



**AGENDA**  
**SPECIAL FINANCE COMMITTEE OF THE**  
**EL CAMINO HOSPITAL BOARD OF DIRECTORS**

**Wednesday, March 4, 2026 – 2:00 pm**

El Camino Health | 2500 Grant Road Mountain View, CA 94040 | Sobrato Boardroom 1

THE PUBLIC IS INVITED TO JOIN THE OPEN SESSION PORTION OF THE MEETING LIVE AT THE ADDRESS ABOVE OR VIA TELECONFERENCE AT: **1-669-900-9128, MEETING CODE: 955 9970 0457#**. **No participant code.**  
**Just press #**

To watch the meeting, please visit: [Finance Committee Meeting Link](#)

Please note that the livestream is for meeting viewing only and there is a slight delay; to provide public comment, please use the phone number listed above.

**NOTE:** In the event that there are technical problems or disruptions that prevent remote public participation, the Chair has the discretion to continue the meeting without remote public participation options, provided that no Committee member is participating in the meeting via teleconference.

**TIME ESTIMATES:** Except where noted as TIME CERTAIN, listed times are estimates only and are subject to change at any time, including while the meeting is in progress. The Committee reserves the right to use more or less time on any item, to change the order of items and/or to continue items to another meeting. Particular items may be heard before or after the time estimated on the agenda. This may occur in order to best manage the time at a meeting.

A copy of the agenda for the Special Finance Committee Meeting will be posted and distributed at least twenty-four (24) hours prior to the meeting. In observance of the Americans with Disabilities Act, please notify us at **(650) 988-3218** prior to the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations.

	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
1.	<b>CALL TO ORDER / ROLL CALL</b>	Don Watters, Chair	Information	<b>2:00 pm</b>
2.	<b>POTENTIAL CONFLICT OF INTEREST DISCLOSURES</b>	Don Watters, Chair	Information	<b>2:00 pm</b>
3.	<b>PUBLIC COMMUNICATION</b> a. Oral Comments <i>This opportunity is provided for persons to address the Committee on any matter within the subject matter jurisdiction of the Committee that is not on this agenda. Speakers are limited to three (3) minutes each.</i> b. Written Correspondence <i>Comments may be submitted by mail to the Finance Committee of the El Camino Hospital Board of Directors at 2500 Grant Avenue, Mountain View, CA 94040. Written comments will be distributed to the Board as quickly as possible. Please note it may take up to 24 hours for documents to be posted on the agenda.</i>	Don Watters, Chair	Information	<b>2:00 pm</b>
4.	<b>RECESS TO CLOSED SESSION</b>	Don Watters, Chair	<b>Motion Required</b>	<b>2:00 – 2:01</b>
5.	<b>TRANSACTION TO PURCHASE CERTAIN ASSETS OF CARBON HEALTH TECHNOLOGIES INC.</b>  <i>Health &amp; Safety Code Section 32106(b) for a report and discussion involving healthcare facility trade secrets regarding new services or programs.</i>	Dan Woods, CEO Alan Muster, MD, ECHMN President Raju Iyer, CFO Andreu Reall, VP, Strategy	Discussion	<b>2:01 – 2:40</b>

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	AGENDA ITEM	PRESENTED BY	ACTION	ESTIMATED TIMES
6.	<b>CAPITAL REQUEST: PROPERTY ACQUISITION: APN# 206-23-017</b>  <i>Gov't Code Section 54956.8 - for a report and discussion involving negotiations prior to purchase, sale, exchange, or lease of real property.</i>	Andreu Reall, VP of Strategy Ken King, CASO	Discussion	<b>2:40 – 2:50</b>
7.	<b>RECONVENE TO OPEN SESSION</b>	Don Watters, Chair	<b>Motion Required</b>	<b>2:50</b>
8.	<b>CLOSED SESSION REPORT OUT</b> To report any required disclosures regarding permissible actions taken during Closed Session.	Gabe Fernandez, Governance Services Coordinator	Information	<b>2:50 – 2:51</b>
9.	<b><u><a href="#">FY2026 PERIOD 7 FINANCIAL REPORT</a></u></b>	Raju Iyer, CFO	Discussion	<b>2:51 – 2:56</b>
10.	<b><u><a href="#">RECOMMEND BOARD APPROVAL OF RESOLUTION APPROVING TRANSACTION TO PURCHASE CERTAIN ASSETS OF CARBON HEALTH TECHNOLOGIES INC.</a></u></b>	Don Watters, Chair	<b>Motion Required</b>	<b>2:56 – 2:57</b>
11.	<b><u><a href="#">RECOMMEND BOARD APPROVAL OF PROPERTY ACQUISITION: APN# 206-23-017</a></u></b>	Don Watters, Chair	<b>Motion Required</b>	<b>2:57 – 2:58</b>
12.	<b>CLOSING COMMENTS</b>	Don Watters, Chair	Information	<b>2:58 – 3:00</b>
13.	<b>ADJOURNMENT</b>	Don Watters, Chair	<b>Motion Required</b>	<b>3:00</b>

**Upcoming Meetings:** March 23, 2026 (Joint FC | IC), May 26, 2026



## Summary of Financial Operations

*Fiscal Year 2026 – Period 7  
7/1/2025 to 01/31/2026*

# Financial Overview: YTD FY2026 (as of 1/31/2026)

## Consolidated Financial Performance

- Operating EBIDA is \$169.0 / 15.7% compared to the budget of \$149.3 / 14.1% and \$9.0M / 5.6% above prior year.
- Operating margin is \$109.6M / 10.2% compared to the budget of \$87.6M / 8.3% and \$8.8M / 8.7% above prior year.
- Operating expense is \$5.7M / 0.6% favorable to budget.
  - When adjusted for volume levels, Operating Expense per CMI Adjusted Discharge is \$20,739 which is 4.5% favorable to budget.
    - **Note: Excludes depreciation and interest expense**
- Key operating drivers:
  - Year-over-year operating margin is \$8.8M / 8.7% above the same period last year:
  - Favorable:
    - Continued strength in Interventional Services (12.9% fav to prior year), Outpatient Surgical Services (7.1% fav to prior year), and Outpatient Endoscopy Services (6.0% fav to prior year).
    - Expense management – Continued favorability in Labor Productivity and Premium Time.
  - Unfavorable
    - Continued shift to Governmental Payors although January was favorable
- Year-over-year net margin is \$63.2M / 33.7% higher than the same period last year.

# Operational / Financial Results: YTD FY2026 (as of 01/31/2026)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Year over Year change	YoY % Change	Moody's	S&P	Fitch	Performance to Rating Agency Medians
									'Aa3'	'AA'	'AA'	
Activity / Volume	ADC	305	309	(4)	(1.1%)	310	(5)	(1.6%)	---	---	---	---
	Adjusted Discharges	27,151	26,429	722	2.7%	25,982	1,169	4.5%	---	---	---	---
	OP Visits / OP Procedural Cases	98,556	91,000	7,556	8.3%	88,670	9,886	11.1%	---	---	---	---
	Percent Government (%)	59.0%	58.6%	0.4%	0.7%	59.0%	(0.0%)	(0.1%)	---	---	---	---
	Gross Charges (\$)	4,749,382	4,567,315	182,067	4.0%	4,246,882	502,500	11.8%	---	---	---	---
Operations	Cost Per CMI AD	20,739	21,724	(985)	(4.5%)	19,841	898	4.5%	---	---	---	---
	Net Days in A/R	49.6	54.0	(4.4)	(8.1%)	50.0	(0.4)	(0.8%)	47.5	47.4	47.8	
Financial Performance	Net Patient Revenue (\$)	1,038,526	1,017,788	20,738	2.0%	950,675	87,852	9.2%	2,541,316	4,686,044	---	
	Total Operating Revenue (\$)	1,073,918	1,057,579	16,339	1.5%	990,822	83,096	8.4%	2,999,271	4,883,072	2,578,858	
	<b>Operating Margin (\$)</b>	<b>109,610</b>	<b>87,558</b>	<b>22,052</b>	<b>25.2%</b>	<b>100,802</b>	<b>8,809</b>	<b>8.7%</b>	<b>59,985</b>	<b>170,908</b>	<b>87,681</b>	
	<b>Operating EBIDA (\$)</b>	<b>169,012</b>	<b>149,272</b>	<b>19,740</b>	<b>13.2%</b>	<b>159,994</b>	<b>9,018</b>	<b>5.6%</b>	<b>173,958</b>	<b>395,529</b>	<b>219,203</b>	
	Net Income (\$)	251,005	122,116	128,889	105.5%	187,761	63,244	33.7%	164,960	380,880	144,416	
	<b>Operating Margin (%)</b>	<b>10.2%</b>	<b>8.3%</b>	<b>1.9%</b>	<b>23.3%</b>	<b>10.2%</b>	<b>0.0%</b>	<b>0.3%</b>	<b>2.0%</b>	<b>3.5%</b>	<b>3.4%</b>	
	<b>Operating EBIDA (%)</b>	<b>15.7%</b>	<b>14.1%</b>	<b>1.6%</b>	<b>11.5%</b>	<b>16.1%</b>	<b>(0.4%)</b>	<b>(2.5%)</b>	<b>5.8%</b>	<b>8.1%</b>	<b>8.5%</b>	
	DCOH (days)	338	275	63	22.9%	277	61	22.1%	258	315	311	

**Moody's Medians:** Not-for-profit and public healthcare annual report; August 2025. Dollar amounts have been adjusted to reflect monthly averages.

