



Hazel Hawkins
MEMORIAL HOSPITAL

**REGULAR MEETING OF THE FACILITIES AND FINANCE COMMITTEE
SAN BENITO HEALTH CARE DISTRICT
911 SUNSET DRIVE, HOLLISTER, CALIFORNIA
MONDAY, MARCH 23, 2026 - 4:30 P.M.
SUPPORT SERVICES BUILDING, 2ND FLOOR – GREAT ROOM**

San Benito Health Care District is a public agency that serves as a responsive, comprehensive health care resource for its patients, physicians and the community.

1. Call to Order

2. Update on Current Projects
 - Project Dashboard – February 2026

3. Review Financial Updates
 - Financial Statements – February 2026
 - Finance Dashboard – February 2026
 - Supplemental Payments – February 2026

4. Consider Recommendation for Board Approval of Professional Service Agreement with Lourdes Grayson, MD.
 - Report
 - Committee Questions
 - Motion/Second

5. Consider Recommendation for Board Approval of Professional Service Agreement with Shane Walker, MD
 - Report
 - Committee Questions
 - Motion/Second

6. Consider Recommendation for Board Approval to Award Bid to The Core Group (Chemistry Analyzer Replacement) in the amount of \$383,575.00.
 - Report
 - Committee Questions
 - Motion/Second

7. Consider Recommendation for Board Approval of Authorizing Investment of Monies in the Local Agency Investment Fund, Resolution No 2026-11
 - Report
 - Committee Questions
 - Motion/Second

8. Public Comment

This opportunity is provided for members of the public to make a brief statement, not to exceed three (3) minutes, on matters within the jurisdiction of this District Board **Committee**, which are not on this agenda.

9. Adjournment

The next Facilities and Finance Committee meeting is scheduled for **Monday, April 20, 2026 at 4:30 p.m.**

The complete Facilities and Finance Committee packet, including subsequently distributed materials and presentations, is available at the Facilities and Finance Committee meeting and in the Administrative Offices of the District. All items appearing on the agenda are subject to action by the Facilities and Finance Committee. Staff and Committee recommendations are subject to change by the Facilities and Finance Committee.

Notes: Requests for a disability-related modification or accommodation, including auxiliary aids or services, to attend or participate in a meeting should be made to District Administration during regular business hours at 831-636-2673. Notification received 48 hours before the meeting will enable the District to make reasonable accommodations.

MARCH 2026 Project Dashboard - Facilities

Project Name	Purpose	Start Date	Go Live	Duration	Status	Priority	Key Stakeholder	Role	Update
*BD Installation	New Pyxis Machines for ICU	12/4/2024	3/1/2026	452	Completed	Medium	Naveen Ravela	Pharmacy Director	Received HCAI CF (construction final). Old pyxis removed and pending closeout paper work from HCAI.
*Lab Phase 2	Analyzer Replacement	6/1/2024	5/1/2026	699	In Progress	High	Bernadette Enderez	Lab/Radiology Director	Phase 2A received HCAI SC (substantial completion) pending adding chime/strobe to restroom to receive final closeout for this milestone. Phase 2B has started, starting to coordinate with ABBOTT for analyzer installation
*Lab Remodel	Lab Phase 3/4: Remodel	3/1/2026	TBD		Ongoing		Bernadette Enderez	Lab/Radiology Director	Architectural proposal has been signed. Planning meetings will resume with design anticipated to take duration of '26. Bidding and construction not until 2027.
*OR Rebuild	Updating OR per OSHPD Requirements	11/20/2024	12/31/2026	771	In Progress	High	Mendi Suber-Ventura	Director of Surgical Services	CDPH waiver has been extended until JAN 2027.

MARCH 2026 Project Dashboard - Facilities

*Sterilizer Replacement	Installation of new AMSCO 400 48 SD equipment for Sterile Processing Department	9/16/2025	11/1/2026	411	In Progress	High	Mendi Suber-Ventura	Director of Surgical Services	Advertisement for bid is posted. Site walk with GC 2/24. Bids due week of 3/16
*Seismic	Upgrade to Meet HCAI Seismic Compliance & Safety Standards	11/1/2025	1/1/2033		Ongoing	High	Jorge Ramirez	Director of Emergency Management; Security; Life Safety; EVS; Engineering	Projects have been submitted to HCAI for review. Geotech work for soil sampling to aid in seismic desing expected to happen early '26, MT/CAP could happen fall '26 or early '27.
*Imaging Trailer Pad Make Ready	Treanor to help when MP starts	10/1/2025	TBD		In Progress	Medium	Bernadette Enderez	Lab/Radiology Director	Architectural proposal approved. Pending HCAI design submission
*Verkada	Security / SSO + Door Access	3/11/2025	TBD		In Progress	High	Jorge Ramirez	Director of Emergency Management; Security; Life Safety; EVS; Engineering	HCAI building permit has been issued. IOR selected. Planning for work between General contractor and the vendors to coordinate install. Meeting scheduled for end of march with installation aiming for end of April or beginning of May.
*HUGS/Securitas	Infant Security	4/12/2024	5/1/2026	749	In Progress	High	Jac Fernandez	Senior Director of Acute Care Services	Received HCAI SC (substantial completion) HUGS vendor onsite week of 3/31-4/2 to tune devices. Then Go live planning can begin with nursing/security staff.

MARCH 2026 Project Dashboard - Facilities

Project Name	Description	Start Date	End Date	Priority	Status	Count	Notes	Staff	Next Steps
*ED Helipad	System is an AFFF system and no longer allowed in CA. Is required to be phased out due to being a hazardous chemical.	5/27/2025	7/1/2026	High	In Progress	400		Jorge Ramirez	Regular (S) project has been submitted. construction will start after HCAI approval. Pending City Of Hollister approval and release of MOP between Hollister Fire Dept and HHMH.
*Northside SNF Kitchen Flooring	Replace kitchen and storage flooring at the Northside SNF	1/1/2026	TBD	High	In Progress			Jaylee Davison	Architectural and Contractor Flooring Vendor proposals approved. Project submitted to HCAI end of March. Internal Logistics planning ongoing
Physical Therapy Clinic Remodel	Expanding current location to help with ongoing demand	6/1/2025	TBD	Medium	On Hold			Jun Estrada	Looking to perform feasibility study of the new location
Focus Sports Therapy	Renovate and expand Focus sports therapy clinic	7/1/2025	TBD	Medium	On Hold			Jorge Ramirez	Working with architects on schematic design.
Totals									
TASK STATUS %									
Not Started	COUNT	0	%	0%					
In Progress	8	62%							
Overdue	0	0%							
On Hold	2	15%							
Pending	2	15%							
Completed	1	8%							
TOTAL	13	100%							

estimated go-live
planned go live

MARCH 2026 Project Dashboard - Facilities

PROJECT PRIORITY %		
PRIORITY	COUNT	%
High	8	67%
Medium	4	33%
Low	0	0%
TOTAL	12	100%



San Benito Health Care District

San Benito Health Care District

A Public Agency
911 Sunset Drive
Hollister, CA 95023-5695
(831) 637-5711

March 23, 2026

CFO Financial Summary for the District Board:

For the month ending February 28, 2026, the District's Net Surplus (**Loss**) is \$673,209 compared to a budgeted Surplus (**Loss**) of \$640,167. The District exceeded the budget for the month by \$33,042.

YTD as of February 28, 2026, the District's Net Surplus (**Loss**) is \$9,415,909 compared to a budgeted Surplus (**Loss**) of \$7,113,426. The District is exceeding its budget YTD by \$2,302,483.

Acute discharges were 119 for the month, under budget by 43 discharges, 27%. The ADC was 11.18 compared to a budget of 16.39. The ALOS was 2.63. The acute I/P gross revenue was under budget by **\$2.14 million** or **21%** while O/P services gross revenue exceeded the budget by **\$2.16 million** or **8%**. ER I/P visits were 73 and ER O/P visits were under budget by 51 visits or 2%. The RHCs & Specialty Clinics treated 3,492 (includes 611 visits at the Diabetes Clinic) and 1,068 visits respectively.

Other Operating revenue exceeded budget by **\$72,446** due mainly to:

1) \$188,160 in additional QIP funds for PY 7, CY 2024.

Operating Expenses exceeded the budget by **\$332,508** due mainly to: overages in Registry of \$173,266, Professional Fees of \$84,317 and Interest/Fees of \$130,150 being slightly offset by savings in Salaries & Wages Expense of \$94,111 and Employee Benefits of \$57,847.

Non-operating Revenue exceeded the budget by **\$31,548**.

The SNFs ADC was **89.39** for the month. The Net Surplus (**Loss**) is \$581,416 compared to a budget of \$58,454. YTD, the Net Surplus (**Loss**) is \$2,373,028 exceeding the budget by \$1,597,254.

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
HOLLISTER, CA 95023
FOR PERIOD 02/28/26

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE					
	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	ACTUAL 02/28/25	BUDGET 02/28/25	POS/NEG VARIANCE	PERCENT VARIANCE	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE
GROSS PATIENT REVENUE:												
ACUTE ROUTINE REVENUE	2,644,680	3,572,048	(927,368)	(26)	3,015,985	27,267,368	734,219	3	28,001,587	27,267,368	734,219	3
SNF ROUTINE REVENUE	1,992,517	1,890,000	102,517	5	1,846,410	16,402,500	(196,968)	(1)	16,205,533	16,402,500	(196,968)	(1)
ANCILLARY INPATIENT REVENUE	3,177,018	4,574,609	(1,397,591)	(31)	4,249,115	34,576,639	(3,843,324)	(11)	30,733,315	34,576,639	(3,843,324)	(11)
HOSPITALIST\PEDES I\ P REVENUE	85,173	0	85,173	0	0	1,347,543	0		1,347,543	0	1,347,543	0
TOTAL GROSS INPATIENT REVENUE	7,899,388	10,036,657	(2,137,269)	(21)	9,111,510	76,287,978	(1,958,529)	(3)	76,287,978	76,246,507	(1,958,529)	(3)
ANCILLARY OUTPATIENT REVENUE	30,431,157	28,372,958	2,058,199	7	27,678,552	242,376,741	6,500,987	3	248,877,728	242,376,741	6,500,987	3
HOSPITALIST\PEDES O\ P REVENUE	105,450	0	105,450	0	0	871,874	0		871,874	0	871,874	0
TOTAL GROSS OUTPATIENT REVENUE	30,536,607	28,372,958	2,163,649	8	27,678,552	242,376,741	7,372,861	3	249,749,602	242,376,741	7,372,861	3
TOTAL GROSS PATIENT REVENUE	38,435,995	38,409,615	26,380	0	36,790,062	320,623,248	5,418,332	2	326,037,580	320,623,248	5,418,332	2
DEDUCTIONS FROM REVENUE:												
MEDICARE CONTRACTUAL ALLOWANCES	10,170,897	10,534,049	(363,152)	(3)	10,189,537	86,675,562	3,977,008	5	90,652,570	86,675,562	3,977,008	5
MEDI-CAL CONTRACTUAL ALLOWANCES	10,136,925	9,991,415	145,510	2	9,146,801	82,213,316	4,809,115	6	87,022,431	82,213,316	4,809,115	6
BAD DEBT EXPENSE	691,189	990,583	(299,394)	(30)	425,981	8,089,825	(2,372,382)	(29)	5,717,243	8,089,825	(2,372,382)	(29)
CHARITY CARE	5,281	30,255	(24,974)	(83)	129,710	372,324	248,821	50	372,324	248,821	123,503	50
OTHER CONTRACTUALS AND ADJUSTMENTS	4,858,478	4,674,143	184,335	4	3,949,405	38,454,793	1,868,013	5	40,322,806	38,454,793	1,868,013	5
HOSPITALIST\PEDES CONTRACTUAL ALLOW	(8,992)	0	(8,992)	0	0	146,230	0		146,230	0	146,230	0
TOTAL DEDUCTIONS FROM REVENUE	25,853,778	26,220,445	(366,667)	(1)	23,841,434	215,682,117	8,553,486	4	224,233,603	215,682,117	8,553,486	4
NET PATIENT REVENUE	12,582,217	12,189,170	393,047	3	12,948,628	104,941,131	(3,137,155)	(3)	101,803,976	104,941,131	(3,137,155)	(3)
OTHER OPERATING REVENUE	1,220,904	1,148,458	72,446	6	2,595,521	9,386,927	6,410,260	68	15,797,187	9,386,927	6,410,260	68
NET OPERATING REVENUE	13,803,121	13,337,628	465,493	4	15,544,149	114,328,058	3,273,105	3	117,601,163	114,328,058	3,273,105	3
OPERATING EXPENSES:												
SALARIES & WAGES	4,992,089	5,085,817	(93,729)	(2)	4,614,553	43,958,012	(1,360,770)	(3)	42,597,242	43,958,012	(1,360,770)	(3)
REGISTRY	723,704	525,385	198,319	38	501,160	4,203,075	1,198,500	29	5,401,575	4,203,075	1,198,500	29
EMPLOYEE BENEFITS	2,261,086	2,281,824	(20,738)	(1)	2,064,249	19,392,371	(66,458)	0	19,325,913	19,392,371	(66,458)	0
PROFESSIONAL FEES	1,728,240	1,644,213	84,027	5	1,469,252	13,157,321	1,292,588	10	14,449,909	13,157,321	1,292,588	10
SUPPLIES	1,245,039	1,272,926	(27,887)	(2)	1,076,491	10,342,819	88,531	1	10,342,819	10,254,288	88,531	1
PURCHASED SERVICES	1,377,845	1,276,337	101,508	8	1,330,110	10,819,952	(18,012)	0	10,801,940	10,819,952	(18,012)	0
RENTAL	174,457	169,755	4,702	3	172,628	1,447,742	89,702	7	1,447,742	1,358,040	89,702	7
DEPRECIATION & AMORT	353,831	315,201	38,630	12	317,940	2,521,621	207,397	8	2,521,621	2,521,621	207,397	8
INTEREST	149,625	19,475	130,150	668	5,632	157,381	101,482	65	258,863	157,381	101,482	65
OTHER	539,261	490,244	49,017	10	425,943	4,462,299	(221,806)	(5)	4,240,493	4,462,299	(221,806)	(5)
TOTAL EXPENSES	13,545,176	13,081,177	463,999	4	11,977,956	110,284,360	1,311,152	1	111,595,512	110,284,360	1,311,152	1
NET OPERATING INCOME (LOSS)	257,945	256,451	1,494	1	3,566,193	4,043,698	1,961,953	49	6,005,651	4,043,698	1,961,953	49

HAZEL HAWKINS MEMORIAL HOSPITAL - COMBINED
 HOLLISTER, CA 95023
 FOR PERIOD 02/28/26

	ACTUAL			BUDGET			CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	02/28/26	02/28/26	02/28/26	02/28/26	02/28/26	02/28/26	POS/NEG	VARIANCE	PERCENT	02/28/25	02/28/25	02/28/26	POS/NEG	VARIANCE	PERCENT	
NON-OPERATING REVENUE\EXPENSE:																
DONATIONS	10,000	20,000	(10,000)	(50)	0	0				241,122	0	469,964	309,964	194	213,451	
PROPERTY TAX REVENUE	248,434	248,434	0	0	0	0				175,915	1,987,472	1,987,472	0	0	1,928,976	
GO BOND PROP TAXES	181,114	181,114	0	0	0	0				(65,081)	1,448,909	1,448,912	(3)	0	1,407,318	
GO BOND INT REVENUE\EXPENSE	(61,114)	(61,114)	0	0	0	0				17,445	(488,909)	(488,912)	3	0	(520,651)	
OTHER NON-OPER REVENUE	16,017	16,399	(382)	(2)	17,445	(2)				(27,767)	131,192	131,192	(4,922)	(4)	131,007	
OTHER NON-OPER EXPENSE	17,016	(22,742)	39,758	(175)	(27,767)	(175)				4,231	(148,866)	(181,936)	33,070	(18)	(222,950)	
INVESTMENT INCOME	3,797	1,625	2,172	134	4,231	134				0	13,000	13,000	2,417	19	12,377	
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0				0	0	0	0	0	0	
TOTAL NON-OPERATING REVENUE/(EXPENSE)	415,264	383,716	31,548	8	345,865	8				3,410,257	3,069,728	3,410,257	340,529	11	2,949,527	
NET SURPLUS (LOSS)	673,209	640,167	33,042	5	3,912,058	5				9,415,909	7,113,426	9,415,909	2,302,483	32	15,358,843	
EBIDA	\$ 890,024	\$ 858,110	\$ 31,914	3.71%	\$ 4,146,931	3.71%				\$ 11,333,794	\$ 8,856,983	\$ 11,333,794	\$ 2,476,811	27.96%	\$ 17,232,658	
SBIDA MARGIN	6.45%	6.43%	0.01%	0.21%	26.68%	0.21%				9.64%	7.75%	9.64%	1.89%	24.40%	15.21%	
OPERATING MARGIN	1.87%	1.92%	(0.05)%	(2.81)%	22.94%	(2.81)%				5.11%	3.54%	5.11%	1.57%	44.38%	10.95%	
NET SURPLUS (LOSS) MARGIN	4.88%	4.80%	0.08%	1.61%	25.17%	1.61%				8.01%	6.22%	8.01%	1.78%	28.68%	13.56%	

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
HOLLISTER, CA 95023
FOR PERIOD 02/28/26

