



**EL CENTRO REGIONAL MEDICAL CENTER
BOARD OF TRUSTEES – REGULAR MEETING**

**MONDAY, July 28, 2025
5:30 PM**

**MOB CONFERENCE ROOM 1&2
1271 ROSS AVENUE, EL CENTRO, CA
&**

TELECONFERENCE LOCATION *NOTE: Pursuant to Government Code Section 54953(b) Trustee Patty Maysent- CEO, UCSD Health will be attending the Regular Meeting via teleconference from:*

**JACOBS MEDICAL CENTER, Suite 1-620
9300 CAMPUS POINT DR.
SAN DIEGO, CA 92037**

ACTING-PRESIDENT: Sylvia Marroquin

MEMBERS: Sonia Carter; Claudia Camarena; Marty Ellett; Michael Crankshaw; Patty Maysent-CEO, UCSD Health; Christian Tomaszewski-M.D.-CMO, UCSD; Pablo Velez-CEO ECRMC

CLERK: Belen Gonzalez

ATTORNEY: Douglas Habig, ECRMC Attorney
Elizabeth Martyn, City Attorney

This is a public meeting. If you are attending in person, and there is an item on the agenda on which you wish to be heard, please come forward to the microphone. Address yourself to the president. You may be asked to complete a speaker slip; while persons wishing to address the Board are not required to identify themselves (Gov't. Code § 54953.3), this information assists the Board by ensuring that all persons wishing to address the Board are recognized and it assists the Board Executive Secretary in preparing the Board meeting minutes. The president reserves the right to place a time limit on each person asking to be heard. If you wish to address the board concerning any other matter within the board's jurisdiction, you may do so during the public comment portion of the agenda.

BOARD MEMBERS, STAFF AND THE PUBLIC MAY ATTEND VIA ZOOM.

To participate and make a public comment in person, via Zoom or telephone, please raise your hand, speak up and introduce yourself.

Join Zoom Meeting: <https://ecrmc.zoom.us/j/89885356085?pwd=oQJbCgvgwI04zk6bsnhJbrOQnj51Dl.1>

Optional dial-in number: (669) 444-9171

Meeting ID: 898 8535 6085 **Passcode:** 165640

Public comments via zoom are subject to the same time limits as those in person.

OPEN SESSION AGENDA

ROLL CALL:

PLEDGE OF ALLEGIANCE:

PUBLIC COMMENTS: Any member of the public wishing to address the Board concerning matters within its jurisdiction may do so at this time. Three minutes is allowed per speaker with a cumulative total of 15 minutes per group, which time may be extended by the President. Additional information regarding the format for public comments may be provided at the meeting.

BOARD MEMBER COMMENTS:

CONSENT AGENDA: *(Item 1)*

All items appearing here will be acted upon for approval by one motion, without discussion. Should any Board member or other person request that any item be considered separately, that item will be taken up at a time as determined by the President.

1. Review and Approval of Board of Trustees Minutes of Regular Meeting of June 23, 2025.

NEW BUSINESS:

2. Review and Approval of Management Services Agreement between ECRMC and American Eye Associates- Modified Exhibit B-1: Quality Bonus Performance Metrics.
3. Teleradiology Service Agreement between ECRMC and University of California San Diego Health—**Informational**

CHIEF EXECUTIVE OFFICER UPDATE

4. Verbal Report from the CEO to the Board of Trustees—**Informational**
5. Manager Update—Patty Maysent—**Informational**

FINANCE and OPERATIONAL UPDATE

6. Review and Approval of the Financial Statements for Month and Year-to-Date as of June 2025.
7. Review and Approval of FY2025 WIPFLI Annual Audit Engagement Letter.
8. Review and Approval of Bausch & Lomb Vitrectomy Equipment.

RECESS TO CLOSED SESSION – BOARD PRESIDENT

A. HEARING/DELIBERATIONS RE MEDICAL QUALITY COMMITTEE REPORTS/STAFF PRIVILEGES. The Hospital Board will recess to closed session pursuant to Government Code Section 37624.3 for a hearing and/or deliberations concerning reports of the ___ hospital medical audit committee, or X quality assurance committees, or X staff privileges.

B. TRADE SECRETS. The Hospital Board will recess to closed session pursuant to Govt. Code Section 37606(b) for the purpose of discussion and/or deliberation of reports involving hospital trade secret(s) as defined in subdivision (d) of Section 3426.1 of the Civil Code and which is necessary, and would, if prematurely disclosed create a substantial probability of depriving the hospital of a substantial economic benefit:

<u>Discussion of:</u>	<u>Number of Items:</u>
<u>X</u> hospital service;	<u>1</u>
<u>X</u> program;	<u>1</u>
<u>X</u> hospital facility	<u>1</u>

C. CONFERENCE WITH LEGAL COUNSEL. The Hospital Board will recess to closed session pursuant to Government Code Section 54956.9 (d)(1).

RECONVENE TO OPEN SESSION – BOARD PRESIDENT

ANNOUNCEMENT OF CLOSED SESSION ACTIONS, IF ANY – GENERAL COUNSEL

9. Approval of Report of Medical Executive Committee’s Credentials Recommendations Report for Appointments, Reappointments, Resignations and Other Credentialing/Privileging Actions of Medical Staff and/or AHP Staff (*Approved in Closed Session*)

ADJOURNMENT: Adjourn. (Time:) Subject to additions, deletions, or changes.



El Centro Regional Medical Center
BOARD OF TRUSTEES – REGULAR MINUTES
OPEN SESSION MINUTES
MOB CONFERENCE ROOMS 1 & 2
1271 Ross Avenue, El Centro, CA 92243

Zoom Meeting link: <https://ecrmc.zoom.us/j/83260022458?pwd=bPywclClMwhHtSY6py6WneNd1mat9L.1>

Monday, June 23, 2025

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
ROLL CALL	<p>PRESENT: Marroquin; Camarena; Carter (<i>left @ 7:57pm</i>); Ellett; Crankshaw (<i>left @ 7:25pm</i>); Tomaszewski; Maysent; Chief Executive Officer Pablo Velez; and Executive Board Secretary Belen Gonzalez</p> <p>ABSENT: -</p> <p>VIA Zoom: UCSD Chief Health Counsel Veronica Marsich; UCSD Tammy Morita; ECRMC Chief of Staff Andrew Lafree, MD; ECRMC Attorney Douglas Habig (<i>present @ 6:15pm</i>)</p> <p>ALSO PRESENT: ECRMC Chief Medical Officer Seung Gwon, MD; City of El Centro Attorney Elizabeth Martyn (<i>left @ 7:32pm</i>);</p> <p>Hospital Administrative Staff: David Momberg-CFO; Luis Castro-CHRO; Kimberly Probus-CNO; Matthew Nilsen-Marketing Director</p>	
CALL TO ORDER		The Board of Trustees convened in open session at 5:42 p.m. Acting Board

Regular Meeting
June 23, 2025 5:30 p.m.

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
		President Marroquin called the meeting to order.
OPENING CEREMONY	The Pledge of Allegiance was recited in unison.	None
NOTICE OF MEETING	Notice of meeting was posted and mailed consistent with legal requirements.	None
PUBLIC COMMENTS		None
BOARD MEMBER COMMENTS		None
CONSENT AGENDA <i>(Items 1-6)</i> Item 1. Review and Approval of Board of Trustees Minutes of Regular Meeting of April 28, 2025. Item 2. Review and Approval of Board of Trustees Minutes of SPECIAL Meeting May 22, 2025 Item 3. Review and Approval of New Triennial Policy: Tenecteplase (TNKase) for Acute Ischemic Stroke. Item 4. Review and Approval of Triennial Policy: Purchase of Capital Equipment, Furniture and Services. Item 5. Review and Approval of Triennial Policy: Asthma Wellness Program Standardized Procedures.	All items appearing here were acted upon for approval by one motion (or as to information reports, acknowledged receipt by the Board and directed to be appropriately filed) without discussion.	MOTION: by Carter, second by Ellet and carried to approve the Consent Agenda. All present in favor; none opposed.

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
Item 6. Review and Approval of Amendments to Medical Staff Bylaws.		
NEW BUSINESS Item 7. Review and Approval of Ophthalmology Eye Surgery Management Services Agreement.	Item to be discussed in Closed Session. The Board of Trustees proposed extracting the quality metrics into a separate amendment.	MOTION: by Maysent, second by Marroquin and carried to approve the Ophthalmology Eye Surgery Management Services Agreement with suggested changes. All present in favor; none opposed.
Item 8. Review and Approval of the Asset Transfer Agreement between the City of El Centro, El Centro Regional Medical Center (ECRMC), and the Imperial Valley Healthcare District (IVHD) RESOLUTION NO. 25-02 A RESOLUTION OF THE EL CENTRO REGIONAL MEDICAL CENTER BOARD OF TRUSTEES APPROVING THE ASSET TRANSFER AGREEMENT BY AND AMONG THE CITY OF EL CENTRO, EL CENTRO REGIONAL MEDICAL CENTER, AND IMPERIAL VALLEY HEALTHCARE DISTRICT	Item to be discussed in Closed Session.	MOTION: by Maysent, second by Marroquin and carried to approve the the Asset Transfer Agreement between the City of El Centro, El Centro Regional Medical Center (ECRMC), and the Imperial Valley Healthcare District (IVHD) RESOLUTION NO. 25-02 A RESOLUTION OF THE EL CENTRO REGIONAL MEDICAL CENTER BOARD OF TRUSTEES APPROVING THE ASSET TRANSFER AGREEMENT BY AND AMONG THE CITY OF EL CENTRO, EL CENTRO REGIONAL MEDICAL CENTER, AND IMPERIAL VALLEY HEALTHCARE DISTRICT. All present in favor; none opposed.

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
CHIEF EXECUTIVE OFFICER UPDATE Item 9. Verbal Report from the CEO to the Board of Trustees— Informational	Item to be discussed in Closed Session	Informational
Item 10. Manager Update—Patty Maysent—Informational	Provided update on the upcoming substantial Medicaid policy changes and their projected impacts due to funding cuts.	Informational.
FINANCE and OPERATIONAL UPDATE Item 11. Review and Approval of the Financial Statements for Month and Year-to-Date as of April 2025.	David Momberg presented the Financial Statements for Month and Year-to-Date as of April 2025 report and answered questions. Presentation included: <ul style="list-style-type: none"> • Comparative volumes vs. Prior Month/Year • Balance Sheet vs. Prior Month comparison • Operating Statement vs. Prior Month comparison • Monthly Cash Flow (Fiscal Year to Date) 	MOTION: by Ellett, second by Maysent and carried to approve the Financial Statements for Month and Year-to-Date as of April 2025. All present in favor; none opposed.
Item 12. Review and Approval of the Financial Statements for Month and Year-to-Date as of May 2025.	David Momberg presented the Financial Statements for Month and Year-to-Date as of May 2025 report and answered questions. Presentation included: <ul style="list-style-type: none"> • Comparative volumes vs. Prior Month/Year • Balance Sheet vs. Prior Month comparison • Operating Statement vs. Prior Month comparison • Monthly Cash Flow (Fiscal Year to Date) 	MOTION: by Maysent, second by Ellett and carried to approve the Financial Statements for Month and Year-to-Date as of May 2025. All present in favor; none opposed.

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
Item 13. Review and Approval of the Fiscal Year 2026 Budget.	<p>David Momberg presented the Annual budget and answered questions.</p> <p>Budget presentation included:</p> <ul style="list-style-type: none"> • Gross Revenue - \$798M • TTL Revenue - \$165M • TTL Expenses - \$164 • Net Gain - \$1M • Net EBIDA - \$19M 	<p>MOTION: by Tomaszewski, second by Ellett and carried to approve the Fiscal Year 2026 Budget.</p> <p>All present in favor; none opposed.</p>
RECESS TO CLOSED SESSION		<p>MOTION: by Maysent, second by Ellett and carried to recess to Closed Session at 6:11pm for TRADE SECRETS</p>
RECONVENE TO OPEN SESSION ITEM 8	Reconvene to Open Session to take action on Item 8.	The Board of Trustees reconvened to Open Session at 7:21 p.m.
RECESS TO CLOSED SESSION		<p>MOTION: by Maysent, second by Ellett and carried to recess to Closed Session at 7:24 p.m. for HEARING/ DELIBERATIONS RE MEDICAL QUALITY COMMITTEE REPORTS/STAFF PRIVILEGES and TRADE SECRETS.</p> <p>All present in favor to recess to Closed Session. None opposed.</p>
RECONVENE TO OPEN SESSION ITEMS 7, 11, 12, and 13	Reconvene to Open Session to take action on Items 7, 11, 12, and 13.	The Board of Trustees reconvened to Open Session at 8:25 p.m.

TOPIC	DISCUSSION/CONCLUSION	RECOMMENDATION/ACTION
ANNOUNCEMENT OF CLOSED SESSION ACTIONS, IF ANY— GENERAL COUNSEL		[A. HEARING/DELIBERATIONS RE MEDICAL QUALITY COMMITTEE REPORTS/STAFF PRIVILEGES— GOVERNMENT CODE SECTION 37624.3] MOTION: by, Carter second by Ellett and carried to approve the Report of Medical Executive Committee’s Credentials Recommendations Report for Appointments, Reappointments, Resignations and Other Credentialing/Privileging Actions of Medical Staff and/or AHP Staff. All present in favor; none opposed.
ADJOURNMENT		There being no further business, meeting was adjourned at approximately 8:29 p.m.

BELEN GONZALEZ, BOARD EXECUTIVE SECRETARY

APPROVED BY

SILVIA MARROQUIN, ACTING-BOARD PRESIDENT

Regular Meeting
June 23, 2025 5:30 p.m.

TO: HOSPITAL BOARD MEMBERS

FROM: Douglas Habig, General Counsel

DATE: July 28, 2025

MEETING: Board of Trustees



SUBJECT: Management Services Agreement between ECRMC and American Eye Associates
(Quality Bonus Performance Metrics exhibit)

BUDGET IMPACT:

- A. Does the action impact/affect financial resources? X Yes No
B. If yes, what is the impact amount: Bonus compensation to AEA in maximum amount of \$350,000 annually for meeting quality performance metrics

BACKGROUND: The Board approved the Management Services Agreement at the last Board meeting. However, the Chief Medical Officer expressed concerns about the quality bonus performance metrics attached to the Agreement as Exhibit B-1. The General Counsel and the Chief Medical Officer have met with AEA over the past month to modify the metrics required to achieve bonus payments. The CMO has determined that the modified metrics are acceptable and the exhibit is submitted to the Board for approval.

DISCUSSION: Exhibit B-1 setting forth the modified quality performance metrics and the applicable bonus payments for achieving them is attached to the Management Services Agreement. The provision for "handwashing prior to surgery" has been removed and replaced with a metric for "on time arrival for surgery" more than 95% of the time, and clarifies that on time means 20 minutes prior to surgery. The metric for "attendance of monthly/quarterly medical staff meetings" has been modified to provide specifically for the AEA Medical Director and Quality Manager to attend quarterly quality meetings and OR governance meetings. The metric for "timely medical records completion" has been clarified to include physician signature and modified to require 95% submission within 7 days and 100% submission within 14 days (the regulatory requirement). Likewise, the metric for anesthesia provider documentation has been modified to require 100% charting on day of service and signatures within 14 days. The metric for "daily/weekly/monthly compliance audits completed" has been clarified to reference 95% completion of the compliance audits required under Exhibit A-1 of the Agreement and that such audits are to be shared at the quarterly quality meeting. Finally, the metric for "hospital visits after hospital outpatient surgery" has been modified to add "and/or unplanned return to OR."

RECOMMENDATION: Approve

ATTACHMENT(S):

- Modified Exhibit B-1 to Management Services Agreement

Approved for agenda, Chief Executive Officer

Date and Signature: _____

Pablo V. [Signature] 7/28/25

EXHIBIT B-1

QUALITY BONUS PERFORMANCE METRICS

Performance Metric	Goal/ Threshold	Bonus Amount
Quarterly Measurement		
Surgical Site Infections	Zero Events in Period	\$8,750 per quarter
On Time Surgeon Arrival to OR for Surgery (20 Minutes Prior to Surgery per Surgery Rules and Regulations)	>95% On Time	\$8,750 per quarter
Medical Director & Quality Manager Attendance at Quarterly Quality Meeting and OR Governance Meeting	100% Compliance, Med Dir & OQM attend in person; *CMO/CEO may attend for MedDir/OQM via Zoom in the event of illness/conflict	\$8,750 per quarter
Timely Medical Records Completion, including MD Signatures where required	95% Submission within 7 Days of Discharge and No Later than 14 Days (100%)	\$8,750 per quarter
Anesthesia Provider Documentation	100% Charted on day of service in OR; signatures for orders completed within 14 Days	\$8,750 per quarter
Peer Review Chart Audits – 3 charts per Provider per Quarter, Surgeons & Anesthesia	100% Complete	\$8,750 per quarter
Summary results of Compliance Audits performed per Exhibit A-1 of MSA shared at Quarterly Quality Meeting	95% Complete Summary Results & QI Action Plan Submitted	\$8,750 per quarter
Annual Measurement		
OP-31: Cataracts – Improvement in Patient’s Visual Function (VF) within 120 Days Following Cataract Surgery; reference, AEA performance LY= 64%		
	VF Imp.	% Payout
	78%	100%
	77%	95%
	76%	90%
	75%	85%
	74%	80%
	73%	75%
	72%	70%
	71%	65%
		\$35,000 per year

	<table><tr><td>70%</td><td>60%</td></tr><tr><td>69%</td><td>55%</td></tr><tr><td>68%</td><td>50%</td></tr><tr><td>67%</td><td>45%</td></tr><tr><td>66%</td><td>40%</td></tr><tr><td>65%</td><td>35%</td></tr><tr><td>64%</td><td>0%</td></tr></table>	70%	60%	69%	55%	68%	50%	67%	45%	66%	40%	65%	35%	64%	0%	
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OP-37 a-e: Outpatient and Ambulatory Surgery Consumer Assessment (OAS CAHPS) – AEA to prepare QI Action plan based on survey results and present to Quality Committee	QI Action Plan Submitted (If ECRMC does not participate in CAHPS, AEA will directly survey patients)	\$35,000 per year														
OP-36: Hospital Visits and/or unplanned return to OR after Hospital Outpatient Surgery	Zero Events (related to Ophthalmology) within 90 Days after Surgery	\$35,000 per year														

The Quality Bonus shall be payable no later than (i) 15 days after the end of the applicable quarter for the quarterly metrics, and (ii) 30 days after CMS publishes the applicable OCR quality metrics for the previous calendar year for the annual metrics—or 30 days after the end of the calendar year if the annual metric is not provided by CMS. The initial quarterly and annual Quality Bonus shall be prorated based on the number of days this Agreement has been in effect in the quarter or year, as applicable.

