

**SONOMA VALLEY HEALTH CARE DISTRICT
AFFILIATION OVERSIGHT COMMITTEE MEETING**

AGENDA

WEDNESDAY, FEBRUARY 5, 2025

REGULAR SESSION 3:00 P.M.

Held VIA ZOOM:

Join Zoom Meeting

<https://sonomavalleyhospital-org.zoom.us/j/98246456414>

Meeting ID: 982 4645 6414

Passcode: 687438

One tap mobile

+12133388477,,98246456414# US

+12532158782,,98246456414# US

In compliance with the Americans Disabilities Act, if you require special accommodations to participate in a District meeting, please contact Whitney Reese, Board Clerk at wreese@sonomavalleyhospital.org at least 48 hours prior to the meeting

MISSION STATEMENT

The mission of SVHCD is to maintain, improve, and restore the health of everyone in our community.

1. CALL TO ORDER

Wendy Lee Myatt

2. PUBLIC COMMENT

At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Board at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Board consideration.

3. Introduction and Welcome to New Members – AOC

- **Introduce Sheila Antrum**
- **Introduce Dennis Bloch**
- **Re-Introduce Ted Abraham, John Hennelly, Wendy Lee Myatt**

Wendy Lee Myatt

4. Review & Discuss AOC Charter

Wendy Lee Myatt

5. Review Proposed 2025+ Strategic Initiatives

John Hennelly

6. UCSF/SVH Affiliation Agreement

- **Goals / Objectives for the Affiliation Agreement**
- **Discuss process/schedule for monitoring / assessing the Affiliation Agreement**
- **Discuss process/schedule for refreshing the Affiliation Agreement**

Wendy Lee Myatt

7. ADJOURN

Wendy Lee Myatt



SUBJECT: Affiliation Oversight Committee Charter

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REVISED: 05.31.24

EFFECTIVE: 06.06.24

PURPOSE:

This charter sets forth the duties and responsibilities and governs the operations of the Affiliation Oversight Committee (the “AOC”) of the Board of Directors (the “BOD”) of Sonoma Valley Health Care District (“SVHCD”), a local Health Care District organized and existing under the California Law.

The AOC’s purpose is to assist the BOD in its oversight of SVHCD’s collaboration with UCSF Health (UCSF), including the review of progress made towards the goals of the Collaboration Agreement (the Agreement) entered into by SVHCD and UCSF in December of 2020. The AOC will coordinate with and review the progress of the Joint Operations Committee (the JOC) in the process of updating and making recommendations to BOD on all decisions relating to the affiliation between the two organizations.

RESPONSIBILITIES:

The Committee’s primary duties and responsibilities are, as follows:

- Annually, draft and recommend to the BOD for approval, objectives for the affiliation for coming year; a proposed draft of annual goals shall be submitted to the Affiliation Oversight Committee by the Joint Operations Committee;
- Review the progress made by the Joint Operations Committee against the objectives of the Collaboration Agreement and annual objectives; including any significant changes to timelines and/or objectives themselves

POLICY:

The AOC shall submit recommendations for action to the BOD on any draft policies developed by the AOC, the Joint Operations Committee and those developed by the Hospital regarding the Collaboration Agreement and/or the affiliation.

Oversight

The AOC shall review and monitor the ongoing performance of the UCSF and SVHCD affiliation. The AOC shall constitute a committee of BOD. The BOD shall refer all matters brought to it by any party regarding this agreement to the AOC for review, assessment, and recommended BOD action. The AOC makes recommendations and reports to the BOD. The AOC is an advisory committee and has no authority to make decisions or take actions on behalf of SVHCD unless the BOD specifically delegates such authority.



SUBJECT: Affiliation Oversight Committee Charter

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REVISED: 05.31.24

EFFECTIVE: 06.06.24

To this end the AOC shall:

- Regularly review the strategic objectives for the Collaboration Agreement, seek approval from the BOD for any changes to these objectives and timelines;
- Provide oversight, monitoring and assessment of the Collaboration Agreement and report to the BOD regularly on that progress;

PROCEDURE:

Annual JOC Work Plan

Each year, the AOC shall review and approve a proposed Work Plan comprised of any required annual activities and additional activities selected by the JOC. The Annual JOC Work Plan shall be reviewed and approved by the BOD in December of each year.

Required Annual Calendar Activities

- Draft recommendations for the affiliation partners for the year
- The JOC Work Plan shall be approved by the AOC and submitted to the BOD for its review and approval no later than each December.
- The AOC shall deliver a report to the BOD on the status of its prior year's Work Plan accomplishments each February.



SUBJECT: Affiliation Oversight Committee Charter

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REVISED: 05.31.24

EFFECTIVE: 06.06.24

Rules

- Charter Review: Will be reviewed/revise, at a minimum, every three years. Changes will be submitted to the BOD of Directors for approval.
- Authority to Act: In compliance with the Charter and as directed by Executive Leadership and the BOD
- Meeting Schedule: At least two meetings per year
- Voting Members: The AOC shall have at least four voting members.
- Two BOD members, one being the BOD Chair
 - One of whom shall be the AOC chair, the other the vice-chair
 - Two representatives from UCSF
 - UCSF Health President, Affiliates Network and an additional designee
- Quorum Requirement: Half plus one member present.
- Chair: BOD Chair
- Composition: Voting Committee Members and Sonoma Valley Hospital CEO, who will provide all materials for review by the AOC.

Public Participation

All AOC meetings shall be announced and conducted pursuant to the Brown Act. The general public, patients, and their families and friends, Medical and SVH Staff are always welcome to attend and provide input. Other BOD members may attend but only as “observers” as defined in the Brown Act.

COLLABORATION AGREEMENT

This COLLABORATION AGREEMENT (the “Agreement”) is entered into effective as of August 20, 2018 (the “Effective Date”), between Sonoma Valley Health Care District, a political subdivision of the State of California (“SVHCD”), and The Regents of the University of California, on behalf of UCSF Health (“UCSF”). UCSF and SVHCD are referred to collectively in this Agreement as the “Parties” and individually as a “Party.”

RECITALS

A. SVHCD owns and operates Sonoma Valley Hospital (“SVH”), a licensed general acute care hospital located in Sonoma, California, that serves Sonoma Valley (the “Sonoma Community”).

B. SVH and UCSF desire to improve health care in the Sonoma Community by accomplishing the following goals (collectively, the “Shared Vision”):

1. Combining the expertise and resources of UCSF and SVH to share best practices and collectively enhance the quality of services in the Sonoma Community.

2. Coordinating services for out-of-area transport of sick patients and facilitating the transfer of patients back to the SVH Community when they require less intensive care.

3. Enhancing the availability of physician and administrative services in the Sonoma Community through program development.

4. Increasing patient, family and community satisfaction with patient care in the Sonoma Community.

C. The intent of the collaborative relationship between the Parties is to create over time a comprehensive, sustainable and integrated health care network to serve the needs of the Sonoma Community now and in the future.

D. The Parties desire to enter into this Agreement in order to evidence their obligations regarding fulfillment of the Shared Vision.

E. Each Party represents and warrants to the other that it has no knowledge that this Agreement or any of the Implementing Agreements, as defined below, violates any state or federal law applicable to tax-exempt financing.

NOW, THEREFORE, the Parties agree as follows:

1. Formation of Joint Operations Committee.

(a) The Parties hereby form a Joint Operations Committee (“JOC”) that will be responsible for coordinating the Parties’ activities hereunder and discussing and negotiating such additional arrangements and agreements as may be necessary or appropriate to implement the Shared Vision. The initial composition of the JOC shall be as set forth on Exhibit 1 and shall include senior management and physician leadership from both Parties and their designees and other personnel as needed to accomplish the goals of this Agreement. Each Party may, from time to time, designate members to replace those members it initially designated.

(b) The JOC shall have authority to appoint such subcommittees as it desires to oversee and coordinate the activities between the Parties relating to this Agreement.

(c) The JOC shall meet regularly at intervals it deems appropriate but no less than once per quarter. Any member of the JOC may call a special meeting upon forty-eight (48) hours’ notice to all other members which meeting may be conducted in person or telephonically.

(d) All decisions of the JOC shall be unanimous and each Party shall be entitled to one vote. A decision by either Party to terminate any of the Implementing Agreements, as defined below, shall be brought to the JOC for discussion; provided, however, that each Party ultimately retains the right to terminate an Implementing Agreement in accordance with the termination provisions of such agreement in such Party’s sole discretion.

2. Implementing Agreements.

(a) In order to implement the Shared Vision, the Parties shall do the following:

(i) Concurrently with this Agreement, the Parties shall enter into a Trademark Agreement in substantially the form attached as Exhibit 2(a)(i) (the “Trademark Agreement”).