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE					
	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	ACTUAL 02/28/25	BUDGET 02/28/25	POS/NEG VARIANCE	PERCENT VARIANCE	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE
GROSS PATIENT REVENUE:												
ROUTINE REVENUE	2,644,680	3,572,048	(927,368)	(26)	3,015,985	28,001,587	27,267,368	734,219	3	26,712,740	26,712,740	0
ANCILLARY INPATIENT REVENUE	2,703,468	4,219,351	(1,515,883)	(36)	3,896,966	27,165,262	31,565,897	(4,400,635)	(14)	31,599,735	31,599,735	0
HOSPITALIST I/P REVENUE	85,173	0	85,173	0	0	1,347,543	0	1,347,543	0	0	0	0
TOTAL GROSS INPATIENT REVENUE	5,433,321	7,791,399	(2,358,078)	(30)	6,912,951	56,514,392	58,833,265	(2,318,873)	(4)	58,312,476	58,312,476	0
ANCILLARY OUTPATIENT REVENUE	30,431,157	28,372,958	2,058,199	7	27,678,552	248,877,728	242,376,741	6,500,987	3	231,621,865	231,621,865	0
HOSPITALIST O/P REVENUE	105,450	0	105,450	0	0	871,874	0	871,874	0	0	0	0
TOTAL GROSS OUTPATIENT REVENUE	30,536,607	28,372,958	2,163,649	8	27,678,552	249,749,602	242,376,741	7,372,861	3	231,621,865	231,621,865	0
TOTAL GROSS ACUTE PATIENT REVENUE	35,969,928	36,164,357	(194,429)	(1)	34,591,503	306,263,994	301,210,006	5,053,988	2	289,934,340	289,934,340	0
DEDUCTIONS FROM REVENUE ACUTE:												
MEDICARE CONTRACTUAL ALLOWANCES	9,941,221	10,274,958	(333,737)	(3)	9,961,164	88,246,389	84,503,906	3,742,483	4	79,375,383	79,375,383	0
MEDI-CAL CONTRACTUAL ALLOWANCES	10,436,507	9,900,413	536,094	5	9,065,978	87,205,229	81,423,550	5,781,679	7	78,046,014	78,046,014	0
BAD DEBT EXPENSE	693,798	985,583	(291,785)	(30)	371,770	5,739,283	8,049,625	(2,310,342)	(29)	5,658,010	5,658,010	0
CHARITY CARE	5,281	30,255	(24,974)	(83)	68,272	367,667	248,821	118,846	48	238,630	238,630	0
OTHER CONTRACTUALS AND ADJUSTMENTS	4,832,689	4,642,317	190,372	4	3,938,598	40,089,955	38,179,613	1,910,342	5	36,448,448	36,448,448	0
HOSPITALIST PDS CONTRACTUAL ALLOW	(8,992)	0	(8,992)	0	0	146,230	0	146,230	0	0	0	0
TOTAL ACUTE DEDUCTIONS FROM REVENUE	25,900,503	25,833,526	66,977	0	23,405,781	221,794,753	212,405,515	9,389,238	4	199,766,485	199,766,485	0
NET ACUTE PATIENT REVENUE	10,069,425	10,330,831	(261,406)	(3)	11,185,722	84,469,241	88,804,491	(4,335,250)	(5)	90,167,855	90,167,855	0
OTHER OPERATING REVENUE	1,220,904	1,148,458	72,446	6	2,595,521	15,052,478	9,386,927	5,665,551	60	7,531,356	7,531,356	0
NET ACUTE OPERATING REVENUE	11,290,329	11,479,289	(188,960)	(2)	13,781,243	99,521,718	98,191,418	1,330,300	1	97,699,211	97,699,211	0
OPERATING EXPENSES:												
SALARIES & WAGES	3,977,856	4,071,967	(94,111)	(2)	3,691,312	34,180,585	35,236,989	(1,056,404)	(3)	31,569,351	31,569,351	0
REGISTRY	649,426	476,160	173,266	36	460,257	4,872,905	3,809,280	1,063,625	28	3,742,222	3,742,222	0
EMPLOYEE BENEFITS	1,758,102	1,815,949	(57,847)	(3)	1,619,643	15,071,021	15,387,854	(316,833)	(2)	13,482,814	13,482,814	0
PROFESSIONAL FEES	1,726,030	1,641,713	84,317	5	1,467,042	14,432,229	13,137,321	1,294,908	10	12,506,142	12,506,142	0
SUPPLIES	1,136,997	1,182,445	(45,448)	(4)	994,089	9,436,379	9,480,314	(43,935)	(1)	8,054,918	8,054,918	0
PURCHASED SERVICES	1,232,279	1,182,147	50,132	4	1,226,585	9,931,304	10,002,895	(71,591)	(1)	9,857,457	9,857,457	0
RENTAL	157,839	161,839	(4,000)	(3)	156,585	1,305,494	1,292,492	13,002	1	1,228,717	1,228,717	0
DEPRECIATION & AMORT	312,706	276,160	36,546	13	278,689	2,407,463	2,209,293	198,170	9	2,225,347	2,225,347	0
INTEREST	149,625	19,475	130,150	668	5,632	258,863	157,381	101,482	65	299,231	299,231	0
OTHER	480,748	421,245	59,503	14	368,709	3,735,316	3,952,139	(216,823)	(6)	3,112,331	3,112,331	0
TOTAL EXPENSES	11,581,608	11,249,100	332,508	3	10,266,542	95,631,558	94,665,958	965,600	1	86,078,529	86,078,529	0
NET OPERATING INCOME (LOSS)	(291,279)	230,189	(521,468)	(227)	3,512,700	3,890,160	3,525,460	364,700	10	11,620,683	11,620,683	0

HAZEL HAWKINS MEMORIAL HOSPITAL - ACUTE FACILITY
 HOLLISTER, CA 95023
 FOR PERIOD 02/28/26

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25
NON-OPERATING REVENUE\EXPENSE:										
DONATIONS	10,000	20,000	(10,000)	(50)	0	469,964	160,000	309,964	194	213,451
PROPERTY TAX REVENUE	211,194	211,194	0	0	204,954	1,689,552	1,689,552	0	0	1,639,632
GO BOND PROP TAXES	181,114	181,114	0	0	175,915	1,448,909	1,448,912	(3)	0	1,407,318
GO BOND INT REVENUE\EXPENSE	(61,114)	(61,114)	0	0	(65,081)	(488,909)	(488,912)	3	0	(520,651)
OTHER NON-OPER REVENUE	16,017	16,399	(382)	(2)	17,445	126,271	131,192	(4,922)	(4)	131,007
OTHER NON-OPER EXPENSE	22,064	(17,694)	39,758	(225)	(21,578)	(108,483)	(141,552)	33,069	(23)	(173,444)
INVESTMENT INCOME	3,797	1,625	2,172	134	4,231	15,417	13,000	2,417	19	12,377
COLLABORATION CONTRIBUTIONS	0	0	0	0	0	0	0	0	0	0
TOTAL NON-OPERATING REVENUE/(EXPENSE)	383,071	351,524	31,547	9	315,885	3,152,721	2,812,192	340,529	12	2,709,650
NET SUREPLUS (LOSS)	91,793	581,713	(489,921)	(84)	3,828,586	7,042,881	6,337,652	705,229	11	14,330,372

HAZEL HAWKINS SKILLED NURSING FACILITIES
 HOLLISTER, CA
 FOR PERIOD 02/28/26

	CURRENT MONTH			PRIOR YR			YEAR-TO-DATE			
	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25	ACTUAL 02/28/26	BUDGET 02/28/26	POS/NEG VARIANCE	PERCENT VARIANCE	PRIOR YR 02/28/25
GROSS SNF PATIENT REVENUE:										
ROUTINE SNF REVENUE	1,992,517	1,890,000	102,517	5	1,846,410	16,205,533	16,402,500	(196,968)	(1)	15,780,720
ANCILLARY SNF REVENUE	473,550	355,258	118,292	33	352,149	3,568,053	3,010,742	557,311	19	2,866,362
TOTAL GROSS SNF PATIENT REVENUE	2,466,067	2,245,258	220,809	10	2,198,559	19,773,586	19,413,242	360,344	2	18,647,082
DEDUCTIONS FROM REVENUE SNF:										
MEDICARE CONTRACTUAL ALLOWANCES	229,677	259,091	(29,414)	(11)	228,373	2,406,180	2,171,656	234,524	11	1,977,306
MEDI-CAL CONTRACTUAL ALLOWANCES	(299,582)	91,002	(390,584)	(429)	80,824	(182,798)	789,766	(972,564)	(123)	786,995
BAD DEBT EXPENSE	(2,609)	5,000	(7,609)	(152)	54,211	(22,040)	40,000	(62,040)	(155)	(5,157)
CHARITY CARE	0	0	0	0	61,438	4,656	0	4,656		61,438
OTHER CONTRACTUALS AND ADJUSTMENTS	25,789	31,826	(6,037)	(19)	10,807	232,851	275,180	(42,329)	(15)	250,066
TOTAL SNF DEDUCTIONS FROM REVENUE	(46,725)	386,919	(433,644)	(112)	435,653	2,438,850	3,276,602	(837,752)	(26)	3,070,648
NET SNF PATIENT REVENUE	2,512,792	1,858,339	654,453	35	1,762,906	17,334,736	16,136,640	1,198,096	7	15,576,434
OTHER OPERATING REVENUE	0	0	0	0	0	744,709	0	744,709		0
NET SNF OPERATING REVENUE	2,512,792	1,858,339	654,453	35	1,762,906	18,079,445	16,136,640	1,942,805	12	15,576,434
OPERATING EXPENSES:										
SALARIES & WAGES	1,014,233	1,013,850	383	0	923,241	8,416,657	8,721,023	(304,366)	(4)	8,169,318
REGISTRY	74,277	49,225	25,052	51	40,904	528,670	393,795	134,875	34	363,991
EMPLOYEE BENEFITS	502,984	465,875	37,109	8	444,607	4,254,891	4,004,517	250,374	6	3,858,243
PROFESSIONAL FEES	2,210	2,500	(290)	(12)	2,210	17,680	20,000	(2,320)	(12)	17,680
SUPPLIES	108,043	90,481	17,562	19	82,402	906,439	773,974	132,465	17	765,866
PURCHASED SERVICES	145,566	94,190	51,376	55	103,524	870,636	817,057	53,579	7	795,867
RENTAL	16,618	7,916	8,702	110	16,043	142,248	65,548	76,700	117	57,644
DEPRECIATION	41,125	39,041	2,084	5	39,251	321,555	312,328	9,227	3	312,184
INTEREST	0	0	0	0	0	0	0	0	0	0
OTHER	58,512	68,999	(10,487)	(15)	57,233	505,177	510,160	(4,983)	(1)	447,008
TOTAL EXPENSES	1,963,568	1,832,077	131,491	7	1,709,414	15,963,954	15,618,402	345,552	2	14,787,802
NET OPERATING INCOME (LOSS)	549,224	26,262	522,962	1,991	53,493	2,115,491	518,238	1,597,253	308	788,633
NON-OPERATING REVENUE/EXPENSE:										
DONATIONS	0	0	0	0	0	0	0	0	0	0
PROPERTY TAX REVENUE	37,240	37,240	0	0	36,168	297,920	297,920	0	0	289,344
OTHER NON-OPER EXPENSE	(5,048)	(5,048)	0	0	(6,188)	(40,384)	(40,384)	1	0	(49,506)
TOTAL NON-OPERATING REVENUE/(EXPENSE)	32,192	32,192	0	0	29,980	257,537	257,536	1	0	239,838
NET SURPLUS (LOSS)	581,416	58,454	522,962	895	83,472	2,373,028	775,774	1,597,254	206	1,028,471

HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 02/28/26

	CURR MONTH 02/28/26	PRIOR MONTH 01/31/26	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/25
CURRENT ASSETS					
CASH & CASH EQUIVALENT	36,736,689	42,518,478	(5,781,789)	(14)	46,670,217
PATIENT ACCOUNTS RECEIVABLE	70,466,228	70,098,341	367,887	1	66,556,290
BAD DEBT ALLOWANCE	(6,641,794)	(6,511,708)	(130,086)	2	(7,062,672)
CONTRACTUAL RESERVES	(42,698,635)	(42,298,564)	(400,071)	1	(40,404,377)
OTHER RECEIVABLES	10,385,883	6,220,741	4,165,142	67	4,952,401
INVENTORIES	5,035,972	5,037,902	(1,930)	0	4,981,471
PREPAID EXPENSES	2,733,584	2,972,992	(239,408)	(8)	2,599,584
DUE TO\FROM THIRD PARTIES	(181,860)	(181,860)	0	0	(181,860)
TOTAL CURRENT ASSETS	75,836,067	77,856,322	(2,020,255)	(3)	78,111,054
=====					
ASSETS WHOSE USE IS LIMITED					
BOARD DESIGNATED FUNDS	8,076,013	7,752,213	323,800	4	5,666,884
TOTAL LIMITED USE ASSETS	8,076,013	7,752,213	323,800	4	5,666,884
=====					
PROPERTY, PLANT, AND EQUIPMENT					
LAND & LAND IMPROVEMENTS	3,370,474	3,370,474	0	0	3,370,474
BLDGS & BLDG IMPROVEMENTS	100,124,163	100,124,163	0	0	100,098,374
EQUIPMENT	48,352,062	48,296,262	55,800	0	46,216,122
CONSTRUCTION IN PROGRESS	7,703,423	7,161,891	541,532	8	4,324,809
GROSS PROPERTY, PLANT, AND EQUIPMENT	159,550,123	158,952,791	597,332	0	154,009,779
ACCUMULATED DEPRECIATION	(101,241,455)	(100,872,712)	(368,743)	0	(98,393,920)
NET PROPERTY, PLANT, AND EQUIPMENT	58,308,668	58,080,079	228,589	0	55,615,859
=====					
OTHER ASSETS					
UNAMORTIZED LOAN COSTS	281,282	287,023	(5,742)	(2)	327,215
PENSION DEFERRED OUTFLOWS NET	5,277,892	5,277,892	0	0	5,277,892
TOTAL OTHER ASSETS	5,559,174	5,564,915	(5,742)	0	5,605,107
=====					
TOTAL UNRESTRICTED ASSETS	147,779,921	149,253,530	(1,473,608)	(1)	144,998,904
=====					
RESTRICTED ASSETS	128,854	128,806	48	0	127,208
TOTAL ASSETS	147,908,775	149,382,336	(1,473,560)	(1)	145,126,112

HAZEL HAWKINS MEMORIAL HOSPITAL
 HOLLISTER, CA
 For the month ended 02/28/26

	CURR MONTH 02/28/26	PRIOR MONTH 01/31/26	POS/NEG VARIANCE	PERCENTAGE VARIANCE	PRIOR YR 06/30/25
CURRENT LIABILITIES					
ACCOUNTS PAYABLE	7,466,528	7,149,888	(316,640)	4	6,221,841
ACCRUED PAYROLL	2,156,564	2,096,397	(60,167)	3	3,467,229
ACCRUED PAYROLL TAXES	116,857	122,703	5,847	(5)	257,552
ACCRUED BENEFITS	4,261,665	4,348,789	87,124	(2)	5,074,320
OTHER ACCRUED EXPENSES	45,327	38,082	(7,246)	19	80,907
PATIENT REFUNDS PAYABLE	1,310	4,790	3,481	(73)	1,310
DUE TO\FROM THIRD PARTIES	1,300,804	3,505,599	2,204,795	(63)	5,056,186
OTHER CURRENT LIABILITIES	936,180	880,287	(55,893)	6	777,080
TOTAL CURRENT LIABILITIES	16,285,235	18,146,534	1,861,299	(10)	20,936,425
LONG-TERM DEBT					
LEASES PAYABLE	4,693,619	4,750,616	56,997	(1)	4,799,273
BONDS PAYABLE	28,306,720	28,335,241	28,520	0	28,534,881
TOTAL LONG TERM DEBT	33,000,339	33,085,856	85,518	0	33,334,154
OTHER LONG-TERM LIABILITIES					
DEFERRED REVENUE	0	0	0	0	0
LONG-TERM PENSION LIABILITY	24,288,121	24,488,121	200,000	(1)	25,888,121
TOTAL OTHER LONG-TERM LIABILITIES	24,288,121	24,488,121	200,000	(1)	25,888,121
TOTAL LIABILITIES	73,573,695	75,720,512	2,146,817	(3)	80,158,700
NET ASSETS:					
UNRESTRICTED FUND BALANCE	64,915,019	64,915,019	0	0	64,817,839
RESTRICTED FUND BALANCE	101,333	101,285	(48)	0	149,573
NET REVENUE/(EXPENSES)	9,318,729	8,645,520	(673,209)	8	0
TOTAL NET ASSETS	74,335,080	73,661,824	(673,256)	1	64,967,412
TOTAL LIABILITIES AND NET ASSETS	147,908,775	149,382,336	1,473,560	(1)	145,126,112



San Benito Health Care District
Hazel Hawkins Memorial Hospital
FEBRUARY 2026

Description	MTD Budget	MTD Actual	YTD Actual	YTD Budget	FYE Budget
Average Daily Census - Acute	16.39	11.18	13.64	14.71	15.00
Average Daily Census - SNF	90.00	89.39	88.17	90.00	90.00
Acute Length of Stay	2.83	2.63	2.83	2.80	2.80
ER Visits:					
Inpatient	141	73	898	1,118	1,638
Outpatient	2,214	2,163	17,538	17,756	27,053
Total	2,355	2,236	18,436	18,874	28,691
Days in Accounts Receivable	50.0	52.3	52.3	50.0	50.0
Productive Full-Time Equivalents	575.17	557.79	541.89	575.17	575.17
Net Patient Revenue	12,189,170	12,582,217	101,803,976	104,941,131	157,730,532
Payment-to-Charge Ratio	31.7%	32.7%	31.2%	32.7%	32.4%
Medicare Traditional Payor Mix	28.31%	30.51%	30.12%	29.05%	28.71%
Commercial Payor Mix	24.07%	22.15%	22.81%	22.98%	23.36%
Bad Debt % of Gross Revenue	2.50%	1.80%	1.75%	2.50%	2.53%
EBIDA	858,110	890,024	11,333,794	8,856,983	13,769,729
EBIDA %	6.43%	6.45%	9.64%	7.75%	7.98%
Operating Margin	1.92%	1.87%	5.11%	3.54%	3.79%
Salaries, Wages, Registry & Benefits %: by Net Operating Revenue	59.18%	57.79%	57.25%	59.09%	59.06%
by Total Operating Expense	60.34%	58.89%	60.33%	61.25%	61.39%
Bond Covenants:					
Debt Service Ratio - 1.25	5.50	5.71	9.08	4.73	7.36
Current Ratio - 1.50	2.00	4.66	4.66	2.00	2.00
Days Cash on hand - 30.00	93.22	81.89	81.89	93.22	110.00
Met or Exceeded Target					
Within 10% of Target					
Not Within 10%					