The Parties shall jointly assess the performance of the Surgery Center against the then-current target performance metrics, and shall mutually agree on the total amount of the Quality Bonus due and payable. In the event of a dispute between the Parties concerning whether certain target performance metrics have been met, the Parties shall retain a mutually-acceptable independent third party consultant to measure the performance of the Surgery Center against the then-current target performance metrics and to determine the amount of the Quality Bonus due to AEA.

TO: HOSPITAL BOARD MEMBERS

FROM: Douglas Habig, General Counsel

DATE: July 28, 2025

MEETING: Board of Trustees



SUBJECT: Teleradiology Services Agreement between ECRMC and UC San Diego Health

BUDGET IMPACT:

- A. Does the action impact/affect financial resources? X Yes No
B. If yes, what is the impact amount: Stipend payment to UCSD in the amount of \$200,000 per month totaling \$2.4 Million per year

BACKGROUND: The Board has previously authorized El Centro Regional Medical Center's ("ECRMC") CEO to enter into a contract with UC San Diego Health ("UCSD") for teleradiology services to replace the existing contract with Vesta. As has been previously discussed with the Board, ECRMC's radiology services has suffered significantly under its relationship with Vesta. Vesta were exceedingly delinquent on contractual turn-around times and provided such poor quality that many physicians refused to refer radiology services to ECRMC. ECRMC management has negotiated a Teleradiology Services Agreement with UCSD effective August 1, 2025, which will significantly improve turn-around times and quality of service. As previously approved by the Board, the Agreement was signed and is currently being implemented.

DISCUSSION: The Teleradiology Services Agreement with UCSD provides for radiology groups associated with UCSD to provide reads and reports on all radiology studies by teleradiology on a 24 hour 7 day per week basis, excluding holidays. The Agreement provides for reasonable turn-around times for reading and reporting on such studies. ECRMC will also have access to UCSD's PACS system for storage and retrieval of studies without additional cost. The Agreement provides that UCSD and their radiologists will retain all professional fees for their services and that ECRMC will pay a monthly stipend of \$200,000 for the service, which shall not exceed \$2.4 Million annually. At the end of each year of the contract, the parties will review and negotiate the terms of the stipend. The relationship with UCSD for radiology has already provided benefits by allowing ECRMC to contract with payors for their members' radiology services. In addition, the quality of UCSD is expected to encourage physicians who have declined to refer radiology to ECRMC due to the failings of Vesta to resume such referrals.

RECOMMENDATION: Informational

ATTACHMENT(S):

- Teleradiology Services Agreement

Approved for agenda, Chief Executive Officer

Date and Signature: _____

Pablo Velaz

TELERADIOLOGY SERVICES AGREEMENT

THIS TELERADIOLOGY SERVICES AGREEMENT (the "Agreement") is entered into as of August 1, 2025 ("Effective Date") by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA (the "Regents") on behalf of the UNIVERSITY OF CALIFORNIA SAN DIEGO HEALTH SYSTEM AND SCHOOL OF MEDICINE, a corporation described in Article IX, Section 9, of the Constitution of the State of California ("UCSD") and EL CENTRO REGIONAL MEDICAL CENTER, an agency of the City of El Centro, ("ECRMC") (each, a "Party" and collectively, the "Parties").

- A. ECRMC operates a general acute care hospital located at 1415 Ross Avenue, El Centro, California and maintains radiologic services there and at other outpatient sites for the provision of inpatient and outpatient diagnostic and interventional radiology services ("Service Site").
- B. UCSD and its physician employees and independent contractors provide Professional Services (defined below) for imaging providers.
- C. ECRMC wishes to contract with UCSD to provide Professional Services to ECRMC, and UCSD desires to provide such services, in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements and subject to the conditions and limitations set forth herein, the Parties hereto do hereby agree as follows:

1. Engagement of UCSD.

1.1 Professional Services. For the purposes of this Agreement, "Professional Services" shall have the meaning described in Section 3 of this Agreement.

1.2 Engagement. ECRMC hereby engages UCSD to provide Professional Services and UCSD agrees to provide and/or arrange for the provision of Professional Services, in accordance with the terms and subject to the conditions set forth in this Agreement.

2. Services to be provided by UCSD.

2.1 Technical Requirements. In order to properly provide Professional Services, UCSD, at UCSD's expense, shall provide the following items and services.

- a. Computer hardware to be utilized at one or more locations selected by UCSD (collectively, the "Reading Site").
- b. Computer software selected by UCSD, to be utilized at the Reading Site.
- c. Facsimile, telephone, networking, email, and other telecommunications equipment to be utilized at the Reading Site; and
- d. Any supplies, services, maintenance, repairs, and upgrades reasonably required at the Reading Site in connection with the foregoing.

2.2 Additional Obligations of UCSD. UCSD shall notify ECRMC of the telephone number and email address of UCSD's Reading Site prior to the Commencement Date (defined below) and with reasonable advance notice in the event of any change to the Reading Site. UCSD's Reading Site shall satisfy American

College of Radiology standards. ECRMC shall provide to UCSD the telephone number and email address to ensure timely communications.

3. Professional Services.

3.1 Professional Services.

UCSD shall provide Radiology services via Teleradiology coverage services, as follows (collectively, "Professional Services"):

(a) Radiology services including without limitation interpretation of radiology studies, currently offered by ECRMC at its existing Service Site. Examples of radiology studies include: plain film radiography, cardiac CTA, computed tomography (CT), magnetic resonance imaging (MRI), positron emission tomography (PET), mammography, ultrasound, nuclear medicine, diagnostic GI and GU procedures, diagnostic vascular studies, bone densitometry, and other diagnostic studies considered to be included in the medical specialty of diagnostic radiology, and any other procedures or services as may be agreed to from time to time by the parties.

(b) UCSD shall arrange for the following items and services (to be provided by one or more of UCSD's physician employees or independent contractors (each, a "Reader") during the hours indicated in Section 3.1(c) below (the "Hours of Coverage"):

- i. Review of the images received at the Reading Site from the Service Site.
- ii. Completion of a report (the "Report"), consisting of the Reader's typewritten report transmitted by image transfer to PACS from the Reading Site to the Service Site consistent with applicable laws and payor policies.
- iii. If the Reader's interpretation reveals a life-threatening condition (red category critical result), the Reader shall promptly contact the ordering physician or designated contact at the Service Site to inform him or her of the Reader's findings as contained in the Report within one hour (60 min) of the critical finding.

(c) UCSD shall ensure and provide coverage by UCSD physicians (or a UCSD-contracted service as mutually agreed) practicing through teleradiology to ensure coverage 24/7/365. Such coverage shall include daytime coverage during the hours of 8:00 am to 5:00 pm Monday through Friday and night-time, weekend and holiday coverage including specifically: Monday to Friday, from 5:01pm to 7:59am the next day, on ECRMC-designated and UCSD-designated holidays, and on weekends beginning on Friday at 5:01 pm and continuing through 7:59 am on Monday. If UCSD is not able to cover this schedule with its own physician employees or independent contractors during a certain period to be agreed upon between the parties, it will inform ECRMC as early as possible.

The Professional Services shall be provided during the Hours of Coverage described in Sections 3.1(c) commencing on a date to be agreed upon by the parties the ("Commencement Date").

3.2 Adjustment to Coverage. Unless ECRMC notifies UCSD in writing at least thirty (30) days in advance that Professional Services are not required as scheduled during the Hours of Coverage, UCSD shall arrange for a Reader or Readers to be available at the Reading Site(s) to perform Professional Services for ECRMC during the Hours of Coverage. ECRMC may modify the Hours of Coverage upon thirty (30) days written notice to UCSD. FACILTY and UCSD agree to meet quarterly to review the ECRMC's radiology services

to address the need for any adjustments to the coverage then in effect. Both parties agree that any increase or decrease in the coverage must be mutually agreed to in writing.

3.3 Qualification of Readers. Each Reader shall:

- (a) Possess the necessary license(s) to perform the Professional Services required under this Agreement.
- (b) Be American Board of Radiology Board Certified or Board Eligible in Radiology or Diagnostic Radiology.
- (c) Maintain all permits, licenses, and certificates necessary for the ECRMC to maintain the full scope of radiology services it is capable of performing, including CTA cardiac vascular ultrasounds, pediatric ultrasounds (including hips, pyloric stenosis, infant head, and spinal canal), and breast MRIs.
- (d) Be an active member in good standing of the Medical Staff of the ECRMC with sufficient clinical privileges at ECRMC to provide the Professional Services; and
- (e) Medicare/Medi-Cal/TRICARE. UCSD and each Reader will be eligible, and will maintain eligibility, to provide services to beneficiaries of Medicare, Medi-Cal, and TRICARE and other federal health care programs in which ECRMC participates.

3.4 Performance Requirements. The services provided by the Readers hereunder shall satisfy the following performance requirements:

- (a) UCSD and its Readers shall ensure that all studies are read, and a Report returned to the Service Site via electronic delivery within the turnaround times set forth on Exhibit B.
- (b) Neither UCSD nor its Readers shall be responsible for delays caused by insufficient patient information, receipt of incomplete or inadequate images at the Reading Site, facsimile, or internet reception failure at the Service Site or at ECRMC's office, or other similar reasons outside UCSD's control. Both parties shall work cooperatively to achieve the turnaround times set forth on Exhibit B.
- (c) ECRMC understands that radiology equipment may fail and that there may be technical problems with the transmission of images or reports resulting in the inability of Readers to provide an interpretation of the radiology procedure. UCSD and its physician employees or independent contractors will not be liable for any liabilities related to the inability or failure of UCSD to provide interpretative services on behalf of ECRMC solely attributable to technical problems with the transmission of images or reports to UCSD.
- (d) UCSD will participate in:
 - (i) The quality assurance, quality improvement and risk management programs of ECRMC and serve on such quality assurance, quality improvement or risk management committees as may be required;
 - (ii) On-going quality improvement monitoring activities, such as audits, reviews, or investigations, conducted in order to evaluate and enhance the quality of patient care. The appropriate review mechanism will be applied in accordance with the provisions of the Medical Staff Bylaws, accreditation organizations, and applicable laws; and

(iii) Risk management activities designated to identify, evaluate, and reduce risk of patient injury associated with care.

(e) Neither UCSD nor any Reader will employ or contract with individuals sanctioned or excluded from participation in the Medicare, Medi-Cal, TRICARE, or any federal health care program and will verify the status of all such persons prior to and periodically during their employment or contract term. Any persons contracted or employed by UCSD or any Reader who becomes so sanctioned or excluded during the term of this Agreement will be immediately excluded from providing such Professional Services under this Agreement.

(f) Neither UCSD nor any Reader will differentiate or discriminate in the provision of Professional Services to any ECRMC patient because of race, color, creed, national origin, ancestry, religion, sex, marital status, sexual orientation, medical condition, health status, age or financial status. No Reader will reduce or limit medically necessary services to any patient, including Medicare, Medi-Cal, or TRICARE beneficiaries.

(g) All facilities, equipment, supplies, and personnel provided by ECRMC will be used by UCSD and each Reader solely to provide Professional Services under this Agreement and will not be used by UCSD or any Reader for any other purpose whatsoever, including without limitation, the operation of any private medical practice or services not covered by this Agreement. This Agreement will not be construed as a lease to UCSD or any Reader of any portion of ECRMC's facilities; insofar as UCSD or any Reader may use a portion of ECRMC's facilities under this Agreement, they do so as a licensee only, and ECRMC will at all times have full and free access to the same.

4. UCSD Covenants.

4.1 Quality Assurance, Quality Improvement and Risk Management. UCSD will participate in:

(a) The quality assurance, quality improvement and risk management programs of ECRMC and serve on such quality improvement or risk management committees as may be required;

(b) On-going quality improvement monitoring activities, such as audits, reviews, or investigations, conducted in order to evaluate and enhance the quality of patient care. The appropriate review mechanism will be applied in accordance with the provisions of the Medical Staff Bylaws, accreditation organizations, and applicable laws; and

(c) Risk management activities designated to identify, evaluate, and reduce risk of patient injury associated with care.

4.2 Exclusion. Neither UCSD nor any Reader will employ or contract with individuals sanctioned or excluded from participation in the Medicare, Medi-Cal, TRICARE, or any federal health care program and will verify the status of all such persons prior to and periodically during their employment or contract term. Any persons contracted or employed by UCSD or any Reader who becomes so sanctioned or excluded during the term of this Agreement will be immediately excluded from providing such Professional Services under this Agreement.

4.3 Non-Discrimination. Neither UCSD nor any Reader will differentiate or discriminate in the provision of Professional Services to any ECRMC patient because of race, color, creed, national origin, ancestry, religion, sex, marital status, sexual orientation, medical condition, health status, age or financial

status. No Reader will reduce or limit medically necessary services to any patient, including Medicare, Medi-Cal, or TRICARE beneficiaries.

4.4 Use of Space. All space, equipment, supplies, and personnel provided by ECRMC will be used by UCSD and each Reader solely to provide Professional Services under this Agreement and will not be used by UCSD or any Reader for any other purpose whatsoever, including without limitation, the operation of any private medical practice or services not covered by this Agreement. This Agreement will not be construed as a lease to UCSD or any Reader of any portion of ECRMC's space; insofar as UCSD or any Reader may use a portion of ECRMC's space under this Agreement, they do so as a licensee only, and ECRMC will at all times have full and free access to the same.

4.5 Interfaces and EHR Capabilities. UCSD agrees to use best efforts in working with ECRMC to establish all necessary electronic interfaces (including direct access to ECRMC's electronic medical billing system) in order to support UCSD's provision of Professional Services and billing processes.

4.6 Expenses. UCSD will be solely responsible for, or cause each Reader to be responsible for, its expenses related to the performance of each Reader's duties under this Agreement, including but not limited to the following: (a) the compensation and benefits of each Physician, (b) professional license fees and professional association membership fees and dues; (c) professional conventions and meetings; (d) professional liability insurance; (e) continuing medical education fees; and (f) all compensation attributable to any employees, subcontractors, or back-up physicians engaged by UCSD. Neither UCSD nor any Reader will incur any expense or financial obligation on behalf of ECRMC without ECRMC's prior written consent, which consent will be in ECRMC's sole and absolute discretion.

5. ECRMC Covenants relating to Patient Records and Equipment.

5.1 Maintenance of Films, Electronic Copies and Patient Records. ECRMC shall maintain all radiographic films or electronic imaging records and related patient records pertaining to studies interpreted by the Readers in accordance with applicable federal and state laws. Upon request by UCSD for patient treatment or in connection with a professional liability claim, ECRMC shall use its best efforts to assist UCSD in obtaining access to such films and records, including the right to make copies at the expense of UCSD. UCSD will provide ECRMC with access to its PACS system.

5.2 ECRMC represents and warrants to UCSD that all diagnostic radiology equipment and other equipment used in performing and transmitting radiology images, has been and will be properly calibrated and maintained in accordance with manufacturer's instructions and applicable industry standards. ECRMC has, and shall maintain, all authorizations, accreditation, licenses and inspections necessary for operation of any equipment used to generate diagnostic radiology imaging transmitted to Readers. At all times during any term of this Agreement, such diagnostic radiology equipment shall be operated in accordance with manufacturer instructions and applicable industry standards by trained and licensed personnel.

5.3 Downtime Procedures. In the event of network outage, both Parties will commit to timely notification and ECRMC will be responsible for its onsite downtime requirements.

6. Compensation.

6.1 Amount of Compensation. ECRMC shall pay UCSD for the Services it provides under this Agreement as set forth Exhibit A attached hereto. Any changes to the compensation must be mutually agreed to in a written amendment to this Agreement.

6.2 Start Up Costs. ECRMC will pay the start-up costs associated with this Agreement, such as Dicom server installation, HL7 interface development, software licensing, dictation solution/software, staff training, credentialing the radiologists with ECRMC as well as payors. ECRMC will have no responsibility to pay compensation UCSD for any overhead expenses beyond the initial start-up fees in this Section 6.2.

6.3 PACS System Access. UCSD will provide ECRMC with access to its Picture Archiving and Communication System ("PACS") system both to electronically store radiology data and to read such data for the provision of care to its patients. ECRMC shall pay UCSD on a monthly basis the invoiced amount of Two Dollars and Eighty-Five Cents (\$2.85) per read from such PACS system.

6.4 Billing for Professional Services.

(a) Except to the extent set forth in Section 6.4(c) hereof, UCSD is responsible for, and solely entitled to, bill and collect the charges for all professional radiology services furnished by Readers to ECRMC patients.

(b) UCSD agrees to meet and negotiate in good faith with third party payors with whom Hospital has entered into contracts to provide hospital services to specific patient populations at rates other than those charged the general public. UCSD will notify ECRMC if it is unable to come to terms with any third-party payor or if any contract with a third-party payor is cancelled.

(c) In the event that during the term of this Agreement ECRMC enters into any agreements with payors that require ECRMC to accept global rates for diagnostic radiology services that include professional radiology services, ECRMC will directly bill and collect for the technical and professional components of such services, and will compensate UCSD for professional radiology services pursuant to the applicable payor physician fee schedule (Medicare, Medi-Cal or CMSP).

6.5 Fee Schedule. UCSD and each Reader agree that fees for professional radiology services provided by UCSD to patients will at all times during the term of this Agreement not be in excess of usual, customary, and reasonable fees for comparable services. UCSD will provide ECRMC with its professional fee schedule upon request.

6.6 Assignment. UCSD will accept Medicare and Medi-Cal/CMSP assignment with respect to professional radiology services provided to Medicare and Medi-Cal/CMSP beneficiaries as payment in full for the professional radiology services rendered, and further agrees not to bill such patients for any deductibles or co-payments except where required to do so by law.

6.7 Payment. If applicable, UCSD shall invoice ECRMC monthly for services rendered during the prior month, and ECRMC shall pay UCSD the compensation owed within thirty (30) calendar days of ECRMC's receipt of UCSD's invoice. Any undisputed invoice that is not paid within thirty (30) calendar days of receipt will be considered past due.

6.8 Late Payments, Attorneys' Fees. In the event of default resulting in collection activity or any litigation between the Parties arising from this Agreement, the prevailing Party shall be entitled to recover, in addition to any other relief granted, its reasonable costs and expenses, including court costs and attorney's fees.

