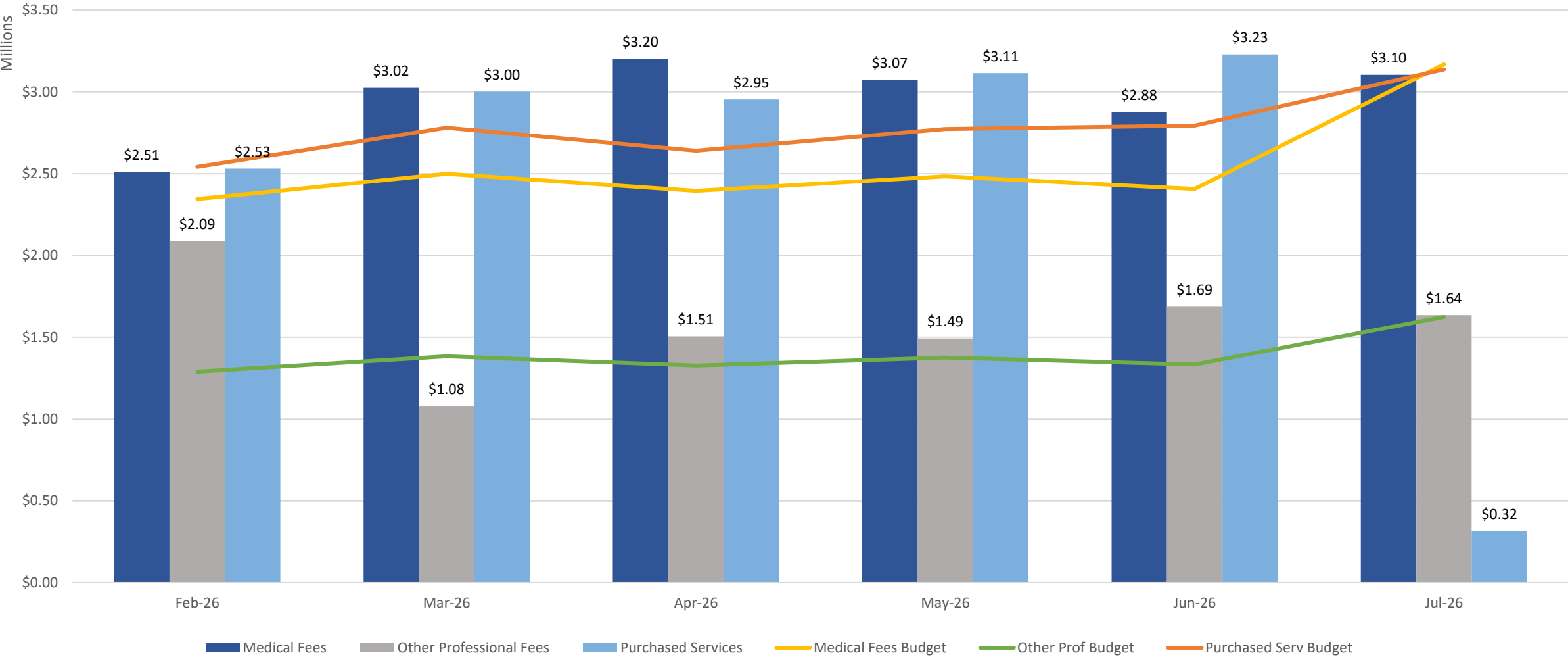


Slide 15

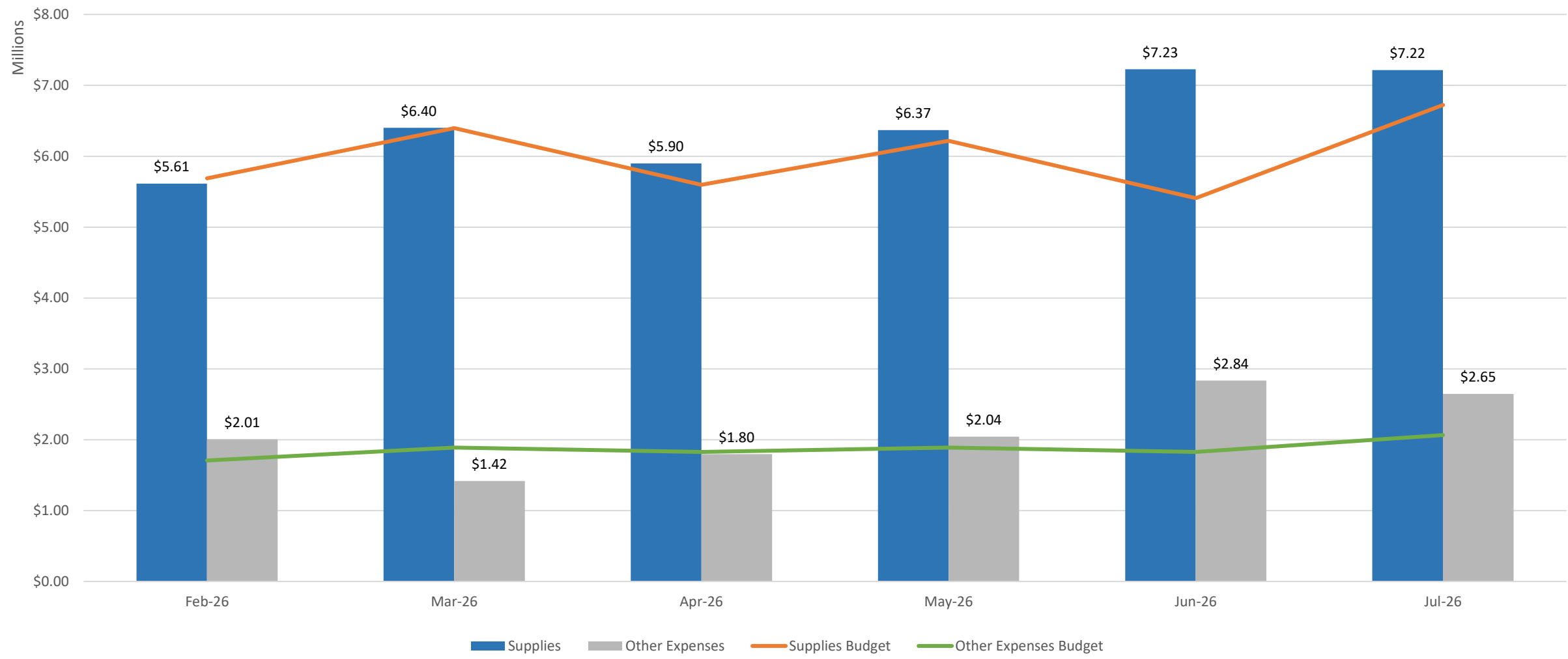
Expenses



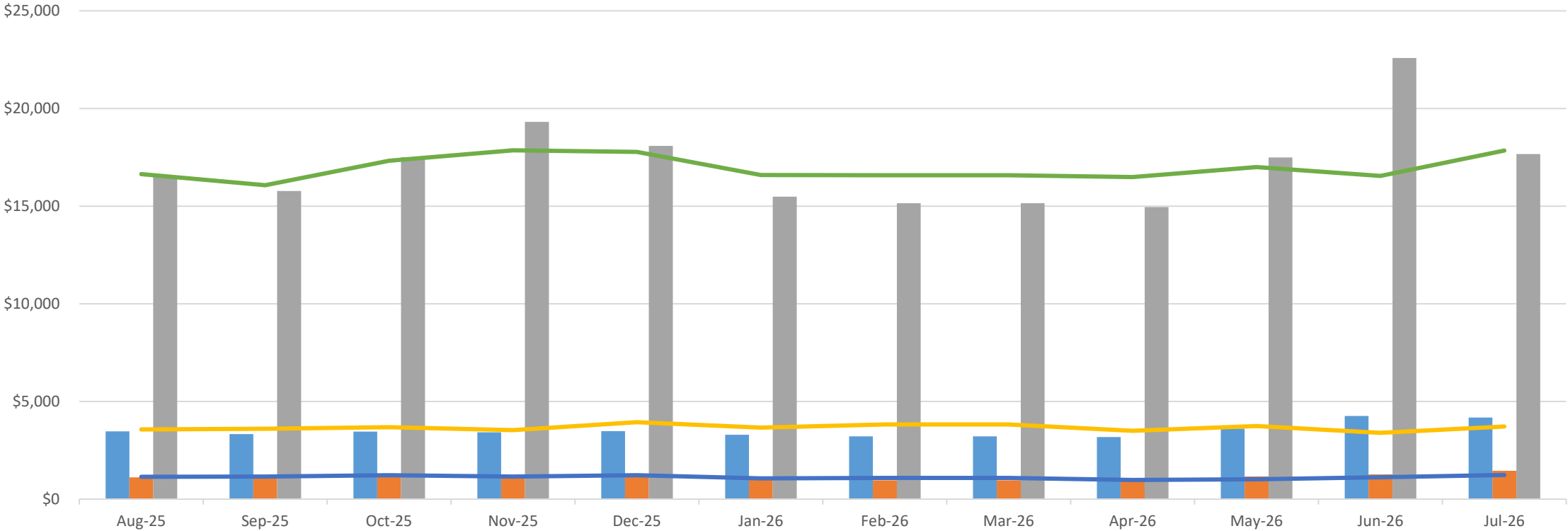
Expenses



Expenses

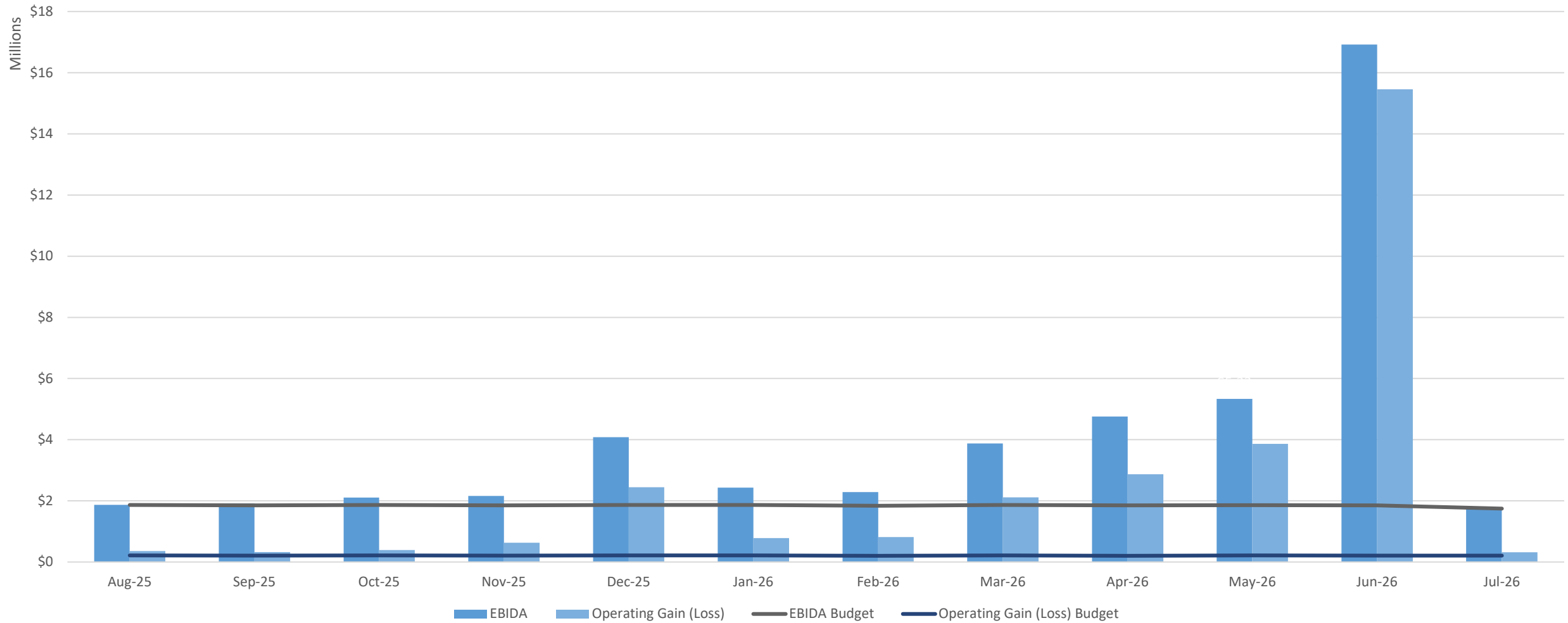


Operating Metrics



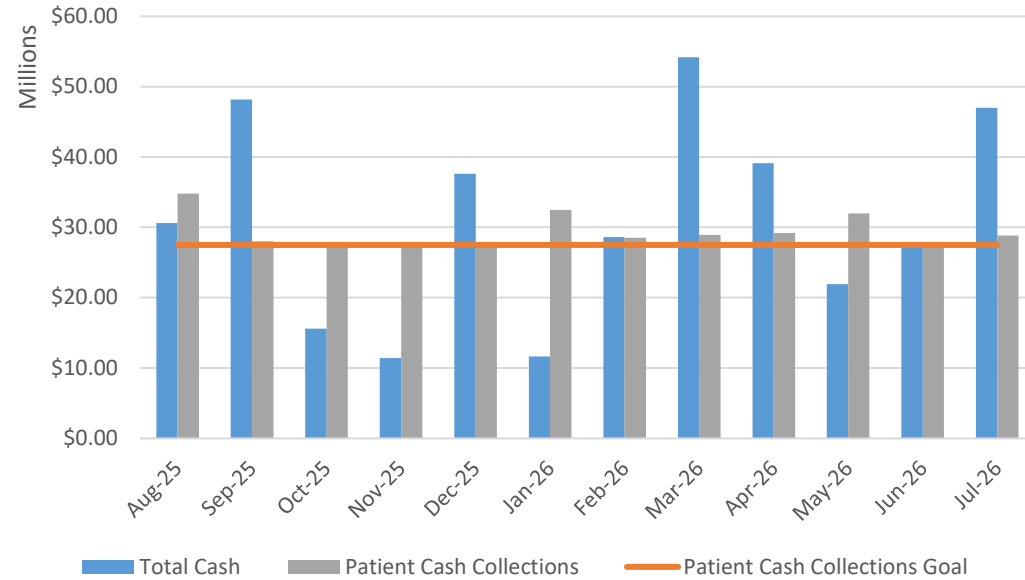
	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Supply Expense per AA	\$3,471	\$3,338	\$3,458	\$3,421	\$3,482	\$3,298	\$3,212	\$3,212	\$3,178	\$3,612	\$4,259	\$4,180
Pharm Cost per AA	\$1,118	\$1,140	\$1,194	\$1,094	\$1,211	\$1,093	\$971	\$971	\$1,032	\$1,167	\$1,270	\$1,458
Net Revenue Per AA	\$16,506	\$15,778	\$17,508	\$19,312	\$18,085	\$15,482	\$15,148	\$15,148	\$14,950	\$17,495	\$22,580	\$17,664
Budget Supp/AA	\$3,567	\$3,604	\$3,686	\$3,532	\$3,943	\$3,669	\$3,822	\$3,822	\$3,497	\$3,741	\$3,395	\$3,721
Budget Pharm/AA	\$1,142	\$1,162	\$1,228	\$1,162	\$1,230	\$1,065	\$1,092	\$1,092	\$990	\$1,018	\$1,124	\$1,243
Budget Net Rev/AA	\$16,643	\$16,073	\$17,329	\$17,863	\$17,783	\$16,593	\$16,581	\$16,581	\$16,493	\$17,003	\$16,546	\$17,849