**S&P Medians:** U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; August 2025. Dollar amounts have been adjusted to reflect monthly averages.

**Fitch Ratings:** U.S. Not-For-Profit Health Care Stand-Alone Hospital Median Financial Ratios; July 2025. Dollar amounts have been adjusted to reflect monthly averages.

**Notes:** DCOH total includes cash, short-term and long-term investments.

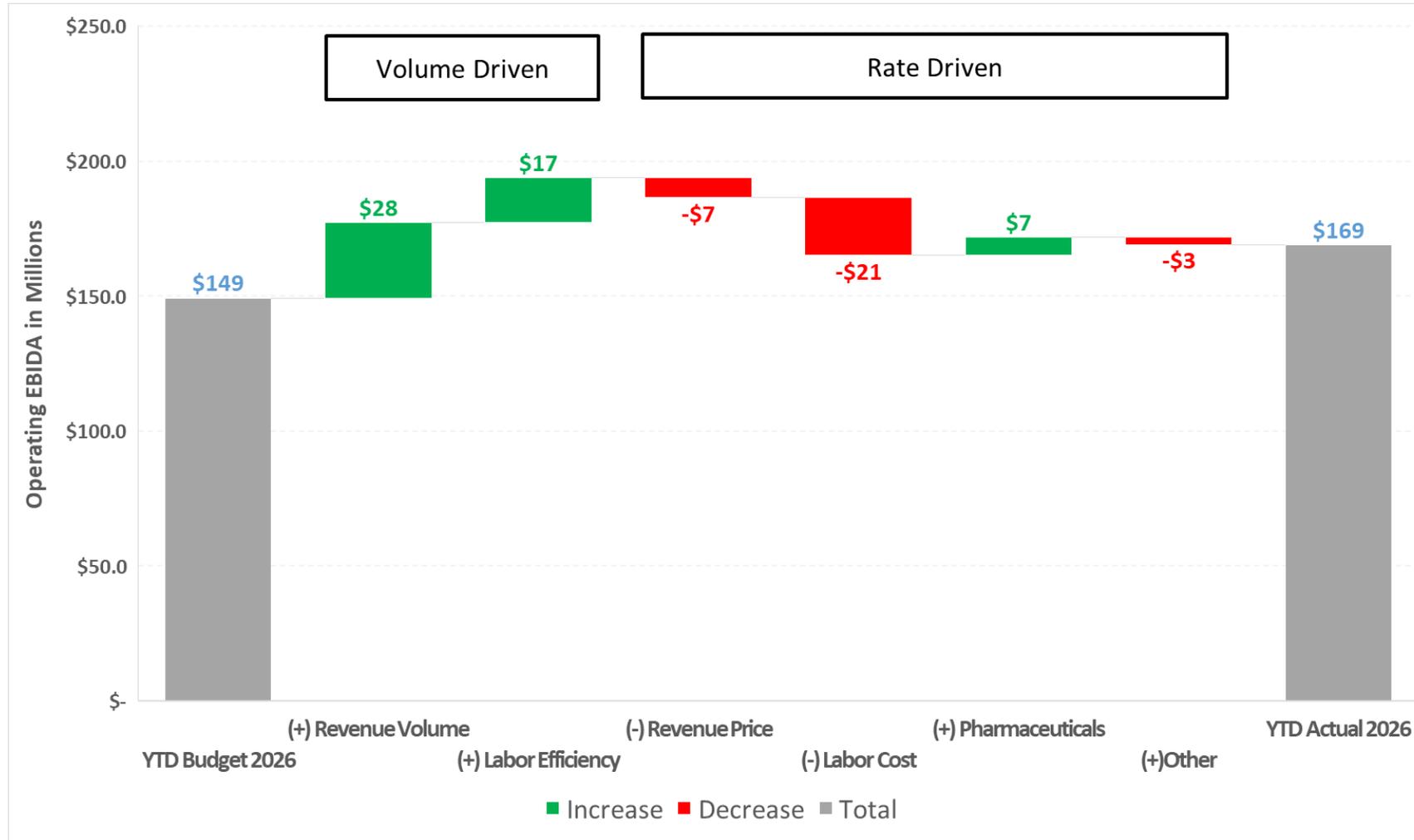
OP Visits / Procedural Cases includes Covid Vaccinations / Testing.

Unfavorable Variance < 3.49%
Unfavorable Variance 3.50% - 6.49%
Unfavorable Variance > 6.50%

# FY2026 YTD P7: Factors driving favorable Operating EBIDA

(Dollars in Millions)

\$169M (actual) vs. \$149 (budget) = \$20M / 13.2% favorable to budget



- ❑ **Revenue:**
  - ❑ Price: Change in IP/OP mix vs budgeted resulted in lower Revenue per Adjusted Discharge
  - ❑ Volume impact: Driven by 2.8% favorability to budget in hospital activity.
- ❑ **Labor:**
  - ❑ Efficiency: Consistent favorable performance versus volume adjusted budgeted productivity targets.
  - ❑ Cost impact: Cost per FTE above budget by 4%
- ❑ **Pharmaceuticals:** FY26 Budget was increased to account for specialty drugs used in new clinics. Utilization shifts, cost savings initiatives, and improved contracting has produced favorable results.

# Operational / Financial Results: Period 7 – January 2026 (as of 01/31/2026)

(\$ thousands)		Current Year	Budget	Variance to Budget	Performance to Budget	Prior Year	Year over Year change	YoY % Change	Moody's	S&P	Fitch	Performance to Rating Agency Medians
									'Aa3'	'AA'	'AA'	
Activity / Volume	ADC	333	325	8	2.5%	326	7	2.1%	---	---	---	---
	Adjusted Discharges	3,835	3,885	(50)	(1.3%)	3,744	91	2.4%	---	---	---	---
	OP Visits / OP Procedural Cases	13,864	12,848	1,016	7.9%	13,147	717	5.5%	---	---	---	---
	Percent Government (%)	60.9%	59.1%	1.9%	3.1%	62.5%	(1.6%)	(2.6%)	---	---	---	---
	Gross Charges (\$)	687,632	668,008	19,623	2.9%	627,446	60,185	9.6%	---	---	---	---
Operations	Cost Per CMI AD	22,281	21,724	557	2.6%	19,749	2,532	12.8%	---	---	---	---
	Net Days in A/R	49.6	54.0	(4.4)	(8.1%)	50.0	(0.4)	(0.8%)	47.5	49.7	47.8	
Financial Performance	Net Patient Revenue (\$)	150,535	150,506	28	0.0%	137,401	13,134	9.6%	363,045	669,435	---	
	Total Operating Revenue (\$)	155,982	156,256	(275)	(0.2%)	143,884	12,098	8.4%	428,467	697,582	368,408	
	Operating Margin (\$)	9,329	13,015	(3,686)	(28.3%)	15,724	(6,395)	(40.7%)	8,569	24,415	12,526	
	Operating EBIDA (\$)	17,413	21,494	(4,082)	(19.0%)	24,657	(7,244)	(29.4%)	24,851	56,504	31,315	
	Net Income (\$)	23,050	16,599	6,452	38.9%	30,357	(7,306)	(24.1%)	23,566	54,411	20,631	
	Operating Margin (%)	6.0%	8.3%	(2.3%)	(28.2%)	10.9%	(4.9%)	(45.3%)	2.0%	3.5%	3.4%	
	Operating EBIDA (%)	11.2%	13.8%	(2.6%)	(18.8%)	17.1%	(6.0%)	(34.9%)	5.8%	8.1%	8.5%	
	DCOH (days)	338	275	63	22.9%	277	61	22.1%	258	315	311	

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Unfavorable Variance < 3.49%