(ii) The Parties shall, from time to time, enter into such additional and agreements negotiated by the JOC as may be necessary or appropriate to implement the Shared Vision (such additional agreements together with the Trademark Agreement, the “Implementing Agreements”).

(b) In the event that one or more of the Implementing Agreements is terminated in accordance with its terms because of the breach by the other party, a Party which has not breached such agreement may terminate this Agreement and any or all other Implementing Agreements entered into in accordance herewith. For the avoidance of doubt, in the event that the Parties mutually agree to terminate any Implementing Agreement, neither Party shall have

the right to terminate this Agreement or any other Implementing Agreement due to such mutually agreed-upon termination.

3. Chief Medical Officer; Quality Program Performance.

(a) SVHCD shall, at its cost, employ or contract for the services of a Chief Medical Officer (“CMO”) who shall be responsible for the overall supervision of medical services at SVH and shall perform for SVHCD the specific duties and responsibilities set forth in Exhibit 3(a) and such other duties as SVHCD may determine from time to time. UCSF shall have the right to approve the hiring of any such SVHCD CMO.

(b) SVHCD shall be responsible for achieving annual quality performance targets set in consultation with UCSF from time to time. The CMO, the SVH Chief Executive Officer, and the UCSF CMO for Adult Services shall meet not less than once each month to discuss SVH’s Quality, Safety, Experience and Value Programs, program performance against agreed-upon metrics and such other quality matters as the Parties may agree from time to time.

4. Further Activities. The Parties contemplate that accomplishing the Shared Vision may present additional opportunities for collaboration in regards to clinical integration amongst UCSF and SVH. In furtherance of those opportunities, the JOC shall undertake the following actions:

(a) Determining whether clinical protocol development might lead to improvements in quality and/or reductions in costs for designated conditions;

(b) Developing an initial process through which such clinical protocols may be formulated and updated to enhance clinical integration amongst UCSF and SVH; and

(c) Exploring the possibility of the implementation of a UCSF-hosted electronic medical records system at SVH and negotiating the terms and conditions of such implementation, all as may be set forth in an Implementation Agreement mutually acceptable to the Parties.

5. Term and Termination. This Agreement shall have an initial term commencing on the Effective Date and terminating five (5) years thereafter, unless earlier terminated as set forth in this Section 5. This Agreement shall automatically renew for successive five (5) year terms unless a Party provides the other with not less than eighteen months prior written notice of its intent not to renew.

This Agreement may be terminated before its expiration upon the occurrence of any of the following events:

(a) By either Party upon no less than eighteen (18) months prior written notice.

(b) By either Party, upon breach by the other Party of this Agreement or any of

the Implementing Agreements which breach is not cured pursuant to the cure provisions of this Agreement or the applicable Implementing Agreement. Each Party shall provide written notice of any breach by the other Party and such other Party shall have thirty (30) days after receipt of such notice to commence and timely pursue the cure of such breach if, by the nature of the matter, such default may be cured.

(c) Effective immediately by UCSF if SVH (i) ceases to be accredited as a general acute care hospital by The Joint Commission or any other accrediting agency, (ii) is excluded or suspended from participation in the Medicare or Medi-Cal program, or (iii) sells or otherwise transfers all or substantially all of its assets to a party not approved in advance by UCSF.

(d) Effective immediately by SVH if UCSF: (i) ceases to be accredited as a general acute care hospital by The Joint Commission or (ii) is excluded or suspended from participation in the Medicare or Medi-Cal program.

(e) As provided in Section 2(b) above pertaining to breaches of implementing Agreements.

In the event that this Agreement is terminated in accordance with its terms for any reason, any Party may terminate any or all other Implementing Agreements entered into in accordance herewith.

6. Insurance.

(a) SVH shall procure and maintain at all times such policies of worker's compensation, commercial general liability, professional liability and other policies of insurance or an equivalent program of self-insurance as set forth in Exhibit 6(a).

(b) UCSF shall procure and maintain at all times such policies of worker's compensation, commercial general liability, professional liability and other policies of insurance or an equivalent program of self-insurance as set forth in Exhibit 6(b).

7. Primary Affiliate. SVH shall designate UCSF as its primary affiliate and preferred partner for new specialty program development or other affiliations, and UCSF shall assist SVH in identifying clinical and technological innovations for implementation at SVH.

8. General Provisions.

(a) Notices. All notices required by this Agreement shall be deemed received when in writing and delivered personally or three (3) business days after being deposited in the United States mail, postage prepaid, return receipt requested, addressed to the other Party at the address set forth below or on such other address as the Party may designate in writing in accordance with this Section:

To Sonoma Valley Hospital:

Kelly Mather
President and CEO
Sonoma Valley Hospital
347 Andrieux Street
Sonoma, CA 95476

To UCSF Health:

Mark Laret
CEO, UCSF Health
500 Parnassus Avenue
San Francisco, CA 94143

Shelby Decosta
SVP Strategy and Business Development, UCSF Health
500 Parnassus Ave
San Francisco, CA 94143

Office of Legal Affairs
UC San Francisco
745 Parnassus Avenue, Suite 216
San Francisco, California 94143-0986
Attn: Chief Campus Counsel

(b) Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of each Party and its permitted successors and assigns.

(c) Governing Law. This Agreement has been executed and delivered in, and shall be construed and enforced in accordance with, the laws of the State of California without regard to its conflicts of laws provisions. If applicable, this Agreement shall be construed in accordance with and governed by all applicable federal, California, and applicable county laws, and other rules and regulations of any and all governmental authorities, the Joint Commission and other accrediting agencies relating to the transfer of patients, including without limitation EMTALA, the Consolidated Omnibus Budget Reconciliation Act (42 U.S.C. section 1395dd, also known as COBRA), the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. § 1320 through d-8, also known as HIPAA), California laws and regulations and The Joint Commission on Accreditation of Healthcare Organizations.

(d) Non-Assignment. No assignment of this Agreement or of the rights and obligations hereunder shall be valid without the specific written consent of the Parties, and, if required by this Agreement or under applicable law, the review and written approval of applicable regulatory agencies.

(e) Relationship of the Parties.

1. None of the provisions of this Agreement is intended to create, nor shall be deemed or construed to create, any relationship between the Parties other than that of independent parties contracting with each other for the purpose of effecting the provisions of this Agreement. The Parties are not, and shall not be construed to be in a relationship of joint venture, partnership or employer-employee. No Party shall have the authority to make any statements, representations or commitments of any kind on behalf of the other Party without the prior written consent of the other Party.

2. Without limiting Paragraph 8(e)(1) above, nothing in this Agreement is intended nor shall be construed to create an employer-employee relationship between UCSF and the CMO. SVHCD shall at all times remain the sole employer of the CMO, and UCSF shall neither have nor exercise any control or direction over the methods by which CMO performs services to SVHCD or at SVH. The CMO shall have no claim under this Agreement or otherwise against UCSF for compensation of any kind for workers' compensation, severance pay, vacation pay, sick leave, retirement benefits, health plan benefits, Social Security benefits, disability insurance benefits, unemployment insurance benefits or any other benefits of any kind. SVHCD agrees that it shall do the following with respect to the CMO: withhold FICA (Social Security) from payments; make state or federal unemployment insurance contributions on the CMO's behalf; withhold state and federal income tax from payments to the CMO; make disability insurance contributions on behalf of the CMO; and maintain workers' compensation insurance on behalf of the CMO, as required by law. SVHCD shall be solely responsible for, and shall indemnify, defend and hold UCSF harmless from and against any claim, liability or expense related to any and all income tax withholding, estimated income tax, social security tax, self-employment tax, unemployment tax or any other tax obligations related to the compensation payable by SVH to the CMO.

(f) Indemnification. Each Party agrees to indemnify, defend and hold harmless the other Party and each of such other Party's officers, agents and employees, from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments and awards, and costs and expenses (including reasonable attorneys' fees), arising out of the performance of this Agreement, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from (a) a breach of this Agreement, or (ii) the negligent or intentional acts or omissions of a Party, its officers, agents (other than the other Party), or employees.

(g) Costs. Each Party will be solely responsible for and bear all of its own costs and expenses, including, without limitation, fees and expenses of legal counsel, accountants and other advisors, incurred in connection with the negotiation of this Agreement and the Implementing Agreements.