EBIDA Rolling Year

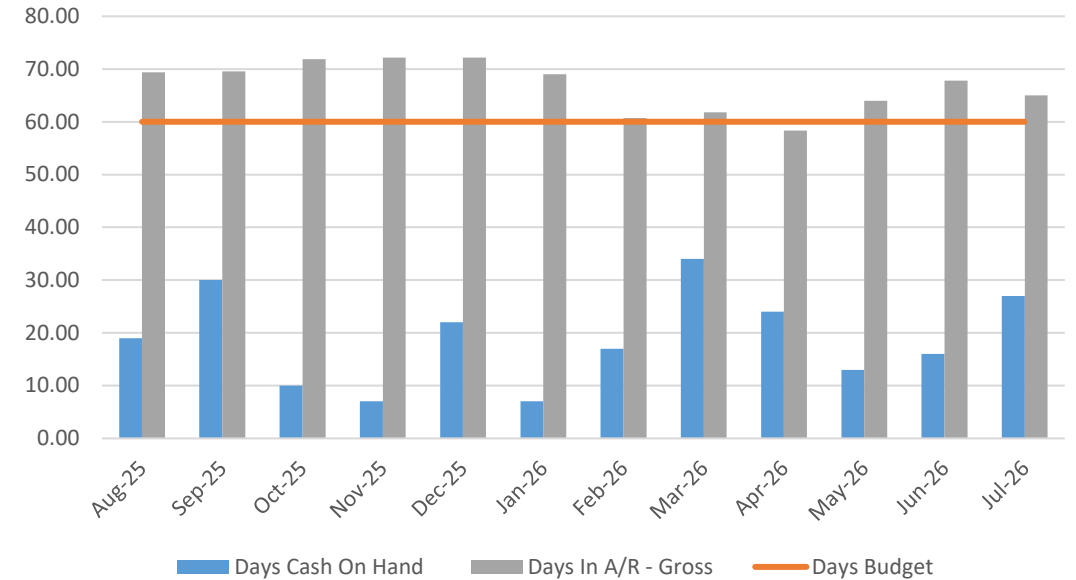


Slide 20

Cash Rolling Year



AR Days Rolling Year



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

	MAY	JUNE	JULY	BUDGET JULY	VARIANCE POS (NEG)	PY JULY
Gross Patient Revenue	\$ 132,426,417	\$ 134,566,030	\$ 137,566,293	\$ 133,116,359	3%	\$ 129,783,341
Contractual Deductions	(101,570,158)	(96,243,053)	(107,072,483)	(100,858,069)	6%	(101,030,492)
Net Revenue	30,856,259	38,322,977	30,493,810	32,258,291	(5%)	28,752,849
Indigent Funding	20,238,739	23,769,628	19,145,240	18,973,856	1%	18,770,930
Correctional Medicine	3,097,713	3,097,713	3,097,713	3,095,522	0.1%	3,097,714
County Contribution	285,211	285,211	285,211	285,211	(0%)	285,211
Incentive Funding	302,616	420,219	284,119	148,630	91%	86,312
Net Patient Revenue	54,780,538	65,895,749	53,306,094	54,761,510	(3%)	50,993,016
Other Operating Revenue	1,355,264	3,289,048	1,707,031	1,763,594	(3%)	2,376,940
Other Non-Operating Revenue	14,885	17,286	18,642	11,507	62%	31,001
Total Revenues	56,150,687	69,202,082	55,031,767	56,536,612	(2.7%)	53,400,956
Expenses						
Salaries	23,376,008	25,132,698	24,087,214	25,602,140	(6%)	23,864,758
Employee Benefits	9,899,306	7,722,503	10,080,897	10,706,815	(6%)	10,223,321
Registry	1,449,594	1,564,270	1,351,856	1,763,234	(23%)	1,637,614
Medical Fees	3,071,944	2,876,831	3,103,870	3,168,115	(2%)	3,228,446
Other Professional Fees	1,492,346	1,687,215	1,635,531	1,623,806	1%	1,371,739
Supplies	6,370,555	7,227,895	7,216,624	6,723,961	7%	6,313,948
Purchased Services	3,114,765	3,229,437	3,164,334	3,137,584	1%	2,854,041
Other Expenses	2,044,295	2,836,599	2,647,018	2,068,039	28%	1,812,823
Operating Expenses	50,818,814	52,277,449	53,287,343	54,793,694	(3%)	51,306,689
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 5,331,873	\$ 16,924,633	\$ 1,744,424	\$ 1,742,918	0.1%	\$ 2,094,267
EBIDA Margin	9%	24%	3%	3%	3%	4%
Interest	264,111	262,871	214,175	331,387	(35%)	251,266
Depreciation	530,609	537,876	546,231	630,948	(13%)	702,992
Amortization	675,283	666,234	667,061	571,061	17%	595,855
Total Expenses	52,288,818	53,744,430	54,714,810	56,327,091	(3%)	52,856,803
Operating Gain (Loss)	\$ 3,861,869	\$ 15,457,652	\$ 316,958	\$ 209,521	51%	\$ 544,154
Operating Margin	6.88%	22.34%	0.58%	0.37%	55.4%	1.0%