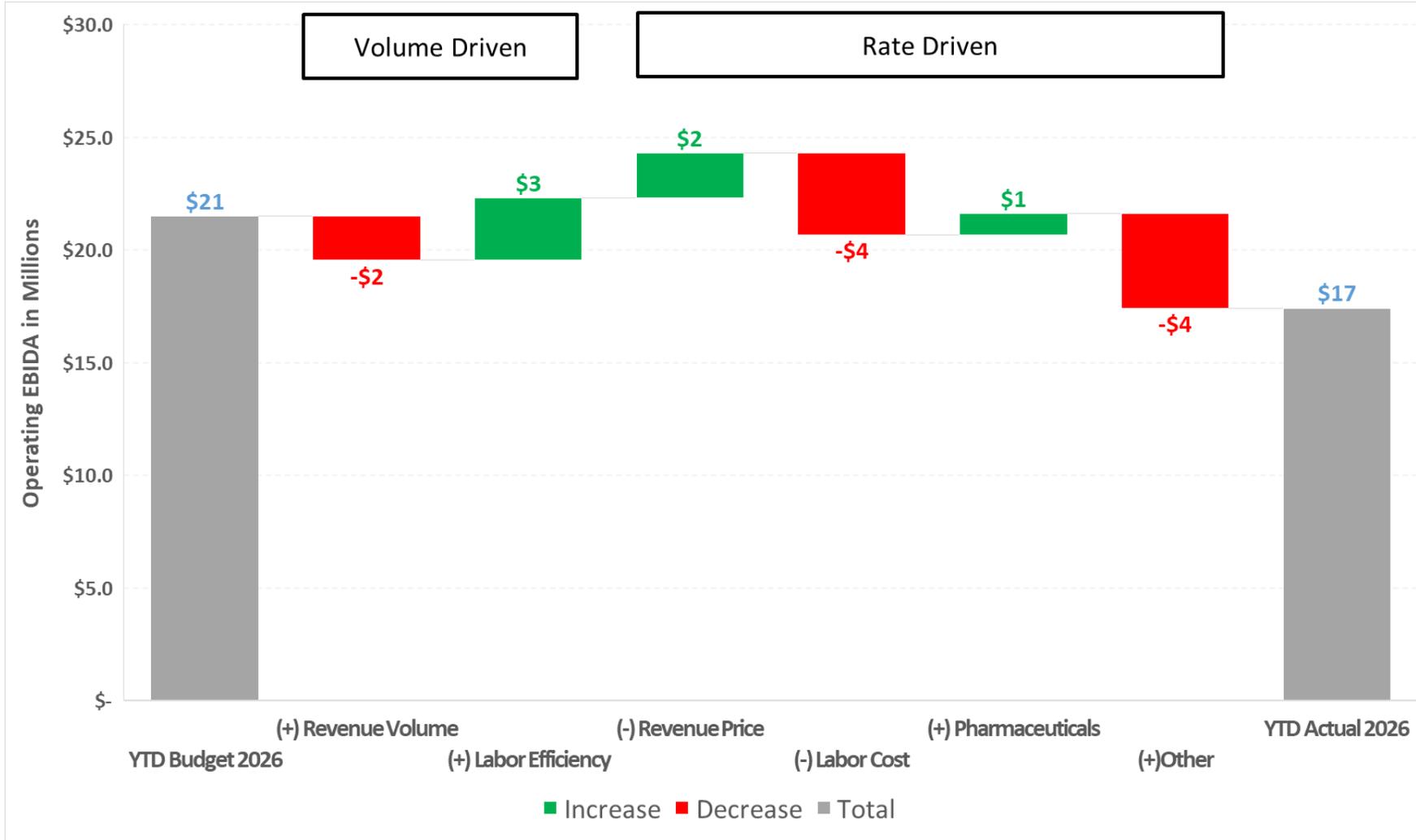
Unfavorable Variance 3.50% - 6.49%

Unfavorable Variance > 6.50%

# FY2026 P7: Factors driving favorable Operating EBIDA

(Dollars in Millions)

\$17M (actual) vs. \$21 (budget) = \$-4M / -19.0% unfavorable to budget



- ❑ **Revenue:**
  - ❑ Price : More balanced IP/OP activity drove the lower variance, still favorable.
  - ❑ Volume impact: Jan hospital activity 1% below budget.
- ❑ **Labor:**
  - ❑ Efficiency: Consistent favorable performance versus volume adjusted budgeted productivity targets.
  - ❑ Cost impact: Cost per FTE above budget by 4%
- ❑ **Other:**
  - ❑ Reclass of expense from S&W to Professional Fees.
  - ❑ Timing of expenses in the Repairs & Maintenance category.

# APPENDIX

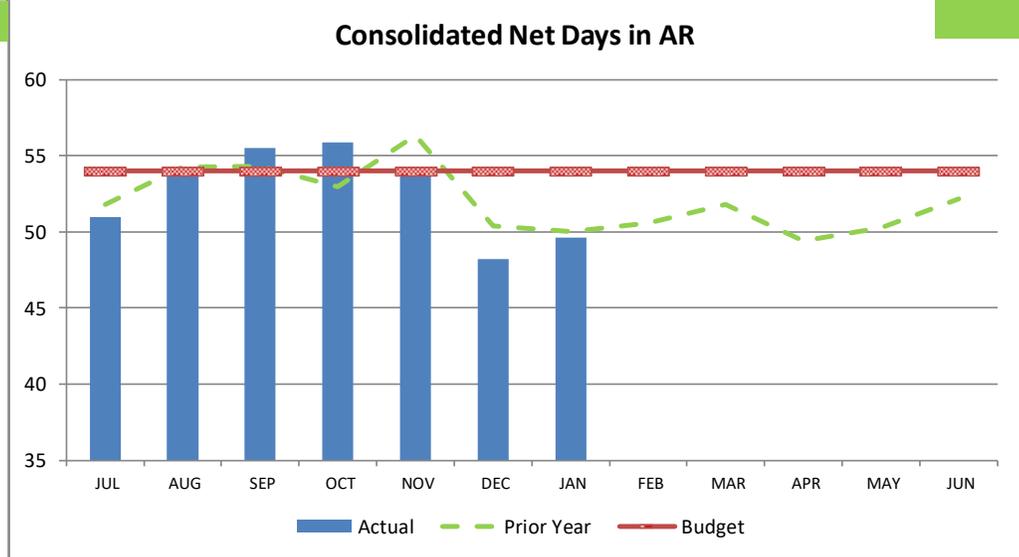
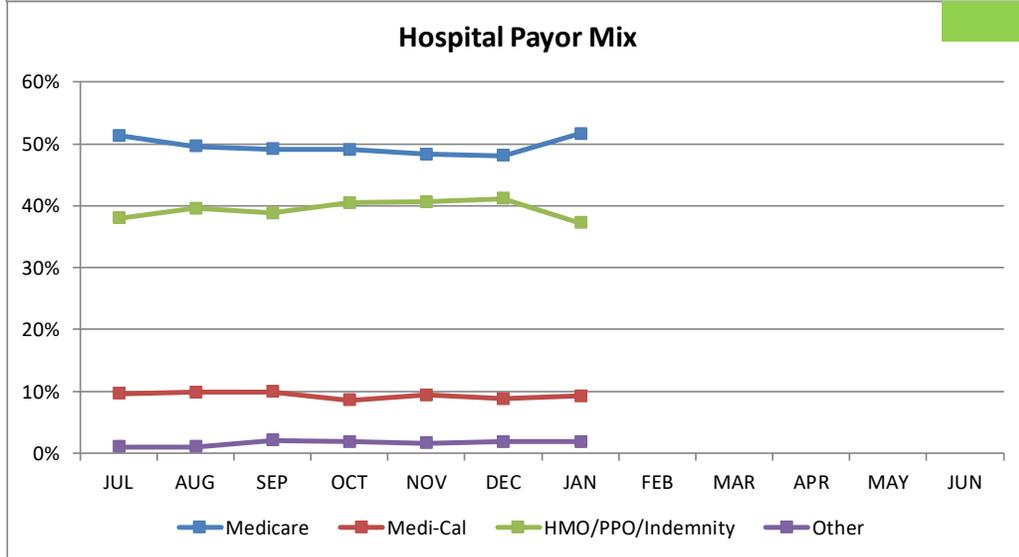
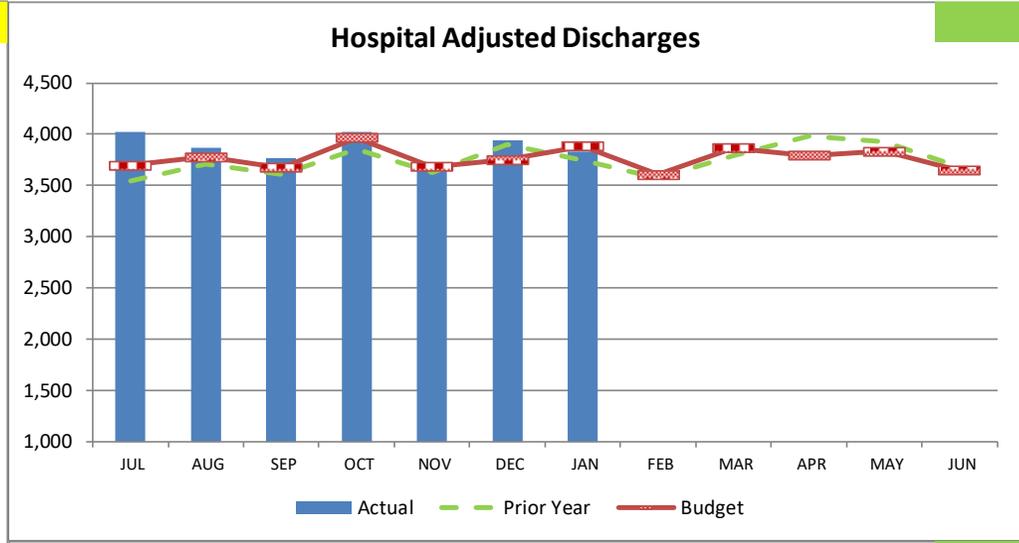
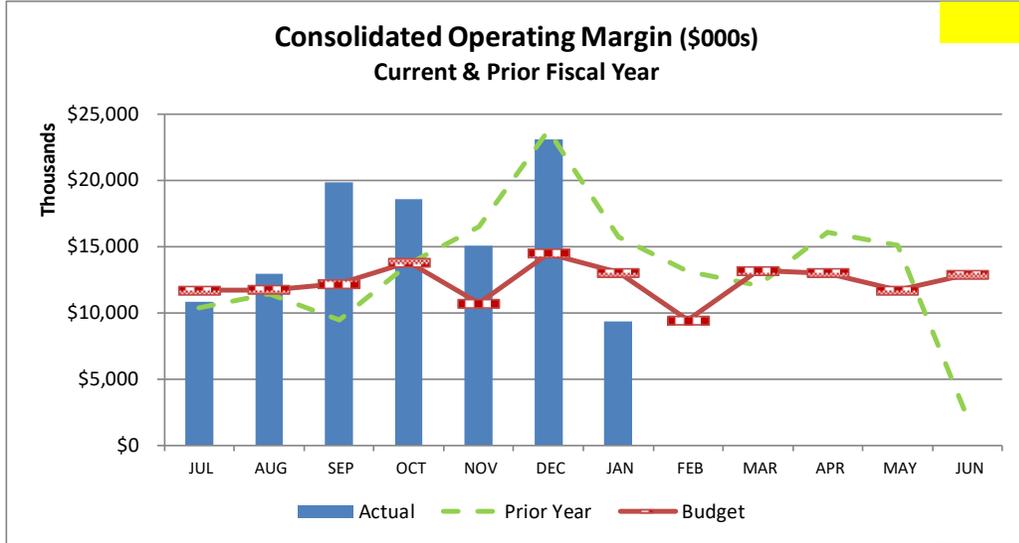
# Key Statistics: Period 7 and YTD (as of 01/31/2026)