Statement of Cash Flows

**Hazel Hawkins Memorial Hospital
Hollister, CA**

Eight month ending February 28, 2026

	CASH FLOW		COMMENTS
	Current Month 2/28/2026	Current Year-To-Date 2/28/2026	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	\$673,209	\$9,415,909	
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation	368,743	2,847,534	
(Increase)/Decrease in Net Patient Accounts Receivable	162,270	(2,036,558)	
(Increase)/Decrease in Other Receivables	(4,165,142)	(5,433,945)	
(Increase)/Decrease in Inventories	1,930	(54,501)	
(Increase)/Decrease in Pre-Paid Expenses	239,408	(134,001)	
(Increase)/Decrease in Due From Third Parties	0	0	
Increase/(Decrease) in Accounts Payable	316,640	1,245,148	
Increase/(Decrease) in Notes and Loans Payable	0	0	
Increase/(Decrease) in Accrued Payroll and Benefits	(32,803)	(2,166,558)	
Increase/(Decrease) in Accrued Expenses	7,246	(35,578)	
Increase/(Decrease) in Patient Refunds Payable	(3,481)	(1)	
Increase/(Decrease) in Third Party Advances/Liabilities	(2,204,795)	(3,755,385)	
Increase/(Decrease) in Other Current Liabilities	55,893	61,647	Semi-Annual Int. - 2005 GO & 2021 Revenue Bonds
Net Cash Provided by Operating Activities:	(5,254,091)	(9,462,198)	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Property, Plant and Equipment	(597,332)	(5,540,345)	
(Increase)/Decrease in Limited Use Cash and Investments	0	0	
(Increase)/Decrease in Other Limited Use Assets	(323,800)	(2,409,130)	Bond Principal & Int Payment - 2014 (2005) & 2021 Bonds
(Increase)/Decrease in Other Assets	5,742	45,936	Amortization
Net Cash Used by Investing Activities	(915,390)	(7,903,539)	
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase/(Decrease) in Capital Lease Debt	(56,997)	(105,654)	
Increase/(Decrease) in Bond Mortgage Debt	(28,520)	(228,160)	
Increase/(Decrease) in Other Long Term Liabilities	(200,000)	(1,600,000)	2014 GO Principal & Refinancing of 2013 Bonds with 2021 Bonds
Net Cash Used for Financing Activities	(285,517)	(1,933,814)	Long Term Pension Liability
(INCREASE)/DECREASE IN RESTRICTED ASSETS	0	(49,886)	
Net Increase/(Decrease) in Cash	(5,781,789)	(9,933,528)	
Cash, Beginning of Period	42,518,478	46,670,217	
Cash, End of Period	\$36,736,689	\$36,736,689	\$0
Cost per day to run the District	\$448,620	\$42,503,566	Budgeted Cash on Hand
Operational Days Cash on Hand	81.89	(\$5,766,877)	Variance

Hazel Hawkins Memorial Hospital
 Supplemental Payment Programs
 YTD as of February 28, 2026
 FYE June 30, 2026

Payor	Actual FY 2026	Actual FY 2025	Notes:
Intergovernmental Transfer Programs:			
- AB 113 Non-Designated Public Hospital (NDPH) SFY 2023/2024 Final Payment SFY 2024/2025	202,500	39,795	Requires District to fund program and wait for matching return.
SFY 2024/2025 Interim SFY 2025/2026	202,500	305,302	IGT due April 2026. Expect payment by June 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF) CY 2025	2,160,000	2,407,056	IGT due April 2026. Expect payment by June 2025.
- Rate Range Jan. 1, 2023 through Dec. 31, 2023	-	1,339,141	Paid IGT of \$1,067,193 in April. Rec. in May.
- Rate Range Jan. 1, 2024 through Dec. 31, 2024	2,911,769	-	Received in February 2025.
- QIP PY 6 Settlement CY 2023	-	4,311,260	Received on January 13, 2026. Higher than prior year in place of AB 915.
- QIP PY 7 Settlement "Interim" Payment for CY 2024	2,249,573	-	Sent IGT of \$2,342,379 in March. Rec. in May.
- QIP PY 7 Settlement "Final" Payment for CY 2024	2,249,573	-	Funded IGT on Aug. 22nd, \$900,434.15. Rec'd in Oct. 2025.
- District Hospital Directed Payments (DHDP) CY 2024	643,091	710,853	Funded IGT due Feb/Mar 2026; Rec. funding Apr/May 2026.
- QIP PY 5 Loan Repayment	-	(3,090,086)	Funded IGT on Aug. 22nd, \$379,041.08. Expect payment in Oct/Nov '25. Paid on December 9, 2024.
IGT sub-total	10,619,006	6,023,320	
Non-Intergovernmental Transfer Programs:			
- AB 915 SY 2024-25	-	1,802,585	Direct Payments. Received on March 17, 2025. Based on FFS. County now under CCAH.
- SB 239 Hospital Quality Assurance Fund (HQAF)	-	1,069,577	Rec. Sep. 4, 2024.
- SB 239 Hospital Quality Assurance Fund (HQAF) VIII	-	1,081,621	Expected to Rec. 4th qtr payment by June 30, 2025.
- SB 239 Hospital Quality Assurance Fund (HQAF) VIII	-	3,244,863	Rec'd 1st, 2nd, & 3rd Qtr payments YTD.
- SB 239 Hospital Quality Assurance Fund (HQAF) IX	2,380,004	-	Qtrly Pmts reduced by 45% and not expected this fiscal year.
- Distinct Part, Nursing Facility (DP/NF)	-	-	Based on actual cost difference.
- Medi-Cal Disproportionate Share (DSH)	1,170,657	1,260,151	H.R. 1 reduction of 60% delayed until FY 2028.
Non-IGT sub-total	3,550,661	8,458,797	
Program Grand Totals	14,169,667	14,482,117	
Total Received	6,975,090	17,572,203	
Total Pending	7,194,577	-	
Total Paid	-	(3,090,086)	
Net Supplemental Payments	14,169,667	14,482,117	

Board of Directors Contract Review Worksheet

Professional Services Agreement for Psychiatry Services with Lourdes Grayson, M.D.



Executive Summary: Dr. Lourdes Grayson is a board-certified psychiatrist who completed fellowship training in Child and Adolescent Psychiatry. She began working with us in August 2025 as a full-time locum tenens provider at our Mabie First Street Healthcare Center.

Psychiatry is a challenging specialty to recruit for, and Dr. Grayson has been such an invaluable addition to our team, providing high-quality, patient-centered care that supports continued access to behavioral health services.

We propose transitioning Dr. Grayson to a permanent agreement with the District for ongoing psychiatric services.

Recommended Board Motion: It is recommended that the Board approve a two-year professional services agreement with Dr. Lourdes Grayson at a rate of \$240 per hour.

Services Provided: Full-time (40 hours/week) clinic and tele-psychiatry and behavioral health services.

Agreement Terms:

Contract Term	Effective Date	Estimated Annual Cost	Term clause
2 years	4/1/2026	\$460,800	60 days

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“**Agreement**”) is made, entered into and effective as of **April 1, 2026** (“Effective Date”), by and between San Benito Health Care District, a local health care district organized and operated pursuant to Division 23 of the California Health and Safety Code (“SBHCD”), and **Lourdes V. Grayson, M.D.** (“Physician”).

RECITALS

- A. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a licensed general acute care facility located at 911 Sunset Drive, Hollister, California (“Hospital”). Hospital provides inpatient and outpatient services to residents of the San Benito Health Care District and surrounding communities which constitute the Hospital’s service area (“Hospital Service Area”).
- B. SBHCD owns and operates a rural health clinic as defined in Title 22, California Code of Regulations section 51115.5 to provide services to patients in the Hospital Service Area (“Clinic”). Clinic operates under the name “Hazel Hawkins Community Health Clinic.”
- C. Physician is licensed to practice medicine in the State of California, is a member in good standing of the medical staff of Hospital and is experienced and qualified to provide **Psychiatry** services.
- D. Section 32129 of the California Health and Safety Code provides that a health care district may contract with a Physician to render professional health services in order to ensure that adequate health care is available to all residents within its service area.
- E. SBHCD has determined that entering into this Agreement with Physician is in the best interests of the Hospital and the public health of the residents of the Hospital Service Area and is an appropriate way to assure availability of rural health clinic services to patients in the Hospital Service Area.
- F. The parties desire to enter into this Agreement to set forth their respective responsibilities in connection with the Services provided by Physician in the Hospital Service Area during the term of this Agreement.

The parties hereby agree as follows:

ARTICLE 1 - DUTIES AND OBLIGATIONS OF PHYSICIAN

- 1.1 Medical Services. Physician shall (“Physician”), provide professional health care services in Physician’s medical specialty to patients at Clinic and/or Hospital and on the schedule more fully described in Exhibit A, which is attached to this Agreement and incorporated by this reference (“Services”). Services include Medicare services, Medi-Cal services, services pursuant to any other federal health care program or a state health care financial program (“Governmental Programs”), workers’ compensation services, and charity care. Physician shall cooperate to enable Clinic’s and Hospital’s participation in Medicare, Medi-Cal, Governmental Programs, workers’ compensation services and commercial payor programs. Physician shall provide Services to all patients, including Medicare, Medi-Cal, Governmental Program, and workers’ compensation beneficiaries, in a non-discriminatory manner and in accordance with all applicable laws and SBHCD policies and procedures, as developed and implemented in collaboration with physician leadership of Hospital and Clinic.
- 1.2 Qualifications. Physician shall: (i) be duly licensed to practice medicine by the State of California; (ii) be qualified to perform the Services by having adequate levels of competency and experience; (iii) have skill comparable to those prevailing in the community; (iv) not be excluded from participation in any governmental healthcare program; (v) be approved for and maintain active membership and/or clinical privileges on the Hospital's medical staff in accordance with medical staff bylaws, rules and regulations, and other medical staff governing directives; (vi) be certified as a participating physician in the Medicare and Medi-Cal programs; and (vii) hold an unrestricted Drug Enforcement Administration ("DEA") registration number.

- 1.3 Compliance. In connection with the operation and conduct of the Clinic and Hospital and rendition of Services, Physician shall, at all times, comply with the applicable terms of this Agreement and with all applicable federal, state and local laws, rules and regulations, including requirements for participation in the Medicare and Medi-Cal programs, the Hospital medical staff bylaws, rules and regulations, and applicable policies and procedures, and will at all times be aware of and participate in meeting the SBHCD Corporate Compliance program goals and objectives.
- 1.4 Credentialing. In order to be efficiently credentialed with payors contracted with SBHCD, Physician shall participate in the Council for Affordable Quality Healthcare (“CAQH”) credentialing program and shall timely comply with requests from CAQH or SBHCD personnel for (i) credentialing information regarding Physician, and (ii) documents necessary for the credentialing of Physician.
- 1.5 Use of Premises. No part of the SBHCD premises shall be used at any time by Physician as an office for the general or private practice of medicine.
- 1.6 Medical Records/Chart Notes. Physician shall provide appropriate and necessary documentation for each patient’s medical record for all patient encounters in the Clinic and Hospital in compliance with the hospital’s and clinics’ policies and procedures.
- 1.7 Coding. Physician shall properly code all professional services rendered to patients. Physician’s coding shall be used for purposes of billing for Services provided by Physician. All such coding shall be subject to review and audit by an independent auditing company mutually agreed upon by the parties.
- 1.8 Professional Standards. In performing Services, Physician shall comply with the principles and ethics of the American Medical Association, the California Medical Association and any federal, state or municipal law, statute or ordinance dealing with the practice of medicine by Physician. Physician shall further abide in all respects with the Code of Conduct applicable to professional health care providers of any hospital, outpatient clinic or surgery center, including but not limited to SBHCD, at which Physician shall provide professional services. Physician shall provide services to all SBHCD patients on a courteous and prompt basis, be available and accessible to patients, provide them with full and meaningful information and render services in a manner which assures continuity of care.

ARTICLE 2 - DUTIES AND OBLIGATIONS OF SBHCD

- 2.1 Duties. SBHCD agrees to furnish at its own cost and expense, for the operation of the Clinic and Hospital, the following:
 - 2.1.1 Space and Equipment. Space and Equipment as may be reasonably required for the operation of the Clinic and Hospital as approved by SBHCD.
 - 2.1.2 Services and Supplies. Maintenance, repair, and replacement of equipment as are reasonably required; all utilities, including telephone, power, light, gas, and water; and all supplies that may be reasonably required for the operation of the Clinic and Hospital.
 - 2.1.3 Non-physician Personnel. All non-physician personnel with appropriate education, training and experience required to operate the Clinic and Hospital, including a qualified administrative manager. SBHCD shall have the sole right and responsibility for the hiring and termination of all its employees. SBHCD shall be responsible for the scheduling of non-physician Clinic and Hospital personnel.
- 2.2 Eligibility. At all times during the term of this Agreement, Clinics and Hospital shall remain eligible to participate in the Medicare and Medi-Cal programs.
- 2.3 Contracts. SBHCD shall be solely responsible for negotiating all contracts for the reimbursement of Services provided in the Clinic and Hospital. SBHCD in its sole and absolute discretion shall determine the negotiation parameters for the terms, conditions, and rates for such contracts.

- 2.4 Access to Records. Physician shall have access to the SBHCD patient medical and business records for quality of care and compliance purposes.

ARTICLE 3 - BILLING AND ASSIGNMENT OF REVENUE

- 3.1 Billing and Collection. SBHCD shall perform billing and collection services under this Agreement. Physician shall cooperate with SBHCD and shall use his/her best efforts to furnish appropriate documentation of patient care services provided by Physician to enable SBHCD to timely and accurately bill and collect for such services.
- 3.2 Assignment of Professional Service Revenues. Physician hereby assigns to SBHCD the right to all revenue from any and all patients, third-party payors, and governmental programs for all Services rendered by Physician and its Physicians at the Hospital and the Clinic under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Physician's services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 30.2.7.

ARTICLE 4 - COMPENSATION FOR SERVICES BY PHYSICIAN

- 4.1 Compensation. As compensation for the provision of Services in the Clinic and Hospital, SBHCD shall pay Physician as outlined in Exhibit A to this Agreement and in accordance with the normal SBHCD contract payment process for Services provided by Physician. Physician shall not bill for facility fees, administrative, supervisory, medical director, or similar services.
- 4.2 Schedule of Charges. SBHCD, in its sole and absolute discretion, shall decide upon the schedule of charges for the Clinic and Hospital. Pursuant to California Health and Safety Code Section 32129, the SBHCD Board of Directors may review the fees and charges for Services provided at the Clinic and Hospital to ensure such fees and charges are reasonable, fair, and consistent with the basic commitment of SBHCD to provide adequate health care to all residents within the Hospital Service Area.

ARTICLE 5 - TERM AND TERMINATION

- 5.1 Term. The term of this Agreement shall commence on the Effective Date and continue for a period of two (2) years, ending **February 28, 2028 at 11:59 PM**, unless terminated earlier as provided in this Agreement, and shall renew for successive one (1) year periods upon mutual written agreement of the parties.
- 5.2 Termination. Either party shall have the right to terminate this Agreement without stating a cause or reason and without cost or penalty upon sixty (60) days' prior written notice to the other party. Notwithstanding, either party shall have the right to terminate the Agreement for cause upon written notice to the other party as set forth below. If this Agreement is terminated prior to expiration of the initial year of the term, the parties shall not enter into any new agreement or arrangement during the remainder of such year.
- 5.3 Definition of Cause. For purposes of this Agreement, "cause" shall include, but not be limited to, the occurrence of any of the following events:
- 5.3.1 SBHCD or Physician is in breach of any material term or condition of this Agreement and such breach has not been cured within thirty (30) days following written notice of such breach.
 - 5.3.2 SBHCD or Physician becomes insolvent or declares bankruptcy.
 - 5.3.3 The license to practice medicine or to prescribe controlled substances of Physician is revoked or suspended.

- 5.3.4 SBHCD fails to carry or reinstate the insurance required in ARTICLE 8 of this Agreement or such coverage is cancelled or revoked within fifteen (15) days following notice of revocation from its insurance carrier.
 - 5.3.5 Upon the determination that Physician has violated a material term of ARTICLE 9 of this Agreement.
 - 5.3.6 The performance by either party of any term, condition, or provision of this Agreement which jeopardizes the licensure of Hospital, Hospital's participation in Medicare, Medi-Cal or other reimbursement or payment program, or Hospital's full accreditation by The Joint Commission or any other state or nationally recognized accreditation organization, or the tax-exempt status of Hospital's bonds, or if for any other reason such performance violates any statute, ordinance, or is otherwise deemed illegal, or is deemed unethical by any recognized body, agency, or association in the healthcare fields, and the jeopardy or violation has not been or cannot be cured within sixty (60) days from the date notice of such jeopardy or violation has been received by the parties.
 - 5.3.7 The loss of or reduction in Physician's medical staff privileges at any facility where Physician provides professional health care services, whether voluntary or involuntary.
 - 5.3.8 Physician being charged with or convicted of a crime other than an infraction, traffic citation, or similar charge.
 - 5.3.9 Physician's engagement in: (i) willful misconduct (which means the knowing and intentional failure to exercise ordinary care to prevent material injury to SBHCD or the commission of an intentional act with knowledge that it is likely to result in material injury to the SBHCD), (ii) fraudulent activities, (iii) crimes or acts of moral turpitude, (iv) any breach of a duty to SBHCD, a patient, or any third party payor, (v) sexual harassment or abuse, or (vi) or any other action or omission that could materially affect SBHCD's business or reputation in an adverse manner.
- 5.4 Termination/Expiration Not Subject to Fair Hearing. It is agreed between the parties that should either party exercise its right to terminate this Agreement such decision to terminate, and the actual termination or expiration of this Agreement, shall apply to rights under this Agreement only and not to Physician's medical staff privileges or membership on the medical staff of Hospital. The termination or expiration of this Agreement shall not be subject to the Fair Hearing Plan of the Medical Staff Bylaws, the hearing procedures provided by Healthcare District Law, or any other fair hearing procedure regarding medical staff appointments or privileges.