(h) Public Statements and Disclosure; Use of Name; Co-Branding. The Parties

will keep this Agreement, and all other information regarding the matters contemplated herein and in the Implementing Agreements (including financial terms, if any) confidential until mutual agreement is reached in writing on publicity, and all subsequent publicity by a Party will be cleared in writing in advance with all other Parties. To the extent that a Party believes that disclosure is required as a matter of law, such Party shall promptly advise the other in writing of the disclosure that it intends to make. If the Parties wish to announce their collaboration pursuant to this Agreement or any of the Implementing Agreements, they agree to work together on a joint announcement. Notwithstanding, the foregoing, no Party shall use the name or logo of another Party without its prior written permission. Specifically, pursuant to California Education Code Section 92000, SVH agrees that it shall not use UCSF's name, trademarks or other proprietary symbols, names and marks in any advertising or other promotional material without the prior written consent of UCSF. UCSF agrees that it shall not use the name, trademarks or other proprietary symbols, names and marks of SVH in any advertising or other promotional material without the prior written consent of SVH. To the extent that this Agreement contemplates joint clinical programs, the Parties may agree to co-branding with explicit agreement from the Party whose logo and/or name is used and how the Parties will represent joint initiatives to the public. The Party whose logo and/or name is used under those circumstances may withdraw its consent at any time, and all other Parties shall cease using the logo and/or name upon receipt of written notice.

(i) Confidentiality. Each Party will only disclose information and documents which the other Parties, or their affiliates, or their respective officers, directors, employees and agents, may furnish (orally or in writing) in connection with this Agreement and the Implementing Agreements (the "Confidential Information") to its employees and other representatives who have a need-to-know for the purposes of this Agreement and the Implementing Agreements. Each Party and its employees and other representatives will use the Confidential Information for the purposes contemplated herein or in the Implementing Agreements, as applicable, and for no other purpose. Nothing in this Agreement shall preclude any Party from taking such action as it deems necessary to fulfill their legal obligations under the California Public Records Act and similar public disclosure statutes.

(j) Amendments. This Agreement and any Exhibit hereto may be amended only by a written instrument signed by the Parties. In the event that this Agreement violates any state or federal law applicable to tax-exempt financing now maintained by any Party or sought by any Party in the future, the Parties shall attempt to renegotiate the terms of this Agreement in good faith in order to conform to said laws. Any such renegotiation shall, unless the Parties agree otherwise, be limited to those provisions that must be changed in order to obtain or maintain such financing. Unless renegotiation is accomplished by the good faith efforts of the Parties within sixty (60) days after written notice by any Party to the other Parties of the need for such renegotiation, any Party may immediately terminate this Agreement at the expiration of such sixty (60) day period.

(j) Entire Agreement. All Exhibits referred to herein shall be deemed to be incorporated herein by reference. This Agreement and its Exhibits, and all Implementing Agreements with their respective Exhibits, represents the entire agreement of the Parties relating to the subject matter hereof. In the event that any provision of this Agreement conflicts with the terms of any Exhibit to this Agreement, the terms of the Exhibit shall control with respect to the subject matter of such Exhibit.

(k) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Electronic signature pages shall constitute original signature pages for the purposes hereof.

(l) Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, the same shall either be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity or enforceability of this Agreement.

(m) No Prohibited Inducements or Remuneration on Account of Referrals or Other Business. The Parties each shall assure that no prohibited remuneration is promised or made on account of the volume or value of referrals made by any Party to the arrangements contemplated by the Shared Vision, or the value or volume of business otherwise generated under the Shared Vision, and that referrals by participating physicians are made in accordance with established clinical standards that do not reward those physicians based on the value or volume of referrals made or business generated.

(n) Waiver. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance. Any waiver granted by a Party must be in writing, and shall apply only to the specific instance expressly stated.

(o) Dispute Resolution. Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Sonoma County before a single arbitrator in accordance with the American Health Lawyers Association Alternative Dispute Resolution Service Rules of Procedure for Arbitration. Any award rendered by the arbitrator shall be final and binding on the parties. Judgment on the award may be entered in any court having jurisdiction. The costs of any such arbitration shall be borne equally by the Parties. This clause shall not preclude the Parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. During the pendency of any such arbitration and until final judgment thereon has been entered, this Agreement shall remain in full force and effect unless otherwise terminated as provided herein. The provisions of this Section shall survive expiration or other termination of this Agreement, regardless of the cause of such termination.

(p) Change in Law. In the event that a change in state or federal law, statute, regulation, or enforcement of some materially affects this Agreement in a manner which is adverse to any Party to this Agreement, the Parties agree to negotiate immediately, in good faith, any necessary or appropriate amendment(s) to the terms of this Agreement. If the Parties fail to reach a mutually agreeable amendment within thirty (30) days of such negotiation period, the Party who is adversely affected may terminate this Agreement at the end of such thirty (30) day period.

(q) Third Parties. This Agreement is not intended and shall not be construed to create any rights for any third Party.

(r) Force Majeure or Commercial Impracticability. Any Party shall be excused for failures and delays in performance of its respective obligations under this Agreement due to any cause beyond the reasonable control and without the fault of such Party including, without limitation, acts of God such as fire, flood, earthquake; acts of government (i.e., civil injunctions or enacted statutes and regulations); or acts or events caused by third parties such as riot, strike, or explosion; or inability due to any of the aforementioned causes to obtain necessary labor, materials or facilities. This provision shall not, however, extend the term or release such Party from using its reasonable commercial efforts to avoid or remove such cause and such Party shall continue performance hereunder promptly whenever such causes are removed. Upon claiming any such excuse or delay in performance, such Party shall give prompt notice thereof to the other Parties, provided that failure to give such notice shall not in any way limit the operation of this provision.

(s) Captions. The captions contained herein are used solely for convenience and shall not be deemed to define or limit the provisions of this Agreement.

(t) Non-Discrimination. The Parties agree to treat in a nondiscriminatory manner any and all patients receiving medical benefits or assistance under any federal health care program.

(u) Regulations and Standards. The Parties shall comply with all applicable federal and state regulations and The Joint Commission standards.

(Signature page to follow)

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date.

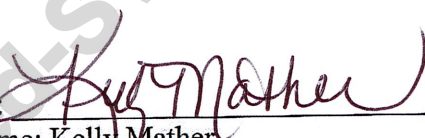
UCSF

The Regents of the University of California,
on behalf of UCSF Health

By: 
Name: Mark R. Laret
Title: Chief Executive Officer

SVHCD

Sonoma Valley Health Care District

By: 
Name: Kelly Mather
Title: President and CEO

Verifi(SVH)

Exhibit 1

Joint Operating Committee Initial Members

UCSF:

Shelby Decosta, SVP Strategy and Business Development
Adrienne Green, MD, Chief Medical Officer, Adult Services
[To Be Appointed]

Sonoma Valley Hospital:

Kelly Mather, President and CEO
Ken Jensen, Chief Financial Officer
Chief Medical Officer

Verified-SVH

Exhibit 2(a)(i)

Form of Trademark Agreement

TRADEMARK LICENSE AGREEMENT

UCSF Health

This Trademark License Agreement (the “**Agreement**”) is made and entered into as of [____], 2018 (the “**Effective Date**”) by and between The Regents of the University of California, on behalf of UCSF Health (“**UCSF Health**”), and Sonoma Valley Health Care District, a political subdivision of the state of California (“**SVHCD**”) dba Sonoma Valley Hospital (“**SVH**”), a licensed general acute care hospital organized under the laws of the State of California (“**Licensee**”).

RECITALS

A. UCSF Health is the owner of rights, title and interest – including trademark rights – in and to “UCSF,” “UCSF Health,” “University of California, San Francisco,” and similar names, trademarks, service marks, and logos within the United States and elsewhere.

B. Licensee owns and operates a licensed general acute care hospital located in Sonoma, California that serves Sonoma Valley.

C. UCSF Health and Licensee have entered into that certain Collaboration Agreement dated [____] (the “**Collaboration Agreement**”) that sets forth the terms of a collaborative relationship through which they create, over time, a comprehensive, sustainable and integrated health care network to serve the needs of the Sonoma Community.

D. In connection with the Collaboration Agreement, Licensee wishes to publicly use the UCSF Health logo(s) identified on Exhibit A (the “**Licensed Marks**”) next to Licensee’s name or logo to inform local communities and patients that Licensee is affiliated with UCSF Health.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and legal sufficiency of which are acknowledged, the parties hereby agree as follows:

I. LICENSE

(a) UCSF Health hereby grants to Licensee a non-exclusive, revocable, royalty-free, non-sublicenseable, non-transferable license to use the Licensed Marks in accordance with the terms and subject to the restrictions set forth herein, and in any event only in furtherance of the Collaboration Agreement.

(b) UCSF Health retains all rights, title, and interest in and to the Licensed Marks including any goodwill associated with the Licensed Marks, and is free to continue to use and license the Licensed Marks as it deems appropriate. Any use of the Licensed Marks by Licensee will inure to the benefit of UCSF Health, and Licensee agrees not to take any action that is inconsistent with UCSF Health’s ownership of the Licensed Marks.