Key Metrics	Month to Date			Variance (%)		Year to Date			Variance (%)	
	PY	CY	Budget	CY vs PY	CY vs Budget	PY	CY	Budget	CY vs PY	CY vs Budget
ADC	326	333	325	2.1%	2.5%	310	305	309	(1.6%)	(1.1%)
Utilization MV	81%	82%	82%	0.8%	0.4%	78%	76%	78%	(2.9%)	(2.6%)
Utilization LG	44%	45%	43%	1.0%	4.7%	40%	39%	39%	(2.6%)	(1.4%)
Utilization Combined	70%	71%	70%	1.0%	1.4%	67%	65%	66%	(2.7%)	(2.2%)
Adjusted Discharges	3,744	3,835	3,885	2.4%	(1.3%)	25,982	27,151	26,429	4.5%	2.7%
Total Discharges (Exc NB)	1,887	1,924	1,985	2.0%	(3.1%)	13,040	12,816	13,243	(1.7%)	(3.2%)
Total Discharges	2,228	2,299	2,345	3.2%	(2.0%)	15,575	15,457	15,909	(0.8%)	(2.8%)
<b>Inpatient Case Activity</b>										
MS Discharges	1,379	1,371	1,417	(0.6%)	(3.3%)	9,194	8,957	9,252	(2.6%)	(3.2%)
Deliveries	370	400	397	8.1%	0.8%	2,767	2,838	2,895	2.6%	(2.0%)
BHS	102	96	125	(5.9%)	(23.4%)	790	713	807	(9.7%)	(11.6%)
Rehab	34	58	45	70.6%	27.6%	279	327	290	17.2%	12.8%
<b>Outpatient Case Activity</b>										
Total Outpatient Cases	19,209	19,888	18,189	3.5%	9.3%	125,974	137,376	127,631	9.1%	7.6%
ED	6,062	6,024	5,341	(0.6%)	12.8%	37,304	38,820	36,631	4.1%	6.0%
OP Surg	660	666	548	0.9%	21.6%	4,709	5,041	3,886	7.1%	29.7%
Endo	270	273	247	1.1%	10.3%	2,098	2,224	1,951	6.0%	14.0%
Interventional	197	229	203	16.2%	13.1%	1,482	1,673	1,396	12.9%	19.8%
All Other	12,020	12,696	11,850	5.6%	7.1%	80,381	89,618	83,767	11.5%	7.0%
<b>Hospital Payor Mix</b>										
Medicare	51.2%	51.6%	49.1%	0.9%	4.9%	49.1%	49.6%	48.8%	1.1%	1.7%
Medi-Cal	11.3%	9.3%	10.0%	(18.1%)	(7.6%)	9.9%	9.3%	9.8%	(5.8%)	(5.0%)
Commercial	36.0%	37.2%	39.3%	3.4%	(5.5%)	39.0%	39.4%	39.7%	1.1%	(0.6%)
Other	1.5%	1.9%	1.7%	25.9%	11.0%	2.0%	1.6%	1.8%	(19.1%)	(8.0%)

Favorable to budget by 7.5%

Unfavorable to budget by 7.5%

# YTD FY2026 Financial KPIs – Monthly Trends



# Investment Scorecard (as of 12/31/2025)

Key Performance Indicator	Status	El Camino	Benchmark	El Camino	Benchmark	El Camino	Benchmark	FY25 Budget	Expectation Per Asset Allocation
<b>Investment Performance</b>		<b>CY 3Q 2025/ FY 1Q 2026</b>		<b>Fiscal Year-to-Date 2026</b>		<b>Since Meketa Inception (9/30/2024)</b>		<b>FY 2025</b>	<b>2025</b>
Surplus cash balance* (millions)		\$1,897.15	--	--	--	--	--	--	--
Surplus Cash Return		2.1%	2.3%	5.8%	7.0%	8.2%	10.4%	3.0%	7.0%
Cash balance plan balance (millions)		\$448.58	--	--	--	--	--	--	--
Cash balance plan return		2.2%	2.5%	6.8%	7.9%	10.5%	11.4%	2.0%	6.0%
403(b) plan balance (millions)		n/a	--	--	--	--	--	--	--
<b>Risk vs. Return</b>		<b>3-year</b>		<b>Fiscal Year-to-Date 2026</b>		<b>Since Meketa Inception (9/30/2024)</b>			<b>2025</b>
Surplus cash Sharpe ratio		0.91	0.92	1.09	1.23	0.79	1.19	--	0.34
Net of fee return		2.1%	2.3%	5.8%	7.0%	8.2%	10.4%	--	5.6%
Standard deviation		6.2%	6.6%	0.6%	0.7%	4.8%	4.9%	--	8.7%
Cash balance Sharpe ratio		0.94	1.00	1.15	1.29	0.93	1.23	--	0.32
Net of fee return		2.2%	2.5%	6.8%	7.9%	10.5%	11.4%	--	6.0%
Standard deviation		8.0%	7.3%	0.7%	0.7%	6.4%	5.5%	--	10.3%
<b>Asset Allocation</b>		<b>CY 3Q 2025/ FY 1Q 2026</b>							
Surplus cash absolute variances to target		39.2%	< 10% Green < 20% Yellow	--	--	--	--	--	--
Cash balance absolute variances to target		13.3%	< 10% Green < 20% Yellow						
<b>Manager Compliance</b>		<b>CY 3Q 2025/ FY 1Q 2026</b>							
Surplus cash manager flags		1	< 24% Green < 30% Yellow	--	--	--	--	--	--
Cash balance manager flags		0	< 27% Green < 34% Yellow	--	--	--	--	--	--

# Period 7 and YTD Operating Income, Non-Operating Income and Net Income by Affiliate (as of 01/31/2026)

(\$000s)