ARTICLE 6 - INDEPENDENT CONTRACTOR

- 6.1 Independent Contractor Status. Physician is engaged in an independent contractor relationship with SBHCD in performing all work, services, duties, and obligations pursuant to this Agreement. Neither SBHCD nor Hospital shall exercise any control or direction over the methods by which Physician performs work and functions, except that Physician shall perform at all times in strict accordance with then currently approved methods and practices of Physician's professional specialty. SBHCD's sole interest is to ensure that Physician performs and renders services in a competent, efficient, and satisfactory manner in accordance with high medical standards.
- 6.2 Independent Contractor Responsibilities. The parties expressly agree that no work, act, commission, or omission of Physician pursuant to the terms and conditions of this Agreement shall be construed to make or render Physician, the agent or employee of SBHCD or Hospital. Physician shall not be entitled to receive from SBHCD or Hospital vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability or unemployment insurance benefits or any other employee benefit. Physician shall be solely responsible for paying when due all income, employment and withholding taxes and employment benefits, if any, including estimated taxes, incurred as a result of the compensation paid by SBHCD to Physician for Services under this Agreement. Physician is responsible for providing, at his/her

own expense, disability, unemployment, workers' compensation and other insurance (if applicable), training, permits and licenses.

ARTICLE 7 - REPRESENTATIONS AND WARRANTIES

- 7.1 SBHCD Representations and Warranties. SBHCD for itself, and its board of directors, officers, employees, and agents (collectively, "Agents"), represents and warrants to SBHCD, upon execution and while this Agreement is in effect, as follows:
- 7.1.1 SBHCD has all requisite power and authority to enter into this Agreement and to perform its obligations under this Agreement;
 - 7.1.2 This Agreement has been duly authorized, executed, and delivered by SBHCD and is a legal, valid, binding obligation of SBHCD, enforceable in accordance with its terms;
 - 7.1.3 The parties have bargained at arms' length to determine Physician's compensation under this Agreement, the compensation is fair market value for the Services; and the compensation is consistent with fair market value for similar services in the region; and
 - 7.1.4 The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by SBHCD will not violate and provisions of, or constitute a default under, and contract or other agreement to which SBHCD is a party or by which it is bound, other than violations, defaults or conflicts that would not materially and adversely affect the ability of SBHCD to perform the its obligations pursuant to this Agreement.
- 7.2 Physician Representations and Warranties. Physician, for Physician and Physician's Agents, represents and warrants to SBHCD, upon execution and while this Agreement is in effect, as follows:
- 7.2.1 Physician is not bound by any agreement or arrangement which would preclude Physician from entering into, or from fully performing the Services;
 - 7.2.2 Physician's license to practice medicine in California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or restricted in any way;
 - 7.2.3 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;
 - 7.2.4 Physician has not in the past conducted, and is presently not conducting, his/her medical practice in such a manner as to cause Physician to be suspended, excluded, barred or sanctioned under Medicare or Medi-Cal, or any government licensing agency, nor have they every been convicted of a criminal offense related to health care, or listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation;
 - 7.2.5 Physician has, and shall maintain throughout the term of this Agreement, an unrestricted license to practice medicine in California and Medical Staff privileges at Facility;
 - 7.2.6 Physician has all requisite power and authority to enter into this Agreement and to perform its obligations under this Agreement;
 - 7.2.7 This Agreement has been duly authorized, executed, and delivered by Physician and is a legal, valid, binding obligation of Physician, enforceable in accordance with its terms; and

- 7.2.8 The parties have bargained at arms' length to determine Physician's compensation under this Agreement, the compensation is fair market value for the Services; and the compensation is consistent with fair market value for similar services in the region; and
- 7.2.9 The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by Physician will not violate and provisions of, or constitute a default under, and contract or other agreement to which Physician is a party or by which it is bound, other than violations, defaults or conflicts that would not materially and adversely affect the ability of Physician to perform the Services required under this Agreement.

ARTICLE 8 - LIABILITY/MALPRACTICE INSURANCE COVERAGE

- 8.1 Coverages. SBHCD shall maintain general and professional liability insurance coverage for Physician for Services provided by Physician to SBHCD patients during the term of this Agreement in a minimum amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD obtains to comply with this Section of this Agreement is a "claims made" policy, and SBHCD, as applicable, changes insurance carriers or terminates coverage upon or after termination of this Agreement, SBHCD shall immediately obtain and shall maintain "tail" coverage in the amounts otherwise required under this Section for at least seven (7) years following termination of this Agreement.

ARTICLE 9 - PROTECTED HEALTH INFORMATION

- 9.1 Protected Health Information. Physician shall maintain the confidentiality of all Protected Health Information ("PHI") in accordance with all applicable federal, state, and local laws and regulations, including, but not limited to, the California Confidentiality of Medical Information Act and the Federal Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder ("HIPAA"). Without limiting the foregoing, Physician agrees to maintain PHI, as defined from time to time under HIPAA, which may be made available to or received by Physician pursuant to this Agreement, in accordance with the requirements of HIPAA. Physician agrees that Physician shall:
- 9.1.1 Not use or further disclose PHI in a manner that would violate HIPAA if done by Hospital or violate the requirements of applicable laws or this Agreement;
- 9.1.2 Use appropriate safeguards to prevent use or disclosure of PHI except as permitted by law and the terms of this Agreement, and report to Hospital any use or disclosure of PHI not permitted by law or by this Agreement of which Physician becomes aware;
- 9.1.3 Comply with the elements of any compliance program established by Hospital that applies to the use or disclosure of PHI and ensure that any subcontractors or agents to whom Physician provides PHI agree to the same restrictions and conditions that apply to Physician with respect to such PHI;
- 9.1.4 In accordance with HIPAA, (i) make available PHI to the subject Patient; (ii) make available PHI for amendment and incorporate any amendments to PHI; and (iii) make available the information required to provide an accounting of disclosures of PHI to the subject Patient;
- 9.1.5 Make Physician's internal practices, books, and records relating to the use and disclosure of PHI available to the Secretary of the United States Department of Health and Human Services for purposes of determining Hospital's and Physician's compliance with HIPAA;
- 9.1.6 At termination of this Agreement, return or destroy all PHI received from or created by SBHCD and retain no copies of such PHI or, if return or destruction is not permissible under law or the terms of this Agreement, continue to maintain all PHI in accordance with the provisions of this Section and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

- 9.2 Electronic Protected Health Information (“EPHI”). Physician agrees that Physician will: (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that Physician creates, receives, maintains, or transmits on behalf of SBHCD; (ii) report to SBHCD any security incident with respect to EPHI of which Physician becomes aware; and (iii) ensure that any agent, including a subcontractor, to whom Physician provides EPHI agrees to implement reasonable and appropriate safeguards to protect such information.

ARTICLE 10 - REQUIRED DISCLOSURES

- 10.1 Required Disclosures. Physician shall notify SBHCD in writing within three (3) days after any of the following events occur:
- 10.1.1 Physician's license to practice medicine in the State of California or any other jurisdiction lapses or is denied, suspended, revoked, terminated, voluntarily relinquished (under threat of disciplinary action) or made subject to terms or probation or other restriction;
 - 10.1.2 Physician's medical staff membership and/or privileges at any health care facility or entity are denied, suspended, revoked, terminated, voluntarily relinquished (under threat of disciplinary action), or made subject to terms of probation or other restriction;
 - 10.1.3 Physician is required to pay damages in any malpractice action by way of judgment or settlement, except that Physician shall not be required to breach a settlement or confidentiality agreement;
 - 10.1.4 Receipt of notice of the commencement of any investigation into Physician's medical license or Physician's medical practice by the Medical Board of California, California Attorney General, the Department of Health and Human Services Office of Inspector General, the Department of Justice, or any other entity of federal, state, or local government;
 - 10.1.5 Physician's Drug Enforcement Agency registration number is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way;
 - 10.1.6 An event occurs that substantially interrupts all or a portion of Physician's professional practice, that materially adversely affects Physician's ability to perform Physician's obligations hereunder, including the Services, or which could likely cause Physician to be in breach of this Agreement; or
 - 10.1.7 Physician's conviction of a criminal offense related to health care or any Physician's listing by a federal agency as being debarred, excluded or otherwise ineligible for federal program participation.

ARTICLE 11 - GENERAL PROVISIONS

- 11.1 Notices. Any notice to be given to any party hereunder shall be deposited in the United States Mail, duly registered or certified, with return receipt requested, with postage paid, and addressed to the party for which intended, at the addresses set forth in the signature block, or to such other address or addresses as the parties may hereafter designate in writing to each other.
- 11.2 No Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
- 11.3 Governing Law and Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California. Venue shall be in the County of San Benito, California.

- 11.4 Ownership of Patient Records. All Clinic and Hospital patient records shall be maintained by SBHCD and are the property of SBHCD. Physician shall have the right to access such records during normal business hours.
- 11.5 Patient Choice. Notwithstanding anything herein to the contrary, all compensation paid to Physician pursuant to this Agreement is solely for the purpose of obtaining the services of Physician for patients of the SBHCD community. The parties recognize and affirm the importance of individual patient choice in selection of medical services. Nothing contained in this Agreement shall be interpreted to obligate, encourage, or solicit, in any way, the referral of any individual patient to any health care facility, including the Facility, contrary to that patient's choice of another provider of medical services. Further, nothing in this Agreement shall be interpreted to prevent, restrict, or discourage the Physician from referring patients to any other provider of health care services.
- 11.6 Exclusive Property of SBHCD. All data, files, records, documents, promotional materials, and similar items relating to the business of SBHCD, whether prepared by or with the assistance of Physician or otherwise coming into Physician's possession shall remain the exclusive property of SBHCD and shall not be removed from SBHCD's facilities under any circumstances without the prior written consent of SBHCD.
- 11.7 Confidentiality. The parties acknowledge and agree that during the term of this Agreement and in the course of the discharge of Physician's duties hereunder, Physician shall have access to and become acquainted with information concerning the operation of SBHCD, and information which, pursuant to applicable law and regulation, is deemed to be confidential, including, but not limited to, trade secrets, medical records, patient medical and personal information, and personnel records. Physician agrees that such information shall not be disclosed either directly or indirectly to any other person or entity or used by Physician in any way either during the term of this Agreement or at any other time thereafter, except as is required herein. Physician understands breach of this article will be an irremediable breach of this Agreement. Such breach will result in immediate termination of this Agreement.
- 11.8 Binding Agreement; No Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties to it and their respective legal representatives, successors, and permitted assigns. No party may assign this Agreement or any rights hereunder, or may they delegate any of the duties to be performed hereunder without the prior written consent of the other party.
- 11.9 Dispute Resolution. If any dispute, controversy, or claim arises out of this Agreement, for a period of thirty (30) days following written notice of the dispute, controversy or claim from one party to the other, the parties will use their good faith efforts to resolve the dispute, controversy, or claim. If the matter cannot be resolved by the parties in this fashion, then such dispute, claim or controversy shall be heard in San Benito County, California, pursuant to the provisions of California Code of Civil Procedure Sections 638 through 645.1, inclusive. The hearing shall be final and binding to the greatest extent permitted by law, and the cost thereof, including reasonable attorneys' fees, shall be borne by the losing party in such proportions as the referee may decide. Judgment on the award may be entered in any court having jurisdiction thereof.
- 11.10 Section 952 of Omnibus Budget Reconciliation Act of 1980. In accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (PL 96-499), Physician agrees that the books and records of Physician will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement. In the event that any of the services to be performed under this Agreement are performed by any subcontractor of Physician at a value or cost of \$10,000 or more over a twelve (12) month period, Physician shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. If not applicable to this Agreement, this Section shall automatically be repealed.
- 11.11 Entire Agreement; Amendment. This Agreement, its exhibits, and all referenced documents constitute the entire agreement between the parties pertaining to the subject matter contained herein. This

Agreement supersedes all prior and contemporaneous agreements, representations and understandings of the parties which relate to the subject matter of this Agreement. No supplement, amendment or modification of this Agreement shall be binding unless executed in writing by all of the parties.

The parties hereby executed this Agreement as of the Effective Date first set forth above.

SBHCD
SAN BENITO HEALTH CARE DISTRICT

PHYSICIAN
Lourdes V. Grayson, M.D.

By: _____
Mary T. Casillas, Chief Executive Officer

By: _____
Lourdes V. Grayson, M.D.

Address for Notices:

San Benito Health Care District
Attn: Chief Executive Officer
911 Sunset Dr.
Hollister, CA

Address for Notices:

Lourdes V. Grayson, M.D.
28832 Woodside Drive
Santa Clarita, CA 91390

(Remainder of page left blank intentionally)

EXHIBIT A

PHYSICIAN SERVICES AND COMPENSATION

- .1 **Further Description of Medical Services.** Physician shall provide professional medical services in Physician's specialty at locations specified by SBHCD, which will be within the SBHCD healthcare district boundaries, or at facilities within thirty (30) miles of the SBHCD Hospital.
 - A.1.1 **Professional Services.** Physician shall provide Services in the Clinic beginning on the Effective Date. Physician shall provide such services in coordination with other providers who are contracted with SBHCD to provide similar services to patients and pursuant to a mutually agreed-upon schedule. If Physician and other physicians cannot agree on such a schedule, SBHCD shall determine the schedule.
 - A.1.2 **Specialty Services.** Physician shall provide the following **Psychiatry** Services.
 - A.1.3 **Clinic Services.** Clinic operating hours are Monday through Friday, from 8:00 a.m. to 5:00 p.m. Physician shall provide the following Clinic Services in the Clinics in accordance with the schedule set forth in Section A.2 of this Exhibit A:
 - A.1.3.1 New and follow-up office visits;
 - A.1.3.2 Consultations;
 - A.1.3.3 Post discharge follow-up visits;
 - A.1.3.4 Ensuring the quality, availability, and expertise of medical services rendered in the Clinic and at Clinic-related activities;
 - A.1.3.5 Supervising physician assistants and nurse practitioners (collectively referred to as "Mid-Level Practitioners") as necessary for reimbursement or consult in the absence of the Medical Director;
 - A.1.3.6 Coordination of medical activities of the Clinic as a whole to be accomplished through continuous communication with appropriate SBHCD administrative personnel regarding medical administration of the Clinic;
 - A.1.3.7 Assisting with the development of a plan for quality assurance for the Clinic;
 - A.1.3.8 Provide required chart review and audits of care provided by Mid-Level Practitioners
 - A.1.3.9 Other services as are mutually agreed to be appropriate and appropriately provided in an outpatient setting by a physician specializing in Psychiatry
- A.2 **Schedule.** Physician shall provide the Services on a full-time basis, Monday through Friday, forty (40) hours per week up to forty-eight (48) weeks per year. Physician's schedule shall consist of typically four (4) ten (10) hour days with three (3) weeks of remote (telepsychiatry) services and one (1) week of on-site services per four-week period. Physician's shifts (i.e., days of the week or hours) may be adjusted to meet Clinic patient and SBHCD needs, as the parties mutually agree.
- A.3 **Hospital Call Coverage.** There is no Hospital Call Coverage provision associated with this Agreement.
- A.4 **Compensation.**
 - A.4.1 **Compensation Methodology Compliance.** In order to maintain continuity in the Compensation Methodology under this Agreement and to ensure commercial reasonableness and fair market value compensation to Physician for Services provided under this Agreement in compliance with Stark Law and Anti-Kickback regulations, SBHCD and Group agree that SBHCD retains the right to continue, for the term of this Agreement, application of the compensation formula in this Agreement.
 - A.4.1.1 **Compensation.** Physician's Compensation, which includes professional services and supervision ("Compensation"), shall be paid on a monthly basis on SBHCD's standard payment cycle for

similar agreements and shall be in the amount of **Two Hundred Forty Dollars and No Cents (\$240.00) per hour** for Psychiatry Professional Services.

- A.4.3 **Payment on Termination.** On termination of this Agreement, which is not extended, renewed or superseded by another agreement, SBHCD shall pay to Group any amounts due to Group within forty-five (45) days after the termination of this Agreement.
- A.4.4 **Agreement Includes All Compensation from SBHCD.** Incorporated into compensation under the Agreement, unless specifically excluded, are all the Physician's sources of practice revenues and income, including Hospital Call coverage stipends, other hospital on-call fees, hospital stipends, and reading fees; provided, however, that services as a medical director within SBHCD, service on medical staff or SBHCD positions such as department chair or chief of staff, call panels which are not currently in effect, or other items specifically excluded by written agreement between Physician and SBHCD shall be independently compensated to Physician by SBHCD, if any, and are not subject to the terms of this Agreement.
- A.5 **Continuing Medical Education.** For each contract year during the term of this Agreement, Physician shall be entitled reimbursement for continuing medical education ("CME") expenses incurred during the contract year up to a maximum of two thousand five hundred dollars and no cents (\$2,500.00). Reimbursable expenses include registration fees, books, or other course materials, and specifically excludes travel, lodging or food expenses. Unused CME expense reimbursement funds do not roll over to the following year nor may they be cashed out or paid out upon termination of this Agreement. Payment for reimbursable CME expenses shall be made in accordance with applicable SBHCD policies following receipt of appropriate documentation. Physician shall be responsible for maintaining Physician's CME documentation.
- A.6 **Housing.** SBHCD will provide Physician with local housing accommodations while Physician is providing Services under this Agreement at a rate consistent with local market occupancy rates. Housing accommodation is to be used from arrival the day before the start of the shift and ending on the last day of shift.
- A.7 **Expense Reimbursement.** SBHCD will reimburse Physician for round trip mileage at the current standard Internal Revenue Service Rate, between physician home and SBHCD. Physician shall submit an itemized invoice in writing ten (10) days of the conclusion of each month for expenses from the prior month.
- A.8 **Services and Activities in Support of SBHCD.** SBHCD and Physician acknowledge and agree that certain services and activities may be required of Physician in support of SBHCD and Clinic to ensure a continuing high level of patient care. To that end, Physician shall participate in functions/events from time to time, in support of the SBHCD Clinics and the SBHCD facilities. In addition, to assist in the recruitment and retention of highly skilled practitioners, upon SBHCD's request, Physician shall participate in recruitment meetings with SBHCD physician candidates. SBHCD shall reimburse Group for reasonable meal expenses incurred as part of meeting with physician candidates hosted at the request of SBHCD.
- A.9 **Practice Guidelines/Best Quality Practices.** Physician shall demonstrate cooperative work arrangements with the Medical Staff, Quality and Safety Leadership and SBHCD Administration to achieve mutually accepted practice guidelines and the best quality practices. These practices will be evidenced based, and A.8.1 Attendance at regular monthly meetings with SBHCD Clinic and Hospital leadership when requested to review any operational or quality issues.
- A.9.2 Timely completion of all patient records.
Goal: As specified by Medical Staff rules and regulations or hospital policy.
- A.9.3 Completion of all procedure notes within twenty-four (24) hours of visit.
Goal: As specified by Medical Staff rules and regulations or hospital policy.
- A.9.4 Timely signing of orders.
Goal: As specified by Medical Staff rules and regulations or hospital policy.