(c) UCSF Health does not grant to Licensee any rights, title, and interest in the University Marks except for the Licensed Marks. The term “**University Marks**” means all characters, colors, emblems, designs, identifications, logos, landmarks, mascots, name, service marks, symbols, trademarks, service marks, all trade names and other proprietary designations, including the Licensed Marks, that are owned, licensed to or controlled by The Regents of the University of California (the “**University**”) and which are in existence at the beginning of or created during the term of this Agreement. Nothing in this Agreement, or in Licensee’s use of the Licensed Marks, shall give Licensee any right to use the University Marks, or any similar marks, beyond the rights granted to Licensee to use the Licensed Marks under this Agreement. The University retains all right, title, and interest in the University Marks, including without limitation the Licensed Marks, except as otherwise granted herein.

(d) Licensee agrees to use the Licensed Marks only in connection with marketing, public relations, fundraising and internal communications or such other uses as approved in advance and in writing by UCSF through the UCSF Medical Center Marketing Department (the “UCSFMCMD”) or another designee.

(e) Licensee agrees that this Agreement is founded on the significant goodwill the University has developed in connection with the Licensed Marks and University Marks, as well as the value of that goodwill in the minds of educational communities, the public, and other constituencies. Licensee agrees that it is critical that such goodwill be protected and enhanced and, toward this end, Licensee shall not misuse the Licensed Marks; apply to register or maintain any application or registration of a confusingly similar service mark, trademark, or logo; or use the Licensed Marks or any other University Marks in any way except as authorized by this Agreement.

(f) Licensee may not grant any sublicenses for use of the Licensed Marks to any third parties without the prior written consent of the University. Any agreement granting a sublicense of the Licensed Marks shall contain University-approved terms and conditions no less restrictive than those set forth in this Agreement and shall state that the sublicense is subject to the termination of this Agreement. Licensee shall have the same responsibility for the activities of any sublicensee as if the activities were directly those of Licensee. Licensee shall provide the University with the name, contact information and address of each sublicensee, as well as information regarding proposed uses of the Licensed Marks, to allow the University to determine if the sublicense poses any undue risk to the University. Upon the University’s written request, Licensee shall provide to the University copies of each sublicense agreement and any amendments thereto.

2. *QUALITY CONTROL*

(a) In connection with its licensed use of the Licensed Marks, Licensee agrees that it will abide by all terms and standards set forth on <http://identity.ucsf.edu> or its successor website(s), which are hereby incorporated by reference as currently existing and as may be amended from time to time by UCSF Health in its sole discretion (notwithstanding the requirement in Section 10 mandating a written instrument signed by both parties), and in accordance with the UCSF’s Policy on the Use of the University’s Name, Seal, and Logo (UCSF Policy No. 050-13), available at <https://policies.ucsf.edu/policy/050-13>, as amended from time to time.

(b) Licensee agrees that it will render all professional services while using the Licensed Marks in a manner consistent with high quality and a high standard of

care for the Sonoma Community.

(c) If UCSF Health objects to or refuses any proposed use of the Licensed Marks by Licensee, UCSF Health will notify Licensee in writing within five (5) business days as to such rejection and the reasons for UCSF Health's concerns about the proposed use.

(d) During the term of this Agreement, UCSF Health will have the right to request that Licensee annually submit to UCSF Health samples of any or all uses of the Licensed Marks on or in connection with Licensee's services and activities.

(e) Licensee agrees that, at all times, it will comply with Section 92000 of California's Education Code governing the use of the University of California name and its abbreviations.

3. *UC CODE OF CONDUCT FOR TRADEMARK LICENSEES*

To the extent that Licensee produces or creates – or subcontracts for the production or creation of – merchandise or other physical goods (whether for sale or give-away) that contain the Licensed Marks (such as business cards), Licensee agrees that: (a) it and its contractors will abide by then-existing "University Of California Code Of Conduct For Trademark Licensees" (currently available here: <http://policy.ucop.edu/doc/3000130/CodeTrademarkLicensees>), as it may be modified from time to time; and (b) such goods must be manufactured by vendors approved by UCSF Health.

4. *TRADEMARK NOTICES AND APPROVALS*

(a) Licensee agrees to submit to the UCSFMCMD, which oversees the Licensed Marks, for review and approval in advance, samples of Licensee's proposed new or modified uses of the Licensed Marks, based on the guidelines available at:

<https://identity.ucsf.edu/brand-guide/ucsf-health> or their successor website(s).

The UCSFMCMD will make every reasonable effort to review samples submitted by Licensee and to approve or suggest necessary modifications to such samples within five (5) business days after receipt of the submission. Licensee shall certify annually that its use of the Licensed Marks conforms to the pre-approved samples. Licensee shall submit such certification within forty-five (45) days after each UCSF Health fiscal year. Licensee agrees to modify, at its sole cost and expense, any changes made to the Licensed Marks or samples which were not preapproved.

(b) Licensee shall promptly notify the University in writing if it becomes aware that (A) any person or entity is using or plans to use the University Marks without authorization from UCSF Health, or (B) any person or entity claims that it is the owner of the Licensed Marks or that Licensee's use of the Licensed Marks infringes its intellectual property rights.

(c) Licensee may not initiate any action with respect to the enforcement of the University's rights to the University Marks, including, but not limited to, pursuing or settling an infringement action; however, Licensee shall cooperate fully with the University in the University's pursuit of any legal action designed to protect the University's rights to the University Marks. Licensee shall reimburse the University for all costs and expenses (including, without limitation, reasonable legal expenses) of trademark searches, clearances, registrations/oppositions and enforcement of the

Licensed Marks in the United States and applicable United States territories to the extent those costs and expenses are associated with Licensee's uses or proposed uses of the Licensed Marks, as the case may be. UCSF Health shall inform Licensee of the need for such efforts before incurring any costs and expenses.

(d) To denote the University's ownership of the Licensed Marks, Licensee shall include as necessary or as required by the University, appropriate trademark and/or copyright notices in marketing/communication materials, in media (such as websites), and/or on products. In addition, Licensee will include such other legends, markings and notices as UCSF Health may reasonably request from time to time, including as set forth in the guidelines described in Section 4(a) above.

(e) Licensee shall not issue any certificates or similar documents bearing the University seal. For avoidance of doubt, no rights are being granted to Licensee to use the University seal.

(f) Nothing in this Agreement grants by implication, estoppel, or otherwise any rights to the University's intellectual property, except as explicitly set forth herein.

5. *TERM AND TERMINATION*

(a) Unless sooner terminated pursuant to Sections 5(b), 5(c) or 5(d) below, the term of this Agreement and the license granted hereby will remain in force from the Effective Date until the Collaboration Agreement terminates or expires.

(b) This Agreement may be terminated at any time by mutual agreement of the parties in writing.

(c) UCSF Health may terminate this Agreement at any time for cause, which includes (but is not limited to): (i) a breach or other violation of the terms or standards set forth in this Agreement on incorporated herein by reference that is not cured within 10 business days; or (ii) any actions or omissions by Licensee that cast UCSF Health in a negative light (in the sole discretion of UCSF Health). UCSF Health will provide Licensee with at least thirty (30) calendar days' prior written notice of such termination.

(d) If either party determines in good faith based on advice of qualified legal counsel that any federal, state, or local law or regulation (i) prohibits the relationship of the parties as presently structured under this Agreement; (ii) would subject either party to this Agreement to a material risk of criminal prosecution or civil monetary penalties; (iii) would prohibit or restrict the operations of UCSF Health or Licensee; (iv) would prohibit a referral of any patient from Licensee to UCSF Health or vice versa, or any of their respective affiliates; or (v) would jeopardize the federal income tax exemption of UCSF Health, Licensee or any of their respective affiliates, then either party may give notice thereof to the other party, and the parties shall make a good faith effort to alter their relationship and modify this Agreement to the minimum extent necessary to comply with such law or regulation or otherwise resolve the legal or other problem. If, after diligent good faith efforts, UCSF Health and Licensee are unable to mutually agree upon such modification within thirty (30) days after such notice, or if such modification is not legally possible, then this Agreement shall be terminated by either party upon ten (10) days' prior written notice.

(e) The license granted under this Agreement may be suspended by the University in its sole discretion if (i) Licensee fails to provide the University, within the required time, information that the University may reasonably request, at any time, to verify Licensee's compliance with its

obligations under this Agreement, or (ii) the University determines, in its reasonable discretion, that substantial questions exist regarding Licensee's compliance with its obligations under this Agreement and that the University needs further time to determine whether Licensee is in compliance.