7. Term and Termination

7.1 Term. The initial term ("Initial Term") of this Agreement shall be a two (2) year period commencing on the Commencement Date. This Agreement shall automatically renew for successive terms of one (1) year each (each, an "Extended Term"), unless terminated in accordance with Section 7.2 of this Agreement or as otherwise provided by law.

7.2 Termination

(a) In the event of a material breach of this Agreement by either Party, the other Party may give written notice of intent to terminate to the breaching Party. Such notice shall be given in accordance with Section 12.6 of this Agreement and shall specify in reasonable detail the nature of the breach. The breaching Party shall have thirty (30) days from receipt of the notice in which to cure the breach. If the breach is not cured within the cure period, this Agreement shall be deemed terminated as of the expiration of the cure period or on such later date as may be specified in the notice of breach.

(b) After the Initial Term, either Party may terminate this Agreement without cause upon One Hundred and Eighty (180) days prior written notice to the other Party. Each Party shall continue to fulfill all obligations under the Agreement during the notice provision.

(c) Termination of this Agreement by either Party shall not terminate any rights or obligations of either Party relating to services furnished prior to such termination or any other obligation under this Agreement, including but not limited to ECRMC's obligation to compensate UCSD for Professional Services rendered prior to termination and UCSD's obligation to bill and collect for Professional Services in good faith.

8. Insurance

8.1 UCSD shall maintain or cause to be maintained professional and general liability insurance of not less than One Million Dollars (\$1,000,000.00) per claim and Three Million Dollars (\$3,000,000.00) annual aggregate, covering UCSD, its agents, employees and the Readers, including coverage for such entity's or persons' performance of duties and obligations under this Agreement.

8.2 ECRMC shall maintain or cause to be maintained professional and general liability insurance in the amounts required under the laws of the State where it is located.

8.3 Each Party hereto shall provide the other with evidence of the professional and general liability coverage required by this Agreement upon reasonable request and shall notify the other within thirty (30) days of any termination, cancellation, lapse or other changes in such coverage.

8.4 If the professional liability insurance procured by either Party is on a "claims made" rather than "occurrence" basis, upon termination of such insurance, a Party with "claims made" coverage shall either obtain extended reporting malpractice insurance coverage ("tail coverage") in a form and with liability limits not less than those most recently in effect prior to the date of termination, or enter such other mutually agreeable arrangements as shall reasonably assure the other Party of the maintenance of coverage applicable

to claims arising during the period in which the Agreement was in effect and for a period of not less than seven (7) years after the date of termination.

9. Confidentiality, HIPAA Compliance and Non-Compete.

9.1 Covenants of Parties. Neither Party shall disclose, communicate, or divulge to, or use for the direct or indirect benefit of, any person or entity, at any time during or after the term of this Agreement, any information regarding the business methods, business policies, procedures, techniques, trade secrets, or any other confidential information relating to or dealing with the business operations or activities of the other (collectively, "Confidential Information"), except as may be expressly authorized by the non-disclosing Party or any successor to it, or as required by law. UCSD acknowledges that the images transmitted to it and the studies and Reports derived therefrom are Confidential Information. Unless otherwise agreed in writing by ECRMC, UCSD agrees to take reasonable actions to preserve such confidentiality. Confidential Information shall not include information that the receiving Party can demonstrate: (a) was in the receiving Party's possession without confidentiality restriction prior to disclosure hereunder, (b) is or has become generally available to the public through no act or omission of the receiving Party, (c) has been rightfully received by the receiving Party from a third party without restriction on use or disclosure or (d) is independently developed by the receiving Party without use of the other Party's Confidential Information. The terms and conditions of this Agreement and all transactions hereunder are Confidential Information.

9.2 Business Associate Agreement. The Parties have entered into a Business Associate Agreement, Exhibit C herein, in order to comply with 45 CFR Parts 160 and 164, HIPAA Security and Privacy in those instances when UCSD is functioning as a Business Associate of the ECRMC

10. Compliance with Laws.

Each of the Parties hereto shall at all times operate its business and/or professional practice in compliance with federal, state, and local law, rules, and regulations. Without limiting the generality of the foregoing, each Party shall comply with all applicable billing requirements under all federal programs, state law, any managed care agreement, insurance program, or otherwise pertaining to the provision of the services covered by this Agreement, including appropriate disclosure of the identity of the Reader who performed any Professional Services.

11. Access to Books and Records.

Until the expiration of seven (7) years after the furnishing of services pursuant to this Agreement, ECRMC shall make available upon written request of the Secretary of Health and Human Services or the United States Comptroller General or any of their duly authorized representatives, this Agreement, and books, documents and records of the Employee that are necessary to certify the nature and extent of costs incurred under this Agreement. If Section 1861(v) (1) (I) of the Social Security Act should be found to be inapplicable to this Agreement, then the foregoing provision shall be deemed to be null and void.

12. Miscellaneous.

12.1 Entire Agreement. This Agreement, including any exhibits hereto, contains the entire understanding of the Parties with respect to its subject matter. This Agreement supersedes all prior and/or contemporaneous agreements and understandings between the Parties, written or oral, with respect to its subject matter, and there are no restrictions, agreements, promises, warranties, covenants, or undertakings between the Parties with respect to the subject matter hereof other than those expressly set forth herein.

12.2 Amendments. This Agreement may be amended only by a written instrument duly executed by all Parties.

12.3 Assignment. Except as otherwise provided in this Agreement, neither Party may assign, delegate, transfer, or otherwise dispose of any of its rights, duties, or obligations hereunder without the prior written consent of the other Party; provided, however, the Parties understand that ECRMC is in the process of negotiating a transaction with the Imperial Valley Healthcare District (IVHD) for the transfer of all or substantially all of the business of ECRMC and in the event that such transaction is completed and IVHD is prepared to accept assignment of this Agreement, UCSD will have the right to require a renegotiation of the Compensation for Professional Services to the extent that such assignment will result in an expansion of Professional Services to other locations of IVHD beyond the ECRMC locations covered under this Agreement. Where an assignment is authorized, all of the terms and provisions of this Agreement shall be binding upon and shall inure to the benefit of and be enforceable by and against the parties hereto and their respective successors and assigns.

12.4 Relationship of Parties. In the performance of this Agreement, UCSD and ECRMC shall at all times be acting and performing as independent contractors. ECRMC shall neither have nor exercise any control or direction over the methods by which UCSD or the Readers perform services hereunder, nor shall UCSD or the Readers be deemed employees of ECRMC for any purpose whatsoever. Nothing herein shall be construed to create a joint venture or partnership between the parties or to authorize any Party to act as an agent for any other Party.

12.5 Waiver of Breach. No failure on the part of either Party to exercise, and no delay in exercising, any right, power, or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power, or remedy hereunder preclude any further exercise thereof or the exercise of any other right, power, or remedy. Each and all of the several rights and remedies of the Parties contained in or arising by reason of this Agreement shall be construed as cumulative unless otherwise explicitly provided, and no one of them is exclusive of any other or of any right or priority allowed by law or equity.

12.6 Notices. Any notice required or permitted to be given under or relating to this Agreement shall be in writing and shall be personally delivered or sent by certified mail, return receipt requested, postage prepaid, or by federal overnight courier to the other Party as follows:

To UCSD:

UC San Diego Health
Attn: Patricia S. Maysent, Chief Executive Officer
200 W. Arbor Drive
San Diego, CA 92103
pmaysent@health.ucsd.edu

To ECRMC:

El Centro Regional Medical Center
Attn: Dr. Pablo Velez, Chief Executive Officer
1415 Ross Avenue
El Centro, CA 92243
Pablo.velez@ecrmc.org

Notices shall be deemed effective as of five (5) business days after the date of mailing (in the case of notice given by mail) or on the date of delivery if hand delivered, including delivery by recognized courier. Either Party may at any time change its address for notification purposes by mailing or delivering a notice as required hereinabove stating the change and setting forth the new address.

12.7 Severability. In the event that any provision of this Agreement or the application thereof to any person in any circumstance is held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, such holding shall not affect any other provision of this Agreement, or the application thereof in any other circumstance.

12.8 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed to be an original document and all of which, taken together, shall be deemed to constitute one and the same document.

12.9 Exclusive Agreement. This Agreement shall be an exclusive radiology agreement between UCSD and ECRMC as to the Service Site.

12.10 Dispute Resolution. This Agreement shall be governed by the laws of the State of California.

12.11 Annual Review. UCSD shall cooperate with ECRMC and shall ensure that its employees, independent contractors and agents cooperate with ECRMC, as requested by ECRMC in furtherance of an annual review of performance under this Agreement (the "Annual Review"). Consistent with applicable law, Vendor shall make available to ECRMC such books, records, files and other documents and information as reasonably requested by ECRMC to facilitate its Annual Review. UCSD acknowledges that a form of Review of Contract Service, which sets forth the metrics and standards to be evaluated in connection with the Annual Review, is attached as Exhibit D hereto, and that it may be changed at any time in FACILTY's sole and absolute discretion, which change shall not constitute a modification or amendment requiring the mutual consent of the parties hereto. UCSD further agrees to cooperate with ECRMC in the event that ECRMC reasonably determines, as a result of the Annual Review, that remedial action is necessary to improve Vendor's performance under this Agreement. Remedial actions may include, but are not limited to, termination as provided for in this Agreement and those items set forth in Exhibit D hereto.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement on behalf of the respective parties as of the Effective Date set forth above.

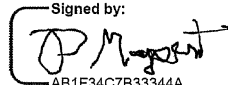
EL CENTRO REGIONAL MEDICAL CENTER



Name: Dr. Pablo Velez
Title: Chief Executive Officer
Date:

THE REGENTS OF THE UNIVERSITY OF
CALIFORNIA, ON BEHALF OF THE UNIVERSITY
OF CALIFORNIA, SAN DIEGO HEALTH SYSTEM
AND SCHOOL OF MEDICINE

Signed by:



Name: Patricia S. Maysent
Title: Chief Executive Officer
Date: 7/24/2025

EXHIBIT A

COMPENSATION

1. **Teleradiology.** As compensation for Professional Services performed via teleradiology, UCSD will have the right to bill payors directly for such Professional Services and will retain all collections received from payors. Other than the stipend amount set forth below, ECRMC will not pay any additional compensation to UCSD for such Professional Services performed via teleradiology.
2. **Stipend Payment.** In addition to UCSD's collection of Professional Services, for which it is responsible to bill and collect, ECRMC agrees to pay a monthly stipend amount of **Two Hundred Thousand Dollars (\$200,000)**, which amount shall be paid at the beginning of each month for which Professional Services are to be provided and, in any event, no later than the 15th day of the month for which such services are scheduled. Total payment of such stipend shall not exceed **Two Million Four Hundred Thousand Dollars (\$2,400,000)** annually. The monthly and annual stipend amount will be renegotiated annually and modified upon written mutual agreement subject to targeted collections of Professional Services fees calculated at thirty percent of gross charges.
- 3.
4. **Billing and Collection.** ECRMC shall be responsible for billing all facility services furnished by ECRMC, including the technical portion of all radiology studies, and shall have the exclusive right to collections therefrom. UCSD shall be responsible, on Readers' behalf, for billing patients or appropriate third party payors for Professional Services provided through teleradiology as soon as possible but not more than 30 days from the date a service was rendered or within a shorter period of time as mandated by a payor, and UCSD shall promptly and diligently pursue collection for such billing.
5. **Entire Compensation.** Except as otherwise set forth in this Agreement or this Exhibit A, UCSD's separate billings and amounts paid as a stipend shall constitute its sole compensation for all administrative and professional services rendered hereunder, including services rendered by Readers. UCSD shall have the sole responsibility to compensate its employed or contracted Readers. UCSD hereby agrees to indemnify and hold ECRMC harmless from any and all claims, costs, or liability suffered or incurred by ECRMC in connection with any claims for compensation by such Readers for the Professional Services rendered hereunder. The indemnification obligations herein stated in this Section 4 shall survive the termination or expiration of this Agreement.
6. **Audit.** ECRMC shall have the right to of access to and to copy all reports, records, and supporting documentation in connection with this agreement as is necessary to fulfill all state and federal law requirements and for billing and collection, quality assurance, and risk management purposes.

EXHIBIT B

Target Turnaround Time

Emergency Department	
Stroke Protocol	Less than 20 minutes from complete study visibility in PACS
STAT	Less than 30 minutes
Inpatient Department	
STAT	Less than 120 minutes
Expedited	Less than 4 hours
Routine	Less than 24 hours
Outpatient Department	
Expedited	Less than 48 hours

EXHIBIT C

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") is made effective the ____ of the ____, 2025, by and between **El Centro Regional Medical Center, an agency of the City of El Centro, California** ("Covered Entity") and **UC San Diego Health** ("Business Associate").

Background

Business Associate has agreed to perform or provide certain services or functions ("Services") for or on behalf of Covered Entity pursuant to one or more separate written agreements (each referred to herein as a Services Agreement) that may involve the creation, maintenance, access, use, transmission or disclosure of protected health information within the meaning of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and its implementing regulations, 45 CFR Parts 160 and 164 ("HIPAA Rules"). This Agreement supplements the Services Agreement, and where this Agreement conflicts with the Services Agreement, as to such conflicting terms such Service Agreement is superseded and this Agreement controls.. The Agreement is intended to and shall be interpreted to satisfy the requirements for business associate agreements as set forth in the HIPAA Rules as amended, including but not limited to privacy and security amendments of the Affordable Care Act and the HHS Omnibus Final Rule. Business Associate understands and acknowledges that Business Associate is subject to the HIPAA Rules, and that the violation of the HIPAA Rules may result in significant penalties to Business Associate, its employees and agents. Business Associate also understands that Business Associate is subject to and must comply with the Health Information Technology for Economic and Clinical Health Act ("HITECH") privacy provisions of the American Recovery and Reinvestment Act, as well as with California privacy laws including but not limited to the , California Civil Code § 56 et seq. (General Patient Medical Records), California Welfare and Institutions Code §§ 5328.6 and 5328.7 (Mental Health Records), California Civil Code Sections 1798.80 – 1798.84 (Maintenance and Disclosure of Personal Information), and all other applicable laws or regulations as may be amended or implemented from time to time ("California Privacy Laws"). The parties agree as follows:

Definitions

1. **General Definitions.** The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: *Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Required By Law, Secretary, Subcontractor, Unsecured Protected Health Information, Use and Disclosure.*
2. **Specific Definitions.**
 - a. **Business Associate** shall generally have the same meaning as the term "business associate" at 45 CFR § 160.103, and in reference to the party to this Agreement, shall mean Business Associate.
 - b. **Covered Entity** shall generally have the same meaning as the term "covered entity" at 45 CFR § 160.103, and in reference to the party to this Agreement, shall mean Covered Entity.
 - c. **Protected Health Information** shall generally have the same meaning as the term "protected health information" at 45 CFR § 160.103, and shall include any individually identifiable information that is accessed, used, disclosed, created, received, maintained, or transmitted by Business Associate on behalf of Covered Entity that relates to an individual's past, present, or future physical or mental health, health care, or payment for health care, whether such information is in oral, hard copy, electronic, or any other form or medium.

d. **Security Incident** shall mean the successful unauthorized access, Use, Disclosure, modification or destruction of Protected Health Information or interference with system operations in a Protected Health Information system, and excludes Unsuccessful Security Incidents (as defined herein).

e. **Unsuccessful Security Incident** shall include, but not be limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service or any combination of the above, so long as no such incidents result in unauthorized access, Use or Disclosure of Covered Entity's Protected Health Information.

Agreement

1. **Relationship of the Parties.** Business Associate is and at all times during the term of the Services and this Agreement shall be acting as an independent contractor to Covered Entity, and not as Covered Entity's agent. Covered Entity shall not have authority to control the method or manner in which Business Associate performs its services on behalf of Covered Entity, provided that Business Associate complies with the terms of this Agreement and the HIPAA Rules. Business Associate shall not have authority to bind Covered Entity to any liability unless expressly authorized by Covered Entity in writing, and Covered Entity shall not be liable for the acts or omissions of Business Associate. Business Associate shall not represent itself as the agent of Covered Entity. Nothing in this Agreement shall be deemed to establish an agency, partnership, joint venture or other relationship except that of independently contracting entities.

2. **Business Associate Responsibilities.** Business Associate agrees to:

- a. Fully comply with the HIPAA Rules as they apply to business associates.
- b. Not access, use or disclose Protected Health Information except as permitted by this Agreement, the Services Agreement, or as otherwise required by law.
- c. Use appropriate safeguards to prevent the access, use or disclosure of Protected Health Information other than as permitted by this Agreement. Business Associate shall comply with the requirements in 45 CFR Part 164, Subpart C applicable to business associates, including the use of administrative, physical and technical safeguards to protect electronic Protected Health Information.
- d. Immediately upon discovery and awareness, report to Covered Entity any access, use or disclosure of Protected Health Information not permitted by this Agreement, the Services Agreement, the California Privacy Laws or the HIPAA Rules, including but not limited to reporting breaches of unsecured Protected Health Information and reporting security incidents as required by the HIPAA Rules and reporting breaches and security incidents of Business Associate's contractors and subcontractors.
- e. Fully cooperate with Covered Entity's efforts to promptly investigate, mitigate, and notify third parties of breaches of unsecured Protected Health Information or security incidents as required by the HIPAA Rules or California Privacy Laws.
- f. Ensure that any subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate agree to the same restrictions, conditions, and requirements set forth in this Agreement, the California Privacy Laws and the HIPAA Rules applicable to such subcontractors. Business Associate may fulfill this requirement by executing a written agreement with the subcontractor incorporating the terms of this Agreement and otherwise complying with the requirements in the HIPAA Rules.
- g. Within ten (10) days following Covered Entity's request, make available to Covered Entity any Protected Health Information in Business Associate's control as necessary to enable Covered Entity to satisfy its obligations to provide an individual with access to certain Protected Health Information under 45 CFR § 164.524.

h. Within ten (10) days following Covered Entity's request, make available to Covered Entity any Protected Health Information for amendment and incorporate any amendments to Protected Health Information as necessary to enable Covered Entity to satisfy its obligations under 45 CFR § 164.526.

i. Maintain information concerning Business Associate's or subcontractors' disclosures of Protected Health Information as required by the HIPAA Rules, within ten (10) days following Covered Entity's request, make such information available to Covered Entity as necessary to enable Covered Entity to render an accounting of disclosures pursuant to 45 CFR § 164.528.

j. To the extent Business Associate is asked by Covered Entity or otherwise obligated to carry out Covered Entity's obligations under 45 CFR Part 164, Subpart E, Business Associate shall comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligations.

k. Make Business Associate's internal practices, books, and records relating to the use and disclosure of protected health information received from, or created or received by Business Associate on behalf of Covered Entity, available to Covered Entity's internal auditors and the Secretary for purposes of determining Covered Entity's compliance with the HIPAA Rules.