- A.9.5 Timely discharges summaries.
Goal: As specified by Medical Staff rules and regulations or hospital policy.
- A.9.6 Commitment to use of SBHCD supported electronic health/medical record platforms.
- A.9.7 Compliance with all governmental and SBHCD quality reporting initiatives that may come into effect from time to time.
- A.9.8 Timely arrival at the facility, defined as being ready, willing and able to provide Services not less than 10 minutes before the commencement of any in-person shift or telepsychiatry as set forth in the Medical Staff rules and regulations.

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Board of Directors Contract Review Worksheet

Agreement for Professional Services for Hospitalist Coverage Panel with Shane Walker, M.D.



Executive Summary: Dr. Shane Walker is a board-certified family medicine physician who earned his medical degree from University of California, San Francisco and completed his family medicine residency at Natividad Medical Center, where he trained alongside members of our hospitalist panel.

Recommended Board Motion: It is recommended the hospital Board approve the Professional Services Agreement with Shane Walker, M.D. at a rate of \$185 per hour for day coverage and \$82.50 per hour for night shift call coverage:

Services Provided: Serve as a member of the hospitalist coverage panel contributing to 24/7/365 coverage.

Agreement Terms:

Contract Term	Effective Date	Rate	Term clause
3 year	4/1/2026	\$185/hr. (AM coverage) \$82.50/hr. (PM call coverage)	90 days

PROFESSIONAL SERVICES AGREEMENT FOR HOSPITALIST COVERAGE PANEL

This Professional Services Agreement (“**Agreement**”) is made, entered into and effective as of **April 1, 2026** (“**Effective Date**”), by and between San Benito Health Care District, a local health care district organized and operated pursuant to Division 23 of the California Health and Safety Code (“**SBHCD**”), and **Shane Walker, M.D.** (“**Physician**”).

RECITALS

- A. SBHCD owns and operates Hazel Hawkins Memorial Hospital, a licensed general acute care facility located at 911 Sunset Drive, Hollister, California (“**Hospital**”). Hospital provides inpatient and outpatient services to residents of the San Benito Health Care District and surrounding communities which constitute the Hospital’s service area (“**Hospital Service Area**”).
- B. SBHCD owns and operates specialty and rural health clinics as defined in Title 22, California Code of Regulations section 51115.5 to provide services to patients in the Hospital Service Area (“**Clinics**”) and two skilled nursing facilities (“**SNFs**”). Together, the Hospital, Clinics, and SNFs are referred to herein as the “**Facilities**”.
- C. Physician is licensed to practice medicine in the State of California, is a member in good standing of the medical staff of Hospital, and is experienced and qualified to provide hospitalist services.
- D. Section 32129 of the California Health and Safety Code provides that a health care district may contract with a Physician to render professional health services in order to ensure that adequate health care is available to all residents within its service area.
- E. SBHCD has determined that entering into this Agreement with Physician is in the best interests of SBHCD and the public health of the residents of the Hospital Service Area and is an appropriate way to assure availability of hospitalist services to patients in the Hospital Service Area. SBHCD has established a hospitalist coverage panel (“**Hospitalist Coverage Panel**”) of qualified physicians which shall ensure the availability of physician coverage for hospitalist services as needed at the Facilities.
- F. The parties desire to enter into this Agreement to set forth their respective responsibilities in connection with the Services provided by Physician in the Hospital Service Area during the term of this Agreement.

The parties hereby agree as follows:

ARTICLE 1 - DUTIES AND OBLIGATIONS OF PHYSICIAN

- 1.1 Medical Services. Physician shall provide professional health care services in Physician’s medical specialty to patients at the Facilities and on the schedule more fully described in Exhibit A, which is attached to this Agreement and incorporated by this reference (“**Services**”). Services include services to Medicare and Medi-Cal patients, patients of any other federal health care program or a state health care financial program (“**Governmental Programs**”), workers’ compensation beneficiaries, and patients eligible for participation in SBHCD’s charity care program. Physician shall cooperate to enable SBHCD’s participation in Medicare, Medi-Cal, Governmental Programs, workers’ compensation services and commercial payor programs. Physician shall provide Services to all patients, including Medicare, Medi-Cal, Governmental Program, and workers’ compensation beneficiaries, in a non-discriminatory manner and in accordance with all applicable laws and SBHCD policies and procedures, as developed and implemented in collaboration with physician leadership of the Facilities.
- 1.2 Qualifications. Physician shall: (i) be duly licensed to practice medicine by the State of California; (ii) be qualified to perform the Services by having adequate levels of competency and experience; (iii) have skill comparable to those prevailing in the community; (iv) not be excluded from participation in any

governmental healthcare program; (v) be approved for and maintain active membership and/or clinical privileges on the Hospital's medical staff in accordance with medical staff bylaws, rules and regulations, and other medical staff governing directives; (vi) be certified as a participating physician in the Medicare and Medi-Cal programs; and (vii) hold an unrestricted Drug Enforcement Administration ("DEA") registration number.

- 1.3 **Compliance.** In connection with the operation and conduct of the Facilities and rendering of Services, Physician shall, at all times, comply with the applicable terms of this Agreement and with all applicable federal, state and local laws, rules and regulations, including requirements for participation in the Medicare and Medi-Cal programs, the Hospital medical staff bylaws, rules and regulations, and applicable policies and procedures, and will at all times be aware of and participate in meeting the goals and objectives of the SBHCD Corporate Compliance program.
- 1.4 **Credentialing.** In order to be efficiently credentialed with payors that have contracted with SBHCD, Physician shall participate in the Council for Affordable Quality Healthcare ("CAQH") credentialing program and shall timely comply with requests from CAQH or SBHCD personnel for (i) credentialing information regarding Physician, and (ii) documents necessary for Physician's credentialing.
- 1.5 **Use of Premises.** No part of the SBHCD premises shall be used at any time by Physician as an office for the general or private practice of medicine.
- 1.6 **Medical Records/Chart Notes.** Physician shall provide timely, appropriate, and necessary documentation for each patient's medical record for all patient encounters at the Facilities in compliance with the Facilities' policies and procedures.
- 1.7 **Coding.** Physician shall properly code all professional services rendered to patients. Physician's coding shall be used for purposes of billing for Services provided by Physician. All such coding shall be subject to review and audit by an independent auditing company mutually agreed upon by the parties.
- 1.8 **Professional Standards.** In performing Services, Physician shall comply with the principles and ethics of the American Medical Association, the California Medical Association, and any federal, state or municipal law, statute or ordinance dealing with the practice of medicine by Physician. Physician shall further abide in all respects with the Code of Conduct applicable to professional health care providers of any hospital, outpatient clinic or surgery center, including but not limited to SBHCD, at which Physician shall provide professional services. Physician shall provide Services to all SBHCD patients on a courteous and prompt basis, be available and accessible to patients, provide them with full and meaningful information, and render services in a manner which assures continuity of care. Physician further agrees to treat all other providers and the staff and volunteers of SBHCD with respect, dignity, and professionalism, and to conduct himself/herself in accordance with the highest standards of ethical behavior and workplace conduct.

ARTICLE 2 - DUTIES AND OBLIGATIONS OF SBHCD

- 2.1 **Duties.** SBHCD agrees to furnish at its own cost and expense, for the operation of the Facilities, the following:
 - 2.1.1 **Space and Equipment.** Space and equipment as may be reasonably required for the operation of the Facilities as approved by SBHCD.
 - 2.1.2 **Services and Supplies.** Maintenance, repair, and replacement of equipment as reasonably required; all utilities, including telephone, power, light, gas, and water; and all supplies that may be reasonably required for the operation of the Facilities.
 - 2.1.3 **Non-physician Personnel.** All non-physician personnel with appropriate education, training, and experience required to operate the Facilities, including a qualified administrative manager.

SBHCD shall have the sole right and responsibility for the hiring and termination of all its employees. SBHCD shall be responsible for the scheduling of non-physician Facilities personnel.

- 2.2 Eligibility. At all times during the term of this Agreement, SBHCD shall remain eligible to participate in the Medicare and Medi-Cal programs.
- 2.3 Contracts. SBHCD shall be solely responsible for negotiating all contracts for the reimbursement of Services provided at the Facilities. SBHCD, in its sole and absolute discretion, shall determine the negotiation parameters for the terms, conditions, and rates for such contracts.
- 2.4 Access to Records. Physician shall have access to SBHCD patient medical and business records for quality of care and compliance purposes.

ARTICLE 3 - BILLING AND ASSIGNMENT OF REVENUE

- 3.1 Billing and Collection. SBHCD shall perform billing and collection services under this Agreement. Physician shall cooperate with SBHCD and shall use his/her best efforts to furnish appropriate documentation of patient care services provided by Physician to enable SBHCD to timely and accurately bill and collect for such services.
- 3.2 Assignment of Professional Service Revenues. Physician hereby assigns to SBHCD the right to all revenue from any and all patients, third-party payors, and governmental programs for all Services rendered by Physician at the Facilities under this Agreement. The Parties intend that SBHCD may bill and collect directly from the Medicare carrier for Physician's services to Medicare beneficiaries in compliance with Medicare Publication 100-04, Chapter 1, Sec. 30.2.7.

ARTICLE 4 - COMPENSATION FOR SERVICES BY PHYSICIAN

- 4.1 Compensation. As compensation for the provision of Services at the Facilities, SBHCD shall pay Physician as outlined in Exhibit A to this Agreement and in accordance with the normal SBHCD contract payment process for Services provided by Physician. Physician shall not bill for facility fees, administrative, supervisory, medical director, or similar services.
- 4.2 Schedule of Charges. SBHCD, in its sole and absolute discretion, shall decide upon the schedule of charges for the Facilities. Pursuant to California Health and Safety Code Section 32129, the SBHCD Board of Directors may review the fees and charges for Services provided at the Facilities to ensure such fees and charges are reasonable, fair, and consistent with the basic commitment of SBHCD to provide adequate health care to all residents within the Hospital Service Area.

ARTICLE 5 - TERM AND TERMINATION

- 5.1 Term. The term of this Agreement shall commence at 12:01 AM on the Effective Date and continue for a period of three (3) years, expiring on **March 31, 2029 at 11:59 PM** unless renewed by mutual written agreement of the parties or terminated earlier as provided in this Agreement.
- 5.2 Termination. Either party shall have the right to terminate this Agreement without stating a cause or reason and without cost or penalty upon ninety (90) days' prior written notice to the other party. Notwithstanding, either party shall have the right to terminate the Agreement for "cause" upon written notice to the other party as set forth below. If this Agreement is terminated prior to expiration of the first year of the initial term, the parties shall not enter into any new agreement or arrangement that is substantially the same arrangement during the remainder of such year.
- 5.3 Definition of Cause. For purposes of this Agreement, "cause" shall include, but not be limited to, the occurrence of any of the following events:

- 5.3.1 SBHCD or Physician is in breach of any material term or condition of this Agreement and such breach has not been cured within thirty (30) days following written notice of such breach.
 - 5.3.2 SBHCD or Physician becomes insolvent or declares bankruptcy.
 - 5.3.3 The license to practice medicine or to prescribe controlled substances of Physician is revoked or suspended.
 - 5.3.4 SBHCD fails to carry or reinstate the insurance required in ARTICLE 8 or such coverage is canceled or revoked within fifteen (15) days following notice of revocation from its insurance carrier.
 - 5.3.5 Upon the determination that Physician has violated a material term of ARTICLE 9.
 - 5.3.6 The performance by either party of any term, condition, or provision of this Agreement which jeopardizes the licensure of Hospital, Hospital's participation in Medicare, Medi-Cal or other reimbursement or payment program, or Hospital's full accreditation by The Joint Commission or any other state or nationally recognized accreditation organization, or the tax-exempt status of Hospital's bonds, or if for any other reason such performance violates any statute, ordinance, or is otherwise deemed illegal, or is deemed unethical by any recognized body, agency, or association in the healthcare fields, and the jeopardy or violation has not been or cannot be cured within sixty (60) days from the date notice of such jeopardy or violation has been received by the parties.
 - 5.3.7 The loss of or reduction in Physician's medical staff privileges at any facility where Physician provides professional health care services, whether voluntary or involuntary.
 - 5.3.8 Physician being charged with or convicted of a crime other than an infraction, traffic citation, or similar charge.
 - 5.3.9 Physician's engagement in: (i) willful misconduct (which means the knowing and intentional failure to exercise ordinary care to prevent material injury to SBHCD or the commission of an intentional act with knowledge that it is likely to result in material injury to the SBHCD), (ii) fraudulent activities, (iii) crimes or acts of moral turpitude, (iv) any breach of a duty to SBHCD, a patient, or any third party payor, (v) harassment or abuse of patients, staff, providers, or any other person, or (vi) any other action or omission that could materially affect SBHCD's business or reputation in an adverse manner.
- 5.4 Termination/Expiration Not Subject to Fair Hearing. It is agreed between the parties that should either party exercise its right to terminate this Agreement such decision to terminate, and the actual termination or expiration of this Agreement, shall apply to rights under this Agreement only and not to Physician's medical staff privileges or membership on the medical staff of Hospital. The termination or expiration of this Agreement shall not be subject to the Fair Hearing Plan of the Medical Staff Bylaws, the hearing procedures provided by Healthcare District Law, or any other fair hearing procedure regarding medical staff appointments or privileges.

ARTICLE 6 - INDEPENDENT CONTRACTOR

- 6.1 Independent Contractor Status. Physician is engaged in an independent contractor relationship with SBHCD in performing all work, services, duties, and obligations pursuant to this Agreement. Neither SBHCD nor Hospital shall exercise any control or direction over the methods by which Physician performs work and functions, except that Physician shall perform at all times in strict accordance with then currently approved methods and practices of Physician's professional specialty. SBHCD's sole interest is to ensure that Physician performs and renders services in a competent, efficient, and satisfactory manner in accordance with high medical standards.

- 6.2 Independent Contractor Responsibilities. The parties expressly agree that no work, act, commission, or omission of Physician pursuant to the terms and conditions of this Agreement shall be construed to make or render Physician, the agent or employee of SBHCD. Physician shall not be entitled to receive from SBHCD vacation pay, sick leave, retirement benefits, Social Security, workers' compensation, disability or unemployment insurance benefits or any other employee benefit. Physician shall be solely responsible for paying when due all income, employment and withholding taxes and employment benefits, if any, including estimated taxes, incurred as a result of the compensation paid by SBHCD to Physician for Services under this Agreement. Physician is responsible for providing, at his/her own expense, disability, unemployment, workers' compensation and other insurance (if applicable), training, permits and licenses.

ARTICLE 7 - REPRESENTATIONS AND WARRANTIES

- 7.1 SBHCD Representations and Warranties. SBHCD for itself, and its board of directors, officers, employees, and agents (collectively, "Agents"), represents and warrants to Physician, upon execution and while this Agreement is in effect, as follows:
- 7.1.1 SBHCD has all requisite power and authority to enter into this Agreement and to perform its obligations under this Agreement;
 - 7.1.2 This Agreement has been duly authorized, executed, and delivered by SBHCD and is a legal, valid, binding obligation of SBHCD, enforceable in accordance with its terms;
 - 7.1.3 The parties have bargained at arms' length to determine Physician's compensation under this Agreement, the compensation is fair market value for the Services; and the compensation is consistent with fair market value for similar services in the community; and
 - 7.1.4 The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by SBHCD will not violate any provisions of, or constitute a default under, any contract or other agreement to which SBHCD is a party or by which it is bound, other than violations, defaults or conflicts that would not materially and adversely affect the ability of SBHCD to perform its obligations pursuant to this Agreement.
- 7.2 Physician Representations and Warranties. Physician, for Physician and Physician's Agents, represents and warrants to SBHCD, upon execution and while this Agreement is in effect, as follows:
- 7.2.1 Physician is not bound by any agreement or arrangement which would preclude Physician from entering into this Agreement or from fully performing the Services;
 - 7.2.2 Physician's license to practice medicine in California or in any other jurisdiction has never been denied, suspended, revoked, terminated, voluntarily relinquished under threat of disciplinary action, or restricted in any way;
 - 7.2.3 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;
 - 7.2.4 Physician has not in the past conducted, and is presently not conducting, his/her medical practice in such a manner as to cause Physician to be suspended, excluded, barred or sanctioned under Medicare or Medi-Cal, or any government licensing agency, nor have they ever been convicted of a criminal offense related to health care, or listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation;
 - 7.2.5 Physician has, and shall maintain throughout the term of this Agreement, an unrestricted license to practice medicine in California and Medical Staff privileges at the Hospital;

- 7.2.6 Physician has all requisite power and authority to enter into this Agreement and to perform its obligations under this Agreement;
- 7.2.7 This Agreement has been duly authorized, executed, and delivered by Physician and is a legal, valid, binding obligation of Physician, enforceable in accordance with its terms;
- 7.2.8 The parties have bargained at arms' length to determine Physician's compensation under this Agreement, the compensation is fair market value for the Services; and the compensation is consistent with fair market value for similar services in the community; and
- 7.2.9 The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby by Physician will not violate and provisions of, or constitute a default under, and contract or other agreement to which Physician is a party or by which it is bound, other than violations, defaults or conflicts that would not materially and adversely affect the ability of Physician to perform the Services required under this Agreement.

ARTICLE 8 - LIABILITY/MALPRACTICE INSURANCE COVERAGE

- 8.1 Coverages. SBHCD shall maintain general and professional liability insurance coverage for Physician for Services provided by Physician to SBHCD patients during the term of this Agreement in a minimum amount of \$1,000,000 per occurrence and \$3,000,000 annual aggregate. In the event the coverage that SBHCD obtains to comply with this Section of this Agreement is a "claims made" policy, and SBHCD, as applicable, changes insurance carriers or terminates coverage upon or after termination of this Agreement, SBHCD shall immediately obtain and maintain "tail" coverage in the amounts otherwise required under this Section for at least seven (7) years following termination of this Agreement.