(f) Upon termination or expiration of this Agreement, all rights and obligations of the parties hereunder shall forthwith terminate except as otherwise set forth in this Agreement, and Licensee shall comply with all of the following obligations, save and except for any liabilities arising out of any antecedent breaches and any provisions which are expressed to survive the termination or expiration of this Agreement:

(i) Licensee shall cease to, directly or indirectly, represent to the public or hold itself out as a licensee of the Licensed Marks;

(ii) Licensee shall permanently cease to use, by advertising or in any other manner whatsoever, the Licensed Marks and any other identifying characteristics and marks of the University's relationship with Licensee, and any other intellectual property licensed by the University;

(iii) Licensee shall remove all University Marks immediately from all electronic media, destroy promptly all materials bearing any University Marks, and cease any and all use of the University Marks;

(iv) Licensee shall immediately turn over to the University, or certify to the destruction of, all of the intellectual property of the University and shall retain no copy or record of any of the forgoing other than archival copies of materials for historical records; and

(v) Licensee shall promptly pay any royalty or fees due or owing at the time of such termination, and the termination of this Agreement shall not impair any accrued right of the University.

6. *INDEMNIFICATION*

Licensee will indemnify and hold harmless UCSF Health, its directors, officers, employees, and agents, from and against all losses, expenses (including, without limitation, reasonable attorneys' fees and costs), damages, and liabilities of any kind resulting from or arising out of Licensee's use of the Licensed Marks.

7. *NO WARRANTIES*

LICENSEE ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE RIGHTS GRANTED HEREUNDER ARE PROVIDED WITHOUT ANY WARRANTY, ON AN "AS IS" BASIS, AND THAT UCSF HEALTH IS NOT PROVIDING ANY OTHER WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH RESPECT THERETO, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE.

8. *LIMITATION OF LIABILITY*

UCSF HEALTH WILL HAVE NO LIABILITY OR RESPONSIBILITY FOR INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER SUFFERED OR INCURRED BY LICENSEE AS A RESULT OR CONSEQUENCE OF THE USE OF THE UNIVERSITY MARKS OR OTHERWISE, EVEN IF UCSF HEALTH HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9. *NOTICES*

For any notices required or permitted under this Agreement, such notice will be deemed to have been properly given if in writing and either personally served or forwarded by certified mail, postage prepaid, and addressed as follows:

To UCSF Health or the University:

UCSF Medical Center 500
Parnassus Avenue San
Francisco, CA 94143
Attention: Chief Executive Officer With

copies to each of:

University of California, San Francisco
745 Parnassus Ave., 2nd Floor
Box 0986
San Francisco, CA 94143-0986
Attention: Chief Campus Counsel

University of California 1111
Broadway, 14th Floor
Oakland, CA 94607
Attn: Deputy General Counsel
Health Law & Medical Center Services

To Licensee:

Sonoma Valley Hospital
347 Andrieux Street
Sonoma, CA 95476
Attention: President and CEO

Either party may change its address to which said notice must be delivered or mailed by giving written notice of such change to the other party.

11. WAIVERS, AMENDMENTS, AND PRECEDENCE

Except as set forth in Section 2(a) above, this Agreement may be amended, superseded, canceled, renewed, or extended and the terms hereof may be waived only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. In the event of any inconsistency between this Agreement and the Collaboration Agreement regarding Licensee's use of the Licensed Marks, this Agreement takes precedence.

12. GOVERNING LAW

This Agreement is governed by the laws of the State of California. UCSF Health and Licensee agree that the exclusive jurisdiction and venue for any and all actions arising out of or related to the Agreement is a court of competent jurisdiction situated in the state courts of San Francisco County, California or, as applicable, the U.S. federal court located in the Northern District of California.

13. COUNTERPARTS

This Agreement may be executed in counterparts (delivery of which may occur via facsimile or electronically scanned copy), each of which shall be binding as of the date first written above, and, when delivered, all of which shall constitute one and the same instrument. A facsimile signature or electronically scanned copy of a signature will constitute and will be deemed to be sufficient evidence of a party's execution of this Agreement, without necessity of further proof. Each such copy will be deemed an original, and it will not be necessary in making proof of this Agreement to produce or account for more than one such counterpart.

14. NEGOTIATED AGREEMENT

The parties hereby acknowledge that the terms and language of this Agreement were the result of negotiations between the parties, and there will be no presumption that any ambiguities in this Agreement will be resolved against any particular party. Any controversy over construction of this Agreement will be decided without regard to authorship or events occurring in negotiation.

15. ASSIGNMENT

Neither this Agreement nor any rights or obligations hereunder shall be assignable by either party without the prior written consent of the other party.

16. NO THIRD PARTY BENEFICIARIES

Nothing herein, expressed or implied, is intended or shall be construed to confer upon or give to any person, other than the parties hereto and their respective permitted successors and assigns, any rights or remedies under or by reason of this Agreement.

17. REMEDIES

Except as expressly limited by the terms of this Agreement, the parties hereto shall each have and retain all rights and remedies existing in their favor under this Agreement, at law or in equity, including rights to bring actions for specific performance and/or injunctive or other equitable

relief (including, without limitation, the remedy of rescission) to enforce or prevent a breach or violation of any provision of this Agreement. All such rights and remedies shall, to the extent permitted by applicable law, be cumulative and the existence, assertion, pursuit or exercise of any thereof by a party shall not preclude such party from exercising or pursuing any other rights or remedies available to it.

18. REPRESENTATION BY COUNSEL; INTERPRETATION

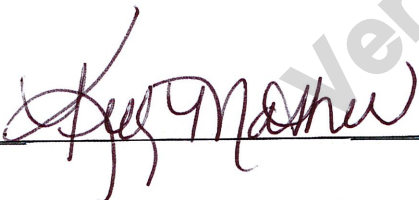
The parties each acknowledge that each party to this Agreement has been represented by counsel in connection with the drafting and negotiation of this Agreement and the transactions contemplated by this Agreement, and hereby waive application of any rules of contract interpretation or construction requiring provisions to be interpreted in favor of or against the person drafting the agreement. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the parties.

19. ENTIRE AGREEMENT

This Agreement (including the exhibits and any terms incorporated herein by reference) constitutes the entire agreement of the parties with respect to the subject matter hereof. The terms and provisions of all Recitals and exhibits are hereby incorporated into and made a part of this Agreement.

LICENSEE:

SONOMA VALLEY HEALTH CARE
DISTRICT

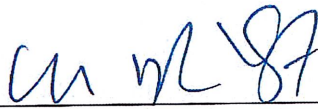
By: 

Print: KELLY MATHER

Title: PRESIDENT & CEO

UCSF HEALTH:

THE REGENTS OF THE UNIVERSITY OF
CALIFORNIA on behalf of UCSF HEALTH

By: 

Print: MARK R. LARET

Title: COO UCSF Health

EXHIBIT A

Licensed Mark(s)

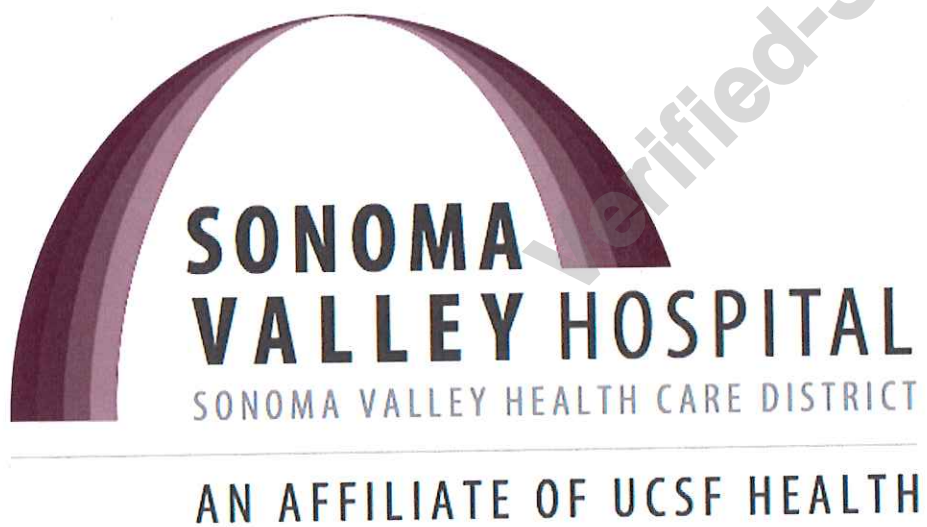


EXHIBIT B

Licensed Materials

Approved for Co-Branding:

- Signage
- Brochures and flyers
- Temporary banners and posters
- Billboards
- Websites and banner ads (including links and landing pages)
- Advertising (print, TV, radio, etc.)
- Direct mail
- Press release announcing affiliation
- Promotional items and giveaways
- Social media for joint promotional purposes in collaboration with UCSF Health marketing Not

Approved for Co-Branding:

- Ongoing media relations
- Work wear and uniforms
- ID badges
- Podium banners or step and repeat backgrounds used for press conferences or events
- Endorsement and/or sponsorships
- Blank letterhead or letterhead for general use
- Awards and promotions of a personal nature
- Materials and activities that misrepresent the relationship between the Parties
- Regulatory communications
- Patient communications, i.e., HIPAA and other consent forms
- All other materials and activities that conflict or compete with UCSF Health

Exhibit 3(a)

CMO Duties

The CMO shall be responsible to SVHCD to perform the CMO services set forth below and such other services as SVHCD may designate.