3. Uses and Disclosures by Business Associate.

3.1 Permissible Uses and Disclosures. Business Associate may use or disclose Protected Health Information only as follows:

- a. As necessary to perform the Services.
- b. Subject to the Services Agreement, to de-identify Protected Health Information in accordance with the HIPAA Rules.
- c. As required by law.
- d. For the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that any disclosures for these purposes (i) are required by law, or (ii)(a) Business Associate obtains reasonable assurances in accordance with then-current industry standards from the person to whom the information is disclosed that the information will remain confidential and be accessed, used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and (ii)(b) the person agrees to notify Business Associate immediately of any instances of which it becomes aware in which the confidentiality of the information has been compromised.
- e. To provide data aggregation services relating to the health care operations of Covered Entity as defined in 45 CFR § 164.501.

3.2 Impermissible Uses or Disclosures. Business Associate may not use or disclose Protected Health Information in a manner that would violate 45 CFR Part 164, Subpart E, if done by Covered Entity except for the specific uses and disclosures set forth in Sections 3.1(d)-(e), if applicable.

3.3 Minimum Necessary. Business Associate agrees to use or disclose the minimum amount of Protected Health Information necessary to achieve its purpose pursuant to the Services Agreement, and pursuant to this Section 3, Covered Entity's policies and procedures, and 45 CFR § 164.502(b).

4. Term and Termination. Unless otherwise agreed in writing by the parties, this Agreement shall continue until terminated as provided below.

4.1 Termination.

- a. This Agreement shall terminate on the date the Services are terminated for any reason.

b. A breach by Business Associate of any material provision of this Agreement, as reasonably determined by Covered Entity, shall constitute a material breach shall provide grounds for immediate termination of the Services Agreement.

4.2 Obligations of Business Associate Upon Termination. Upon termination of the Services, Business Associate shall, with respect to Protected Health Information received from Covered Entity, or created, maintained, used, or received by Business Associate on behalf of Covered Entity:

a. If feasible, return all Protected Health Information to Covered Entity or, if Covered Entity requests or agrees, destroy such Protected Health Information. The return of all Protected Health Information shall be accompanied by a certification signed by an officer of Business Associate, certifying that the returned information is all of Covered Entity's Protected Health Information in all formats and media and that no Protected Health Information remains in Business Associate's possession. If Covered Entity requests or agrees to allow Business Associate to destroy such Protected Health Information, Business Associate shall provide Covered Entity with a certification of destruction signed by an officer of Business Associate, certifying that all of Covered Entity's Protected Health Information in all formats and media has been destroyed and that no Protected Health Information remains in Business Associate's possession.

b. If the return or destruction of Protected Health Information is not feasible, Business Associate will notify the Privacy Officer of the Covered Entity in writing. Upon Covered Entity's agreement, Business Associate will continue to extend the protections of this Agreement, California Privacy Laws, and the HIPAA Rules to such information and not use or further disclose the information in a manner that is not permitted by this Agreement, the California Privacy Laws and the HIPAA Rules. Business Associate's notification to Covered Entity shall include: (i) a statement that the Business Associate has determined that it is infeasible to return or destroy the Protected Health Information in its possession; and (ii) the specific reasons for such determination. Business Associate further agrees to extend any and all protections, limitations and restrictions contained in this Agreement to the Business Associate's use and/or disclosure of any Protected Health Information retained after the termination of the Services, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the Protected Health Information infeasible. If it is infeasible for the Business Associate to obtain from employees, contractors, subcontractors or agents any Protected Health Information in the possession of the employees, contractors, subcontractors or agents, the Business Associate must provide a written explanation to the Privacy Officer of Covered Entity and require the employees, contractors, subcontractors or agents to agree to extend any and all protections, limitations and restrictions contained in this Agreement to the employees', contractors', subcontractors' or agents' use and/or disclosure of any Protected Health Information retained after the termination of the Services, and to limit any further uses and/or disclosures to the purposes that make the return or destruction of the Protected Health Information infeasible.

4.3 Survival. Business Associate's obligations under Section 4 shall survive termination of the Services and this Agreement.

5. Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.

6. Amendment. The parties agree to take such action as is necessary to amend this Agreement from time to time to comply with the requirements of the HIPAA Rules and any other applicable law.

7. Governing Law. This Agreement shall be construed to comply with the requirements of the HIPAA Rules, and any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules. All other aspects of this Agreement shall be governed under the laws of California.

8. Cooperation. The parties agree to cooperate with each other's efforts to comply with the requirements of the HIPAA Rules and other applicable laws; to assist each other in responding to and mitigating the effects of any breach of Protected Health Information in violation of the HIPAA Rules or this Agreement; and to assist the other party in responding to any investigation, complaint, or action by any government agency or third party relating to the performance of this Agreement. In addition to any other cooperation reasonably requested by

Covered Entity, Business Associate shall make its officers, members, employees, and agents available without charge for interview or testimony.

9. Notice. All notices required to be given under this Agreement must be given in writing and shall be deemed to have been sufficiently given if personally delivered or deposited in the United States mail, postage prepaid, certified or registered mail, return-receipt requested, addressed as follows:

If to El Centro Regional Medical Center:

El Centro Regional Medical Center
Attn: Chief Compliance Officer
1415 Ross Avenue
El Centro, CA 92243

If to Business Associate:

With a copy to:

El Centro Regional Medical Center
Attn: Chief Executive Officer
1415 Ross Avenue
El Centro, CA 92243

10. No Third Party Beneficiaries. Nothing in this Agreement is intended to nor shall it confer any rights on any other persons except Covered Entity and Business Associate and their respective successors and assigns.

11. Entire Agreement. This Agreement contains the entire agreement between the parties as it relates to the use or disclosure of Protected Health Information, and supersedes all prior discussions, negotiations and services relating to the same to the extent such other prior communications are inconsistent with this Agreement.

12. Insurance. Unless waived in writing by Covered Entity, Business Associate shall obtain and maintain insurance or equivalent programs of self-insurance with appropriate limits sufficient to cover costs, losses and damages that may arise from Business Associate's breach of this Agreement, related liabilities, or any unauthorized use or disclosure of Protected Health Information by Business Associate. In no event shall such limits be less than \$1 million per Breach or \$5 million in the aggregate. Business Associate shall also maintain cyber liability coverage that likewise satisfies the aforementioned minimum limits of coverage. Upon Covered Entity's request, Business Associate shall provide proof of such insurance to Covered Entity.

13. Indemnification. Business Associate agrees to defend, indemnify, and hold harmless Covered Entity and Covered Entity's officers, members, employees and agents from and against any and all claims, fines, penalties, liabilities, demands, damages, losses, costs, expenses (including without limitation costs, reasonable attorneys' fees, fines, penalties, and assessments) that are caused by or result from Business Associate's breach of this Agreement or any acts or omissions of Business Associate or Business Associate's officers, members, employees, agents, or subcontractors arising out of the use and disclosure of Protected Health Information or violation of the HIPAA Rules, except to the extent caused by Covered Entity's gross negligence or willful misconduct.

14. Offshore Data Storage. In furtherance of protecting the Protected Health Information received from Covered Entity, or created, maintained, used, or received by Business Associate on behalf of Covered Entity, offshore storage and use of such Protected Health Information requires prior written consent from Covered Entity.

15. Disaster Recovery Plan. Business Associate represents and warrants that Business Associate has a HIPAA-compliant disaster recovery plan in place at, or prior to, the time of this Agreement's execution.

16. Access to Business Associate's Security Policies and Procedures. Covered Entity shall have access to Business Associate's security policies and procedures, and Business Associate shall cooperate with a request by Covered Entity for copies of such policies and procedures.

**EL CENTRO REGIONAL
MEDICAL CENTER, COVERED ENTITY**

By: _____

Print Name: _____

Title: Chief Executive Officer

Date: _____

**UC SAN DIEGO HEALTH,
BUSINESS ASSOCIATE**

By: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT D
Enter Name of Organization
Review of Contract Service

Name of Service:

Date of Review: _____ **Name / Title of Reviewer:**

Nature of Service (describe):

Evaluation / Sources of Information Check the boxes next to the information source(s) utilized. It is not necessary to utilize every information source listed, but at least two should be utilized. For each source checked, note if expectation were met or not in the appropriate column	Met Expectation	Did Not Meet Expectation
<input type="checkbox"/> Information about the contract entity's Joint Commission accreditation and/or certification status		
<input type="checkbox"/> Direct observation of patient care by contract entity staff		
<input type="checkbox"/> Audits of medical (clinical) record documentation by contract entity staff		
<input type="checkbox"/> Review of incident reports		
<input type="checkbox"/> Review of periodic reports submitted by the contract entity on the quality and safety of care, treatment, and services provided		
<input type="checkbox"/> Data that addresses the efficacy of the contract entity		
<input type="checkbox"/> Review of performance reports based on indicators required in the contractual agreement		
<input type="checkbox"/> Input from patients, families, and/or organization staff		
<input type="checkbox"/> Input from clinical leaders and the medical staff		
<input type="checkbox"/> Review of patient satisfaction data		
<input type="checkbox"/> Review of the results of risk management activities		
<input type="checkbox"/> Other:		

Comments

Conclusion (check one)

- ☐ Contract service has met expectations for the review period
- ☐ Contract service has not met expectations for the review period. The following action(s) has or will be taken: (check all that apply):
 - ☐ Monitoring and oversight of the contract service has been increased
 - ☐ Training and consultation has been provided to the contract service
 - ☐ The terms of the contractual agreement have been renegotiated with the contract entity without disruption in the continuity of patient care
 - ☐ Penalties or other remedies have been applied to the contract entity
 - ☐ The contractual agreement has been terminated without disruption in the continuity of patient care
 - ☐ Other:

Input from Clinical and Medical Staff Leadership:

Presented to / reviewed by _____ on _____

Presented to / reviewed by _____ on _____



TO: HOSPITAL BOARD MEMBERS
FROM: David Momberg, Chief Financial Officer
DATE: June 28, 2025
MEETING: Board of Trustees

SUBJECT: June 2025 Month and Year-to-Date Financial Statements

BUDGET IMPACT: ☒ Does not Apply
A. Does the action impact/affect financial resources? ☐ Yes ☐ No
B. If yes, what is the impact amount: _____

BACKGROUND: The month of June resulted in net operating loss of \$2.7M, a negative margin of 26% and negative EBIDA of \$1.3M. FYTD EBIDA is positive at \$2.4M and positive margin YTD of 1.7%.

DISCUSSION: For a more detailed description of financial performance, please see the attached Financial Report.

RECOMMENDATION: (1) Approve (2) Do not approve

ATTACHMENT(S):

- Financial Packet for June 2025

Approved for agenda, Chief Executive Officer

Date and Signature: _____

Pablo Velazquez



June 2025 Financial Report

July 28, 2025

To: Finance Committee

From: David Momberg, Chief Financial Officer

The following package contains:

- Comparative volumes vs. Prior Month/Year
- Balance Sheet vs. Prior Month comparison
- Operating Statement vs. Prior Month comparison
- Monthly Cash Flow (Fiscal Year to Date)

Balance Sheet:

- a) Cash balance decreased (\$426k) mainly due to higher payments to vendors than receipts.
- b) Due from Third-Party Payors decreased (\$2.2M) mainly due to AB 113 supplemental program received (\$2.4M).
- c) Prepaid Expenses & Other decreased (\$1.7M) due to Cardinal prepaid payments applied to the General Ledger.
- d) Other Assets decreased (\$130k) due to Cardinal pharmacy prepaid payments applied to the General Ledger.
- e) Deferred Outflows of Resources – Pension decreased (\$720k) due to no payments made during the month related to credit on pension account.
- f) Days in A/R increased to 54.68 from 52.41. The goal is 50 days.
- g) Accounts payable days decreased, 88.05 vs. 90.33 days from previous month.
- h) Current Ratio is 1.04 (1.13 last month).

Income Statement – Current Month Actual vs. Prior Month:

- a) Our Inpatient Revenue is 21.2% lower mainly due to lower patient days (1,260 vs. 1,563 prior month).
- b) Contractuals for the month are 83.3% of gross revenues (82.1% YTD).
- c) Charity and Bad debt are 1.3% of gross revenues.
- d) Registry is 199% higher related to CT Scanner and Nuclear Medicine new Techs, coupled with higher Pharmacy registry expenses.
- e) Employee benefits decreased 34.5% due to lower employee insurance claims.
- f) Professional Fees – Non-medical increased 69.7% due to Sheppard Mullin Richter invoices.
- g) Utilities are 22.8% higher mainly due to higher electricity expense.
- h) Insurance expense is 28.3% lower due to last Property Insurance installment paid in May 2025.
- i) June 2025 shows a Net loss of \$3.3M (*\$1.3M negative EBIDA*).

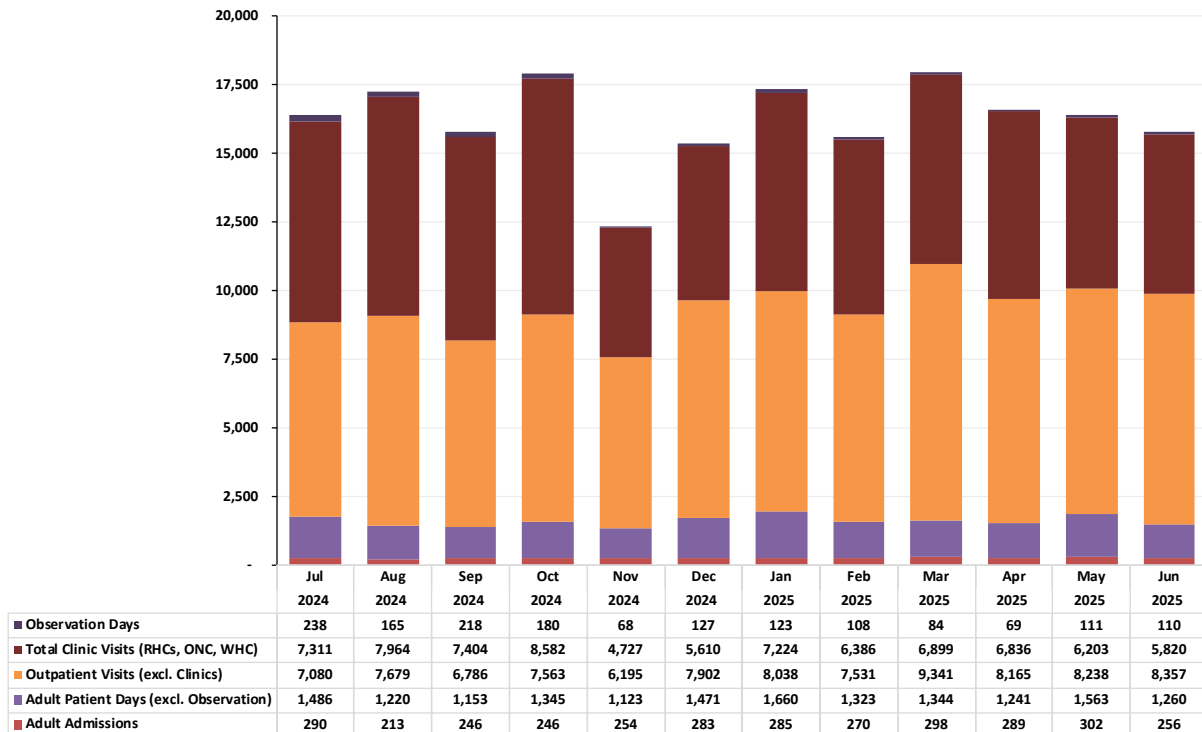
Definitions:

- **EBIDA** - Earnings Before Interest, Depreciation, and Amortization.
- **Contribution Margin** – Total Revenue minus Expenses (excluding functional areas of IT, Finance, HR, and management assessments/restructuring costs).
- **EBIDA Margin** – EBIDA/Total Revenue.
- **Operating Expenses Per Day** – Total Expenses less Depreciation divided by Days.
- **Operating Revenue Per Day** – Operating Income/Days.
- **Days Cash on Hand** – Cash/Operating Expenses per Day.
- **Days Revenue in A/R** – Accounts Receivable/Operating Revenue per Day.
- **Current Ratio** – Current Assets/Current Liabilities.
- **Equity Financing Ratio** – Total Capital/Total Debt.