	Period 7- Month			Period 7- FYTD		
	Actual	Budget	Variance	Actual	Budget	Variance
<b>El Camino Hospital Operating Margin</b>						
Mountain View	13,475	13,068	407	108,490	81,711	26,780
Los Gatos	2,108	4,766	(2,658)	40,135	35,747	4,389
<b>Sub Total - El Camino Hospital, excl. Affiliates</b>	<b>15,583</b>	<b>17,835</b>	<b>(2,252)</b>	<b>148,625</b>	<b>117,457</b>	<b>31,168</b>
<b>Operating Margin %</b>	<b>10.7%</b>	<b>12.4%</b>		<b>14.9%</b>	<b>12.1%</b>	
<b>El Camino Hospital Non Operating Income</b>						
<b>Sub Total - Non Operating Income</b>	<b>11,703</b>	<b>3,287</b>	<b>8,416</b>	<b>126,499</b>	<b>32,487</b>	<b>94,012</b>
<b>El Camino Hospital Net Margin</b>	<b>27,286</b>	<b>21,122</b>	<b>6,164</b>	<b>275,125</b>	<b>149,944</b>	<b>125,180</b>
<b>ECH Net Margin %</b>	<b>18.8%</b>	<b>14.7%</b>		<b>27.5%</b>	<b>15.4%</b>	
Concern	278	96	182	1,312	772	540
Ambulatory Surgery Center	(31)	182	(213)	258	1,277	(1,019)
Foundation	470	(161)	631	7,264	(1,214)	8,477
El Camino Health Medical Network	(4,953)	(4,641)	(312)	(32,953)	(28,663)	(4,290)
<b>Net Margin Hospital Affiliates</b>	<b>(4,235)</b>	<b>(4,523)</b>	<b>288</b>	<b>(24,120)</b>	<b>(27,828)</b>	<b>3,708</b>
<b>Total Net Margin Hospital &amp; Affiliates</b>	<b>23,050</b>	<b>16,599</b>	<b>6,452</b>	<b>251,005</b>	<b>122,116</b>	<b>128,889</b>

# Consolidated Statement of Operations (\$000s)

Period 7 ending 01/31/2026

Period 7 FY 2025	Period 7 FY 2026	Period 7 Budget 2026	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2025	YTD FY 2026	YTD Budget 2026	Variance Fav (Unfav)	Var%
					<b>OPERATING REVENUE</b>					
627,446	687,632	668,008	19,623	2.9%	<b>Gross Revenue</b>	4,246,882	4,749,382	4,567,315	182,067	4.0%
(490,046)	(537,097)	(517,502)	(19,595)	(3.8%)	<b>Deductions</b>	(3,296,207)	(3,710,855)	(3,549,527)	(161,328)	(4.5%)
<b>137,401</b>	<b>150,535</b>	<b>150,506</b>	<b>28</b>	<b>0.0%</b>	<b>Net Patient Revenue</b>	<b>950,675</b>	<b>1,038,526</b>	<b>1,017,788</b>	<b>20,738</b>	<b>2.0%</b>
6,483	5,447	5,750	(303)	(5.3%)	<b>Other Operating Revenue</b>	40,148	35,392	39,791	(4,399)	(11.1%)
<b>143,884</b>	<b>155,982</b>	<b>156,256</b>	<b>(275)</b>	<b>(0.2%)</b>	<b>Total Operating Revenues</b>	<b>990,822</b>	<b>1,073,918</b>	<b>1,057,579</b>	<b>16,339</b>	<b>1.5%</b>
					<b>OPERATING EXPENSE</b>					
73,937	83,487	82,638	(849)	(1.0%)	<b>Salaries &amp; Wages</b>	510,118	552,929	547,995	(4,934)	(0.9%)
18,546	21,275	21,435	161	0.8%	<b>Supplies</b>	132,701	142,052	148,855	6,804	4.6%
23,528	26,914	25,531	(1,383)	(5.4%)	<b>Fees &amp; Purchased Services</b>	154,422	174,328	175,720	1,392	0.8%
3,215	6,894	5,158	(1,736)	(33.7%)	<b>Other Operating Expense</b>	33,588	35,597	35,737	140	0.4%
1,454	1,613	1,739	126	7.3%	<b>Interest</b>	10,293	11,493	12,172	679	5.6%
7,480	6,471	6,740	269	4.0%	<b>Depreciation</b>	48,900	47,909	49,542	1,633	3.3%
<b>128,160</b>	<b>146,653</b>	<b>143,241</b>	<b>(3,412)</b>	<b>(2.4%)</b>	<b>Total Operating Expenses</b>	<b>890,021</b>	<b>964,308</b>	<b>970,021</b>	<b>5,713</b>	<b>0.6%</b>
<b>15,724</b>	<b>9,329</b>	<b>13,015</b>	<b>(3,686)</b>	<b>(28.3%)</b>	<b>Net Operating Margin</b>	<b>100,802</b>	<b>109,610</b>	<b>87,558</b>	<b>22,052</b>	<b>25.2%</b>
					<b>Non Operating Income</b>					
14,633	13,722	3,583	10,138	282.9%	<b>Net Margin</b>	86,959	141,395	34,558	106,836	309.1%
<b>30,357</b>	<b>23,050</b>	<b>16,599</b>	<b>6,452</b>	<b>38.9%</b>	<b>Operating EBIDA</b>	<b>159,994</b>	<b>169,012</b>	<b>149,272</b>	<b>19,740</b>	<b>13.2%</b>
<b>24,657</b>	<b>17,413</b>	<b>21,494</b>	<b>(4,082)</b>	<b>(19.0%)</b>						
17.1%	11.2%	13.8%	(2.6%)		<b>Operating EBIDA Margin</b>	16.1%	15.7%	14.1%	1.6%	
10.9%	6.0%	8.3%	(2.3%)		<b>Operating Margin</b>	10.2%	10.2%	8.3%	1.9%	
21.1%	14.8%	10.6%	4.2%		<b>Net Margin</b>	18.9%	23.4%	11.5%	11.8%	

# El Camino Hospital – Mountain View

## Statement of Operations (\$000s)

Period 7 ending 01/31/2026

Period 7 FY 2025	Period 7 FY 2026	Period 7 Budget 2026	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2025	YTD FY 2026	YTD Budget 2026	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUES</b>										
467,182	514,566	498,045	16,521	3.3%	<b>Gross Revenue</b>	3,157,583	3,537,403	3,396,257	141,146	4.2%
(366,417)	(403,355)	(388,954)	(14,401)	(3.7%)	<b>Deductions</b>	(2,465,398)	(2,784,358)	(2,663,980)	(120,378)	(4.5%)
<b>100,765</b>	<b>111,210</b>	<b>109,090</b>	<b>2,120</b>	<b>1.9%</b>	<b>Net Patient Revenue</b>	<b>692,184</b>	<b>753,045</b>	<b>732,277</b>	<b>20,767</b>	<b>2.8%</b>
2,921	3,106	2,364	741	31.3%	<b>Other Operating Revenue</b>	17,247	19,899	16,259	3,640	22.4%
<b>103,687</b>	<b>114,316</b>	<b>111,455</b>	<b>2,861</b>	<b>2.6%</b>	<b>Total Operating Revenues</b>	<b>709,431</b>	<b>772,944</b>	<b>748,537</b>	<b>24,407</b>	<b>3.3%</b>
<b>OPERATING EXPENSES</b>										
57,101	63,688	62,706	(982)	(1.6%)	<b>Salaries &amp; Wages</b>	395,809	425,417	417,020	(8,397)	(2.0%)
13,337	15,574	15,318	(255)	(1.7%)	<b>Supplies</b>	94,174	101,953	105,907	3,954	3.7%
9,345	10,931	9,818	(1,113)	(11.3%)	<b>Fees &amp; Purchased Services</b>	61,254	63,722	68,652	4,930	7.2%
1,665	4,231	3,579	(652)	(18.2%)	<b>Other Operating Expense</b>	22,609	26,085	24,638	(1,447)	(5.9%)
1,454	1,613	1,739	126	7.3%	<b>Interest</b>	10,293	11,493	12,172	679	5.6%
5,824	4,805	5,227	422	8.1%	<b>Depreciation</b>	37,268	35,783	38,438	2,655	6.9%
<b>88,726</b>	<b>100,841</b>	<b>98,387</b>	<b>(2,454)</b>	<b>(2.5%)</b>	<b>Total Operating Expenses</b>	<b>621,407</b>	<b>664,453</b>	<b>666,826</b>	<b>2,372</b>	<b>0.4%</b>
<b>14,961</b>	<b>13,475</b>	<b>13,068</b>	<b>407</b>	<b>3.1%</b>	<b>Net Operating Margin</b>	<b>88,024</b>	<b>108,490</b>	<b>81,711</b>	<b>26,780</b>	<b>32.8%</b>
14,163	11,703	3,287	8,416	256.0%	<b>Non Operating Income</b>	80,435	126,499	32,487	94,012	289.4%
<b>29,123</b>	<b>25,178</b>	<b>16,356</b>	<b>8,822</b>	<b>53.9%</b>	<b>Net Margin</b>	<b>168,459</b>	<b>234,989</b>	<b>114,197</b>	<b>120,792</b>	<b>105.8%</b>
<b>22,238</b>	<b>19,892</b>	<b>20,034</b>	<b>(142)</b>	<b>(0.7%)</b>	<b>Operating EBIDA</b>	<b>135,584</b>	<b>155,767</b>	<b>132,321</b>	<b>23,446</b>	<b>17.7%</b>
21.4%	17.4%	18.0%	(0.6%)		<b>Operating EBIDA Margin</b>	19.1%	20.2%	17.7%	2.5%	
14.4%	11.8%	11.7%	0.1%		<b>Operating Margin</b>	12.4%	14.0%	10.9%	3.1%	
28.1%	22.0%	14.7%	7.4%		<b>Net Margin</b>	23.7%	30.4%	15.3%	15.1%	