Administrative Duties

1. Provide general oversight, direction and coordination of the patient care services, quality control programs, cost-efficiency programs, peer review process, physician recruiting activities, physician retention services, and other customary services specific to SVH as necessary or appropriate.
 2. Provide oversight for SVH service and site specific medical directors including reviewing quarterly reports and coordinating annual performance evaluations.
 3. Assist SVH in assuring operational compliance with applicable rules, regulations and guidelines as established by the federal, state, and local governments. Assist SVH in developing and implementing new plans for maintaining compliance as these rules, regulations and guidelines are revised.
 4. Participate in SVH medical staff, and, as appropriate, other committees. Committees to include but not limited to Medical Executive Committee, Medicine Committee, Surgery Committee and the Performance Improvement Committee. In addition, attends the Board Quality Committee meeting.
 5. Provide appropriate and sufficient availability for consultation with SVH leadership, medical and other staff, as needed. Is a member of the SVH Administrative team.
 6. Act as physician liaison for the SVH medical staff, when appropriate.
 7. Submit an annual fiscal year-end report of the operation and status of the program, including: (1) accomplishments; (2) data supporting quality, experience, operational and value goals; (3) identified areas for improvement; and (4) performance against state and national benchmarks.
 8. Participate in community education at least once a year
 9. Consult, as necessary, with medical staff and administrative staff regarding the current and new technology, equipment and supplies pertaining to the needs of SVH.
-

Quality, Safety, Experience and Value Programs

With advice and consultation from UCSF:

1. Assist in the development, collection and evaluation of data for use in the development of practice guidelines, quality improvement, cost-control, formulary, order sets and other programmatic functions, as applicable.
2. In coordination with SVH's quality, safety, risk and case management departments, perform chart review and monitor, evaluate and report the quality, safety and appropriateness (e.g. LOS) of patient care services provided at SVH.
3. Set and achieve annual quality, safety and patient experience goals. Review metrics at least monthly and develop improvement work in coordination with medical and administrative staff.
4. With assistance from SVH staff, monitor and evaluate the current care delivery system to ensure the coordination of high quality cost effective medical services. If such evaluation reveals an opportunity, then Medical Director will assist in ensuring that the modification of such systems are coordinated with the activities of other staff, support services, and departments.
5. As needed, assist in the design, development, and implementation of patient information forms, medical record forms, and consent forms that impact patient care.
6. Assist in identifying clinical focused cost containment and value improvement opportunities.

Services related to Peer Review

1. Assist and participate in establishing or modifying a peer review process to evaluate clinical competence and skills of physicians at SVH.
 2. Evaluate clinical competency and skills of physicians through the peer review process.
 3. Advise SVH with respect to selection, retention, and termination of all non-physician personnel who may be required for the proper operation of SVH.
-

Exhibit 6(a)

SVH Insurance Requirements

SVH, at its sole cost and expense, shall insure its activities in connection with this Agreement, and obtain, keep in force and maintain insurance as follows:

1. Professional Medical Liability Insurance with financially-sound and reputable companies with limits of one million dollars (\$1,000,000) per occurrence and a general aggregate of three million dollars (\$3,000,000). If such insurance is written on a claims-made form, it shall continue for three (3) years following termination of this Agreement. The insurance shall have a retroactive date prior to coinciding with the effective date of this Agreement. In the event that a claims-made policy is canceled or non-renewed, then SVH shall obtain extended reporting (tail) coverage for the remainder of the three (3) year period.
2. Commercial General Liability Insurance (contractual liability included) with a limit of one million dollars (\$1,000,000) per occurrence and a general aggregate of three million dollars (\$3,000,000). If such insurance is written on a claims-made form, it shall continue for five (5) years following termination of this Agreement. The insurance shall have a retroactive date prior to or coinciding with the Effective Date of this Agreement. In the event that a claims-made policy is canceled or non-renewed, then SVH shall obtain extended reporting (tail) coverage for the remainder of the three (3) year period.
3. Workers' Compensation Insurance in a form and amount covering SVH's full liability as required by law under the Workers' Compensation Insurance and Safety Act of the State of California as amended from time to time.
4. Such other insurance in such amounts which from time to time may be reasonably required by the mutual consent of the Parties against other insurance risks relating to performance.

It is expressly understood, however, that the coverages required under this Agreement shall not in any way limit the liability of SVH.

The coverage referred to above shall be endorsed to include UCSF as an additional insured. Such a provision, however, shall only apply in proportion to and to the extent of the negligent acts or omissions of SVH, its officers, agents, and/or employees. SVH, upon execution of this Agreement, shall furnish UCSF with Certificates of Insurance evidencing compliance with all requirements. Certificates shall further provide for reasonable advance written notice to UCSF of any modification, change or cancellation of any of the above insurance coverages.

Exhibit 6(b)

UCSF Insurance Requirements

UCSF, at its sole cost and expense, shall insure its activities in connection with this Agreement, and obtain, keep in force and maintain insurance as follows:

1. Professional Medical Liability Insurance with financially-sound and reputable companies with limits of three million dollars (\$3,000,000) per occurrence and a general aggregate of ten million dollars (\$10,000,000). If such insurance is written on a claims-made form, it shall continue for three (3) years following termination of this Agreement. The insurance shall have a retroactive date prior to coinciding with the effective date of this Agreement. In the event that a claims-made policy is canceled or non-renewed, then UCSF shall obtain extended reporting (tail) coverage for the remainder of the three (3) year period.
2. Commercial General Liability Insurance (contractual liability included) with a limit of one million dollars (\$1,000,000) per occurrence and a general aggregate of five million dollars (\$5,000,000). If such insurance is written on a claims-made form, it shall continue for five (5) years following termination of this Agreement. The insurance shall have a retroactive date prior to or coinciding with the Effective Date of this Agreement. In the event that a claims-made policy is canceled or non-renewed, then UCSF shall obtain extended reporting (tail) coverage for the remainder of the three (3) year period.
3. Workers' Compensation Insurance in a form and amount covering UCSF's full liability as required by law under the Workers' Compensation Insurance and Safety Act of the State of California as amended from time to time.
4. Such other insurance in such amounts which from time to time may be reasonably required by the mutual consent of the Parties against other insurance risks relating to performance.

It is expressly understood, however, that the coverages required under this Agreement shall not in any way limit the liability of UCSF.

The coverage referred to above shall be endorsed to include SVH as an additional insured. Such a provision, however, shall only apply in proportion to and to the extent of the negligent acts or omissions of SVH, its officers, agents, and/or employees. UCSF, upon execution of this Agreement, shall furnish SVH with Certificates of Insurance evidencing compliance with all requirements. Certificates shall further provide for reasonable advance written notice to SVH of any modification, change or cancellation of any of the above insurance coverages.

FIRST AMENDMENT TO COLLABORATION AGREEMENT

This First Amendment (“Amendment”) is entered into as of January 1, 2021 (the “Effective Date of the First Amendment”), and supplements and amends the terms of that certain Collaboration Agreement dated August 20, 2018 (the “Agreement”), by and between Sonoma Valley Health Care District, a political subdivision of the State of California (“SVHCD”) and The Regents of the University of California, on behalf of UCSF Health (“UCSF”). Capitalized terms used and not defined herein shall have the meanings set forth in the Agreement.

WHEREAS, SVHCD and UCSF are parties to the Agreement, pursuant to which they evidence their respective obligations with respect to the Shared Vision; and

WHEREAS, it is now the mutual desire and intent of the parties to amend the terms of the Agreement, as stated in this Amendment.

NOW, THEREFORE, SVHCD and UCSF hereby agree as follows:

1. Extension of Term. The initial term of the Agreement is hereby extended to commence on the Effective Date of the First Amendment and to end on the fifth (5th) anniversary of such date.