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

	ACTUAL FYTD	BUDGET FYTD	VARIANCE POS (NEG)	PY FYTD	PY VARIANCE POS (NEG)
Gross Patient Revenue	\$ 137,566,293	\$ 133,116,359	3%	\$ 129,783,341	6%
Contractual Deductions	(107,072,483)	(100,858,069)	6%	(101,030,492)	6%
Net Revenue	30,493,810	32,258,291	(5%)	28,752,849	6%
Indigent Funding	19,145,240	18,973,856	1%	18,770,930	2%
Correctional Medicine	3,097,713	3,095,522	0%	3,097,714	(0%)
County Contribution	285,211	285,211	(0%)	285,211	0%
Incentive Funding	284,119	148,630	91%	86,312	229%
Net Patient Revenue	53,306,094	54,761,510	(3%)	50,993,016	5%
Other Operating Revenue	1,707,031	1,763,594	(3%)	2,376,940	(28%)
Other Non-Operating Revenue	18,642	11,507	62%	31,001	(40%)
Total Revenues	55,031,767	56,536,612	(3%)	53,400,956	3%
Expenses					
Salaries	24,087,214	25,602,140	(6%)	23,864,758	1%
Employee Benefits	10,080,897	10,706,815	(6%)	10,223,321	(1%)
Registry	1,351,856	1,763,234	(23%)	1,637,614	(17%)
Medical Fees	3,103,870	3,168,115	(2%)	3,228,446	(4%)
Other Professional Fees	1,635,531	1,623,806	1%	1,371,739	19.2%
Supplies	7,216,624	6,723,961	7%	6,313,948	14%
Purchased Services	3,164,334	3,137,584	1%	2,854,041	11%
Other Expenses	2,647,018	2,068,039	28%	1,812,823	46%
Operating Expenses	53,287,343	54,793,694	(3%)	51,306,689	4%
Earnings Before Interest, Depreciation, and Amortization (EBIDA)	\$ 1,744,424	\$ 1,742,918	0%	\$ 2,094,267	(16.7%)
EBIDA Margin	3%	3%	3%	4%	(19%)
Interest	214,175	331,387	(35%)	251,266	(15%)
Depreciation	546,231	630,948	(13%)	702,992	(22%)
Amortization	667,061	571,061	17%	595,855	12%
Total Expenses	54,714,810	56,327,091	(3%)	52,856,803	4%
Operating Gain (Loss)	\$ 316,958	\$ 209,521	51%	\$ 544,154	(42%)
Operating Margin	0.6%	0.4%	55.4%	1.0%	(43%)

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KERN MEDICAL BALANCE SHEET

	JULY 2026	JULY 2025
ASSETS:		
<i>Total Cash</i>	\$ 47,012,750	\$ 43,432,890
Patient Receivables Subtotal	294,582,086	301,887,497
Contractual Subtotal	(227,361,855)	(270,812,112)
<i>Net Patient Receivable</i>	67,220,231	31,075,385
Total Indigent Receivable	305,322,586	247,032,652
Total Other Receivable	13,072,902	19,379,783
Total Prepaid Expenses	6,739,745	8,539,793
Total Inventory	5,774,032	4,805,786
<i>Total Current Assets</i>	445,142,246	354,266,289
Deferred Outflows of Resources	113,460,412	124,532,718
Total Land, Equipment, Buildings and Intangibles	280,160,843	273,336,818
Total Construction in Progress	21,833,879	17,103,643
<i>Total Property, Plant & Equipment</i>	301,994,721	290,440,461
Total Accumulated Depr & Amortization	(195,222,596)	(185,330,626)
<i>Net Property, Plant, and Equipment</i>	106,772,125	105,109,836
<i>Total Long Term Assets</i>	113,460,412	124,532,718
<i>Total Assets</i>	\$ 665,374,782	\$ 583,908,842

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KERN MEDICAL BALANCE SHEET

LIABILITIES & EQUITY:

Total Accounts Payable	\$	15,986,546	\$	11,904,694
Total Accrued Compensation		34,654,430		33,886,962
Total Due Government Agencies		5,796,488		323,430
Total Other Accrued Liabilities		67,665,519		36,694,422
<i>Total Current Liabilities</i>		124,102,983		82,809,508
Unfunded Pension Liability		331,776,526		344,447,058
Other Long-Term Liabilities		71,973,538		79,881,872
<i>Total Long-Term Liabilities</i>		403,750,064		424,328,930
<i>Total Liabilities</i>		527,853,047		507,138,438
<i>Total Net Position</i>		137,521,735		76,770,405
<i>Total Liabilities and Net Position</i>	\$	665,374,782	\$	583,908,842

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**KERN MEDICAL
STATEMENT OF CASH FLOWS**