El Centro Regional Medical Center Comparative Volumes as of June 30, 2025

	Mar 2025	Apr 2025	May 2025	Jun 2025	YTD Actual	YTD Budget	YTD Variance
Adult Admissions (excl. Observation)	298	289	302	256	3,232	3,456	(224)
Patient Days (excl. Observation)	1,344	1,241	1,563	1,260	16,189	16,995	(806)
Average Length of Stay (excl. Observation)	4.5	4.3	5.2	4.9	5.0	4.9	0.1
Average Daily Census (excl. Observation)	43.4	41.4	50.4	42.0	44.4	44.4	-
Average Daily Census (ADC) Observation	2.7	2.3	3.6	3.7	4.4	7.1	(2.7)
Total ADC (including Observation)	46.1	43.7	54.0	45.7	48.7	51.5	(2.7)
Observation Days (excluding Obstetrics)	84	69	111	110	1,601	2,602	(1,001)
Outpatient Visits (excluding Clinics)	9,341	8,165	8,238	8,357	92,875	94,930	(2,055)
Emergency Room Visits	2,759	2,737	2,985	2,705	33,935	36,892	(2,957)
El Centro Rural Health Clinic Visits	3,557	3,588	3,322	2,972	40,541	47,018	(6,477)
Calexico Rural Health Clinic Visits	2,674	2,609	2,260	2,248	31,556	37,006	(5,450)
Rural Health Clinic Visits - Total	6,231	6,197	5,582	5,220	72,097	84,025	(11,928)
Wound Healing Center Visits	144	99	109	125	1,664	2,164	(500)
Oncology Center Visits	524	540	512	475	7,205	8,264	(1,059)
Oncology Center Infusion Procedures	1,474	1,497	1,400	1,308	16,585	16,307	278
Surgeries without C-Sections	457	412	409	433	5,139	6,286	(1,147)
DaVinci Cases	47	50	64	37	619	555	64

Rolling-12 Volume Trend



ECRMC BALANCE SHEET COMPARED TO PRIOR MONTH

	June 30, 2025	May 31, 2025	Variance (\$)	Variance (%)
Assets				
Current Assets:				
Cash and Cash Equivalents	\$ 7,639,061	\$ 8,065,232	\$ (426,170)	-5%
Net Patient Accounts Receivable	22,812,148	22,761,702	50,446	0%
Other Receivables	386,708	417,816	(31,108)	-7%
Due from Third-Party Payors	10,534,106	12,714,080	(2,179,974)	-17%
Inventories	2,748,987	2,760,034	(11,047)	0%
Prepaid Expenses & Other	1,124,843	2,785,188	(1,660,345)	-60%
Total Current Assets	45,245,852	49,504,051	(4,258,199)	-9%
Assets Limited as to Use				
Restricted Building Capital Fund	257,064	240,544	16,520	7%
Funds Held by Trustee for Debt Service	13,852,911	13,193,533	659,378	5%
Restricted Programs	11,497	11,497	-	0%
Total Assets Limited as to Use	14,121,472	13,445,574	675,898	5%
Property, Plant, and Equipment: Net	156,319,864	156,498,489	(178,624)	0%
Other Assets	802,627	932,166	(129,539)	-14%
Total Assets	216,489,816	220,380,280	(3,890,464)	-2%
Deferred Outflows of Resources				
Deferred Outflows of Resources - Pension	2,213,220	2,932,820	(719,600)	-25%
Total Deferred Outflows of Resources	2,213,220	2,932,820	(719,600)	-25%
Total Assets and Deferred Outflows of Resources	\$ 218,703,036	\$ 223,313,100	\$ (4,610,064)	-2%
Liabilities				
Current Liabilities:				
Current Portion of Bonds	1,405,000	1,400,000	5,000	0%
Current Portion of Capital Lease Obligations	618,551	641,857	(23,306)	-4%
Accounts Payable and Accrued Expenses	24,210,692	24,903,669	(692,977)	-3%
Accrued Compensation and Benefits	10,673,349	10,874,306	(200,957)	-2%
Due to Third-Party Payors	6,643,581	6,125,062	518,519	8%
Total Current Liabilities	43,551,173	43,944,894	(393,721)	-1%
Long-Term Bond Payable, Less Current Portion	111,721,005	111,817,273	(96,267)	0%
Capital Lease Obligations, Less Current Portion	5,695,134	5,971,374	(276,240)	-5%
Notes Payable, Less Current Portion	26,962,963	27,481,481	(518,519)	-2%
Net Pension Liability	55,644,700	55,644,700	-	0%
Total Liabilities	243,574,975	244,859,723	(1,284,747)	-1%
Deferred Inflows of Resources	-	-	-	0%
Deferred Inflows of Resources - Pension	-	-	-	0%
Total Deferred Inflows of Resources	-	-	-	0%
Net Position				
Restricted Fund Balance	26,469	26,408	62	0%
Fund Balance	(24,898,409)	(21,573,031)	(3,325,378)	15%
Total Net Position	(24,871,939)	(21,546,623)	(3,325,317)	15%
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 218,703,036	\$ 223,313,100	\$ (4,610,064)	-2%
Days Cash on Hand	19.25	20.40		
Days Revenue in A/R	54.68	52.41		
Days in A/P	88.06	90.33		
Current Ratio	1.04	1.13		
Debt Service Coverage Ratio	0.27	1.25		

STATEMENTS OF OPERATIONS COMPARISON TO BUDGET

	MTD March 31, 2025	MTD April 30, 2025	MTD May 31, 2025	MTD June 30, 2025	YTD June 30, 2024	YTD June 30, 2025	YTD BUDGET June 30, 2025
Adult Admissions	298	289	302	256	3,078	3,232	3,456
Adult Patient Days (excl. Observation)	1,344	1,241	1,563	1,260	15,940	16,189	16,995
Outpatient Visits (excl. Clinics)	9,341	8,165	8,238	8,357	86,273	92,875	94,930
Total Clinic Visits (RHCs, ONC, WHC)	6,899	6,836	6,203	5,820	92,947	80,966	94,452
Observation Days	84	69	111	110	2,816	1,601	2,602
OPERATING REVENUE							
I/P Revenue	\$ 17,172,696	\$ 20,369,850	\$ 17,944,013	\$ 14,135,371	\$ 185,355,638	\$ 189,603,139	\$ 183,935,056
O/P Revenue - Laboratory	5,494,379	5,638,731	5,962,860	5,920,273	77,901,859	70,289,331	79,495,825
O/P Revenue - CT Scanner	5,814,044	5,988,199	6,170,566	6,171,971	79,017,585	71,968,030	78,357,951
O/P Revenue - Emergency Room	6,417,101	6,498,022	6,949,877	6,323,304	72,352,059	77,374,439	73,347,428
O/P Revenue - Oncology	640,958	726,760	699,272	610,132	70,658,109	33,713,255	70,900,236
O/P Revenue - Others	22,752,892	24,279,090	24,021,502	21,396,968	222,262,459	242,938,678	228,067,799
Gross Patient Revenues	58,292,070	63,500,651	61,748,090	54,558,019	707,547,709	685,886,873	714,104,294
Other Operating Revenue	472,602	348,872	308,930	116,841	9,815,225	4,131,981	7,411,032
Total Operating Revenue	58,764,672	63,849,524	62,057,020	54,674,860	717,362,934	690,018,854	721,515,326
Contractuals							
IP Contractuals	13,813,017	12,130,511	14,389,093	13,303,978	142,436,774	147,470,411	144,465,122
OP Contractuals	35,241,256	37,379,552	33,836,100	31,446,121	435,157,568	407,401,230	425,459,839
Charity	278,547	35,928	(35,196)	82,731	3,458,861	1,500,550	3,005,968
Provision for Bad Debts	546,916	753,936	740,445	635,459	5,350,611	7,069,667	3,919,997
Other Third Party Programs	(1,469,250)	(1,341,750)	(1,341,750)	(1,341,750)	(25,735,308)	(17,607,278)	(20,612,000)
M/Cal Disproportionate Share	0	0	0	0	(3,737,244)	(440,000)	(1,348,990)
Total Deductions	48,410,485	48,958,177	47,588,692	44,126,539	556,931,262	545,394,580	554,889,936
Total Net Revenues	10,354,187	14,891,346	14,468,328	10,548,321	160,431,672	144,624,274	166,625,389
EXPENSES							
Salaries & Wages	5,349,001	5,496,190	5,242,402	5,271,167	59,735,803	62,573,009	61,298,836
Registry	35,532	61,174	30,096	90,068	641,601	394,141	356,253
Employee Benefits	877,577	897,679	1,188,803	778,912	14,844,257	11,012,128	16,448,716
Employee Benefits - Pension GASB 68	719,600	710,049	719,600	719,600	2,849,700	7,595,681	3,835,200
Professional Fees - Medical	1,228,525	1,256,291	1,264,817	1,324,729	15,339,010	14,965,278	15,040,909
Professional Fees - Non-Med	171,436	201,383	186,030	315,639	2,830,173	2,608,378	2,465,713
Supplies - Medical	2,490,297	2,516,252	2,528,845	2,283,365	27,317,042	29,241,887	28,884,119
Supplies - Non-Medical	343,110	141,169	119,952	123,785	1,711,622	1,847,772	1,965,241
Food	80,277	78,877	99,094	89,958	932,367	987,700	1,174,110
Repairs and Maintenance	698,340	576,203	607,697	602,764	6,345,083	8,064,499	7,970,521
Other Fees	575,474	633,071	534,738	461,522	7,283,330	6,659,371	7,594,029
Lease and Rental	27,692	55,224	25,496	51,707	354,800	367,448	544,341
Utilities	167,699	185,315	176,415	215,149	2,584,125	2,362,913	2,641,525
Depreciation and Amortization	654,236	610,831	630,565	706,749	7,937,378	7,410,063	8,282,873
Insurance	167,656	129,433	136,232	98,008	2,160,114	2,066,872	2,491,530
Other Expenses	121,096	105,434	113,058	199,034	1,626,288	1,436,294	1,592,656
Total Operating Expenses	13,707,549	13,654,577	13,603,840	13,332,159	154,492,692	159,593,433	162,586,573
Operating Income	(3,353,362)	1,236,769	864,488	(2,783,838)	5,938,980	(14,969,160)	4,038,817
Operating Margin %	-32.4%	8.3%	6.0%	-26.4%	3.7%	-10.4%	2.4%
Non-Operating Revenue and Expenses							
Investment Income	31,367	64,925	52,028	51,896	1,108,398	674,688	673,830
Grants and Contributions Revenue	0	1,000,000	0	(138)	387,517	1,062,982	605,985
Non Operating Revenue/(Expense)	0	0	0	0	8,713,333	661,875	1,328,329
Interest Expense	(593,481)	(603,643)	(592,618)	(593,298)	(8,091,513)	(7,133,998)	(7,121,048)
Total Non-Operating Rev. and Expenses	(562,115)	461,282	(540,590)	(541,540)	2,117,735	(4,734,454)	(4,512,905)
(Deficit)/Excess Rev. Over Exp.	\$ (3,915,477)	\$ 1,698,051	\$ 323,898	\$ (3,325,378)	\$ 8,056,715	\$ (19,703,614)	\$ (474,088)
(Deficit)/Excess Rev. Over Exp. %	-37.8%	11.4%	2.2%	-31.5%	5.0%	-13.6%	-0.3%
EBIDA	(1,948,159)	3,622,575	2,266,681	(1,305,731)	26,935,306	2,436,129	18,765,034
EBIDA %	-18.8%	24.3%	15.7%	-12.4%	16.8%	1.7%	11.3%

El Centro Regional Medical Center **Monthly Cash Flow**

Unaudited

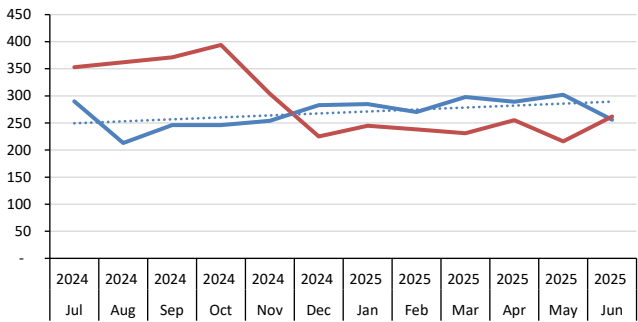
	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025	Year-to-Date 2025
<u>Cash Flow From Operating Activities</u>													
Net Income/(Loss)	\$ (1,177,660)	\$ (1,312,119)	\$ (1,408,834)	\$ 679,000	\$ (4,226,515)	\$ (4,106,802)	\$ (878,240)	\$ (2,053,537)	\$ (3,915,477)	\$ 1,698,051	\$ 322,098	\$ (3,325,378)	\$ (19,705,413)
Adjustments to reconcile net income to net cash:													
Add: Depreciation	620,461	638,001	594,594	611,529	588,618	607,844	607,743	538,890	654,236	610,831	630,565	706,749	\$ 7,410,063
Capital Lease Interest	6,392	6,872	6,084	8,388	6,298	5,505	5,275	5,443	4,676	5,498	4,798	4,640	\$ 69,870
Bond Interest	583,254	583,254	583,254	583,254	583,254	583,254	583,254	583,254	583,254	583,254	583,254	583,254	\$ 6,999,053
Accounts Receivable	1,228,927	1,215,760	(1,099,944)	(2,571,768)	366,247	(297,067)	(695,876)	(1,511,270)	5,149,216	(3,206,606)	(1,669,212)	(50,446)	\$ (3,142,038)
Other Receivables	(74,849)	(263,422)	43,018	52,206	(138,407)	(178,151)	(45,289)	275,333	(55,958)	280,890	(18,847)	31,108	\$ (92,368)
Inventory	(55,005)	(20,529)	(7,897)	(56,647)	(60,274)	8,170	(11,244)	7,421	200,602	(8,119)	11,648	11,047	\$ 19,174
Prepaid Expenses/Other Assets	(420,397)	(339,190)	(301,921)	(517,655)	162,944	63,703	(65,909)	250,832	(175,667)	(147,805)	(60,615)	1,789,884	\$ 238,202
Accounts Payable and Accrued Expenses	890,314	(1,457,213)	447,591	2,117,480	737,771	40,866	584,247	1,098,429	(384,202)	934,808	84,643	(1,367,499)	\$ 3,727,236
Accrued Compensation and Benefits	(1,200,182)	47,927	241,976	487,760	465,506	988,588	(2,124,825)	565,900	508,787	351,595	404,523	(200,957)	\$ 536,599
Third-Party Liabilities	(1,559,337)	(1,263,735)	(1,039,768)	1,987,677	(2,904,566)	1,788,932	4,978,255	(1,757,255)	7,001,141	(794,530)	(1,744,290)	2,179,974	\$ 6,872,498
Net Pension Obligation	376,111	386,267	386,267	719,600	719,600	719,600	709,550	6,709,836	(5,280,400)	710,049	719,600	719,600	\$ 7,595,681
Net Cash From Operating Activities	\$ (781,971)	\$ (1,778,127)	\$ (1,555,579)	\$ 4,100,824	\$ (3,699,523)	\$ 224,441	\$ 3,646,943	\$ 4,713,278	\$ 4,290,210	\$ 1,017,917	\$ (731,833)	\$ 1,081,976	\$ 10,528,557
<u>Cash Flow From Investing Activities</u>													
Fixed Assets - Gross	\$ (1,605,629)	\$ (2,237,324)	\$ (1,109,526)	\$ (1,558,076)	\$ (330,662)	\$ (286,058)	\$ (891,386)	\$ (786,327)	\$ (349,165)	\$ (1,236,118)	\$ (893,971)	\$ (528,125)	\$ (11,812,367)
Intangible Assets - Gross	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Assets	3,878,422	(666,747)	(661,044)	(11,007)	(1,336,456)	2,702,039	(801,377)	(669,049)	(673,299)	(614,776)	(665,063)	(675,836)	\$ (194,192)
Net Cash From Investing Activities	\$ 2,272,793	\$ (2,904,070)	\$ (1,770,571)	\$ (1,569,082)	\$ (1,667,118)	\$ 2,415,981	\$ (1,692,763)	\$ (1,455,376)	\$ (1,022,465)	\$ (1,850,894)	\$ (1,559,034)	\$ (1,203,961)	\$ (12,006,560)
<u>Cash Flow From Financing Activities</u>													
Bond Payable	\$ (4,688,544)	\$ -	\$ -	\$ -	\$ -	\$ (3,374,631)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (8,063,175)
Capital Leases	(215,830)	(265,822)	23,291	(277,377)	(249,402)	(276,416)	(268,765)	(253,028)	(228,812)	(258,649)	(234,448)	(304,185)	\$ (2,809,443)
Notes Payable	-	-	-	-	-	-	-	-	-	-	-	-	\$ -
Net Cash From Financing Activities	\$ (4,904,374)	\$ (265,822)	\$ 23,291	\$ (277,377)	\$ (249,402)	\$ (3,651,047)	\$ (268,765)	\$ (253,028)	\$ (228,812)	\$ (258,649)	\$ (234,448)	\$ (304,185)	\$ (10,872,618)
Total Change In FY 2025 Cash	\$ (3,413,552)	\$ (4,948,020)	\$ (3,302,858)	\$ 2,254,364	\$ (5,616,043)	\$ (1,010,624)	\$ 1,685,415	\$ 3,004,873	\$ 3,038,933	\$ (1,091,625)	\$ (2,525,315)	\$ (426,170)	\$ (12,350,621)
Cash & Cash Equivalents, Beginning Balance	19,989,682	16,576,130	11,628,110	8,325,252	10,579,617	4,963,574	3,952,950	5,638,365	8,643,238	11,682,172	10,590,546	8,065,232	19,989,682
Cash & Cash Equivalents, Ending Balance	\$ 16,576,130	\$ 11,628,110	\$ 8,325,252	\$ 10,579,617	\$ 4,963,574	\$ 3,952,950	\$ 5,638,365	\$ 8,643,238	\$ 11,682,172	\$ 10,590,546	\$ 8,065,232	\$ 7,639,061	7,639,061

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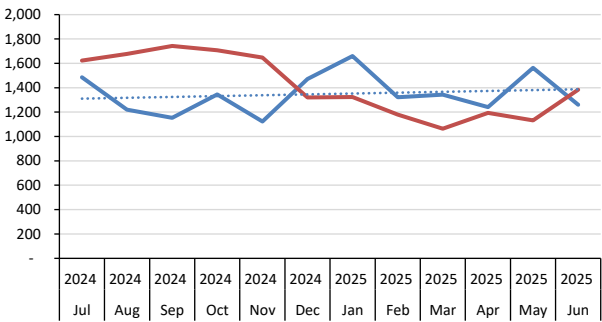
El Centro Regional Medical Center