# El Camino Hospital – Los Gatos

## Statement of Operations (\$000s)

Period 7 ending 01/31/2026

Period 7 FY 2025	Period 7 FY 2026	Period 7 Budget 2026	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2025	YTD FY 2026	YTD Budget 2026	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUE</b>										
138,201	143,541	143,714	(173)	(0.1%)	<b>Gross Revenue</b>	933,831	1,020,776	989,048	31,728	3.2%
(109,309)	(113,358)	(111,677)	(1,681)	(1.5%)	<b>Deductions</b>	(728,608)	(797,223)	(768,501)	(28,722)	(3.7%)
<b>28,892</b>	<b>30,182</b>	<b>32,037</b>	<b>(1,854)</b>	<b>(5.8%)</b>	<b>Net Patient Revenue</b>	<b>205,222</b>	<b>223,554</b>	<b>220,547</b>	<b>3,006</b>	<b>1.4%</b>
614	602	564	38	6.7%	<b>Other Operating Revenue</b>	4,270	4,099	3,926	174	4.4%
<b>29,506</b>	<b>30,784</b>	<b>32,600</b>	<b>(1,816)</b>	<b>(5.6%)</b>	<b>Total Operating Revenue</b>	<b>209,492</b>	<b>227,653</b>	<b>224,473</b>	<b>3,180</b>	<b>1.4%</b>
<b>OPERATING EXPENSE</b>										
12,730	14,717	14,937	220	1.5%	<b>Salaries &amp; Wages</b>	88,716	95,724	98,122	2,398	2.4%
4,432	4,848	5,120	272	5.3%	<b>Supplies</b>	32,724	33,926	35,904	1,978	5.5%
5,477	7,195	6,024	(1,172)	(19.5%)	<b>Fees &amp; Purchased Services</b>	38,326	44,385	41,889	(2,496)	(6.0%)
502	506	495	(11)	(2.1%)	<b>Other Operating Expense</b>	2,737	3,228	3,553	325	9.1%
0	0	0	0	0.0%	<b>Interest</b>	0	0	0	0	0.0%
1,408	1,410	1,258	(151)	(12.0%)	<b>Depreciation</b>	9,610	10,256	9,259	(997)	(10.8%)
<b>24,549</b>	<b>28,676</b>	<b>27,834</b>	<b>(842)</b>	<b>(3.0%)</b>	<b>Total Operating Expense</b>	<b>172,113</b>	<b>187,518</b>	<b>188,727</b>	<b>1,209</b>	<b>0.6%</b>
<b>4,958</b>	<b>2,108</b>	<b>4,766</b>	<b>(2,658)</b>	<b>(55.8%)</b>	<b>Net Operating Margin</b>	<b>37,379</b>	<b>40,135</b>	<b>35,747</b>	<b>4,389</b>	<b>12.3%</b>
0	0	0	0	0.0%	<b>Non Operating Income</b>	0	0	0	0	0.0%
<b>4,958</b>	<b>2,108</b>	<b>4,766</b>	<b>(2,658)</b>	<b>(55.8%)</b>	<b>Net Margin</b>	<b>37,379</b>	<b>40,135</b>	<b>35,747</b>	<b>4,389</b>	<b>12.3%</b>
<b>6,366</b>	<b>3,518</b>	<b>6,025</b>	<b>(2,507)</b>	<b>(41.6%)</b>	<b>Operating EBIDA</b>	<b>46,989</b>	<b>50,391</b>	<b>45,006</b>	<b>5,385</b>	<b>12.0%</b>
21.6%	11.4%	18.5%	(7.1%)		<b>Operating EBIDA Margin</b>	22.4%	22.1%	20.0%	2.1%	
16.8%	6.8%	14.6%	(7.8%)		<b>Operating Margin</b>	17.8%	17.6%	15.9%	1.7%	
16.8%	6.8%	14.6%	(7.8%)		<b>Net Margin</b>	17.8%	17.6%	15.9%	1.7%	

# El Camino Health Medical Network

## Statement of Operations (\$000s)

Period 7 ending 01/31/2026

Period 7 FY 2025	Period 7 FY 2026	Period 7 Budget 2026	Variance Fav (Unfav)	Var%	\$000s	YTD FY 2025	YTD FY 2026	YTD Budget 2026	Variance Fav (Unfav)	Var%
<b>OPERATING REVENUES</b>										
19,164	26,002	21,249	4,753	22.4%	<b>Gross Revenue</b>	122,054	168,119	147,005	21,115	14.4%
(11,755)	(17,379)	(12,540)	(4,839)	(38.6%)	<b>Deductions</b>	(73,362)	(109,189)	(86,737)	(22,452)	(25.9%)
<b>7,408</b>	<b>8,623</b>	<b>8,709</b>	<b>(86)</b>	<b>(1.0%)</b>	<b>Net Patient Revenue</b>	<b>48,692</b>	<b>58,931</b>	<b>60,268</b>	<b>(1,337)</b>	<b>(2.2%)</b>
1,875	3,211	1,694	1,517	89.5%	<b>Other Operating Revenue</b>	11,139	17,492	11,711	5,781	49.4%
<b>9,283</b>	<b>11,833</b>	<b>10,403</b>	<b>1,431</b>	<b>13.8%</b>	<b>Total Operating Revenues</b>	<b>59,831</b>	<b>76,423</b>	<b>71,979</b>	<b>4,444</b>	<b>6.2%</b>
<b>OPERATING EXPENSES</b>										
3,481	4,445	4,268	(177)	(4.2%)	<b>Salaries &amp; Wages</b>	21,097	27,460	27,958	498	1.8%
779	718	847	129	15.2%	<b>Supplies</b>	4,912	5,473	5,993	520	8.7%
7,762	10,396	8,739	(1,658)	(19.0%)	<b>Fees &amp; Purchased Services</b>	49,285	67,704	58,379	(9,325)	(16.0%)
872	1,049	987	(62)	(6.3%)	<b>Other Operating Expense</b>	6,564	7,390	6,825	(565)	(8.3%)
0	0	0	0	0.0%	<b>Interest</b>	0	0	0	0	0.0%
205	210	218	8	3.6%	<b>Depreciation</b>	1,643	1,546	1,590	43	2.7%
<b>13,100</b>	<b>16,818</b>	<b>15,058</b>	<b>(1,760)</b>	<b>(11.7%)</b>	<b>Total Operating Expenses</b>	<b>83,501</b>	<b>109,573</b>	<b>100,745</b>	<b>(8,829)</b>	<b>(8.8%)</b>
<b>(3,817)</b>	<b>(4,985)</b>	<b>(4,655)</b>	<b>(330)</b>	<b>(7.1%)</b>	<b>Net Operating Margin</b>	<b>(23,671)</b>	<b>(33,150)</b>	<b>(28,765)</b>	<b>(4,385)</b>	<b>(15.2%)</b>
38	32	15	18	120.2%	<b>Non Operating Income</b>	96	197	102	95	93.0%
<b>(3,778)</b>	<b>(4,953)</b>	<b>(4,641)</b>	<b>(312)</b>	<b>(6.7%)</b>	<b>Net Margin</b>	<b>(23,575)</b>	<b>(32,953)</b>	<b>(28,663)</b>	<b>(4,290)</b>	<b>(15.0%)</b>
<b>(3,611)</b>	<b>(4,775)</b>	<b>(4,437)</b>	<b>(337)</b>	<b>(7.6%)</b>	<b>Operating EBIDA</b>	<b>(22,027)</b>	<b>(31,604)</b>	<b>(27,176)</b>	<b>(4,428)</b>	<b>(16.3%)</b>
<b>(38.9%)</b>	<b>(40.3%)</b>	<b>(42.7%)</b>	<b>2.3%</b>	<b>Operating EBIDA Margin</b>	<b>(36.8%)</b>	<b>(41.4%)</b>	<b>(37.8%)</b>	<b>(3.6%)</b>		
<b>(41.1%)</b>	<b>(42.1%)</b>	<b>(44.8%)</b>	<b>2.6%</b>	<b>Operating Margin</b>	<b>(39.6%)</b>	<b>(43.4%)</b>	<b>(40.0%)</b>	<b>(3.4%)</b>		
<b>(40.7%)</b>	<b>(41.9%)</b>	<b>(44.6%)</b>	<b>2.8%</b>	<b>Net Margin</b>	<b>(39.4%)</b>	<b>(43.1%)</b>	<b>(39.8%)</b>	<b>(3.3%)</b>		