	Fiscal Year-to-Date July 2026	Fiscal Year-to-Date June 2026	Fiscal Year-to-Date July 2025	Fiscal Year-to-Date June 2025
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for patient/current services	\$ 31,277,401	\$ 351,656,610	\$ 38,174,564	\$ 314,552,945
Cash received for other operations	9,503,980	256,065,319	11,535,640	260,727,035
Cash paid for salaries and benefits	(31,643,265)	(392,647,446)	(28,263,254)	(377,869,782)
Cash paid for services and supplies	(9,024,139)	(205,077,135)	(5,756,530)	(202,668,841)
Net cash (used in) provided by operating activities	113,978	9,997,348	15,690,420	(5,258,643)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash (provided to) received from various County funds	-	-	-	-
Interest paid - pension obligation bond	-	92,824	-	256,677
Principal paid - pension obligation bond	-	(1,981,763)	-	(1,058,183)
Interest paid - line of credit	-	-	-	-
Line of credit payment	20,000,000	-	-	-
Net cash provided by (used in) noncapital financing activities	20,000,000	(1,888,939)	-	(801,506)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition or construction of capital assets	(259,674)	(12,392,799)	(1,098,213)	(11,508,871)
Payments on right-of-usage lease liability	(152,636)	3,557,623	(206,189)	(2,850,043)
Interest paid - right-of-usage lease liability	(354)	715	(696)	(7,976)
Payments on SBITA liability	(36,316)	(666,518)	(64,663)	(762,463)
Interest paid - SBITA	(47)	(559)	(46)	(580)
Net cash used by capital and related financing activities	(449,027)	(9,501,538)	(1,369,807)	(15,129,933)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on bank deposits and investments	-	-	-	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	19,664,950	(1,393,129)	14,320,614	(21,190,081)
CASH AND CASH EQUIVALENTS, beginning of year	27,347,800	28,740,929	29,112,277	50,302,358
CASH AND CASH EQUIVALENTS, year-to-date	<u>\$ 47,012,750</u>	<u>\$ 27,347,800</u>	<u>\$ 43,432,890</u>	<u>\$ 29,112,277</u>

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

September 16, 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**

September 16, 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?

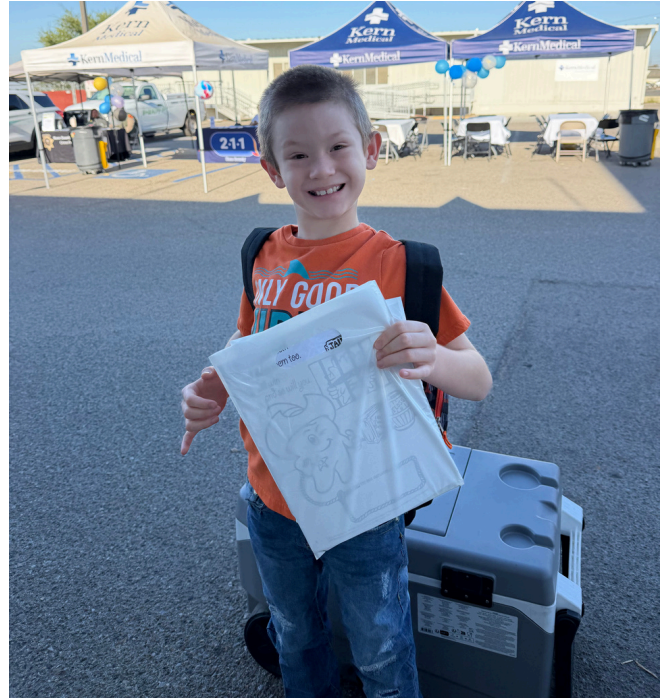


Launch of New Employee Recognition App and Program



Kern Medical launched Awardco, a new employee recognition platform designed to make celebrating great work easier and more meaningful. Through Awardco, employees can recognize colleagues, celebrate milestones and redeem rewards all in one place.

Back to School Party in the Parking Lot



Kern Medical hosted its annual Party in the Parking Lot, providing health screenings, immunizations, insurance enrollment assistance, children's activities, giveaways, and breakfast burritos generously provided by Kern Family Health Care. Approximately 85 patients attended the event.



Valley Fever Physician Medical Education Event



The Valley Fever Institute at Kern Medical hosted 'Beyond the Dust: Valley Fever Healthcare Provider Symposium'. The Infectious Disease physicians at Kern Medical conducted this educational forum focused on recognizing, diagnosing and treating Valley Fever, one of the most significant public health challenges in our region. 75 local healthcare professionals attended the symposium.

Beyond the White Coat: Why Stay in Kern County after Physician Residency Ends



The Kern Medical Foundation hosted Beyond the White Coat, designed to connect residents and fellows from across the Bakersfield medical community with Kern County, with the goal of encouraging them to build their careers and continue practicing locally. Residents and Fellows left the event with new connections, fresh perspectives and advice from the panelists.

Cancer Program Accreditation

More than 45 years of **Continuous Cancer Accreditation**



Kern Medical's Cancer Program has once again earned continued accreditation from the American College of Surgeons Commission on Cancer (CoC), a recognition of our commitment to comprehensive, high-quality, patient-centered cancer care.

For over 45 years, Kern Medical has continuously met the rigorous national standards required for CoC accreditation, spanning the entire continuum of cancer care, from prevention and screening to diagnosis, treatment and survivorship.

This continued accreditation reflects the dedication of our physicians, nurses and multidisciplinary cancer care team to providing exceptional cancer care right here at home.