Rolling-12 Volume trend

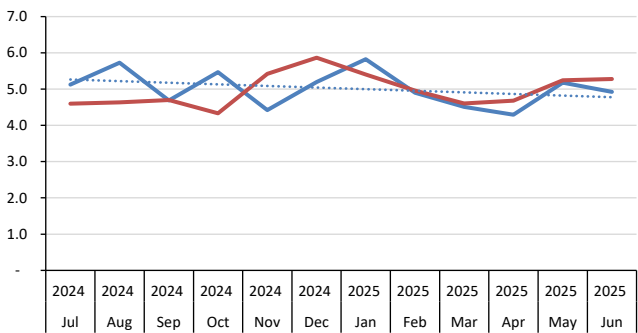
Adult Admissions



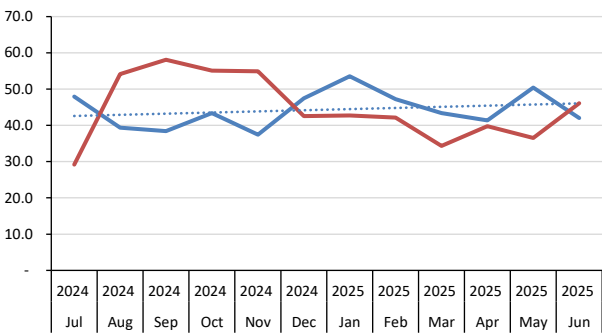
Patient Days



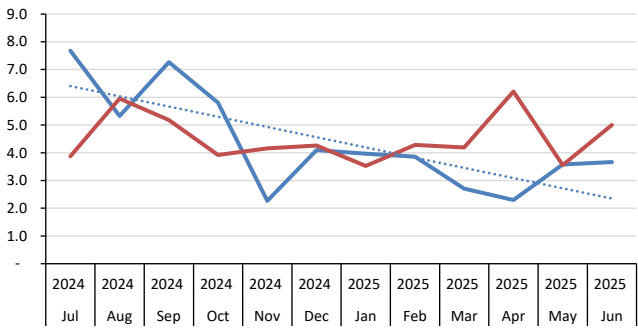
Average Length of Stay



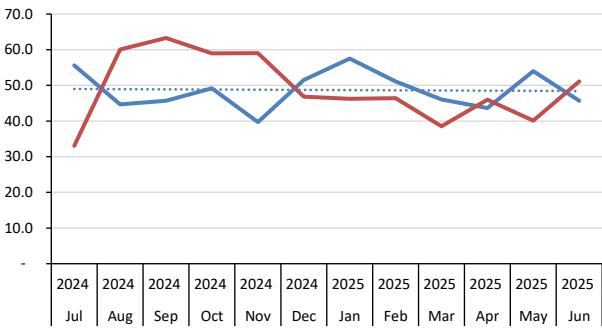
Average Daily Census



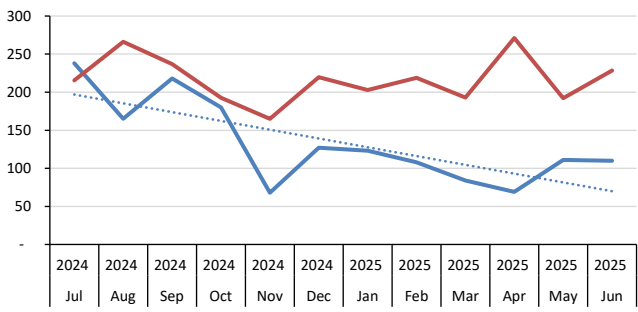
Average Daily Census (ADC) Observation



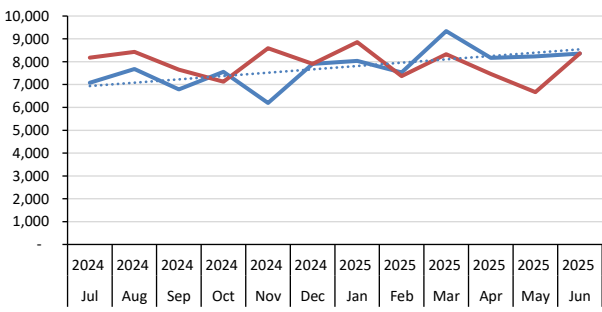
Total ADC



Observation Days



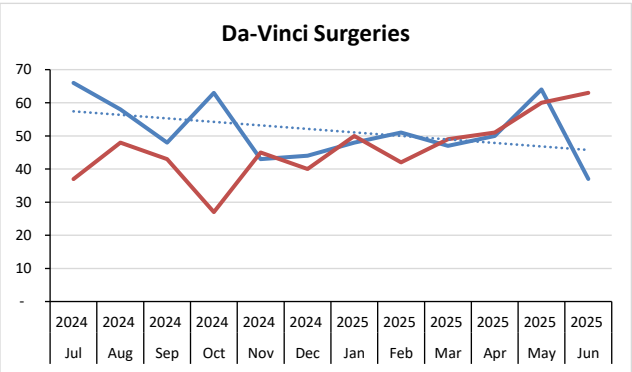
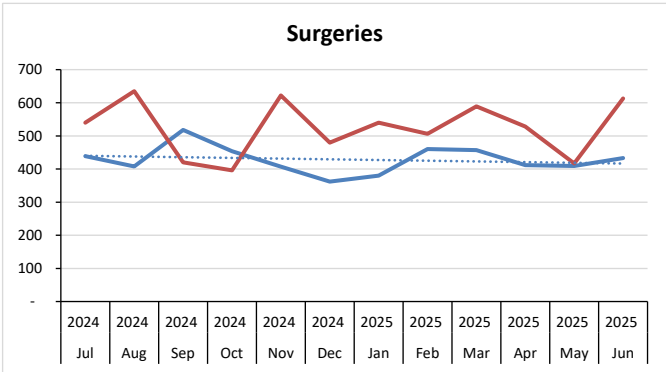
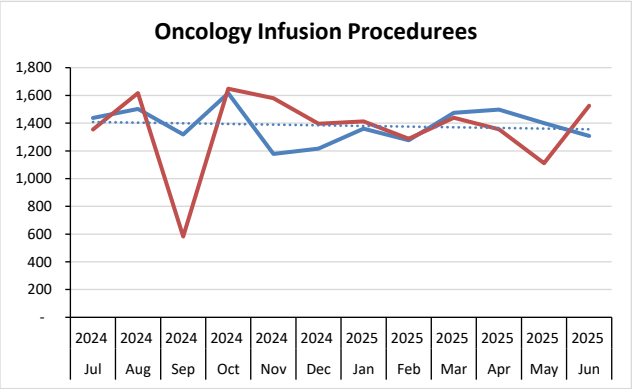
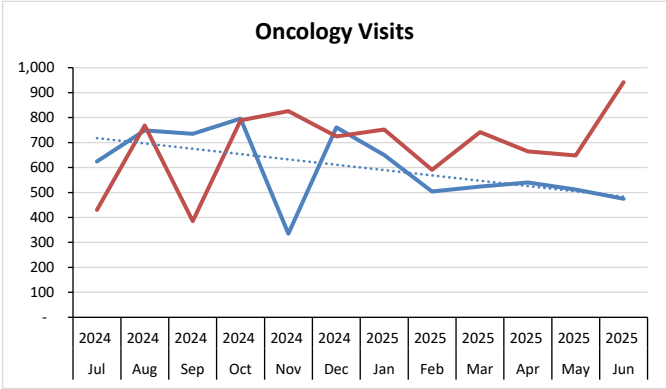
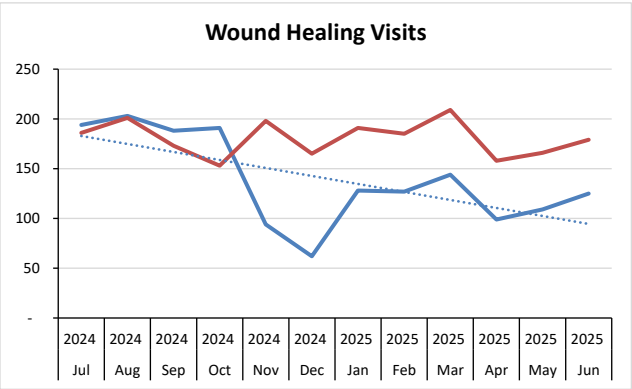
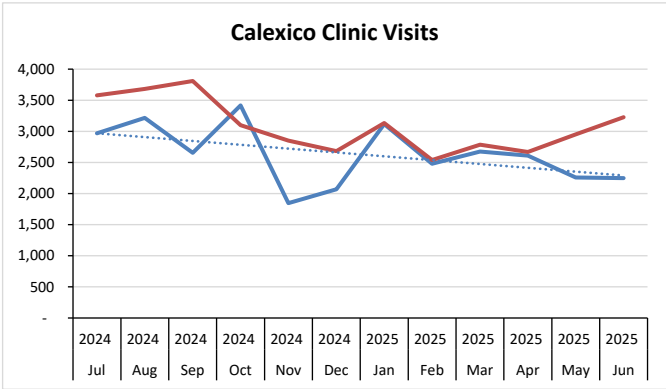
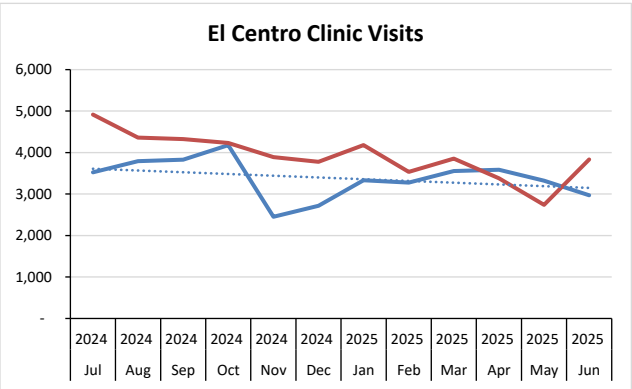
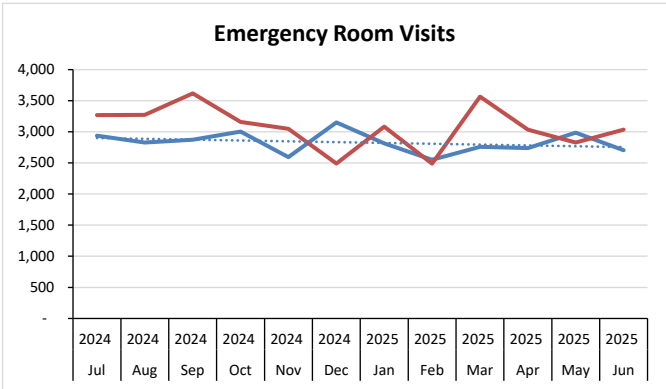
Outpatient Visits



■ BUDGET
■ ACTUALS

El Centro Regional Medical Center

Rolling-12 Volume trend



■ BUDGET
■ ACTUALS



TO: HOSPITAL BOARD MEMBERS

FROM: David Momberg, Chief Financial Officer

DATE: July 28, 2025

MEETING: Board of Trustees

SUBJECT: FY25 Annual Audit Engagement Letter

BUDGET IMPACT:

A. Does the action impact/affect financial resources? ☐ Does not Apply ☒ Yes ☐ No

B. If yes, what is the impact amount: \$120K - \$150K

BACKGROUND: Annual audits are conducted ensure financial transparency, regulatory compliance, and to protect against fraud and errors, which contributes to the financial stability of the hospital.

DISCUSSION: For a more detailed description of financial performance, please see the attached Financial Report.

RECOMMENDATION: (1) Approve (2) Do not approve

ATTACHMENT(S):

- 2025 Engagement Letter

Approved for agenda, Chief Executive Officer

Date and Signature: _____

Pablo Velazquez

July 18, 2025

David Momberg
Chief Financial Officer
El Centro Regional Medical Center
1250 Main Street
El Centro, CA 92243

Dear David:

Wipfli LLP ("Wipfli") is pleased to serve as the independent auditors for El Centro Regional Medical Center ("Client") for the year ended June 30, 2025. This letter, together with the attached Wipfli LLP Professional Services Terms and Conditions, confirms the terms of our engagement and is collectively referred to herein as the "Letter" or the "Engagement Letter."

Fees

Our fees and expenses for this engagement will be billed as work progresses, and progress billings may be submitted. Based upon our discussions with representatives of Client, the fee for this engagement will be \$95,000. Our fee has been determined based on our understanding obtained through discussions with you regarding your preparedness for the engagement and your current operations. To the extent we encounter circumstances outside of our expectations that warrant additional procedures and time, we will communicate that fact and advise you of options and the additional fees necessary to complete the engagement. We will also charge our actual direct travel expenses (if any) plus a technology and administration fee equal to six percent (6%) of our professional fees. We expect payment of our billings within 30 days after submission.

The fee for the Uniform Guidance audit is included in the fee above.

Our fees for the services described below are based upon the value of the services performed and the time required by the individuals assigned to the engagement. Our fee estimate and completion of our work are based upon the following criteria:

1. Anticipated cooperation from Client personnel
2. Timely responses to our inquiries
3. Timely completion and delivery of client assistance requests
4. Timely communication of all significant accounting and financial reporting matters
5. The assumption that unexpected circumstances will not be encountered during the engagement

If any of the aforementioned criteria are not met, then the fees may increase. Interim billings will be submitted as work progresses and as expenses are incurred.

Audit Scope and Objectives

We will audit Client's financial statements and the disclosures, which collectively comprise the basic financial statements.

Accounting standards generally accepted in the United States of America ("GAAP") provide for certain required supplementary information ("RSI"), such as management's discussion and analysis ("MD&A"), to supplement Client's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Client's RSI in accordance with auditing standards generally accepted in the United States of America ("GAAS"). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Changes in the Net Pension Liability and Related Ratios
3. Schedule of pension Contributions
4. Schedule of Investment Returns

We have also been engaged to report on supplementary information other than RSI that accompanies Client's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of Expenditures of Federal Awards
2. Notes to Schedule of Expenditures of Federal Awards

The objectives of our audit are to obtain reasonable assurance as to whether Client's financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether Client's financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information, referred to in the second paragraph of this section, when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they could influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

- Internal control over compliance related to major programs and an opinion on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996; and Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance").

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

The Uniform Guidance report on internal control over compliance will include a paragraph that states that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS, the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act amendments of 1996; and the provisions of the Uniform Guidance; and will include tests of accounting records, a determination of major program(s) in accordance with the Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit.

An audit includes an evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as an evaluation of the overall presentation of the financial statements, including the disclosures, to assess whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. To express an opinion, we are required to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* does not expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that come to our attention.

We will also inform the appropriate level of management of any violations of laws or government regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In performing our audit, we will consider and conclude whether, based on the audit evidence obtained, there are conditions or events, considered in the aggregate, which raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of cash, receivables, loan balances, and certain assets and liabilities by correspondence with selected customers, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may submit an invoice for responding to this inquiry.

Audit Procedures – Internal Control

In the conduct of our audit, we will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control-related matters that are required to be communicated under professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Client's compliance with the provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal awards program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

The Uniform Guidance require(s) that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Client's major programs. The purpose of these procedures will be to express an opinion on Client's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that management acknowledges and understands its responsibility for (1) designing, implementing, and maintaining internal controls, including internal controls over federal awards, relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. Management is also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, in conformity with GAAP, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements. Management's responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making available to us drafts of financial statements, all financial records, and related information and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). Management is also responsible for providing us with (1) access to all information of which it is aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from management about the financial statements and related matters.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Management is responsible for the design and implementation of programs and controls to prevent and detect fraud and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Management is also responsible for informing us of its knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, management is responsible for identifying and ensuring that the government complies with applicable laws and regulations, contracts, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we have reported on the schedule of expenditures of federal awards. You also agree to make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

Management is responsible for the preparation of the supplementary information in conformity with GAAP. Management agrees to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. Management also agrees to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon.

Management's responsibilities include acknowledging to us in the representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

We cannot perform management functions or make management decisions on behalf of Client. However, we may provide advice and recommendations to assist management in performing its functions and fulfilling its responsibilities. We may advise management about appropriate accounting principles and their application, but the responsibility for the financial statements remains with management.

Reporting

We will issue written reports, as listed in the following paragraph, upon completion of our audit of Client's financial statements. Our reports will be addressed to the Board of Directors. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report or, if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

We expect to issue the following reports:

- A report on the financial statements including an opinion as to whether the schedule of expenditures of federal awards is presented fairly, in all material respects, in relation to the financial statements taken as a whole.
- A report on internal control over financial reporting and compliance based on an audit of financial statements performed in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.
- A report on compliance with requirements applicable to each major program and report on internal control over compliance in accordance with the Uniform Guidance.
- A schedule of findings and questioned costs.

If Client intends to reproduce or publish these financial statements or any portion thereof, whether in paper or electronic form, subsequent to anticipated year-end filings, and make reference to our firm name in connection therewith, management agrees to provide us with proofs in sufficient time for our review and written approval before printing. If in our professional judgment the circumstances require, we may withhold our approval. Client agrees to compensate Wipfli for the time associated with such review.

Client acknowledges and agrees that any advice, recommendations, information, or work product provided to Client by Wipfli in connection with this engagement is for the sole use of Client and may not be relied upon by any third party. Wipfli has no liability or responsibility to any third parties as a result of this engagement.

Management Assistance

Assistance to be supplied by Client personnel, including the preparation of schedules and analysis of accounts, has been discussed with you. Timely completion of this work will facilitate the completion of our engagement.

Engagement Administration

Wes Thew will be your audit engagement partner.

Professional and certain regulatory standards require us to be independent in both fact and appearance. Any discussions that you have with Wipfli personnel regarding employment could pose a threat to our independence. Therefore, we request that you inform us immediately prior to any such discussions so that we can implement appropriate safeguards to maintain our independence.

Other Services

We may prepare a draft of your financial statements and related notes, as schedule of expenditures of federal awards, and the Data Collection Form ("DCF") based on information provided by management. In accordance with *Government Auditing Standards*, management will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

Management agrees to assume all management responsibilities for these services; oversee the services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.

Conclusion and Approval to Proceed

If the terms above of this Engagement Letter are acceptable to you and the services outlined are in accordance with your requirements, please return a signed copy of this Letter to us.

We look forward to our continued association with you and your staff and appreciate the opportunity to serve you. Please do not hesitate to call us if you have any questions about the work we are to perform or any other aspect of the services we can provide.

Wipfli LLP

Wipfli LLP

El Centro Regional Medical Center

Page 9

July 18, 2025

ACCEPTED: EL CENTRO REGIONAL MEDICAL CENTER

By: _____

(Print Name and Title)

Date: _____

smk

Enc.

Wipfli LLP
Professional Services Terms and Conditions

1. Terms and Conditions and Related Engagement Documents

These Wipfli LLP Professional Services Terms and Conditions ("Terms and Conditions") apply to and govern Wipfli LLP's provision of services to You. For the purposes of these Terms and Conditions, any reference to "Wipfli," "We," "Us," "Our," or similar is a reference to Wipfli LLP, and includes any subsidiaries or subcontractors of Wipfli LLP, and any reference to "Client," "You," or similar is a reference to the party or parties that have engaged Us to provide services, and the parties ultimately responsible for Our fees and expenses.

These Terms and Conditions may be appended to or incorporated into an engagement letter outlining the delivery of specific services by Us to You, and in that case such engagement letter and any appendices thereto and these Terms and Conditions form the entire agreement between You and Wipfli with respect to the services described therein, and supersede and merge all prior or contemporaneous agreements and understandings (oral or written) between or among the parties regarding the subject matter thereof, including prior proposals of Wipfli regarding the engagement or services, understandings, and agreements (oral or written) between the parties relating to the subject matter, including, without limitation, the terms of any request for proposal issued by Client or the standard printed terms on any purchase order issued by Client and any non-disclosure or confidentiality agreement between Wipfli and Client dated prior to the date of the engagement letter. No modification, amendment, supplement to, or waiver of these Terms and Conditions shall be binding upon the parties unless made in writing and duly signed by both parties. To the greatest extent reasonably possible, the provisions of these Terms and Conditions, any engagement letter, its appendices, any other exhibit, attachment, schedule, or other document referenced in or by the engagement letter, shall be read together and harmonized to give effect to the parties' intent. In the event of a direct conflict among the express provisions of the foregoing, the engagement letter shall be given controlling effect. Notwithstanding the foregoing, where Wipfli provides services, support, and advice not covered by an engagement letter, these Terms and Conditions shall apply, including with respect to any such services, support, or advice performed or provided prior to the execution of an engagement letter related to those services.