ARTICLE 9 - PROTECTED HEALTH INFORMATION

- 9.1 Protected Health Information. Physician shall maintain the confidentiality of all Protected Health Information ("PHI") in accordance with all applicable federal, state, and local laws and regulations, including, but not limited to, the California Confidentiality of Medical Information Act and the Federal Health Insurance Portability and Accountability Act of 1996 and regulations promulgated thereunder ("HIPAA"). Without limiting the foregoing, Physician agrees to maintain PHI, as defined from time to time under HIPAA, which may be made available to or received by Physician pursuant to this Agreement, in accordance with the requirements of HIPAA. Physician agrees to:
 - 9.1.1 Not use or further disclose PHI in a manner that would violate HIPAA if done by SBHCD or violate the requirements of applicable laws or this Agreement;
 - 9.1.2 Use appropriate safeguards to prevent use or disclosure of PHI except as permitted by law and the terms of this Agreement, and report to SBHCD any use or disclosure of PHI not permitted by law or by this Agreement of which Physician becomes aware;
 - 9.1.3 Comply with the elements of any compliance program established by SBHCD that applies to the use or disclosure of PHI and ensure that any subcontractors or agents to whom Physician provides PHI agree to the same restrictions and conditions that apply to Physician with respect to such PHI;
 - 9.1.4 In accordance with HIPAA, (i) make available PHI to the subject patient; (ii) make available PHI for amendment and incorporate any amendments to PHI; and (iii) make available the information required to provide an accounting of disclosures of PHI to the subject patient;
 - 9.1.5 Make Physician's internal practices, books, and records relating to the use and disclosure of PHI available to the Secretary of the United States Department of Health and Human Services for purposes of determining SBHCD's and Physician's compliance with HIPAA;

- 9.1.6 At termination of this Agreement, return or destroy all PHI received from or created by SBHCD and retain no copies of such PHI or, if return or destruction is not permissible under law or the terms of this Agreement, continue to maintain all PHI in accordance with the provisions of this Section and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.
- 9.2 Electronic Protected Health Information (“EPHI”). Physician agrees that Physician will: (i) implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the EPHI that Physician creates, receives, maintains, or transmits on behalf of SBHCD; (ii) report to SBHCD any security incident with respect to EPHI of which Physician becomes aware; and (iii) ensure that any agent, including a subcontractor, to whom Physician provides EPHI agrees to implement reasonable and appropriate safeguards to protect such information.

ARTICLE 10 - REQUIRED DISCLOSURES

- 10.1 Required Disclosures. Physician shall notify SBHCD in writing within three (3) days after any of the following events occur:
- 10.1.1 Physician's license to practice medicine in the State of California or any other jurisdiction lapses or is denied, suspended, revoked, terminated, voluntarily relinquished (under threat of disciplinary action) or made subject to terms of probation or other restriction;
- 10.1.2 Physician's medical staff membership and/or privileges at any health care facility or entity are denied, suspended, revoked, terminated, voluntarily relinquished (under threat of disciplinary action), or made subject to terms of probation or other restriction;
- 10.1.3 Physician is required to pay damages in any malpractice action by way of judgment or settlement, except that Physician shall not be required to breach a settlement or confidentiality agreement;
- 10.1.4 Receipt of notice of the commencement of any investigation into Physician's medical license or Physician's medical practice by the Medical Board of California, California Attorney General, the Department of Health and Human Services Office of Inspector General, the Department of Justice, or any other entity of federal, state, or local government;
- 10.1.5 Physician's Drug Enforcement Agency registration number is revoked, suspended, terminated, relinquished, placed on terms of probation, or restricted in any way;
- 10.1.6 An event occurs that substantially interrupts all or a portion of Physician's professional practice, materially adversely affects Physician's ability to perform Physician's obligations hereunder, including the Services, or could likely cause Physician to be in breach of this Agreement; or
- 10.1.7 Physician being charged with or convicted of a criminal offense related to health care, or Physician's listing by a federal agency as being debarred, excluded, or otherwise ineligible for federal program participation.
- 10.1.8 The occurrence of any event that would constitute “cause” pursuant to Section 5.3.

ARTICLE 11 - GENERAL PROVISIONS

- 11.1 Notices. Any notice to be given to any party hereunder shall be deposited in the United States Mail, duly registered or certified, with return receipt requested, with postage paid, and addressed to the party for whom intended, at the addresses set forth in the signature block, or to such other address or addresses as the parties may hereafter designate in writing to each other.

SBHCD: San Benito Health Care District
Office of the Chief Executive Officer
911 Sunset Drive
Hollister, CA 95023

Physician: Shane Walker, M.D.

- 11.2 No Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
- 11.3 Governing Law and Venue. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California. Venue shall be in the County of San Benito, California.
- 11.4 Ownership of Patient Records. All Facilities' patient records shall be maintained by SBHCD and are the property of SBHCD. Physician shall have the right to access such records during normal business hours.
- 11.5 Patient Choice. Notwithstanding anything herein to the contrary, all compensation paid to Physician pursuant to this Agreement is solely for the purpose of obtaining the services of Physician for patients of the SBHCD community. The parties recognize and affirm the importance of individual patient choice in selection of medical services. Nothing contained in this Agreement shall be interpreted to obligate, encourage, or solicit, in any way, the referral of any individual patient to any health care facility, including the Facility, contrary to that patient's choice of another provider of medical services. Further, nothing in this Agreement shall be interpreted to prevent, restrict, or discourage the Physician from referring patients to any other provider of health care services.
- 11.6 Exclusive Property of SBHCD. All data, files, records, documents, promotional materials, and similar items relating to the business of SBHCD, whether prepared by or with the assistance of Physician or otherwise coming into Physician's possession shall remain the exclusive property of SBHCD and shall not be removed from SBHCD's facilities under any circumstances without the prior written consent of SBHCD.
- 11.7 Confidentiality. The parties acknowledge and agree that during the term of this Agreement and in the course of the discharge of Physician's duties hereunder, Physician shall have access to and become acquainted with information concerning the operation of SBHCD, and information which, pursuant to applicable law and regulation, is deemed to be confidential, including, but not limited to, trade secrets, medical records, patient medical and personal information, and personnel records. Physician agrees that such information shall not be disclosed either directly or indirectly to any other person or entity or used by Physician in any way either during the term of this Agreement or at any other time thereafter, except as is required herein. Physician understands breach of this article will be an irremediable breach of this Agreement. Such breach will result in immediate termination of this Agreement.
- 11.8 Binding Agreement; No Assignment. This Agreement shall be binding upon and shall inure to the benefit of the parties to it and their respective legal representatives, successors, and permitted assigns. No party may assign this Agreement or any rights hereunder, or may delegate any of the duties to be performed hereunder without the prior written consent of the other party.
- 11.9 Dispute Resolution. If any dispute, controversy, or claim arises out of this Agreement, for a period of thirty (30) days following written notice of the dispute, controversy or claim from one party to the other, the parties will use their good faith efforts to resolve the dispute, controversy, or claim. If the matter cannot be resolved by the parties in this fashion, then such dispute, claim or controversy shall be heard in San Benito County, California, pursuant to the provisions of California Code of Civil Procedure Sections 638 through 645.1, inclusive. The hearing shall be final and binding to the greatest extent permitted by law, and the cost thereof, including reasonable attorneys' fees, shall be borne by the losing party in such

proportions as the referee may decide. Judgment on the award may be entered in any court having jurisdiction thereof.

11.10 Section 952 of Omnibus Budget Reconciliation Act of 1980. In accordance with Section 952 of the Omnibus Reconciliation Act of 1980 (PL 96-499), Physician agrees that the books and records of Physician will be available to the Secretary of Department of Health and Human Services and the Comptroller General of the United States, or their duly authorized representatives, for four (4) years after termination of this Agreement. In the event that any of the services to be performed under this Agreement are performed by any subcontractor of Physician at a value or cost of \$10,000 or more over a twelve (12) month period, Physician shall comply and assure that such subcontractor complies with the provisions of Section 952 of the Omnibus Reconciliation Act of 1980. If not applicable to this Agreement, this Section shall automatically be repealed.

11.11 Entire Agreement; Amendment. This Agreement, its exhibits, and all referenced documents constitute the entire agreement between the parties pertaining to the subject matter contained herein. This Agreement supersedes all prior and contemporaneous agreements, representations and understandings of the parties which relate to the subject matter of this Agreement. No supplement, amendment or modification of this Agreement shall be binding unless executed in writing by all of the parties.

The parties hereby executed this Agreement as of the Effective Date first set forth above.

SBHCD
SAN BENITO HEALTH CARE DISTRICT

PHYSICIAN
Shane Walker, M.D.

By: _____
Mary T. Casillas, Chief Executive Officer

By: _____
Shane Walker, M.D.

Date: _____

Date: _____

EXHIBIT A

PHYSICIAN SERVICES, COMPENSATION & SCHEDULE

A.1 **Services.** Physician shall provide professional medical hospitalist Services at the Facilities as specified by SBHCD on the terms set forth below:

A.1.1 **Hospitalist Coverage Panel.** Physician shall serve as a member and equal participant of the Hospital Coverage Panel. Physician shall provide Services as mutually agreed by the parties, but at a minimum level such that the Hospitalist Coverage Panel will provide:

A.1.1.1 Two 12-hour onsite day shifts (7:00 AM to 7:00 PM, or such other times as the parties agree), 365 days per year at the Hospital.

A.1.1.2 One 12-hour on-call night shift (7:00 PM to 7:00 AM, or such other times as the parties agree) 365 days per year at the Hospital.

A.1.1.3 Hospitalist services at the Clinics and SNFs on a mutually agreed upon schedule to be determined within ninety (90) days of the Effective Date. Provided, Physician will only be required to provide Services at the Clinics and SNFs if the parties enter into a separate agreement (or addendum to this Agreement) requiring such Services.

A.1.2 **Preparation of Hospitalist Coverage Panel Schedule.** Parties agree that Natalie LaCorte, M.D. in conjunction with Jiwu Sun, M.D., will compile the schedule for the Hospitalist Coverage Panel. This schedule will detail the availability and necessary arrangements for delivering Services. Notwithstanding, SBHCD reserves the right to approve or request modifications to the proposed schedule to ensure it meets operational and compliance requirements.

A.1.3. **Specialty Services.** Physician shall provide the following hospitalist Services:

Primary management of the care of general inpatient medical admissions, including patients admitted at the request of attending or referring physicians; responding to unassigned patients and providing cross-coverage between departments; family conferences as requested in consultation with social services; consultations, upon request, for members of the Hospital's Medical Staff; and assistance with the management and treatment of patients for whom Physician is responsible as head of a multi-disciplinary team. When the patient has an attending/referring physician, Physician shall include such physician in decision making and keep such physician informed.

A.2 **Compensation.**

A.2.1 **Schedule and Rate.** Physician's compensation ("Compensation"), shall be paid on a monthly basis on SBHCD's standard payment cycle for similar agreements and shall be paid at the following rates:

A.2.1.1 On-site day shifts shall be paid at the rate of \$185.00/hour.

A.2.1.2 On-call night shifts shall be paid at the rate of \$82.50/hour.

On each anniversary of the Effective Date, the hourly rate then in effect shall be increased by 3% to reflect adjustments to the cost of living.

- A.2.2 **Payment on Termination.** On termination of this Agreement, which is not extended, renewed or superseded by another agreement, SBHCD shall pay to Physician any amounts due to Physician within forty-five (45) days after the termination of this Agreement.
- A.2.3 **Agreement Includes All Compensation from SBHCD.** Incorporated into Compensation, unless specifically excluded, are all the Physician's sources of practice revenues and income, including call coverage stipends, other hospital on-call fees, hospital stipends, and reading fees; provided, however, that services as a medical director within SBHCD, service on medical staff or SBHCD positions such as department chair or chief of staff, call panels which are not currently in effect, or other items specifically excluded by written agreement between Physician and SBHCD shall be independently compensated to Physician by SBHCD, if any, and are not subject to the terms of this Agreement.
- A.2.4 **Expenses.** Physician shall be solely responsible for all expenses incurred in the provision of Services except for those that are the responsibility of SBHCD pursuant to this Agreement. Notwithstanding, upon written application to SBHCD, SBHCD may, in its sole discretion, agree to reimburse Physician for continuing medical education (CME) course tuition and associated travel and meal expenses not to exceed \$2,500 per contract year, provided that Physician demonstrates that attending the CME would substantially further the interests of patient care at SBHCD.
- A.3 **Services and Activities in Support of SBHCD.** SBHCD and Physician acknowledge and agree that certain services and activities may be required of Physician in support of SBHCD and Clinic to ensure a continuing high level of patient care. To that end, Physician shall participate in functions/events from time to time, in support of the SBHCD Clinics and the SBHCD facilities. In addition, to assist in the recruitment and retention of highly skilled practitioners, upon SBHCD's request, Physician shall participate in recruitment meetings with SBHCD physician candidates. SBHCD shall reimburse Physician for reasonable meal expenses incurred as part of meeting with physician candidates hosted at the request of SBHCD.
- A.4 **Practice Guidelines/Best Quality Practices.** Physician shall demonstrate cooperative work arrangements with the Medical Staff, Quality and Safety Leadership and SBHCD Administration to achieve mutually accepted practice guidelines and the best quality practices. These practices will be shall be evidenced based, and include at minimum the following:
- A.4.1 Attendance at regular monthly meetings with SBHCD Clinic and Hospital leadership when requested to review any operational or quality issues.
- A.4.2 Timely completion of all incomplete inpatient records, including completion of all admission and discharge medication reconciliation.
Goal: As specified by Medical staff rules and regulations or hospital policy.
- A.4.3 Completion of all office visit notes within twenty-four (24) hours of visit.
Goal: As specified by Medical staff rules and regulations or hospital policy.
- A.4.4 Timely signing of orders.
Goal: As specified by Medical staff rules and regulations or hospital policy.
- A.4.5 Timely discharges summaries.
Goal: As specified by Medical staff rules and regulations or hospital policy.

- A.4.6 Commitment to use of SBHCD supported electronic health/medical record platforms.
- A.4.7 Compliance with all governmental and SBHCD quality reporting initiatives that may come into effect from time to time.
- A.4.8 Timely arrival at the Facilities, defined as being ready, willing and able to provide Services not less than 10 minutes before the commencement of any in-person shift and responding to on-call coverage calls within the times set forth in the Medical Staff rules and regulations.

A.5 **Quality Metrics.** In addition to the practice guidelines and the best quality practices set forth in Section A.4, the parties shall, within ninety (90) days of the Effective Date, mutually agree on quality and performance metrics for the Services.

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RECEIVED
MAR 18 2026
11:35 am TO

Proposal by:
The Core Group
1510 S. Winchester Blvd.
San Jose, CA 95128

Project:
Hazel Hawkin Memorial Hospital Sterilizer
911 Sunset Drive
Hollister, CA 95023

Date: March 18th, 2026



Prepared by:
Ashlin Braddock, Project Executive
Mobile: 408-582-4840
Email: ashlinb@tcgbuilders.com

Rob Arago, Senior Estimator
Mobile: 408-228-2509
Email: roba@tcgbuilders.com

#1 Cost Proposal



PROJECT: Sterlizer Replacement
 LOCATION: 911 Sunset Dr., Hollister, CA 95023
 ARCHITECT: Treanor
 CLIENT: Hazel Hawkins Memorial Hospital

CORE JOB NO: -
 ESTIMATE NO: 1
 DATE: March 18, 2026
 ESTIMATOR: RJA

No.

1 GENERAL CONDITIONS COST

General Conditions		95,410
<hr/>		
JOBSITE MANAGEMENT SUBTOTAL		95,410

2 CONTRACTOR'S FEE / INSURANCE

Fee	4.25%	10,556
Insur.		4,223
<hr/>		
CONTRACTOR'S FEE / INSURANCE SUBTOTAL		14,779

3 ALLOWANCES

Shoring & Shoring Engineering		25,000
Allowance 2		0
Allowance 3		0
<hr/>		
CONTRACTOR'S FEE / INSURANCE SUBTOTAL		25,000

4 CONSTRUCTION COST BREAKDOWN

1	Infection Control	6,731
2	Site Requirements	37,859
3	Selective Interior Demo	7,672
4	Concrete	11,800
5	Rough Carpentry	14,978
6	Membrane Roofing	5,179
7	Sealants & Caulking	841
8	Doors/Frames/Hardware	6,188
9	Metal Studs & Drywall	28,185
10	Resilient Flooring	4,045
11	Painting	5,592
12	Miscellaneous Specialties	1,516
13	Equipment	6,323
14	Fire Protection	12,528
15	Plumbing	61,051
16	HVAC	20,208
17	Electrical	17,691
<hr/>		
CONSTRUCTION COST BREAKDOWN SUBTOTAL		\$ 248,386

TOTAL BID PROPOSAL

\$ 383,575

Owner/Design Contingency	10.00%	38,358
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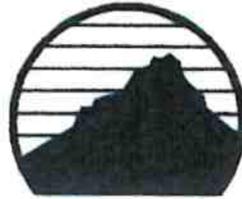
ALTERNATES
Sterilizer Replacement

PROJECT: Sterilizer Replacement
LOCATION: 911 Sunset Dr., Hollister, CA 95023
ARCHITECT: Treanor
CLIENT: Hazel Hawkins Memorial Hospital

CORE JOB NO: -
ESTIMATE NO: 1
DATE: March 18, 2026
ESTIMATOR: RJA

No.	DESCRIPTION	ADD/DEDUCT	TOTAL
<u>LIST OF ALTERNATES</u>			
1	P&P Bond	ADD \$	4,600

END ALTERNATES



Hazel Hawkins

MEMORIAL HOSPITAL

STERILIZER REPLACEMENT

911 Sunset Drive
Hollister, California 95023

ATTENTION: TIMOTHY VON URFF
Project Manager
Hazel Hawkins Memorial Hospital

The CORE Group

Commercial General Contractor

Founded in 2004, the Core Group quickly established a solid reputation as the contractor of choice for an array of clients and projects throughout the Bay Area. With a seasoned team of professional builders, they are the ideal match for mission critical projects in high tech, healthcare, bio-pharma, corporate office, and higher education. Not only are they bullet smart, The Core Group makes the building process fun. They love what they do, and it shows.