2. Joint Operations Committee. Section 1 of the Agreement (Formation of Joint Operation Committee) is hereby amended in its entirety to read as follows:

1. Formation of Joint Operations Committee.

- (a) The Parties hereby form a Joint Operations Committee (“JOC”) that will be responsible for the specific tasks of coordinating the Parties’ activities hereunder and discussing and negotiating such additional individual initiatives as may be necessary or appropriate to implement the Shared Vision. The JOC is a management-level committee that will make recommendations and report back to their respective leadership, and thus functions only as an advisory committee to SVHCD and UCSF management and leadership. The composition of the JOC shall be as set forth on *Appendix F*. Each Party may, from time to time, designate members to replace those members such Party designated pursuant to this Agreement.
- (b) The JOC shall have the authority to appoint such subcommittees as it desires to oversee and coordinate the activities between the Parties relating to this Agreement.
- (c) The JOC shall meet as it deems appropriate.
- (d) All advisory recommendations of the JOC shall be unanimous and each Party shall be entitled to one vote. A decision by either Party to terminate any of the Implementing Agreements, as defined below, shall be brought to the JOC for discussion; provided, however, that each Party ultimately retains the right to terminate an Implementing Agreement in accordance with the termination provisions of such agreements in each Party’s sole discretion.

3. Chief Medical Officer. The parties hereby make the following changes to the Agreement concerning the Chief Medical Officer of SVH:

- a. Subsection 3(a) of the Agreement is hereby deleted in its entirety.
- b. Paragraph 8(e)(2) of the Agreement is hereby deleted in its entirety.

4. Management Services. The parties hereby add Section 9 to the Agreement titled “9. Management Services” to follow “8. General Provisions” to read as follows:

9. Management Services. As described in more detail below, UCSF shall (1) employ and provide to SVH the following members of the SVH executive team: SVH Chief Executive Officer (“SVH CEO”), SVH Chief Financial Officer (“SVH CFO”) and SVH Chief Medical Officer (“SVH CMO” and, together with the SVH CEO and the SVH CFO, the “SVH Executive Management Team”), (2) provide mutually agreed upon services to address SVH’s needs, including, but not limited to: Operations Improvement, Quality & Regulatory, Marketing, Strategic Planning support (“SVH Purchased Services”), and (3) purchase back from SVH mutually agreed upon services of the SVH CEO for UCSF projects and initiatives (“UCSF Purchased Services” and, together with the services of the SVH Executive Management Team and the SVH Purchased Services, the “Management Services”).

a. **SVH Executive Leadership Roles & Reporting.** UCSF Health shall provide to SVH the services of the SVH Executive Management Team (as defined above and on *Appendix A*), who shall be directly employed by UCSF Health but who shall manage SVH in accordance with the terms of this Agreement. Subject to the authority of the SVHCD Board and compliance with applicable law, the SVH Executive Management Team shall carry out the usual and customary duties of such positions within the healthcare industry. UCSF shall pay all necessary and appropriate employee salary, bonuses, benefits, sick leave, vacation, retirement benefits, payroll and other taxes with respect to the SVH Executive Management Team.

- i. The SVH CEO will report to the Sonoma Valley Health Care District Board of Directors (“SVHCD Board”), but with a dotted line and dual reporting relationship to the UCSF Health President of Affiliates Network. SVH CEO will be responsible for daily on-site management, operational oversight, financial management and community engagement, as directed by the SVHCD Board and UCSF Health President of Affiliates Network.
- ii. The SVH CFO and SVH CMO will serve solely at the pleasure of the SVH CEO.
- iii. SVHCD will reimburse UCSF Health, on a pass-through basis, for the salary and benefit costs of the SVH Executive Management Team. SVHCD payments will be adjusted for any time that the SVH CEO devotes to UCSF Purchased Services, subject to SVHCD Board approval.

- iv. The SVHCD Board will consult with UCSF Health President of Affiliates Network on performance reviews, hiring, termination and compensation for the SVH CEO, but shall make the final determination on these personnel matters. Determinations by the SVHCD Board regarding such reviews and decisions shall be preceded by adequate notice to the UCSF Health President of Affiliates Network, who will be entitled to attend and participate as an observer in the final deliberative meeting of the SVHCD Board on such issue.
 - v. The SVHCD Board will consult and collaborate with UCSF Health on any search for a new SVH CEO and will mutually agree on any new SVH CEO that will be provided pursuant to this Agreement.
- b. **SVH Purchased Services.** SVHCD, SVH CEO and UCSF Health President of Affiliates Network, will work together to identify and evaluate opportunities for collaboration between the two entities in areas where UCSF Health can provide services to meet SVHCD's needs (e.g., Operations Improvement, Quality & Regulatory, Marketing, Strategic Planning support). SVHCD will reimburse UCSF Health for these services as negotiated and incorporated in an ***Appendix B*** as may be amended as mutually agreed upon in writing by the Parties.
- c. **UCSF Purchased Services.** SVH CEO may, at the discretion of the SVHCD Board, devote up to twenty (20%) percent of his/her time to work on UCSF Health projects and initiatives. SVH CFO and SVH CMO, at the discretion of the SVH CEO, may devote up to fifty (50%) percent of his/her time to work on UCSF Health projects and initiatives. UCSF Health will reduce the portion of these executives' costs charged to SVHCD proportionately with time actually spent on SVH matters. Any material change to these time commitments will be set forth in an amendment to ***Appendix A*** as agreed to in writing by the Parties.
- d. **SVH Indirect Services.** UCSF will continue to collaborate on best practices with SVH and the broader UCSF Health affiliates network related to quality, policies & procedures, Covid-19, and other areas of support as provided to all members of the UCSF Affiliates Network.
- e. **Strategic Planning & Implementation.** The CEO will be responsible for implementation of a strategic planning and implementation projects list to be agreed upon annually; the initial list of such projects is set forth in ***Appendix C***, to be amended as mutually agreed upon in writing by the Parties.
- f. **Fee Structure.** Agreement Fees will be consistent with fair market value as determined based on a 3rd party fair market valuation that considers unique features of the relationship and local markets dynamics. The initial estimate fee structure is set forth in ***Appendix D***, but shall be set forth in an agreed upon budget which shall be reflected in a written amendment to ***Appendix D***. Fees shall be amended in writing by mutual agreement of the Parties as needed to continue to be (1) consistent with UCSF

policies (subject to the limitations expressly set forth in *Appendix D*) and (2) consistent with the fair market value of services rendered.

- g. **Compliance and Accountability.** In all other respects, continuously assure and maintain appropriate documentation to demonstrate compliance with each of the applicable requirements of 42 CFR part 482, as reflected in the CMS State Operations Manual, Appendix A (the “COPs”), Cal. Code of Regulations Title 22, Div. 5, Ch. 1 (“Title 22”), and the requirements of applicable accreditation organizations (the “Standards”), including, without limitation, documentation of the local adoption and application of system-wide policies and procedures required for compliance with the COPs, Title 22 and the Standards. The Parties acknowledge that the SVHCD Board shall retain ultimate accountability for compliance with the COPs, Title 22, and the Standards. 8.4 Notwithstanding any of the foregoing to the contrary, as required under Section 70713 of Title 22, SVHCD retains professional and administrative responsibility for the services rendered pursuant to this Agreement.
- h. **Access to Books and Records.** Until expiration of four (4) years after furnishing services and pursuant to this Agreement, UCSF Health shall make available upon written request of the Secretary of Health and Human Services (“Secretary”) or the U.S. Comptroller General, or any of their duly authorized representatives, this Agreement, books, documents, and records of UCSF Health that are necessary to verify the nature and extent of costs incurred by Hospital under this Agreement. If UCSF Health carries out any of the duties of this Agreement with a value of Ten Thousand Dollars (\$10,000) or more over a 12-month period through a subcontract with a related organization, such agreement must contain a clause to the effect that until the expiration of four (4) years after the furnishing of services under the subcontract, the related organization shall make available, upon written request of the Secretary, the U.S. Comptroller General, or any of their duly authorized representatives, the subcontract, any books, documents, and records of the related organization that are necessary to verify the nature and extent of costs incurred by SVHCD under this subcontract.

5. Affiliation Oversight Committee. The parties hereby add a Section 10 to the Agreement titled “10. Affiliation Oversight Committee” to follow “9. Management Services” to read as follows:

10. Affiliation Oversight Committee. A new committee will be established to review the ongoing performance of UCSF Health under this Agreement.

- (a) The initial composition of the Affiliation Oversight Committee shall be as set forth on *Appendix E* and shall include two representatives from SVHCD and two representatives from UCSF Health. The SVHCD Board Chair and UCSF Health President, Affiliates Network will serve as one of the two appointees for their respective organizations, along with a SVHCD Board Member and a designee from UCSF.

(b) The Affiliation Oversight Committee shall meet no less than annually but is encouraged to meet as needed on specific Management Services matters during the initial years.