2. Change Orders

Unless an engagement letter specifies otherwise, services that fall outside the agreed-upon scope of Wipfli's engagement under any engagement letter shall be covered by a Change Order, or, if the nature and amount of such services are not material to the overall engagement, shall be delineated and included on Wipfli's invoice for such services. A "Change Order" means a mutually agreed-upon change in the scope of work or services, schedule, or the time for Wipfli's performance of the work or services under an engagement letter, or a change in the fees or the basis of the fees to be paid to Wipfli by Client, which is reduced to a writing that is executed or otherwise acknowledged by an authorized representative of each for Wipfli and Client. Services performed under a Change Order shall be subject to these Terms and Conditions.

3. Commencement and Term

Our engagement will commence when acceptance of these Terms and Conditions and any related engagement letter is delivered to Wipfli through execution thereof by a duly authorized representative of Client and shall continue until the services contemplated under the engagement letter are Complete (as reasonably determined by Wipfli), unless earlier terminated by either party as provided herein. Each person executing an engagement letter or Change Order on behalf of a party represents and warrants to the other that he or she has all power and authority to bind the party on whose behalf he or she is executing the same. For the purposes of this paragraph, "Complete" means the delivery by Wipfli of the report or other deliverables contemplated by the engagement letter, or where no deliverables are contemplated, three (3) months after the last date of services rendered by Wipfli with respect to the services at issue. Notwithstanding the foregoing, services, support, and advice provided by Wipfli in respect of an engagement after the termination of such engagement shall be governed by these Terms and Conditions.

4. Termination of Services

Wipfli's services may be terminated as follows: (i) by either party immediately upon written notice to the other if either party hereto becomes the subject of voluntary or involuntary bankruptcy or other insolvency proceeding, (ii) by Wipfli or Client if either party defaults in the performance of any of its covenants and agreements and such default is not cured within thirty (30) days after notice from the other party specifying the nature of such default, and (iii) by Wipfli or Client with or without cause upon providing thirty (30) days' written notice. Wipfli has the right to terminate services with immediate effect if We determine applicable professional standards require Us to do so, if Client does not in a timely manner provide Us with information reasonably requested by Us to perform the contemplated services, refuses to cooperate with Our reasonable requests for assistance in connection with the

delivery of Our services, or misrepresents any material facts. Our withdrawal will release Us from any obligation to complete the services and will constitute termination of Our engagement. Termination of Our engagement shall have no effect on either party's obligation to pay any amount due and owing with respect to such periods prior to the effective date of such termination and Client agrees to compensate Us for Our time and out-of-pocket expenses through the effective date of termination.

5. Fee Estimates and Expenses

An engagement letter may set forth specific fee amounts, hourly rates, or certain ranges for Wipfli's fees in respect of the services contemplated by the engagement letter. Where Wipfli provides an estimate of fees, Client acknowledges that Wipfli provides fee estimates as an accommodation to Client. These estimates depend on various assumptions, including without limitation: (a) anticipated cooperation from Client personnel; (b) timely responses to Our inquiries; (c) timely completion and delivery of Client assistance requests; (d) timely communication of all significant accounting and financial reporting matters; (e) the assumption that unexpected circumstances will not be encountered during the engagement; and (f) where applicable, the assumption that Client's hardware platform/computer system will, at the commencement of the services, be fully operable as intended and designed, functioning as necessary and available to Wipfli without material restriction for the duration of the services. Unless otherwise indicated in an engagement letter, fee estimates shall not be construed as or deemed to be a minimum or maximum fee quotation. Although Wipfli reasonably believes suggested fee ranges are accurate, Wipfli's actual fees may vary from its fee estimates.

Unless otherwise agreed in an engagement letter, a technology and administration fee of six percent (6%) of professional fees will be added to all invoices, along with any direct travel expenses incurred. The technology and administration fee is in lieu of other direct expenses and charges which might otherwise apply. Notwithstanding the foregoing, the cost of software and software licenses or subscriptions and similar miscellaneous tools provided or acquired specifically for Client or for Client's use in connection with the performance of services may be invoiced separately.

6. Payment of Fees and Expenses

All invoices are due and payable within thirty (30) days of the invoice date. All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law, on the balance due to Wipfli that is outstanding over thirty (30) days. At Our discretion, services may be suspended if Client's account becomes overdue and services will not be resumed until Client's account is paid in full. Client acknowledges and agrees that We are not required to continue services in the event of a failure to pay on a timely basis for services rendered. Client further acknowledges and agrees that in the event Wipfli suspends or terminates services as a result of Client's failure to pay as agreed on a timely basis for services rendered, Wipfli shall not be liable to Client for any damages that occur, whether direct or indirect, foreseen or unforeseen, and whether or not the parties have been advised of the possibility of such damages, and Client agrees to indemnify and hold Wipfli harmless against any such damages or claims.

7. Engagement Staffing

Wipfli expressly reserves the right to replace, in Our reasonable discretion, any of Our team members as necessary to provide quality and timely service to Client. From time to time, and depending upon circumstances, Wipfli may use third-party service providers, such as independent contractors, specialists, or vendors to assist Us in providing professional services, including tax services. These parties and their personnel may be located within or outside the United States. We may also use personnel from affiliates of Wipfli and other Wipfli-related entities (including Our wholly owned subsidiary based in India and contractors in the Philippines).

We remain responsible to Client for the supervision of all independent contractors, service providers, entities, and personnel who assist Us in rendering professional services hereunder and for protecting the confidentiality of Client information. Client hereby consents and authorizes Us to disclose Client information to the foregoing parties for the purpose of providing services to Client. Applicable rules in some states require that We advise you that some persons who own an interest in Wipfli may not be licensed as Certified Public Accountants and may provide services.

8. Confidentiality, Information Security and Electronic Information Storage

The performance of services by Wipfli may result in the parties having access to information that is confidential to one another, including, without limitation, source code, documentation, specifications, databases, system design, file layouts, tool combinations, development methods, or business or financial affairs, which may incorporate business methods, marketing strategies, pricing, competitor information, product development strategies

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and methods, customer lists, customer information, and financial results (collectively "Confidential Information"). Confidential Information may include information received from third parties, both written and oral, that each party is obligated to treat as confidential.

Confidential Information shall not include any information that (i) is already known by the receiving party or its affiliates, free of any obligation to keep it confidential; (ii) is or becomes publicly known through no wrongful act of the receiving party or its affiliates; (iii) is received by the receiving party from a third party without any restriction on confidentiality; (iv) is independently developed by the receiving party or its affiliates without the use of the disclosing party's Confidential Information; (v) is disclosed to third parties by the disclosing party without any obligation of confidentiality; or (vi) is approved for release by prior written authorization of the disclosing party.

Except as permitted hereunder and necessary for the performance of services hereunder, without the advance written consent of the other party or as required by law, regulation, legal process, or to comply with professional standards applicable to a party, neither party shall disclose to a third party Confidential Information of the other party. Each party agrees to maintain at least the same procedures regarding the Confidential Information of the other as it maintains with respect to its own Confidential Information. Each party may use the Confidential Information received from the other party only in connection with fulfilling its obligations under this agreement. The parties further agree that expiration or termination of this agreement, for any reason, shall not relieve either party, nor minimize their obligations with respect to Confidential Information, as set forth herein.

Wipfli may utilize third-party service providers, including cloud-based service providers, who may collect, use, transfer, transmit, store, or otherwise process Client Confidential Information in connection with the delivery of certain services and Client consents to their use. Wipfli will ensure that it maintains appropriate policies, procedures and safeguards to protect the confidentiality of Client Confidential Information. In addition, to the extent possible and practicable, We will ensure that Our agreements with all third-party service providers contain appropriate provisions to protect Client Confidential Information. We may use electronic media to transmit Client Confidential Information, and such use in itself will not constitute a breach of any security or confidentiality obligation. Client acknowledges that Wipfli has no control over the unauthorized interception or breach of any communications or electronic data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by Us. You consent to Our use of electronic devices and applications in the delivery of Our services.

Wipfli is committed to protecting personal information that can be linked to specific individuals, including health information ("Personal Data"). Any Personal Data provided to Us by Client to receive Our services will be kept confidential and not disclosed to any third party not described above (parties providing Us assistance in rendering professional services) unless necessary to deliver services, expressly permitted by Client, or required by law, regulation, legal process, or to comply with professional standards applicable to Wipfli. Client is responsible for obtaining, pursuant to law or regulation, consents from parties that provided Client with their Personal Data which will be obtained, used, and disclosed by Wipfli to render services, and Wipfli may rely on the representation that Client has obtained such consents. Notwithstanding anything to the contrary, Client acknowledges that Wipfli may collect, use, and disclose certain administrative Personal Data (such as contact information and Internet activity) to administer the contract between the parties and in accordance with Wipfli's Privacy Statement (as applicable) available at www.wipfli.com/privacy-statement.

9. Intellectual Property Rights, Client Records, Wipfli Workpapers, Use of Deliverables and Drafts

Wipfli acknowledges that all Client materials, data, or other information provided to Wipfli to permit Wipfli to perform services ("Client IP") belongs to and shall remain the property of Client. Client acknowledges that proprietary information, documents, materials, management techniques, and other intellectual property (collectively "Wipfli IP") are a material asset to Wipfli and source of services We perform for Client and others and were developed prior to performing services for Client. Client acknowledges that Wipfli owns all right, title and interest in Wipfli IP including enhancements thereto produced or developed by Wipfli throughout the duration of this engagement, excluding any pre-existing ownership right of Client and without implying any ownership interest in any Client IP, all of which shall remain the property of Client. Upon completion of the services and full payment by Client of all related invoices, Wipfli grants to Client a perpetual paid-up license to use or modify, for internal purposes only, any deliverable produced by Wipfli and actually delivered to Client (including embedded Wipfli IP), provided that any use or modification of such deliverable, other than for the purposes stated in the related engagement letter, is not authorized. In addition, Client shall not alter or remove any of Wipfli's trademarks, copyright registration marks, patent, or other intellectual

property notices applicable to any of Wipfli's goods, products, services, marketing material, or advertising media and shall not in any way alter any of Wipfli's products. Neither party shall acquire any right, title, or interest in or to the other party's code, data, business processes, or other information to which such party may have access during the term of the engagement hereunder. All such code, data, business process, and other information shall be solely and exclusively the property of the originating party.

Client's original documents, data, books, and records are the property of Client, and it is Client's responsibility to maintain all such materials. Wipfli has no responsibility to do so unless specifically undertaken by Wipfli in an engagement letter. Workpapers, documentation, and files created by Us in the course of providing services are the property of Wipfli. We will retain workpapers, documentation, and files pursuant to Our record retention policy. In the event We are required to respond to a subpoena, court order, government regulatory inquiry, or other legal process related to Client or its management (other than a matter in which Wipfli is named as a party) for the production of workpapers, documents, files and/or testimony relative to information We obtained and/or prepared during the course of rendering services, We will, to the extent permitted by law and applicable professional standards, notify You of the matter, but You agree We have no obligation to You in the event We determine We are obligated to provide documents or other information. You agree to compensate Us for all time We expend in connection with such response, at Our regular rates, and to reimburse Us for all related out-of-pocket costs, including reasonable attorney's fees, that We may incur. Any services under this paragraph will be deemed a separate engagement subject to these Terms and Conditions.

Client agrees that Wipfli may use Client's name and logo in experience citations and in proposals, work product and deliverables provided or directed to Client pursuant to the engagement letter or otherwise. Notwithstanding any other provision of the engagement letter or these Terms and Conditions, and except as prohibited by law, Wipfli may use the information received under the engagement letter, including tax return information, in an aggregated and anonymized manner, to develop, enhance, modify and improve technologies, tools, methodologies, services and offerings, and/or for development or performance of data analysis or other insight generation. Information developed in connection with these purposes may be used or disclosed to You or current or prospective clients to provide them services or offerings. In no event will We use or disclose the information in a way that would permit Client to be identified by third parties without Client's express consent. With respect to tax return information, Client may request in writing a more limited use and disclosure than the foregoing. The foregoing consent is valid until further notice by Client.

10. Third-Party Software, Technology Tools and Related Products and Limitations Thereon

Wipfli may use software, technology tools, or related products ("Third-Party Products") to deliver services to Client. Where Wipfli uses Third-Party Products or is engaged to provide services related to the selection, implementation, or use of Third-Party Products, Wipfli will employ commercially reasonable efforts to research, learn, and assist Client in the selection, implementation, and use of such Third-Party Products. However, Wipfli shall not be held liable for any issues, errors, or malfunctions related to or arising from the Third-Party Products not directly caused by Wipfli's fraud or willful misconduct. Client acknowledges that Wipfli does not have control over the functionality, performance, or availability of Third-Party Products and cannot assure or make any representation that the Third-Party Products are free from defects, malware, viruses, trojan horses, and similar risks. Consequently, Wipfli disclaims any warranties or guarantees, express or implied, regarding the performance, reliability, or results obtained from the use of Third-Party Products, and Client acknowledges that the use of such Third-Party Products is subject to the terms of any end user agreement associated with each of the Third-Party Products and accepts such terms. Where Client is provided access to Third-Party Products by Wipfli, Client will: 1) use and access such Third-Party Products only for the purpose for which they were provided access; 2) not tamper with, modify, or alter such Third-Party Products; and 3) comply with all reasonable instructions from Wipfli in respect of such access.

11. Tax Services

Tax services are subject to and will be performed in accordance with Treasury Department Circular 230, the American Institute of Certified Public Accountants (AICPA), and other professional standards applicable to tax services. Our fees for services do not include time spent responding to IRS or state or local inquiries, and Client understands that We are not responsible for IRS or state or local disallowance of doubtful deductions or deductions unsupported by adequate documentation, nor for resulting taxes, penalties, and interest. Client's tax returns may be selected for review by the taxing authorities. Any proposed adjustments by an examining agent are subject to certain rights of appeal. In the event of such tax examination, We will be available upon request to represent Client and will charge additional fees for

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the time and expenses incurred. Any such services will constitute a separate and distinct engagement.

If Client is an individual with respect to whom IRC 7216 and the related regulations ("7216") are applicable, Wipfli will not utilize foreign persons or resources to provide tax services without first obtaining appropriate consent from Client, and any provision of these Terms and Conditions which would contravene the requirements of 7216 shall be inapplicable.

12. Allocation of Risk and Limitation of Liability

In no event will Wipfli or Client be liable to the other for claims of punitive, consequential, special, or indirect damages, whether or not a party was advised of the possibility of such damages, regardless of whether they were foreseeable, and regardless of whether such damages arise under a theory of contract, tort, strict liability, or otherwise. Wipfli's liability for all claims, damages, and costs of Client arising from Wipfli's services performed under an engagement letter, Change Order, or otherwise shall be limited to the amount of fees paid by Client to Wipfli for the specific services which give rise to the claim for damages or, in the case of services provided in respect of an engagement which spans a period of more than twelve (12) months, the fees paid by Client to Wipfli in the twelve (12) months preceding the event giving rise to the claim. The limitation of liability in the preceding sentence shall not apply in the event of Wipfli's fraud or willful misconduct or where disallowed by applicable law, regulation, or professional standards applicable to the services performed under these Terms and Conditions. Because Wipfli will rely on Client and its management for the accuracy of the representations made to Wipfli to perform services, and except where indemnity is disallowed by applicable law, regulation, or professional standards applicable to the services performed under these Terms and Conditions, Client holds harmless and releases Wipfli and its owners and employees from all claims, liabilities, losses, and costs of any kind arising which arise from: (i) a knowing misrepresentation, withholding, or concealment of information by Client or its management; or (ii) a wrongful act by Client or a member of Client's management or ownership group.

13. Dispute Resolution; Choice of Law and Statute of Limitations

If any dispute arises regarding the subject matter hereof or services provided by Wipfli to Client, and such dispute cannot be resolved through informal negotiations and discussions, prior to resorting to litigation, the parties will try in good faith to settle the dispute by non-binding mediation administered by the American Arbitration Association under its applicable rules for resolving professional accounting and related services disputes. Either party may request mediation, and costs of any mediation proceeding shall be shared equally. IN THE EVENT OF LITIGATION, WIPFLI AND CLIENT HEREBY AGREE NOT TO ELECT OR REQUEST A TRIAL BY JURY OF ANY ISSUE TRIABLE BY RIGHT OF JURY AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH RESPECT TO THE SERVICES, THESE TERMS AND CONDITIONS, OR ANY CLAIM, COUNTERCLAIM, OR OTHER ACTION ARISING THEREWITH.

The parties agree that any dispute arising out of Wipfli's services or these Terms and Conditions shall be governed by the laws of the state of Illinois, without regard to conflict of laws principles. Except for an action by Us to collect payment of Our invoices, Wipfli and Client agree that no claim arising out of services rendered by Wipfli shall be filed after the earlier of the expiration of the applicable statute of limitations, or: (i) in the case of any report or deliverable issued by Wipfli under the engagement letter, no later than two years from the date of such report or deliverable (or if no report or deliverable is issued, two years from the date of any related engagement letter); or (ii) in the case of any tax form or similar governmental filing, no later than three years after the extended due date of such tax form or filing.

14. Regulatory Matters and Impact On Independence

Where Wipfli is (a) providing services to an entity that is registered with the SEC or an affiliate of such registrant; or (b) providing services to an entity or affiliate that is subject to professional standards more stringent than those which exist under the AICPA Code of Professional Conduct, any provision of these Terms and Conditions which would be prohibited by such professional standards or deemed to impair Wipfli's independence relative to Client under such professional standards shall not apply to the extent necessary to avoid such prohibition or independence impairment, it being the intent of Wipfli and Client to ensure Wipfli and Client's compliance with applicable professional standards in respect of Wipfli's engagement by Client and to ensure, where appropriate and necessary, Wipfli's independence from Client.

15. Certain Sales (and Similar) Tax Responsibilities

To the extent applicable, Client shall pay and be solely and exclusively liable for all sales, use, ad valorem, excise, or other taxes or governmental charges imposed on the installation, implementation, licensure, or sale of goods or services by Wipfli or third parties to Client.

16. Severability

The provisions of these Terms and Conditions shall be severable, so that the invalidity or unenforceability of any provision will not affect the validity or enforceability of the remaining provisions; provided that no such severability shall be effective if it materially changes the economic benefit of these Terms and Conditions to either party.

17. Independent Contractor Status and Non-Exclusivity

The relationship between Wipfli and Client is solely and exclusively that of independently contracting parties. No right of exclusivity is granted, guaranteed, or implied by Wipfli by entry into an engagement letter or the performance of services. Client acknowledges that Wipfli regularly performs the same or similar services as are being provided hereunder to third parties.