# Enterprise Income Statement: Rolling 16 Monthly Trend (\$000s)

	FY2025									FY2026							YTD FY2026	Rolling 16 Monthly Average
	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7		
	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26		
<b>Operating Revenues:</b>																		
Gross Revenue	639,133	593,049	637,395	627,446	575,945	639,119	609,693	628,681	604,598	670,367	658,540	687,593	707,159	661,318	676,772	687,632	4,749,382	644,028
Deductions from Revenue	(495,696)	(458,191)	(494,401)	(490,046)	(445,650)	(498,852)	(471,982)	(486,779)	(464,112)	(529,220)	(514,001)	(541,186)	(552,629)	(515,683)	(521,040)	(537,097)	(3,710,855)	(501,035)
Net Patient Revenue	143,437	134,858	142,994	137,401	130,295	140,266	137,712	141,903	140,486	141,147	144,539	146,407	154,530	145,636	155,733	150,535	1,038,526	142,992
Other Operating Revenue	5,767	5,292	5,617	6,483	5,773	5,775	12,973	6,665	6,815	6,355	4,659	2,666	5,518	5,314	5,433	5,447	35,392	6,035
<b>Total Operating Revenue</b>	<b>149,205</b>	<b>140,151</b>	<b>148,611</b>	<b>143,884</b>	<b>136,068</b>	<b>146,041</b>	<b>150,685</b>	<b>148,568</b>	<b>147,301</b>	<b>147,502</b>	<b>149,198</b>	<b>149,073</b>	<b>160,048</b>	<b>150,949</b>	<b>161,166</b>	<b>155,982</b>	<b>1,073,918</b>	<b>149,027</b>
<b>Operating Expenses:</b>																		
Salaries, Wages and Benefits	76,003	70,785	70,604	73,937	68,724	75,957	73,851	71,683	68,219	80,924	80,572	72,602	78,175	78,300	78,870	83,487	552,929	75,168
Supplies	20,815	18,011	19,805	18,546	19,105	19,767	24,311	20,369	22,050	18,876	19,052	20,595	23,130	18,906	20,219	21,275	142,052	20,302
Fees & Purchased Services	25,187	21,563	19,741	23,528	21,983	27,055	25,126	24,974	28,699	23,991	22,751	23,109	26,844	25,373	25,346	26,914	174,328	24,511
Other Operating Expenses	5,210	4,932	6,432	3,215	4,503	1,973	3,115	8,107	17,338	4,913	5,199	4,122	4,557	4,417	5,495	6,894	35,597	5,651
Interest	1,475	1,493	1,460	1,454	1,429	1,393	1,403	1,369	2,022	1,189	1,740	1,696	1,724	1,826	1,705	1,613	11,493	1,562
Depreciation	6,850	6,908	6,817	7,480	7,181	7,818	6,782	7,005	7,007	6,797	6,940	7,088	7,066	7,069	6,478	6,471	47,909	6,985
<b>Total Operating Expenses</b>	<b>135,540</b>	<b>123,692</b>	<b>124,858</b>	<b>128,160</b>	<b>122,924</b>	<b>133,964</b>	<b>134,589</b>	<b>133,507</b>	<b>145,336</b>	<b>136,691</b>	<b>136,252</b>	<b>129,211</b>	<b>141,496</b>	<b>135,892</b>	<b>138,113</b>	<b>146,653</b>	<b>964,308</b>	<b>134,180</b>
<b>Operating Margin</b>	<b>13,664</b>	<b>16,459</b>	<b>23,753</b>	<b>15,724</b>	<b>13,144</b>	<b>12,078</b>	<b>16,096</b>	<b>15,061</b>	<b>1,965</b>	<b>10,812</b>	<b>12,946</b>	<b>19,862</b>	<b>18,552</b>	<b>15,057</b>	<b>23,053</b>	<b>9,329</b>	<b>109,610</b>	<b>14,847</b>
Non-Operating Income	(12,737)	19,665	(5,482)	14,633	15,996	(21,198)	(2,958)	18,251	63,482	15,042	11,204	34,088	54,156	(19,925)	33,108	13,722	141,395	14,441
<b>Net Margin</b>	<b>928</b>	<b>36,124</b>	<b>18,271</b>	<b>30,357</b>	<b>29,139</b>	<b>(9,120)</b>	<b>13,138</b>	<b>33,312</b>	<b>65,448</b>	<b>25,854</b>	<b>24,150</b>	<b>53,949</b>	<b>72,708</b>	<b>(4,868)</b>	<b>56,161</b>	<b>23,050</b>	<b>251,005</b>	<b>29,288</b>
<b>Operating EBIDA</b>	<b>21,989</b>	<b>24,860</b>	<b>32,029</b>	<b>24,657</b>	<b>21,753</b>	<b>21,289</b>	<b>24,281</b>	<b>23,435</b>	<b>10,995</b>	<b>18,798</b>	<b>21,625</b>	<b>28,645</b>	<b>27,342</b>	<b>23,952</b>	<b>31,236</b>	<b>17,413</b>	<b>169,012</b>	<b>23,394</b>
Operating Margin (%)	9.2%	11.7%	16.0%	10.9%	9.7%	8.3%	10.7%	10.1%	1.3%	7.3%	8.7%	13.3%	11.6%	10.0%	14.3%	6.0%	10.2%	10.0%
Operating EBIDA Margin (%)	14.7%	17.7%	21.6%	17.1%	16.0%	14.6%	16.1%	15.8%	7.5%	12.7%	14.5%	19.2%	17.1%	15.9%	19.4%	11.2%	15.7%	15.7%

# Consolidated Balance Sheet (as of 01/31/2026)

(\$000s)

## ASSETS

	January 31, 2026	Audited June 30, 2025
<b>CURRENT ASSETS</b>		
Cash	412,296	407,140
Short Term Investments	173,478	98,926
Patient Accounts Receivable, net	249,097	240,895
Other Accounts and Notes Receivable	22,840	23,615
Intercompany Receivables	24,841	23,136
Inventories and Prepays	55,075	54,047
<b>Total Current Assets</b>	<b>937,628</b>	<b>847,759</b>
<b>BOARD DESIGNATED ASSETS</b>		
Foundation Board Designated	17,024	18,467
Plant & Equipment Fund	541,377	541,377
Women's Hospital Expansion	60,561	45,895
Operational Reserve Fund	210,693	210,693
Community Benefit Fund	16,319	17,476
Workers Compensation Reserve Fund	12,811	13,086
Postretirement Health/Life Reserve Fund	23,009	23,009
PTO Liability Fund	40,711	41,558
Malpractice Reserve Fund	1,713	1,713
Catastrophic Reserves Fund	33,014	41,019
<b>Total Board Designated Assets</b>	<b>957,233</b>	<b>954,294</b>
<b>FUNDS HELD BY TRUSTEE</b>	-	-
<b>LONG TERM INVESTMENTS</b>	<b>805,972</b>	<b>753,548</b>
<b>CHARITABLE GIFT ANNUITY INVESTMENTS</b>	<b>1,284</b>	<b>1,279</b>
<b>INVESTMENTS IN AFFILIATES</b>	<b>54,215</b>	<b>51,293</b>
<b>PROPERTY AND EQUIPMENT</b>		
Fixed Assets at Cost	2,137,064	2,067,886
Less: Accumulated Depreciation	(1,007,737)	(959,828)
Construction in Progress	260,094	228,708
<b>Property, Plant &amp; Equipment - Net</b>	<b>1,389,420</b>	<b>1,336,766</b>
<b>DEFERRED OUTFLOWS</b>	<b>40,640</b>	<b>41,289</b>
<b>RESTRICTED ASSETS</b>	<b>67,651</b>	<b>50,154</b>
<b>OTHER ASSETS</b>	<b>212,686</b>	<b>217,190</b>
<b>TOTAL ASSETS</b>	<b>4,466,729</b>	<b>4,253,573</b>

## LIABILITIES AND FUND BALANCE

	January 31, 2026	Audited June 30, 2025
<b>CURRENT LIABILITIES</b>		
Accounts Payable	63,432	77,122
Salaries and Related Liabilities	33,847	39,837
Accrued PTO	73,236	71,612
Worker's Comp Reserve	2,300	2,300
Third Party Settlements	9,073	8,509
Intercompany Payables	20,133	18,745
Malpractice Reserves	1,713	1,713
Bonds Payable - Current	12,725	15,615
Bond Interest Payable	61	5,651
Other Liabilities	21,337	17,992
<b>Total Current Liabilities</b>	<b>237,857</b>	<b>259,096</b>
<b>LONG TERM LIABILITIES</b>		
Post Retirement Benefits	19,813	22,028
Worker's Comp Reserve	12,374	12,374
Other L/T Obligation (Asbestos)	25,785	25,939
Bond Payable	513,009	526,840
<b>Total Long Term Liabilities</b>	<b>570,982</b>	<b>587,180</b>
<b>DEFERRED REVENUE-UNRESTRICTED</b>	<b>1,945</b>	<b>1,538</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	<b>77,946</b>	<b>88,430</b>
<b>FUND BALANCE/CAPITAL ACCOUNTS</b>		
Unrestricted	3,274,707	3,027,555
Minority Interest	-	-
Board Designated	235,642	225,482
Restricted	67,651	64,292
<b>Total Fund Bal &amp; Capital Accts</b>	<b>3,577,999</b>	<b>3,317,329</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>4,466,729</b>	<b>4,253,573</b>

**EL CAMINO HOSPITAL BOARD OF DIRECTORS  
RESOLUTION 2026-01  
APPROVING TRANSACTION TO PURCHASE CERTAIN ASSETS OF CARBON  
HEALTH TECHNOLOGIES, INC.**

March 4, 2026

At a meeting duly called on March 4, 2026, the Board of Directors (the “Board”) of El Camino Hospital, a California nonprofit public benefit corporation (“ECH”), does hereby authorize, consent to, and adopt the following resolution:

**WHEREAS**, ECH, a California nonprofit public benefit corporation is the sole member of El Camino Health Medical Network, LLC (“ECHMN”);

**WHEREAS**, at a meeting held on March 4, 2026, the Board of Managers of ECHMN, subject to the approval of ECH as the sole Member, approved the purchase of the tangible and intangible assets, including the assignment and assumption of leases and other contracts, from Carbon Health Technologies, Inc. and certain of its affiliates (collectively, the “Sellers”), for the four clinic sites located at: (1) [REDACTED]; (2) [REDACTED]; (3) [REDACTED]; and (4) [REDACTED].