(c) The Affiliation Oversight Committee will review the Management Services: SVH Executive Leadership services, any mutually agreed upon SVH Purchased Services, and UCSF Purchased Services, and make recommendations for modifications to the services provided.

(d) The SVH CEO will staff the Affiliation Oversight Committee meeting and provide all materials for review by the Affiliation Oversight Committee.

6. The parties hereby add a Section 11 to the Agreement titled "11. Exclusions; Limitation of Liability" to follow "10. Affiliation Oversight Committee" to read as follows:

11. Exclusions; Limitation of Liability.

SVHCD AGREES THAT NEITHER UCSF, NOR ANY OF ITS MEMBERS, OFFICERS, DIRECTORS, AFFILIATES, EMPLOYEES OR AGENTS SHALL IN ANY EVENT BE LIABLE FOR ANY DIRECT, SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR ANY OTHER DAMAGES REGARDLESS OF KIND OR TYPE (WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE), INCLUDING LOSS OF PROFITS, BUSINESS INTERRUPTION, PERSONAL INJURY, PROPERTY DAMAGE, LOSS OF BUSINESS PROFITS, LOSS OF BUSINESS INFORMATION, DATA, OR GOODWILL, REGARDLESS OF WHETHER SVHCD KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

7. Appendices.

- a. Appendix A to this Amendment is hereby added as ***Appendix A*** to the Agreement.
- b. Appendix B to this Amendment is hereby added as ***Appendix B*** to the Agreement.
- c. Appendix C to this Amendment is hereby added as ***Appendix C*** to the Agreement.
- d. Appendix D to this Amendment is hereby added as ***Appendix D*** to the Agreement.
- e. Appendix E to this Amendment is hereby added as ***Appendix E*** to the Agreement.
- f. Appendix F to this Amendment is hereby added as ***Appendix F*** to the Agreement.

8. **Continuation.** Except as specifically amended and modified by this Amendment, the Agreement shall continue in full force and effect in accordance with its terms as in existence on the date of this Amendment.

9. **Defined Terms.** Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

10. Conflicts. In the event of any conflict between the terms and provisions of this Amendment and the terms and provisions of the Agreement, the terms and provisions of this Amendment shall control.

11. Reference. The terms and provisions of this Amendment are incorporated by this reference into the Agreement as though fully set forth in the Agreement. From and after the date of this Amendment, any reference to the Agreement shall mean the Agreement as amended and modified by this Amendment.

12. Counterparts. This Amendment may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signatures follow]

Verified-SVH


Please indicate your approval of this Amendment by signing and returning an executed and dated copy of this Amendment.

Thank you for your consideration.

Sincerely yours,

UCSF:

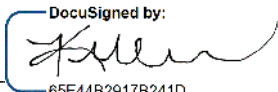
UCSF Health

By: 
Name: Shelby Decosta
Its: President, UCSF Health Affiliates Network and CSO

IT IS SO AGREED AND ACCEPTED:

Sonoma Valley Health Care District ("SVHCD"):

Sonoma Valley Health Care District

By: 
Name: Kelly Matner
Its: President and Chief Executive Officer

Date: November 10, 2020

Verified-SVH

APPENDIX A**Executive Leadership Roles**

Current Title	Current & Planned Effort	Reporting Relationship	Start Date
Chief Executive Officer	1.0 FTE	Solid to SVHCD Board Dotted to UCSF Health President of Affiliates Network	January 2021 (new recruit)
Chief Financial Officer	0.5 FTE	Solid to SVH CEO Dotted to UCSF Health Affiliates Network CFO	January 2021 (incumbent)
Chief Medical Officer	0.5FTE	Solid to SVH CEO Dotted to UCSF Health Affiliates CMO	January 2021 (incumbent)

APPENDIX B

SVH Purchased Services

[Reserved]

Role Description	Time Commitment (monthly hours)

Verified-SVH

APPENDIX C**Initial Projects List**

Projects	Goal	Status
2025 Strategic Plans	Connect SVH plan with UCSF 2025 plan	Complete
UCSF Branding in Sonoma	UCSF signage	Complete
Tele Neurology	Stroke physician advisor and Neurology consults	Complete
Tele Infectious Disease	Infectious Disease coverage / consults	Complete
Supply Chain	Connected with UCSF contact for analysis	Complete
Cancer Screening Clinic / Urology	Satellite clinic with Drs. Carroll starting with Telemedicine	Complete
Specialty Programs - Clinic & Telehealth		
Surgery	Inclusion of SVH in UCSF surgical capacity planning – opportunity to create destination surgery programs (e.g. endocrine, gyn, onc)	
Bariatrics	SVH to get Accreditation but on hold due to COVID Work together under UCSF brand (subject to a trademark license agreement entered into by the parties) and create a centralized system, including regional branding under Sonoma Valley Bariatrics Institute, with revenues so accruing to SVH	
Specialist Consults / Telehealth	Expand number of SVH specialty programs	
Physician Recruitment	Bariatrician, Geriatrician, Rheumatology, and GI	
Prima	PCP recruitment	
Facilities / IT Infrastructure		
Master Facility Plan	Possible use of old ER space for UCSF specialty clinic	

Outpatient Diagnostic Center	CT opens this fall. MRI opens next summer.	
Information Systems	Clinics completed via UCSF MarinHealth Alliance, hospital planning underway	
Other		
Canopy Health	Medicare Advantage Plan in Sonoma County	Expected 2022
Philanthropy	Connect on strategies for donors	On-going
Marketing Plan	Overall marketing approach for collaboration initiatives	

Verified-SVH

APPENDIX D

Executive Leadership Team Compensation

1. Executive Leadership Team.

- a. As consideration for the Executive Leadership Team Management Services, SVHCD shall pay UCSF an annual management fee (the "Management Fee") equal to the sum of the four Quarterly Fees and the Annual Fee set forth below. The Management Fee will be based on (a) the amount determined in accordance with Section 1(b) (the "Annual Salary"); *plus* (b) the Benefits (as defined in Section 1(c) below); *plus* (c) the Bonus (as defined in Section 1(d) below).
 - b. Annual Salary.** The "Annual Salary" for the Executive Leadership Team shall be set according to UC and UCSF policy and industry standards and subject to UCSF Health Compensation classification.
 - c. Benefits.** The "Benefits" for the Executive Leadership Team shall be the UCSF Health benefits cost including the following: University of California Retirement Program, Health Insurance, Vision Insurance, other/non-cash benefits.
 - d. Incentive Pay.** The "Incentive Pay" for the Executive Leadership Team shall be based on UCSF Health Annual Incentive Payment Program, and applicable commensurate executive management tier.
2. **Quarterly Fee.** Commencing on the Effective Date, in exchange for the Executive Leadership Team Management Services, SVHCD shall pay to UCSF on a quarterly basis the proportional amount for Annual Salary and Benefits (the "Quarterly Fee"), which amount shall be prorated based on the number of days this Agreement is in effect in the case of any partial month at the beginning or end of the term of the Agreement. By the thirtieth (30th) day following the end of each quarter, UCSF shall submit invoices and a summary of reimbursable amounts to SVHCD setting forth the preceding quarter's Salary and Benefits. SVHCD shall pay the Salary and Benefits expenses for each quarter no later than thirty (30) days following receipt of UCSF's invoices.
3. **Annual Fee.** In exchange for the Executive Leadership Team Management Services, SVHCD shall pay to UCSF the annual Incentive Pay (the "Annual Fee"), which amount shall be prorated based on the number of days this Agreement is in effect in the case of any partial month at the beginning or end of the term of the Agreement. UCSF shall submit invoices and a summary of reimbursable amounts to SVHCD setting forth the Annual Fee by the thirtieth (30th) day following the disbursement of UCSF Health annual bonuses. SVHCD shall pay the Annual Fee for each year no later than thirty (30) days following receipt of UCSF's invoices.
4. **Annual Limit on Aggregate Compensation Increases.** All changes to compensation remain under the sole control of UCSF. However, changes to the Management Fee under this Agreement shall be made only by a written amendment signed by the Parties. Notwithstanding any other provision of this Agreement, the annual aggregate Management Fee increase attributable to Annual Salary shall not exceed the average

percentage salary increase of all SVHCD employees, unless otherwise mutually agreed to by the Parties in writing.

Verified-SVH

APPENDIX E

Affiliation Oversight Committee

UCSF Representatives

1. President, Affiliates Network
2. TBD

SVH Representatives

1. Board Chair, SVHD
2. Board Member, SVHD

Verified-SVH

APPENDIX F

Joint Operating Committee

UCSF Representatives

1. UCSF Affiliates COO
2. UCSF Affiliates CMO
3. UCSF Affiliates CSO

SVH Representatives

1. SVH CEO
2. SVH CMO
3. SVH CFO

Verified-SVH