GENERAL

1. Project scope includes installation and anchorage of Owner Provided Sterilizer Equipment. Work involves re-framing an existing bearing wall to provide equipment clearance, seismic anchorage and utility connections within the Hospital. Includes new infrastructure and anchorage of equipment. Work will occur within occupied Hospital located at 911 Sunset Drive in Hollister, California.
2. This estimate is based on starting construction in the field on or before the end of the 2nd Quarter 2026 with a 7-week duration. Schedule based on 1 Phase, assumes a single mobilization.
3. We have assumed space within project scope will be free and clear of all furniture and Owner supplies. We have assumed space will be ready for work when G.C. mobilizes on site.
4. Clean-up debris created by this scope of work and place in dumpster.
5. We have assumed the existing building meets current codes. We assume no upgrades to existing building systems, structure, MEP, or ADA requirements.
6. All work to be completed during regular work hours. After hours, premium time is not included.
7. The site is assumed to be in compliance with ADA accessibility standards, and no ADA modifications are anticipated.
8. We have assumed space will be unoccupied while construction work is being completed.
9. This proposal is based on the following:
 - Sterilizer Replacement 100% CD Drawings prepared by Treanor dated November 11, 2025.
 - Addendum 1 prepared by Treanor dated February 19, 2026.
 - Pre-bid Walk/Meeting; February 24, 2026.

ALLOWANCES

“Allowances” are considered to be an allotted sum of money for a particular system or scope of work for which sufficient detail is not available to determine a definitive cost. A reasonable estimate for an assumed scope and quality is included as a placeholder. The owner receives the savings for any amount under the allocation and is at risk for any amount over the allocation.

- | | |
|----------------------------------|-----------|
| 1. Shoring & Shoring Engineering | \$ 25,000 |
|----------------------------------|-----------|

ALTERNATES

Alternates are not included in the Base Bid. The following items will be either Additive or Deductive to the Base Bid if selected.

- | | | |
|-------------------------------|------------|----------|
| 1. Payment & Performance Bond | ADD | \$ 4,600 |
|-------------------------------|------------|----------|

CLARIFICATIONS / QUALIFICATIONS

In addition to the qualifications and assumptions listed below, refer to estimate detail for additional assumptions.

Demolition

1. Demo Finishes as required.
2. Demo Slab on Grade for Plumbing.
3. Demo/Shore bearing wall.
4. Safe-off MEP/FP
5. Off-haul debris.

Rough Carpentry

1. A. Labor, materials, equipment and services to distribute and install the following:
 - a) Install PSL beam and posts. Per detail 1-S3.01
 - b) Install 2xtop plates. Per Detail 6-A900
 - c) Frame for fan. Per detail 7-M6.1. No curb figured
 - d) Simpson wood framing catalog items
2. Labor to distribute and install the following items that will be furnished by others:
 - a) Miscellaneous metals, bolts, nuts and washers for wood to wood, wood to concrete and wood to steel connections.
3. Miscellaneous:
 - a) Fork-lifts, cranes and equipment as necessary to install.
 - b) Includes Shoring and Shoring Engineering Allowance.

Roof Patch

1. Roof in (1) Exhaust Fan Curb NTE 1 ½' x 1 ½' per M2.2 and 5/A900
 - a) Screw fan to curb & seal with roof cement by others
 - i) Furnish and install insulation and coverboard to match (E); Adhered
 - ii) Furnish and install cant strip at the bottom perimeter of the curb; Fastened
 - iii) Furnish and install a new SA base sheet
 - iv) Furnish and install a new SA capsheet; Fasten at the top of the curb
 - v) Furnish and install a three-layer liquid membrane at the bottom perimeter
 - vi) Furnish and install a new UV coating from the bottom perimeter to the top of the curb to match (E)
 - b) Note: Detail 5/A900 calls out single-ply roofing at the exhaust fan curb, but my site visit on 2/24/2026 determined that the roofing at the project location is Built-Up Roofing with coating. The scope above reflects this.

Doors/Frames/Hardware

1. Remove (1) Existing Door and Frame to be stored on site and reinstalled at a later date.

Metal Studs & Drywall

2. (2) Access panel 12" x 12"
3. Hilti bottom track sill CFS TTs firestop if needed. At new wall.
4. Temporary fire resistance drywall at fire rated walls or ceilings allowance. Addendum 1 (1.8)
5. 5/8 mold tough at existing wood framing.
6. Drywall patch work ceiling new MEP openings.
7. 5/8 gyp at existing ceiling framing.

8. New r-11 fiberglass batt insulation to new wall.
9. Match existing finish.
10. Fire caulk at head of wall and bottom sill of new walls.
11. Drywall at wood beam.
12. Wall demo scars.
13. Stocking and clean up.
14. 5/8 type x drywall at new walls.

Flooring

1. Installation of sheet vinyl, cove and heat weld.
2. New sheet vinyl with integral cove base to match existing.
 - a. No spec provided for existing SV
 - b. Assume 6'-6" wide patch.
 - c. Minimum 5" integral cove base or match existing base height (not specified) per A900, Detail #1 & A101 Keynote P04.

Paint

1. Please reference OST for scope covered within this pricing.
2. Painted gyp ceilings
3. Painted doors and frames
4. Painted Gyp walls
5. Assumes Caulking at penetrations to be by others
6. Priced to Use PPG Paint
7. General Inclusions:
 - a. Labor and Material
 - b. Gyp. Walls and Ceilings
 - c. Painted Doors and Frames
 - d. Caulking per PDCA Industry Standards
 - e. Protection as Needed for Painting Activities
 - f. Access Equipment

Miscellaneous Specialties

1. Supply & Install (2) Corner Guards.
2. Acrovyn 3" wing SM20N corner guard 2 ea.

Equipment Anchorage

1. Anchor Owner Provided Equipment Plates.
2. Includes Layout, Concrete Scanning, Drilling and Anchor Bolts as detailed.
3. Anchor Owner Provided Equipment Plates.

Fire Protection

1. Seamless Fire Protection is pleased to offer for your consideration the following proposal to
2. Provide drawing, permit, labor and materials
3. Relocate pendent sprinklers for new interior walls at the above-mentioned facility.
4. New heads to match existing.

Plumbing

1. Supply & install (1) FS-1 Floor Sink in (e) Equipment for (e) Machine room as per plan.
2. Supply & install (1) FD-1 Floor Drain w/ trap primer for (e) Equipment Machine room as per plan.
3. Remove & replace for New (1) MSF-1 Faucet for (1) existing Mop Sink as per plan.
4. Supply & install (1) 1" Zurn Backflow Preventor w/ Drain as per plan.
5. Supply & install (1) 2" POC connections for Water Supply to Owner Tool as per plan.
6. Supply & install (1) 1-1/4" HPS Supply to (e) POC 1-1/4" to Owner Furnished Tool as per plan.
7. Supply & install (1) Owner furnished Filter for Sterilizer tool as per plan. Note: Steam Filters & Steam Traps not included. Note: Chlorination not included by others.
8. Supply & install (1) 3/4" HPS return Supply to (e) 3/4" POC as per plan.
9. Supply & install (1) New 1.5" Sterilizer Drain to New Floor Sink as per plan.
10. All associated Sewer Drain & Vent Piping.
11. All associated Water Piping for the Owner furnished tool.
12. All associated Ball Valves & Fittings, Gauges for the owner tool.
13. All associated Supports. Note: Steam Filters & Steam Traps not included. Note: Freeze of Water Lines Not included.
14. Prevailing wages.
15. Labels.
16. Testing.
17. Warranty.
18. Scanning

HVAC

19. Demo
 - a) Remove Ceiling mounted exhaust fan and ducting
20. HVAC
 - a) Provide and install (1) roof top exhaust fan and curb
 - b) Provide and install 12in ducting from roof down to ceiling register with Ruskin Radiation damper
 - c) Provide and install transfer grill system.
21. Air Balance
 - a) Test and balance (1) Exhaust fan
22. Warranty: All material and labor supplied comes with a full 1-Year warranty from the date installed.

Electrical

1. DEMO
 - a. Demo two existing can lights and salvage circuit for reuse.
 - b. Salvage existing power circuit feeder for reuse per note 6 on sheet E301
 - c. Salvage existing sterilizer 120 V control power circuit for reuse, per note 10 on sheet E301
2. LIGHTING
 - a. Furniture installed (2) new type A light fixtures
 - b. Reconnect (2) new light fixtures to salvaged critical branch lighting circuit, per note 3 on sheet E401
3. POWER
 - a. Furnish and install (1) 120V duplex receptacle sharing the existing power circuit.
 - b. Furnish and install (1) NEMA 3R heavy-duty fused disconnect with 5A fuses

- c. Provide 480V 5A motor power connection
- d. Provide a 120V 50VA j-box for sterilizer control power
- e. Provide 120V power for the Exhaust Fan-11 on the roof
- f. Provide heavy duty, NEMA3R, 10A rated fused disconnect on the roof
- g. Furnish and install (1) 120V maintenance receptacle on the roof
- h. Connect roof receptacle power to existing maintenance receptacle circuit located within the Sterilizer Room
- i. Connect roof exhaust fan and disconnect power to circuit A-17 located within the sterilizer room
- j. Furnish and install conduit, fittings, supports, and wire as required for a code compliant install.

EXCLUSIONS

1. Architect/Structural Design Fees.
2. City, County or State Permits and fees.
3. City Planning fees.
4. Our price is based upon the Owner purchasing Builder's Risk Coverage equivalent to AIA A102-2017 Exhibit A insurance requirements. This policy shall include the Owner, General Contractor and Subcontractors of every tier as insureds. The Owner is responsible for all loss caused by Acts of God including earthquake and flood. Owner is responsible for all deductibles unless expressly agreed otherwise in this Agreement.
5. Payment and Performance bond and cost of is excluded.; See Alternates.
6. Third Party Testing and inspection.
7. Premium Time or Overtime.
8. Reproduction and Blueprinting Costs.
9. Cost of security / guard service and badging.
10. Structural / Seismic Upgrades to existing structure other than what is indicated.
11. Identification, handling, Mitigation of all Contaminated and hazardous materials and work related with them (Including contaminated soil, asbestos, lead paint, mold, testing, fees and permits).
12. Un-foreseeable subsurface concealed conditions or any other conditions not shown on the drawings.
13. Repairs or modifications to existing code violations.
14. We assume existing Site and Building are ADA compliant. Improvements to existing accessibility (Site, Restrooms, and Access etc.) are not included.
15. Interior Signage & Graphics.
16. Furniture, partitions, fixtures and equipment and their associated installation cost.
17. Removal or relocation of existing owner furniture and fixtures.
18. Survey and repair of existing HVAC equipment.
19. Security wiring & equipment
20. AV Wiring & Equipment
21. Consumption costs for power & water.
22. **No fire alarm work or conduit; No changes required for proposed work.**
23. **Voice and data cabling and terminations, equipment or devices; by Owner.**
24. **Steam Filters & Steam Traps; by Vendors direct to HHMH.**
25. **Furnish/Move/Set Sterilizer Equipment, by Others; TCG will work with Vendor to coordinate layout and will anchor equipment.**
26. **Final Equipment Connections, Start-up, & Testing; by Others.**
27. **Wall/Door Demo and protection of existing finishes along Path of Travel for Equipment Move.**

- END BASIS OF ESTIMATE -

#2 Bid Bond



Bid Bond

CONTRACTOR:

(Name, legal status and address)

TCG Builders, Inc. dba The CORE Group Harco National Insurance Company
1510 S. Winchester Blvd.
San Jose, CA 95128

SURETY:

(Name, legal status and principal place of business)

1701 Golf Rd Ste 1-600.
Rolling Meadows, IL 80008-4241

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification. Any singular reference to Contractor, Surety, Owner or other party shall be considered plural where applicable.

OWNER:

(Name, legal status and address)

San Benito Health Care District
911 Sunset Drive
Hollister, CA 95023

BOND AMOUNT: Ten Percent of Amount Bid (10% of amount bid)

PROJECT:

(Name, location or address, and Project number, if any)

Sterilizer Replacement
Hazel Hawkins Memorial Hospital, 911 Sunset Drive, Hollister CA 95023

Project Number, if any: S252045-35-00

The Contractor and Surety are bound to the Owner in the amount set forth above, for the payment of which the Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, as provided herein. The conditions of this Bond are such that if the Owner accepts the bid of the Contractor within the time specified in the bid documents, or within such time period as may be agreed to by the Owner and Contractor, and the Contractor either (1) enters into a contract with the Owner in accordance with the terms of such bid, and gives such bond or bonds as may be specified in the bidding or Contract Documents, with a surety admitted in the jurisdiction of the Project and otherwise acceptable to the Owner, for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof; or (2) pays to the Owner the difference, not to exceed the amount of this Bond, between the amount specified in said bid and such larger amount for which the Owner may in good faith contract with another party to perform the work covered by said bid, then this obligation shall be null and void, otherwise to remain in full force and effect. The Surety hereby waives any notice of an agreement between the Owner and Contractor to extend the time in which the Owner may accept the bid. Waiver of notice by the Surety shall not apply to any extension exceeding sixty (60) days in the aggregate beyond the time for acceptance of bids specified in the bid documents, and the Owner and Contractor shall obtain the Surety's consent for an extension beyond sixty (60) days.

If this Bond is issued in connection with a subcontractor's bid to a Contractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

When this Bond has been furnished to comply with a statutory or other legal requirement in the location of the Project, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

Signed and sealed this 10th day of March, 2026.



(Witness)

TCG Builders, Inc. dba The CORE Group

(Principal) *(Seal)*



(Title)

Harco National Insurance Company

(Surety) *(Seal)*

(Witness)



(Title) Elizabeth Collodi, Attorney-in-Fact



By arrangement with the American Institute of Architects, the National Association of Surety Bond Producers (NASBP) (www.nasbp.org) makes this form document available to its members, affiliates, and associates in Microsoft Word format for use in the regular course of surety business. NASBP vouches that the original text of this document conforms exactly to the text in AIA Document A310-2010. Bid Bond. Subsequent modifications may be made to the original text of this document by users, so careful review of its wording and consultation with an attorney are encouraged before its completion, execution or acceptance.

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

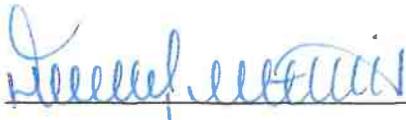
State of California
County of Butte

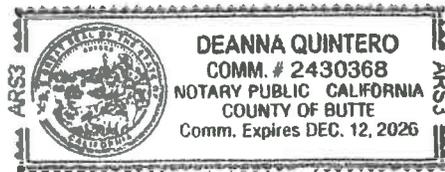
On March 10, 2026 before me, Deanna Quintero, Notary Public
(insert name and title of the officer)

personally appeared Elizabeth Collodi
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)



POWER OF ATTORNEY

Bond # N/A

**HARCO NATIONAL INSURANCE COMPANY
INTERNATIONAL FIDELITY INSURANCE COMPANY**

Member companies of IAT Insurance Group, Headquartered: 4200 Six Forks Rd, Suite 1400, Raleigh, NC 27609

KNOW ALL MEN BY THESE PRESENTS: That **HARCO NATIONAL INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of Illinois, and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, a corporation organized and existing under the laws of the State of New Jersey, and having their principal offices located respectively in the cities of Rolling Meadows, Illinois and Newark, New Jersey, do hereby constitute and appoint

ELIZABETH COLLODI, JASON MARCH, SARA WALLISER, CASSANDRA MEDINA, BREANNA BOATRIGHT, DEANNA QUINTERO, SAMANTHA WATKINS, KATHLEEN LE, R. KAILANY, TONY CLARK, BILL RAPP, JOHN HOPKINS, JENNIFER LAKMANN, MINDY WHITEHOUSE, JOHN WEBER, PHIL WATKINS, STEVEN L. WILLIAMS, MATTHEW FOSTER, SHARON SMITH

Chico, CA

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY**, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** and is granted under and by authority of the following resolution adopted by the Board of Directors of **INTERNATIONAL FIDELITY INSURANCE COMPANY** at a meeting duly held on the 13th day of December, 2018 and by the Board of Directors of **HARCO NATIONAL INSURANCE COMPANY** at a meeting held on the 13th day of December, 2018.

"RESOLVED, that (1) the Chief Executive Officer, President, Executive Vice President, Senior Vice President, Vice President, or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** have each executed and attested these presents on this 31st day of December, 2025



STATE OF NEW JERSEY
County of Essex

STATE OF ILLINOIS
County of Cook



Michael F. Zurcher
Executive Vice President, Harco National Insurance Company
and International Fidelity Insurance Company

On this 31st day of December, 2025, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY**; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

Cathy Cruz a Notary Public of New Jersey
My Commission Expires April 16, 2029

CERTIFICATION

I, the undersigned officer of **HARCO NATIONAL INSURANCE COMPANY** and **INTERNATIONAL FIDELITY INSURANCE COMPANY** do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand on this day, March 10, 2026

A00447

Irene Martins, Assistant Secretary

#3 HCAI Experience & Qualifications



HCAI Experience & Qualifications

Founded in 2004, The Core Group quickly established a solid reputation as the contractor of choice for an array of clients and projects throughout the Bay Area. With a seasoned team of professional builders, we're passionate and ready to help on your next project.

Current project onsite:

Our team is currently working in the hospital on the **Lab Phase 2 project**.

We know the building and have a great relationship with the Hazel Hawkins team! We continue to be proactive with our infection control and containment, have great communication with the Hazel Hawkins team, Treanor and design team, and HCAI team. *The plan is to have the current TCG team (Jose Alcazar, Chrys Garica, Jesus Corona, Fernando Barragan, and Ashlin Braddock) continue onto the Sterilizer project.*

We look forward to a continued partnership with the hospital and hope to work with one another for years to come!

Experience/Similar projects:

- **Hazel Hawkins Memorial Hospital Lab Phase 2 – in construction with anticipated completion date 4/27/2026**
- Canterbury Woods Building E Interior Renovations – *in construction*
- Canterbury Woods Skilled Nursing Facility Fire Alarm
- Spring Lake Village Hot Water Repair & Interior refresh – *in construction*
- LPCH Nurse Call Replacement
- LPCH Endoscopy/OR Renovation
- Stanford Healthcare Omnicell Project
- Stanford Healthcare F1/F2 Infant Security WiFi
- Stanford Healthcare G1/H1 Refresh
- Stanford Healthcare ValleyCare MRI Trailer/Canopy
- Stanford Healthcare ValleyCare Flex Exam Room
- Stanford Healthcare ValleyCare TDR1C
- Stanford Healthcare ValleyCare TDR1B
- Stanford Healthcare ValleyCare ER Renovation
- Stanford Healthcare ValleyCare Fire Alarm Upgrade

Our team has completed similar projects successfully!