18. Insurance

Wipfli will carry and maintain in force at all times during the term of its engagement with Client appropriate insurance coverages, including policies covering professional liability errors and omissions, cyber liability, general liability, automotive liability, and worker's compensation.

19. Notices

All notices required to be given to either party hereunder shall be in writing and sent by email or traceable carrier to each party's address (including an email address) indicated on any engagement letter, or such other address as a party may indicate by at least ten (10) business days' prior written notice to the other party. Notices shall be effective upon receipt. A copy of such notice shall be provided to wipfli-legal@wipfli.com.

20. Counterparts and Electronic Signatures

Any document contemplated hereby may be executed in one or more counterparts, each of which will be deemed to be an original, and all of which, when taken together, will be deemed to constitute one and the same document. Each party hereto agrees that any electronic signature of a party to any document contemplated hereby is intended to authenticate such writing and shall be as valid and have the same force and effect, as a manual signature. Any such electronically signed document shall be deemed (i) to be "written" or "in writing"; (ii) to have been signed; and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Each party hereto also agrees that electronic delivery of a signature to any such document (via email or otherwise) shall be as effective as manual delivery of a manual signature.

21. Assignment

These Terms and Conditions and related engagement letters and agreements shall be binding on the parties hereto and their respective successors and assigns. Neither party may make assignment thereof without the prior written consent of the other party, except that Wipfli may assign its rights and obligations hereunder without approval of Client to an entity that acquires all or substantially all of the assets of Wipfli or to any subsidiary, affiliate, or successor in a merger, acquisition, or change of control of Wipfli; provided that in no event shall such assignment relieve Wipfli of its obligations hereunder or under any applicable engagement letter.

22. Force Majeure

Either party may suspend (or, if such suspension continues for more than thirty (30) days, terminate) its obligations (except the obligation to pay for services previously rendered) hereunder or under any engagement letter or Change Order if such obligations are delayed, prevented, or rendered impractical or impossible due to circumstances beyond its reasonable control, including, without limitation, events generally understood to be "Acts of God."

23. Certain Disclosures

Wipfli's services do not constitute legal or investment advice. We are not in a fiduciary relationship with You. Wipfli does not provide investment advisory services. Wipfli owns a membership interest in Creative Planning Holdco, LLC, which in turn owns Creative Planning, LLC, an SEC-registered investment adviser ("Creative"). Certain Wipfli employees also dually serve as Creative investment adviser representatives ("IARs"). If Client requires investment advisory services, Wipfli will introduce Client to a Wipfli employee who dually serves as an IAR. If Client subsequently engages Creative, Creative will, in most cases, share a portion of its ongoing investment advisory fee with the IAR. The IAR is required to remit such amounts to Wipfli as the IAR's employer. Wipfli's receipt of a portion of the Creative advisory fee will not result in Client's payment of a higher Creative investment advisory fee than if Client had engaged Creative independent of Wipfli and the IAR. The IAR will provide Client with written disclosure of the relationship and economic arrangement by and among Wipfli, the IAR, and Creative. All investment advisory services are provided exclusively by Creative per the terms and

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conditions of a separate written agreement between Client and Creative. Wipfli does not provide investment advisory services, but Wipfli's receipt of compensation as described does present the potential of a conflict of interest. The IAR's role is limited to the introduction of Creative. Creative's written disclosure brochure and Form CRS discussing its advisory services and fees is available at www.creativeplanning.com. **No Client is under any obligation to engage Creative or to continue engaging with Creative after having decided to engage Creative.**



TO: HOSPITAL BOARD MEMBERS
FROM: David Momberg, Chief Financial Officer
DATE: July 28, 2025
MEETING: Board of Trustees

SUBJECT: Purchase of B&L Vitrectomy

BUDGET IMPACT:

- A. Does the action impact/affect financial resources?
B. If yes, what is the impact amount: \$65K

 Does not Apply
XX Yes No

BACKGROUND: Vitrectomy machine is necessary to expand service line of retina surgeries and to attract providers to ECRMC. Will also prevent the out migration of patients to San Diego. This is part of our partnership with AEA.

DISCUSSION: We expect to perform 50 studies annually at a net rev of \$4k each. ROI on the machine itself is achieved in 6 months.

RECOMMENDATION: (1) Approve (2) Do not approve

ATTACHMENT(S):

- Vitrectomy Quote

Approved for agenda, Chief Executive Officer

Date and Signature: Pablo Velazquez

PARTNERING IS OUR PRACTICE.



BAUSCH + LOMB SURGICAL SOLUTIONS

Long Term Vision, For Your Patients, For Your Practice

BAUSCH + LOMB

Proposal 25105

June 24, 2025

Bausch & Lomb Americas Inc is pleased to provide you with the following:

Name: El Centro Regional Medical Center,

Bill to ID: 00018560

Street Address: an Agency of the City of El Centro

State/Zip: CA 92243-4306

1415 Ross Avenue

Telephone:

Email:

Contract Name: El Centro / SC of Cali

Fax:

Equipment Proposal

Item No.	Description	Qty	List Price (\$)	Unit Price (\$)	Total (\$)
USSTPCE LITE	USSTPCELITE - Stellaris PC Laser Sys, 2 H/P - 2 Years Additional Service Equipment Only	1	\$90,000.00	\$64,950.00	\$64,950.00
EQUIPMENT SUB TOTAL					\$64,950.00
(LESS) DISCOUNT/TRADE IN					\$0.00
SHIPPING & HANDLING					\$500.00
EQUIPMENT TOTAL					\$65,450.00
EXTENDED WARRANTY TOTAL					\$0.00
TOTAL AMOUNT					\$65,450.00

Please Note Applicable Tax will be applied when order is invoiced

Thank You for your interest in Bausch & Lomb products!

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BAUSCH + LOMB SURGICAL SOLUTIONS

Long Term Vision, For Your Patients, For Your Practice

BAUSCH + LOMB

Proposal: 25105

This document contains proprietary information which is provided to you on a confidential basis. No part of this Proposal or information herein should be discussed or communicated with anyone outside of your organization. This proposal is not, and shall not constitute, a binding agreement of Bausch & Lomb even upon acceptance by Customer. This offer is subject to additional terms and conditions to be set forth in a written agreement between both parties.

Please e-mail orders to BLEquip@bausch.com / Attn: Equipment Customer Service

Purchase Order Number:	
By:	Date:
Name: Signature	Print Name

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BAUSCH + LOMB SURGICAL SOLUTIONS

Long Term Vision, For Your Patients, For Your Practice

BAUSCH + LOMB

Proposal: 25105

EXHIBIT A

TERMS AND CONDITIONS OF SALE

1. **PAYMENT TERMS.** Payment terms are net thirty (30) days from date of invoice. Customer shall be deemed to have accepted the accuracy of all invoices unless Customer notifies B+L, in writing, of any discrepancies on or before the due date. Customer agrees to pay any applicable federal, state and local taxes on the purchase of Products. Tax exempt accounts will not be charged taxes upon Customer's demonstration of its tax exempt status.
2. **ORDERS.** All Products must be purchased directly through B+L utilizing one of the 4 methods below unless otherwise agreed upon by the parties in writing:
 - a. Customer Service 1-800-338-2020
 - b. Web ordering: www.blsurgicalonline.com
 - c. EDI
3. **SEVERAL SHIPMENTS.** B+L may make delivery in installments and may render a separate invoice for each installment, which invoice shall be paid when due, without regard to subsequent deliveries. Each installment shall be deemed a separate sale. Delay in delivery of any installment shall not relieve Customer of its obligation to accept delivery of remaining installments. Any delivery not in dispute shall be paid for on or before the due date, as provided in this contract, without offset, defense or counterclaim and regardless of controversies relating to other delivery or undelivered products.
4. **DELIVERY.** Delivery of the Products shall be made F.O.B. Customer's destination specified on the purchase order provided, however, that Customer shall be responsible for all freight and shipping charges which shall be prepaid by B+L and added to Customer's invoice unless otherwise indicated on the face of this contract. B+L will use every reasonable effort to effect shipment on or before the date indicated. Normal delivery time is five to seven (5-7) days from acceptance of a purchase order by B+L, but B+L shall not be liable, directly or indirectly, for any delay of delivery. Any Products needed by Customer on an overnight basis will be shipped by overnight courier at Customer's additional expense prepaid and added to Customer's invoices.
5. **ACCEPTANCE.** Customer shall accept any tender of the Products by B+L which conform to the description of the Products set forth herein. Customer shall be deemed to have accepted any product and Customer's right to reject the order shall cease, unless Customer gives B+L notice in writing of B+L's breach: (a) in the case of defects discoverable through inspection, fourteen (14) days after arrival of the shipment; or (b) in the case of defects not discoverable through inspection, thirty (30) days after arrival of the shipment. In any event, when the product shall have been altered from its



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original state, Customer shall be deemed to have accepted the product. Customer's acceptance of Products tendered under this contract shall be final and irrevocable.

6. **REJECTED PRODUCTS.** If Customer timely notifies B+L in writing under the terms hereof of a claimed defect and rejects Products as per Section 5 hereof, Customer shall concurrently offer B+L opportunity to investigate the claim and to inspect allegedly defective Products. If B+L determines that Customer's claim is valid, B+L may at its sole option either repair or replace the defective Products or refund the purchase price for the Products and terminate this Agreement with no further cost or obligation. Failure to offer B+L such opportunity shall constitute acceptance by Customer. Replacement of defective Products or repayment of the purchase price for any such product will be made only upon return of the defective product consistent with B+L's then-current return policy.
7. **FORCE MAJEURE.** Neither party to this contract shall be responsible to the other party for nonperformance or delay in performance of any of the terms or conditions of this contract due to acts of God, acts of governments, wars, terrorism, riots, strikes, accidents in transportation, or other causes beyond the reasonable control of the parties. Notwithstanding the foregoing, such events do not excuse any obligations to make payments.
8. **WARRANTY.** Except for warranties expressly identified as warranties and set forth in B+L's operating manual, Directions or Instructions for Use or other labeling supplied with Equipment that provides an additional warranty, B+L warrants to Customer that, subject to the terms and conditions herein, the Equipment will be free from significant manufacturing defects in materials and workmanship in accordance with the approved labeling during B+L's standard manufacturer's warranty period (or such other warranty period specified in this Agreement). During such warranty period, Company will, at its option and as a sole and exclusive remedy, either repair (according to the terms of B+L's service agreement) or replace any Product that does not conform to the foregoing warranty or refund the amounts paid for such Product. **NOTWITHSTANDING ANY LAW OR CONVENTION WHICH MIGHT OTHERWISE APPLY, THE WARRANTY ABOVE IS THE ONLY WARRANTY MADE BY B+L WITH RESPECT TO THE PRODUCTS. B+L HEREBY DISCLAIMS ANY AND ALL OTHER WARRANTIES OF ANY NATURE, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. THIS WARRANTY APPLIES ONLY IN FAVOR OF THE CUSTOMER WHO IS THE END USER AND THE ORIGINAL PURCHASER OF THE PRODUCTS AND IS NOT TRANSFERABLE. THIS WARRANTY IS NULL AND VOID IF CUSTOMER BREACHES ANY PROVISION HEREIN OR IF CUSTOMER OR ANY THIRD PARTY NOT AUTHORIZED BY COMPANY ATTEMPTS TO SERVICE OR REPAIR THE PRODUCTS (OTHER THAN PERFORMING THE MAINTENANCE DESCRIBED IN THE OPERATOR AND TECHNICAL MANUALS INCLUDED IN THE DOCUMENTATION). THE**



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WARRANTY SHALL APPLY ONLY WHEN THE PRODUCTS ARE USED IN CONNECTION WITH AUTHORIZED SUPPLIES, ARE PROPERLY MAINTAINED, ARE USED BY TRAINED AND AUTHORIZED PERSONNEL, IN A MANNER CONSISTENT WITH PRODUCT DOCUMENTATION, AND FOR THEIR INTENDED PURPOSE IN THE COUNTRY TO WHICH B+L ORIGINALLY SHIPPED THE PRODUCTS. THE WARRANTY DOES NOT APPLY AND IS VOID IF THE PRODUCTS (INCLUDING ANY ASSOCIATED SOFTWARE) HAVE BEEN SUBJECTED TO IMPROPER OPERATION OR MODIFICATION (EVEN IF SUCH MODIFICATION IS OTHERWISE PERMITTED BY LAW) AND/OR HAVE BEEN SUBJECTED TO NEGLIGENCE OR ABUSE (INCLUDING MECHANICAL OR ELECTRICAL SHOCKS, FAILURE TO MAINTAIN, USE OF EXPIRED OR UNAUTHORIZED PRODUCTS, IMPROPER TRANSPORT, OPERATION OUTSIDE OF THEIR ENVIRONMENTAL SPECIFICATIONS AND OTHERWISE).

9. LIMITATION OF LIABILITY. EXCEPT WITH RESPECT TO FRAUD, WILLFUL MISCONDUCT, OR BREACH OF A CONFIDENTIALITY OBLIGATION UNDER THIS CONTRACT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTIES FOR ANY LOSS OF PROFITS, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, SPECIAL, OR CONTINGENT DAMAGES, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10. DEFAULT. The occurrence of one or more of the following events shall constitute an Event of Default:

- a. If Customer shall fail to pay any amount under this contract or the agreement to which these terms and conditions are an exhibit or incorporated by reference;
- b. If Customer shall fail to duly perform, comply with or satisfy any other terms, conditions or obligations under this contract or the agreement to which these terms and conditions are an exhibit or incorporated by reference, and such failure continues for thirty (30) days after written notice thereof by B+L to Customer;
- c. If Customer becomes a "Debtor" in any proceeding under the federal bankruptcy law or any state insolvency law, or makes an assignment for the benefit of creditors or is adjudicated bankrupt or insolvent or admits in writing Customer's inability to pay its debts as they become due;
- d. For agreements to which these terms and conditions are an exhibit or incorporated by reference having a Quarterly Purchase Commitment or Quarterly Purchase Target, if Customer shall fail to satisfy the Quarterly Purchase Commitment or Quarterly Purchase Target in any full quarter of the Term; or
- e. For the rental, lease, or loan of equipment, the following:
 - i. The equipment is not maintained and operated in the normal

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course as set forth in the operation manual or any written instructions of B+L;

- ii. Maintenance or other services for the equipment are provided by persons other than B+L and its authorized service representatives;
- iii. The equipment is used with spare or replacement part(s) or component(s) other than those purchased from or installed by B&L or its authorized service representatives;
- iv. The equipment has been altered, neglected, abused, or misused; or
- v. The equipment has been relocated, reinstalled or taken apart by any person other than B+L or its authorized service representative
- vi. Title to the equipment is encumbered, transferred, or attempted to be encumbered transferred without the express written consent of B+L.

11. **B+L'S REMEDIES.** If Customer is in default under or repudiates this contract or any other contract with B+L or fails to pay when due any invoice under this contract, then in addition to any and all remedies allowed by law, B+L without notice (1) may bill and declare immediately due and payable all outstanding obligations under this or any other contract between B+L and Customer; and/or (2) may defer shipment under this or any other contract between Customer and B+L until such default, breach or repudiation is removed; and/or (3) may cancel any undelivered portion of this and/or any other contract in whole or in part (Customer remaining liable for damages); and/or (4) may recover any amounts attributable to any physical damage or loss to any equipment subject to an Event of Default; and/or (5) may terminate this contract or the agreement to which these terms and conditions are an exhibit or incorporated by reference; and/or (6) may enter onto Customer's premises during normal business hours and repossess any or all of the Products.

12. **CONFIDENTIALITY.** The terms, conditions and prices granted under this agreement shall be confidential and Customer shall not disclose any of such information to any third party except upon the prior written consent of B+L or as may be required by applicable.

13. **ASSIGNMENT.** Customer may not assign this agreement or any of Customer's obligations hereunder without the prior written approval of B+L.

14. **REPORTING.** Customer acknowledges that this contract provides for discounts or price reductions which are allocated to the Products. Customer agrees that Customer is solely responsible for properly disclosing and appropriately allocating any discounts and price reductions in any claims filed or reports submitted under Medicare, Medicaid or any other federal, state or private healthcare program which provides for reimbursement to Customer for Products or services and to retain and make such information available as required by applicable law. B+L will notify Customer of any discount on any Products in a manner reasonably calculated to give Customer the ability to fulfill its



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obligation to report such discount to the U.S. Department of Health & Human Services or a state agency upon request.

15. **WAIVER.** No failure or delay at any time by B+L or Customer to exercise any right under this contract or any agreement to which it is an attachment, or to enforce any particular provision hereof or thereof, will be construed or operate as a waiver of its right to insist upon the strict performance of, or the enforcement of its rights with respect to such provision(s) or any other provision(s) hereof or thereof at any time.
16. **GOVERNING LAW/VENUE.** This contract is deemed made in the State of New York and shall be governed by, subject to, and construed in accordance with the Laws of the State of New York (without giving effect to its conflict of law rules). Customer irrevocably agrees that all actions, suits or proceedings between the parties hereto with respect to this contract shall be litigated in the State Courts of New York or the Federal Courts located in the State of New York.
17. **NO MODIFICATION.** If these terms and conditions are referred to, or appended to, any written agreement between B+L and Customer, the terms of such written agreement shall prevail in the event of any inconsistency. Agents and salesmen of B+L have no authority to make any representations not included herein. B+L hereby rejects any different or additional terms proposed by Customer or included in Customer's purchase order or other document, none of which shall be effective unless embodied in a writing signed by an authorized employee of B+L.
18. **NO RESALE.** Customer acknowledges and agrees that the Products described herein ("Products") are sold to Customer for Customer's sole use for the intended and approved uses of such Products, and that Customer shall not resell, consign or otherwise transfer title to or possession of such Products, including relocating of Products to another facility of Customer, without B+L's prior express written consent.
19. **ADVERSE EVENT REPORTING.** Customer agrees to make reasonable efforts to report known adverse events concerning the Products to B+L Customer Service.
20. **SOFTWARE.** Subject to Customer's compliance with the terms and conditions contained herein, B+L hereby grants to Customer a non-exclusive right and permission to use the software (if any) included or associated with the Products (the Software) solely in conjunction with normal and ordinary use of the Products as set forth in the B+L's operating manual or instructions. Customer acknowledges that the Software, its structure and organization constitute valuable trade secrets of B+L or its suppliers. Except as may be permitted by applicable law, Customer shall not otherwise use the Software and shall not reproduce, modify, translate, enhance, reverse engineer, decompile or disassemble, or create derivative works of the Software and will not otherwise attempt to

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reconstruct or discover the source code for the Software. Customer agrees to use the Software only with the Products purchased from B+L.