**WHEREAS**, such transaction will be conducted pursuant to certain bid procedures governing the sale of Sellers’ assets under section 363 of the Bankruptcy Code, which requires ECHMN’s submission of a binding bid that includes the intended approximate purchase price of [REDACTED] and if applicable, ECHMN’s participation in an auction process, at which ECHMN is authorized to increase such purchase price up to [REDACTED] (the “Transaction”); and

**WHEREAS**, the Board of ECH has reviewed the actions and resolutions taken by the Board of Managers of ECHMN regarding the Transaction.

**NOW THEREFORE, BE IT RESOLVED**, the Board of ECH hereby approves each and all of the resolutions and actions taken by the Board of Managers of ECHMN as indicated in the attached Resolution dated March 4, 2026.

**DULY PASSED AND ADOPTED** at a regular meeting held on March 4, 2026, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
John Zoglin, Secretary  
El Camino Hospital Board of Directors

**ECHMN RESOLUTION 2026-01**  
**ACTION OF THE BOARD OF MANAGERS**  
**OF EL CAMINO HEALTH MEDICAL NETWORK, LLC**  
**APPROVING TRANSACTION TO PURCHASE CERTAIN ASSETS OF CARBON**  
**HEALTH TECHNOLOGIES, INC.**

March 4, 2026

In accordance with California Corporations Code §§ 17156 and 17704.07(n), pursuant to a majority vote of the managers at a meeting held March 4, 2026, the Board of Managers (the “Board”) of El Camino Health Medical Network, LLC, a California limited liability company (the “Company”) hereby takes the following actions and adopts the following resolutions, effective for all purposes as of the date first written above:

**WHEREAS**, Carbon Health Technologies, Inc. and certain of its affiliates (collectively, the “Sellers”), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (Houston Division), Case No. 26-90306 (CML) (Jointly Administered) (the “Bankruptcy Court”);

**WHEREAS**, the Bankruptcy Court entered an order approving bid procedures (the “Bid Procedures Order”) governing the sale of the Sellers’ assets pursuant to section 363 of the Bankruptcy Code, including procedures for the submission of bids, the conduct of an auction (the “Auction”), and the approval of one or more sale transactions;

**WHEREAS**, subject to the approval of the Company’s sole member, El Camino Hospital (the “Member”), the Board deems it to be in the best interest of the Company to purchase from the Sellers, for a cash purchase price of [REDACTED] (the “Purchase Price”), certain tangible and intangible assets related to the Sellers’ medical business operations at the four clinic sites located at: (1) [REDACTED]; (2) [REDACTED]; (3) [REDACTED]; and (4) [REDACTED] (the “Transaction”); and

**WHEREAS**, to document the Transaction, the Company and the Sellers shall enter into an Asset Purchase Agreement (the “Purchase Agreement”).

**NOW THEREFORE, BE IT RESOLVED**, the Board hereby approves the following resolutions and actions effective as of the date set forth above:

**RESOLVED FURTHER**, that the Transaction is hereby approved, and the officers of the Company, and each of them hereby is, authorized to negotiate, execute, deliver and carry out on behalf of the Company, subject to approval of the Member, the Purchase Agreement and the Transaction, together with all schedules, exhibits, and ancillary documents thereto, on substantially the terms presented to the Board, with such changes, modifications, and amendments as such officers may deem to be in the best interests of the Company (such determination to be conclusively evidenced by such officer’s execution of the Purchase Agreement).

**RESOLVED FURTHER**, that the officers of the Company, and each of them hereby is, authorized to submit the Purchase Agreement and all required bid materials to the Sellers in accordance with the Bid Procedures Order as a binding and irrevocable bid (the “Bid”) in accordance with the Bid Procedures Order.

**RESOLVED FURTHER**, that in the event an Auction is conducted by the Sellers pursuant to the Bid Procedures, the officers of the Company, and each of them hereby is, authorized to participate in the Auction on behalf of the Company and to increase the Purchase Price set forth in the Purchase Agreement to an amount not to exceed [REDACTED] (the “Authorized Bid Increase”), without further approval of the Board or the Member, as such officers may deem to be in the best interests of the Company.

**RESOLVED FURTHER**, that the officers of the Company, and each of them hereby is, authorized to consummate the Transaction in the event the Company is selected as the Successful Bidder or the Back-Up Bidder (each as defined in the Bid Procedures) and is called upon to close the applicable Transaction.

**RESOLVED FURTHER**, that the officers of the Company, and each of them hereby is, authorized and directed to execute and deliver in connection with the closing of the transactions contemplated by the Purchase Agreement, subject to approval by the Member, all documents and instruments required to be executed and/or delivered by the Company pursuant to the Purchase Agreement, the Bid Procedures Order, and any transaction contemplated thereby, and to take all other action deemed by such officers to be reasonably necessary or appropriate to the negotiation, execution, or effectuation of the Purchase Agreement or any transaction contemplated thereby or entered into in connection therewith, including, without limitation, appearing before the Bankruptcy Court, providing testimony in support of the Transaction, and cooperating with the Sellers in obtaining entry of an order approving the Transaction.

**RESOLVED FURTHER**, that the officers of the Company, and each of them hereby is, authorized to do and perform any and all such acts, including execution of any and all documents and certificates, as said officers shall deem necessary or advisable, to carry out the purposes of the foregoing resolution.

**RESOLVED FURTHER**, that any and all actions previously taken in furtherance of the transactions authorized or contemplated by the foregoing resolutions by any of the officers of the Company be, and hereby are, ratified, approved and confirmed as the true acts and deeds of the Company including, without limiting the foregoing, the execution, delivery, filing and/or recording of any agreements, certificates, filings, affidavits, instruments and other documents as may be or have been necessary or appropriate in order to effectuate the purposes of the foregoing resolutions, and the consummation of the transactions contemplated thereby.

*[Remainder of page intentionally left blank]*

CERTIFICATION

The undersigned hereby certifies that the foregoing resolutions were adopted by the Board of Managers at a meeting held on March 4, 2026 in accordance with the Fourth Amended and Restated Operating Agreement of El Camino Health Medical Network, LLC and that said resolutions have not been rescinded or modified and are now in full force and effect.

EL CAMINO HEALTH MEDICAL NETWORK, LLC

By: \_\_\_\_\_  
Dan Woods, CEO El Camino Hospital,  
Sole Member of El Camino Health Medical Network, LLC



## EL CAMINO HOSPITAL BOARD OF DIRECTORS FINANCE COMMITTEE MEETING MEMO

**To:** El Camino Hospital Finance Committee  
**From:** Ken King, CAO  
**Date:** March 4, 2026  
**Subject:** Property Purchase APN # 206-23-017 For Action

### **Recommendation:**

Management recommends that the Finance Committee recommend approval by the Board of Directors, the purchase of a property located in Sunnyvale at a cost not to exceed \$20.1 million.

### **Summary:** .

1. **Situation:** We have the opportunity to purchase a general office building in Sunnyvale that will extend the services of our medical network to a prominent location in the northeast portion of the city.
2. **Authority:** By policy, property acquisitions exceeding \$5 million require the Finance Committee to recommend approval by the Board of Directors.
3. **Background:** Consistent with the growth objectives of the organization this property was identified as a key location for ECHMN services.
4. **Assessment:** The property consists of a two-story building that is approximately 33,500 square feet on a 2.1 Acre Site. The building is currently used as a school and will need to be completely renovated to serve the needs of ECHMN. The location is at the corner of Lawrence Expressway and E. Duane Ave., which is just south of Hwy. 101. The purchase price for the building is \$19.3 million plus brokers' fees and closing costs. The cost per square foot is \$576, which is less than the cost of similar size buildings in Sunnyvale.
5. **Outcomes:** We anticipate closing escrow in mid-April and begin programming and designing the needed tenant improvements soon thereafter.

### **List of Attachments**

- None