*Most of these projects were **multi-phase and in occupied facilities**. We understand the importance of HCAI projects and the level of detail required for infection control and communication to the team. Partnership with the client, design team, and IOR are critical to make each project a success.*

These are just a few and we'd love the opportunity to chat more about what we can do and how we can contribute value to this project.



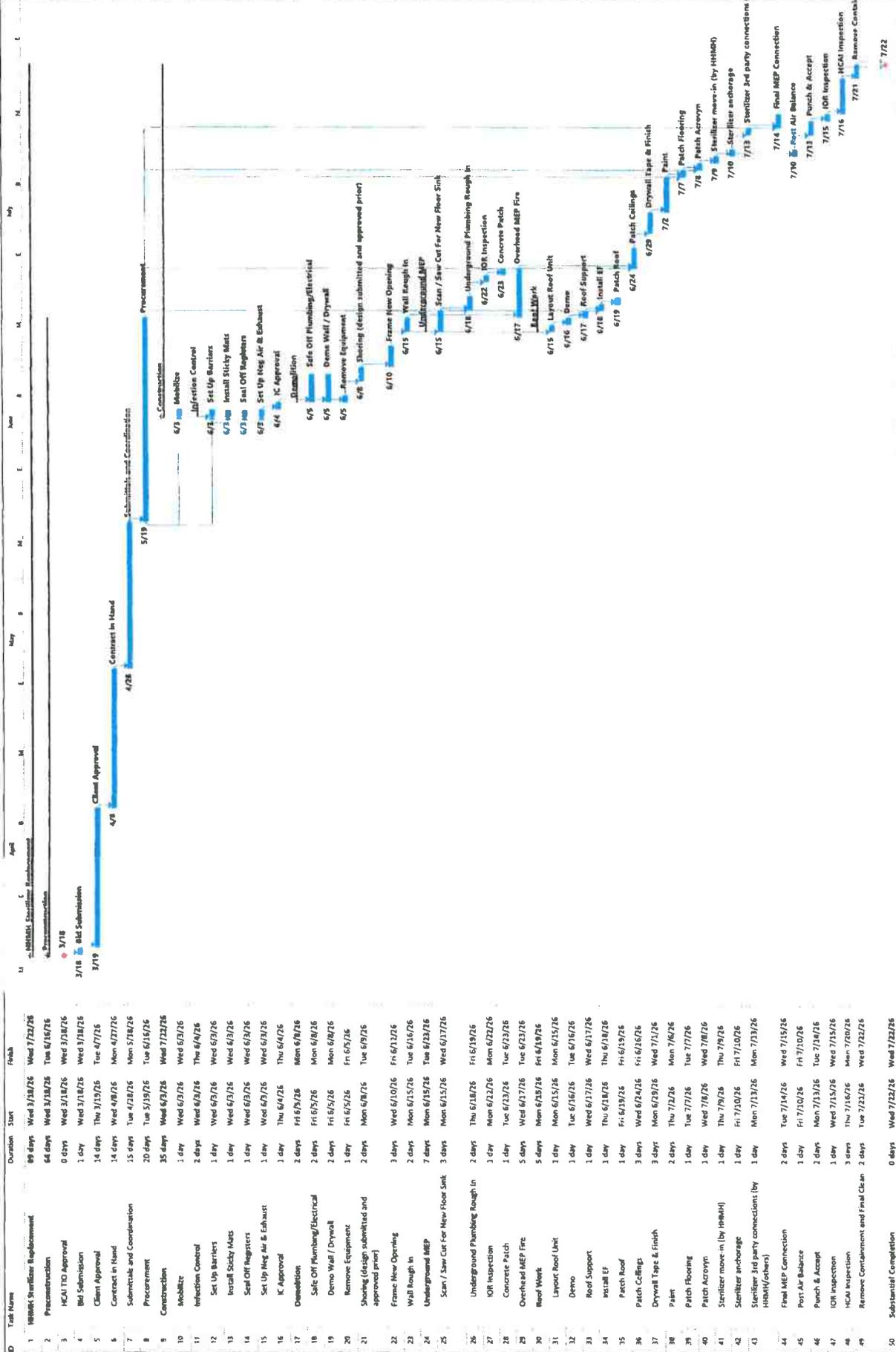
#4 Preliminary Bid Schedule

***We propose a 7-week schedule with a contract in hand by
4/27/2026 and estimated construction start date of 6/3/2026***

Please see attached for your review



Hazel Hawkins Memorial Hospital Sterilizer Project Schedule



#5 Logistics Plan



#6 Sample Logistics and Infection Control Plans (from HHMH Lab Phase 2 project)

- ***Site Logistics plan dated 8/1/25 SAMPLE***
- ***Infection control plan dated 8/15/25 SAMPLE***





REV	DATE	DESCRIPTION	BY
1	07/27/2017	INITIAL DESIGN	TCG
2	08/01/2017	REVISED DESIGN	TCG
3	08/01/2017	REVISED DESIGN	TCG
4	08/01/2017	REVISED DESIGN	TCG
5	08/01/2017	REVISED DESIGN	TCG
6	08/01/2017	REVISED DESIGN	TCG
7	08/01/2017	REVISED DESIGN	TCG
8	08/01/2017	REVISED DESIGN	TCG
9	08/01/2017	REVISED DESIGN	TCG
10	08/01/2017	REVISED DESIGN	TCG
11	08/01/2017	REVISED DESIGN	TCG
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14	08/01/2017	REVISED DESIGN	TCG
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35	08/01/2017	REVISED DESIGN	TCG
36	08/01/2017	REVISED DESIGN	TCG
37	08/01/2017	REVISED DESIGN	TCG
38	08/01/2017	REVISED DESIGN	TCG
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48	08/01/2017	REVISED DESIGN	TCG
49	08/01/2017	REVISED DESIGN	TCG
50	08/01/2017	REVISED DESIGN	TCG

DATE: 08/01/2017

**SITE
 LOGISTICS
 PLAN**

DATE: 08/01/2017

CORE

DATE: 08/01/2017



NOTES:

1. ASSUME 6:30 AM START TIME.
2. EMERGENCY EVAC AREA REPRESENTS A CLEAR LOCATION WHERE TCG TEAM AND AFFILIATES WILL GATHER IN THE CASE OF AN EMERGENCY.
3. TCG AND SUBCONTRACTOR PERSONNEL WILL UTILIZE THE GENERAL PARKING STALLS ON A 'FIRST-COME, FIRST SERVED' BASIS.

LEGEND

- GC/SUBCONTRACTOR PARKING
- TEMP TOILETS / HANDWASHING STATION
- MATERIAL LAYDOWN AREA
- EMERGENCY EVACUATION AREA
- FENCED AREA (DOUBLE LINE = GATE)
- PATH OF TRAVEL TO WORK AREA

DEMO PLAN NOTES - GENERAL

1. DEMO WORK SHALL BE COMPLETED WITHIN THE SPECIFIED DEMO PERIOD. DEMO WORK SHALL BE COMPLETED WITHIN THE SPECIFIED DEMO PERIOD.
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Installation of plastic sheeting at corridor for new temp wall installation, zipper door and sticky mat inside and out 8/19-8/22

Phase 2B: Negative Air Machines in construction space to be circulating air flow

Phase 2A: Negative Air Machines in construction space to be circulating air flow

Note: Office 135 to be closed during Phase 2A Construction

FLOOR PLAN LEGEND

- 1. AIR FLOW INDICATED BY ARROW
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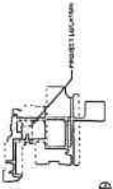
**HAZEL HAWKINS MEMORIAL HOSPITAL
ANALYZER REPLACEMENT - PHASE 2**

911 SUNSET DR, HOLLISTER, CA 95023

A101
LEVEL 1 - NEW DEMO
PLANS & RCP - PHASE 2

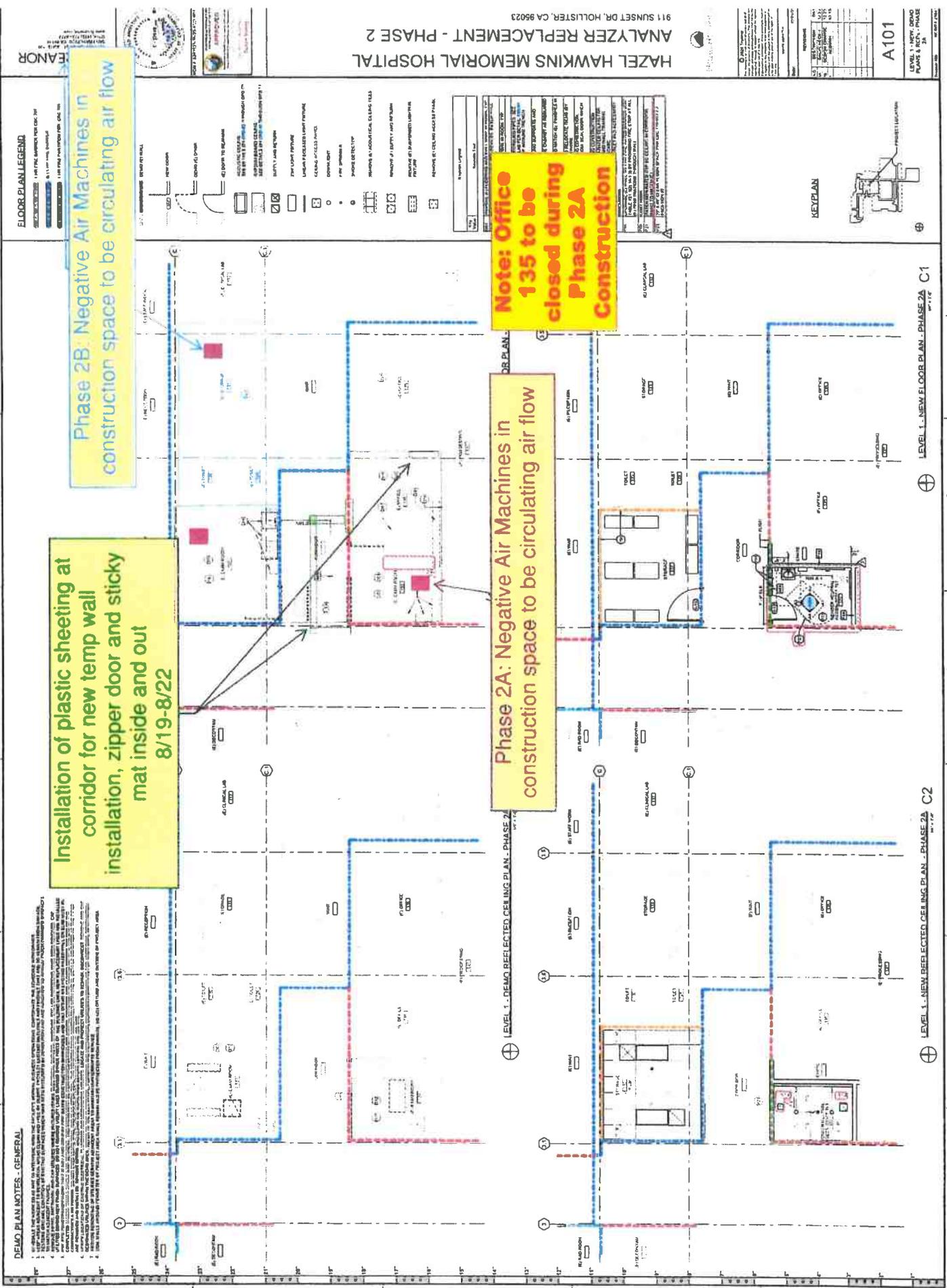
NO.	DATE	DESCRIPTION
1	08/19/22	ISSUED FOR PERMIT
2	08/22/22	ISSUED FOR CONSTRUCTION
3	08/25/22	ISSUED FOR CONSTRUCTION
4	08/28/22	ISSUED FOR CONSTRUCTION
5	09/01/22	ISSUED FOR CONSTRUCTION
6	09/04/22	ISSUED FOR CONSTRUCTION
7	09/07/22	ISSUED FOR CONSTRUCTION
8	09/10/22	ISSUED FOR CONSTRUCTION
9	09/13/22	ISSUED FOR CONSTRUCTION
10	09/16/22	ISSUED FOR CONSTRUCTION
11	09/19/22	ISSUED FOR CONSTRUCTION
12	09/22/22	ISSUED FOR CONSTRUCTION
13	09/25/22	ISSUED FOR CONSTRUCTION
14	09/28/22	ISSUED FOR CONSTRUCTION
15	10/01/22	ISSUED FOR CONSTRUCTION
16	10/04/22	ISSUED FOR CONSTRUCTION
17	10/07/22	ISSUED FOR CONSTRUCTION
18	10/10/22	ISSUED FOR CONSTRUCTION
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23	10/25/22	ISSUED FOR CONSTRUCTION
24	10/28/22	ISSUED FOR CONSTRUCTION
25	11/01/22	ISSUED FOR CONSTRUCTION
26	11/04/22	ISSUED FOR CONSTRUCTION
27	11/07/22	ISSUED FOR CONSTRUCTION
28	11/10/22	ISSUED FOR CONSTRUCTION
29	11/13/22	ISSUED FOR CONSTRUCTION
30	11/16/22	ISSUED FOR CONSTRUCTION
31	11/19/22	ISSUED FOR CONSTRUCTION
32	11/22/22	ISSUED FOR CONSTRUCTION
33	11/25/22	ISSUED FOR CONSTRUCTION
34	11/28/22	ISSUED FOR CONSTRUCTION
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37	12/07/22	ISSUED FOR CONSTRUCTION
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41	12/19/22	ISSUED FOR CONSTRUCTION
42	12/22/22	ISSUED FOR CONSTRUCTION
43	12/25/22	ISSUED FOR CONSTRUCTION
44	12/28/22	ISSUED FOR CONSTRUCTION
45	12/31/22	ISSUED FOR CONSTRUCTION

KEY PLAN



LEVEL 1 - NEW FLOOR PLAN - PHASE 2A C1

LEVEL 1 - NEW REELECTED CEILING PLAN - PHASE 2A C2



RESOLUTION NO. 2026-11

RESOLUTION OF THE BOARD OF DIRECTORS OF SAN BENITO HEALTH CARE DISTRICT AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, on October 1, 1957, the San Benito County (“County”) Board of Supervisors adopted Resolution No. 29-57 granting a petition that a portion of the County be organized as a local hospital district pursuant to the terms of California Health and Safety Code Division 23, Sections 32000-32492 (“Local Hospital District Law”);

WHEREAS, pursuant to County Resolution No. 29-57, the County created the “San Benito Hospital District”;

WHEREAS, pursuant to Assembly Bill 1169, Chaptered September 21, 1994, any reference in any statute to the Local Hospital District Law shall be deemed a reference to the Local Health Care District Law, and any reference in any statute to a hospital district shall be deemed to be a reference to a health care district (Health & Safety Code section 32000);

WHEREAS, pursuant to Local Health Care District Law, any reference to “hospital district” or “district” shall mean “health care district” (Health & Safety Code section 32000.1);

WHEREAS, with the legislation, the San Benito Hospital District was changed to the “San Benito Health Care District” (“District”);

WHEREAS, pursuant to California Government Code Section 16429.1, a Local Agency Investment Fund (“LAIF”) in the State Treasury was created for the deposit of money of a local agency for purposes of investment by the State Treasurer;

WHEREAS, pursuant to District Resolution 2003-06, the District Board of Directors (“Board”) authorized deposit and withdrawal of the District monies in LAIF in accordance with the provisions of Section 16429.1, finding it to be in the best interests of the District;

WHEREAS, District administration now recommends the Board again utilize LAIF for the purpose of investment;

WHEREAS, the Board determines that the following District positions shall be authorized to order the deposit or withdrawal of monies in LAIF: Mary Casillas, Chief Executive Officer; Mark Robinson, Chief Financial Officer, and Sandra DiLaura, Controller, or their successors in office; and

WHEREAS, this Resolution is not defined as a project under the California Environmental Quality Act (“CEQA”), set forth at Public Resources Code Section 21065, Section 15378 of the State CEQA Guidelines, because District participation in LAIF will not

cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

NOW, THEREFORE, BE IT RESOLVED by the San Benito Health Care District Board of Directors as follows:

1. The Recitals set forth above are true and correct and are incorporated into this Resolution by reference.
2. The Board does hereby find that the deposit and withdrawal of money in LAIF in accordance with the provisions of Government Code Section 16429.1 for the purpose of investment as stated therein is in the best interests of the District.
3. The Board determines the following District positions shall be authorized to order the deposit or withdrawal of monies in LAIF: Mary Casillas, Chief Executive Officer; Mark Robinson, Chief Financial Officer; and Sandra DiLaura, Controller, or their successors in office.
4. District Administration is directed to take any and all actions, including executing relevant documents, to carry out the intent of this Resolution.
5. This Resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED this 26th day of March, 2026 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

William Johnson, President

Attested: _____
Nick Gabriel, DO, Secretary



**California State Treasurer's Office
Local Agency Investment Fund (LAIF)**

Authorization for Transfer of Funds

Effective Date
03/23/26

Agency Name
San Benito Health Care District

LAIF Account #
20-35-001

Agency's LAIF Resolution # 2026-11 or Resolution Date _____

ONLY the following individuals whose names appear in the table below are hereby authorized to order the deposit or withdrawal of funds in LAIF. **This authorization REPLACES AND SUPERSEDES all prior authorizations on file with LAIF for the transfer of funds.**

Name	Title
Mark Robinson	Chief Financial Officer
Sandra DiLaura	Controller
Mary Casillas	Chief Executive Officer

Two authorized signatures required. Each of the undersigned certifies that he/she is authorized to execute this form under the agency's resolution, and that the information contained herein is true and correct.

Signature

Print Name

Title

Phone Number

Signature

Print Name

Title

Phone Number

Please provide email address to receive LAIF notifications.

Name	Email
Sandra DiLaura	sdilaura@hazelhawkins.com
Mark Robinson	mrobinson@hazelhawkins.com

Please email the completed form for review to laif@treasurer.ca.gov and allow 2 days for a response. **DO NOT** mail the original form until you receive approval.

Mail the approved form to: CA State Treasurer's Office
Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001