New Podcast Episode

NEW PODCAST EPISODE

Search "Kern Medical - Health for Life"

*EPISODE 20 - Children's Sleep & Screen Time Habits
with Dr. Suzanne Espalin-Pardo*



Apple



Spotify

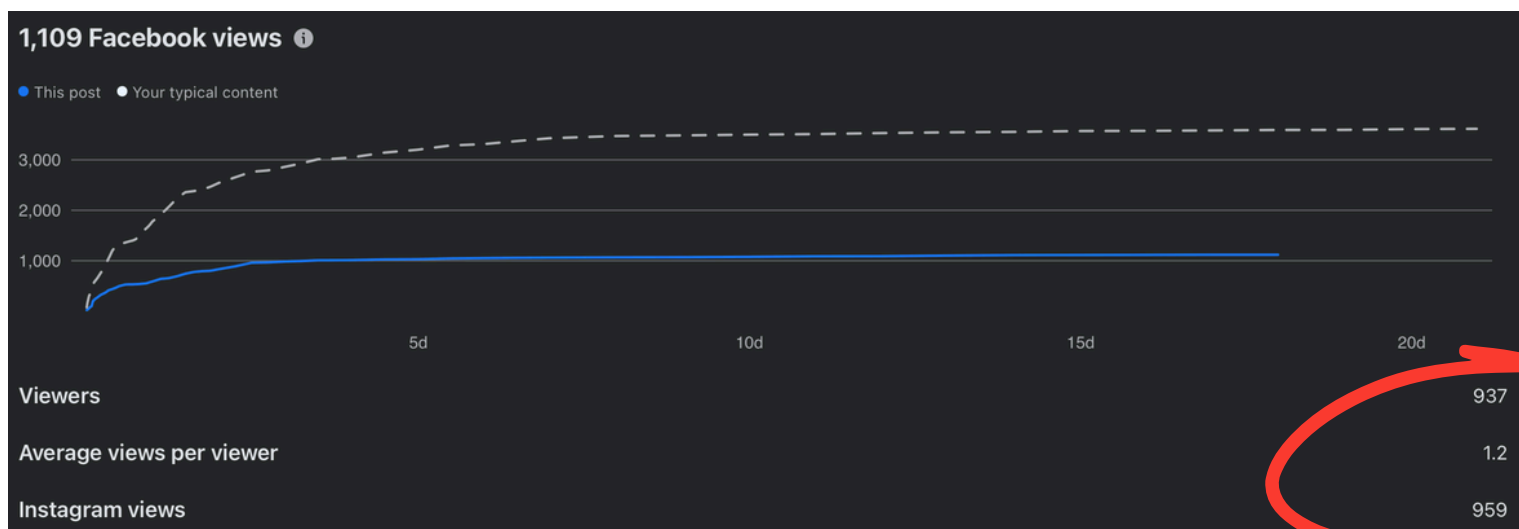


In the News: Party in the Parking Lot



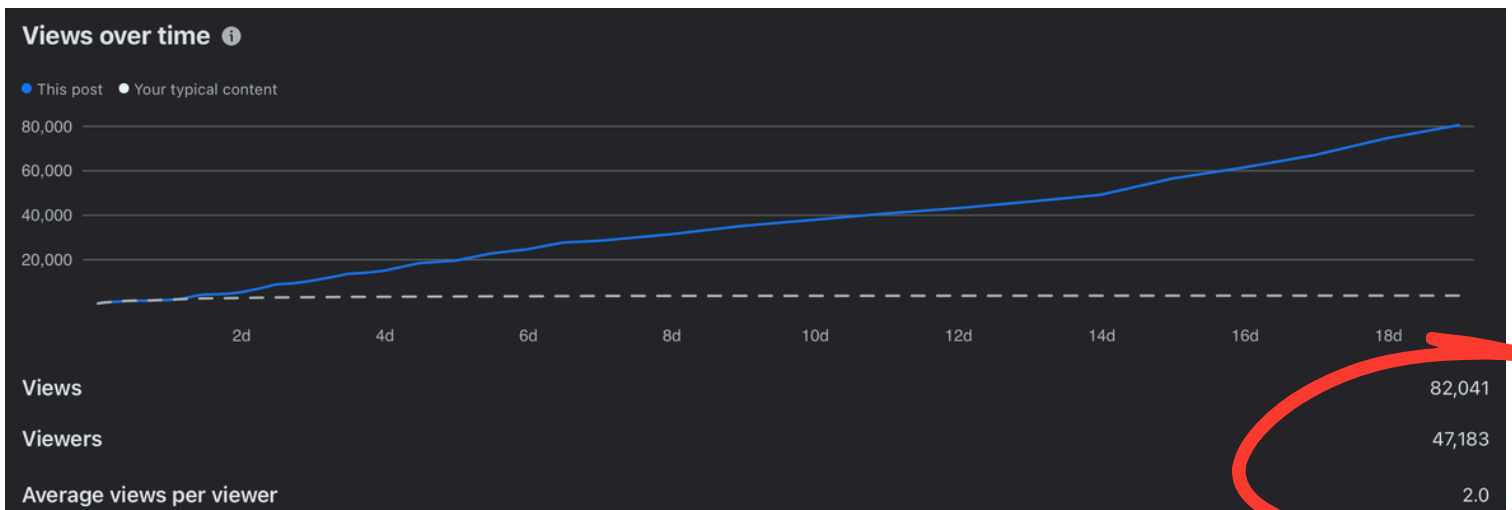
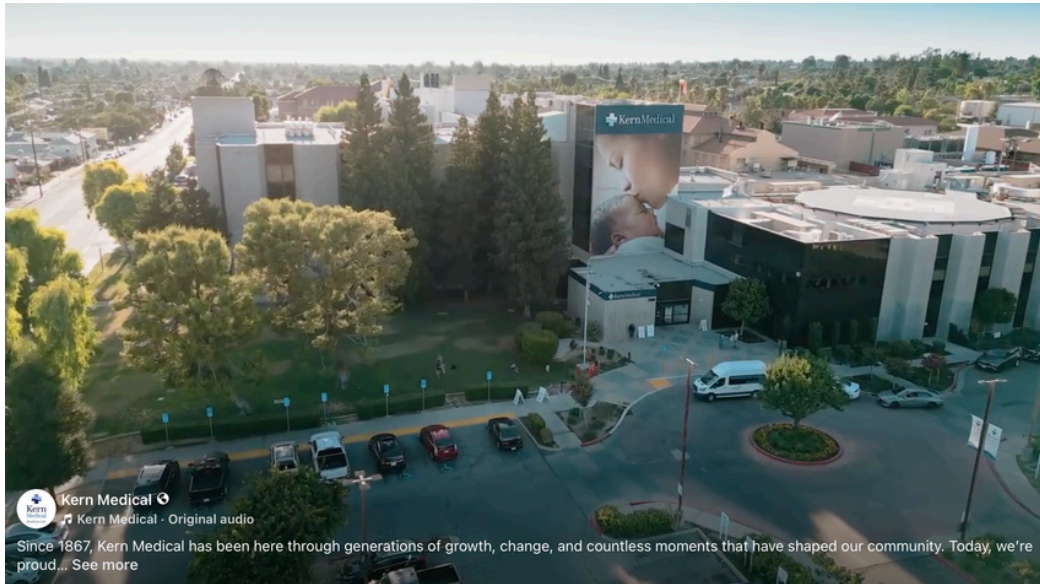
Danielle Colbert, Director of Marketing, joined KGET-17 to promote Kern Medical's Annual Party in the Parking Lot event at Columbus Clinic.

Social Media: Breastfeeding Awareness

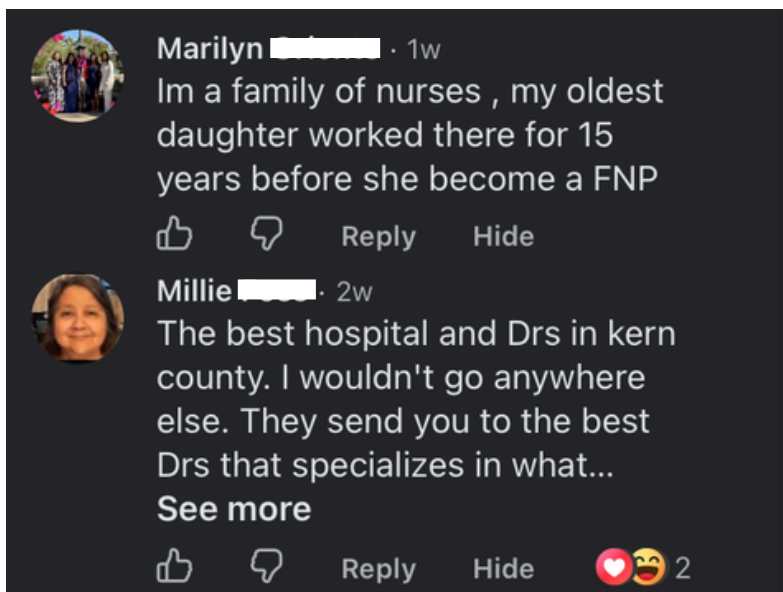


Kern Medical is creating casual, educational social media videos featuring staff members discussing timely health topics, such as Breastfeeding Awareness Month.

Social Media: Kern Medical Commercial



Kern Medical launched its latest commercial on Facebook and Instagram, generating more than 80,000 views and 30 positive comments from community members. The campaign will continue running through October.



National Recognitions - September

- Ovarian Cancer Awareness Month
- Prostate Cancer Awareness Month
- National Sickle Cell Awareness Month
- Suicide Prevention Month
- National Recovery Month
- Healthy Aging Month
- Celiac Disease Awareness Day (September 10)
- World Heart Day (September 29)

**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 September 16, 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**

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 X Request for Closed Session regarding peer review of health facilities (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 September 16, 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: Service Employees
International Union, Local 521, Plaintiff/Petitioner, v. Kern County Hospital
Authority, et al., Defendants/Respondents, Kern County Superior Court Case No.
26CUB02463 –

**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 September 16, 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)) –

**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 September 16, 2026, to consider:

 X PUBLIC EMPLOYEE PERFORMANCE EVALUATION - Title: Chief Executive Officer (Government Code Section 54957) –