

Chief Executive Officer
Ryan Harris



Board of Directors
Jeanne Utterback, President
Abe Hathaway, Vice President
Tami Humphry, Treasurer
Lester Cufaude, Secretary
James Ferguson, Director

Finance Committee
Meeting Agenda
June 25, 2025 @ 11am
Mayers Memorial Healthcare District
Fall River Boardroom
43563 HWY 299 E
Fall River Mills, CA 96028

In observance of the Americans with Disabilities Act, please notify us at 530-336-5511, ext 1264 at least 48 hours in advance of the meeting so that we may provide the agenda in alternative formats or make disability-related modifications and accommodations. The District will make every attempt to accommodate your request.

Attendees

Tami Vestal-Humphry, Chair, Board Member
Abe Hathaway, Board Member
Ryan Harris, CEO
Travis Lakey, CFO

				Approx. Time Allotted
1	CALL MEETING TO ORDER			
2	CALL FOR REQUEST FROM THE AUDIENCE - PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS			
3	APPROVAL OF MINUTES			
3.1	Regular Meeting –May 28, 2025	Attachment A	Action Item	2 min.
4	FINANCIAL REVIEWS/BUSINESS			
4.1	May 2025 Financials & Accounts Payable (AP)/Accounts Receivable (AR)	Attachment B	Action Item	15 min.
4.2	Virtual Leadership Academy 2 nd Cohort Renewal Sales Agreement	Attachment C	Action Item	5 min.
4.3	Annual Budget Hearing- Approval of FY2026 Budget- Resolution 2025-09	Attachment D	Action Item	5 min.
4.4	Mobile MRI Purchase and Operation Agreement	Attachment E	Discussion/ Action Item	5 min.
5	ADMINISTRATIVE REPORT			Information 5 min.
6	OTHER INFORMATION/ANNOUNCEMENTS			
7	ADJOURNMENT: Next Regular Meeting – July 30, 2025			

Posted: 06/20/2025



Board of Directors
Finance Committee Minutes
May 28, 2025 @ 11 am
Mayers Memorial Healthcare District
Burney Annex Boardroom
20647 Commerce Way
Burney, CA 96013

These minutes are not intended to be a verbatim transcription of the proceedings and discussions associated with the business of the board's agenda; rather, what follows is a summary of the order of business and general nature of testimony, deliberations and action taken.

1	CALL MEETING TO ORDER: Tami Humphry called the meeting to order at 11:29 am on the above date.		
BOARD MEMBERS PRESENT:		STAFF PRESENT:	
Tami Vestal-Humphry, Committee Chair Abe Hathaway, Vice President ABSENT:		Ryan Harris, CEO Travis Lakey, CFO Libby Mee, CHRO Ashley Nelson, Board Clerk	
2	CALL FOR REQUEST FROM THE AUDIENCE – PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS - None		
3	APPROVAL OF MINUTES: April 23, 2025 – minutes attached. Motion moved, seconded and carried.	Hathway, Humphry	Approved by All
4	FINANCIAL REVIEWS		
4.1	April 2025 Financials & Accounts Payable (AP) & Accounts Receivable (AR): April 2025 Financials, AP & AR were approved. Travis explained that the Lab numbers have decreased due to a drop in referrals from local clinics. Ryan and Travis are discussing raising rates in PT and Lab to cover costs. Ryan discussed the daily rate of stay in the Acute care dept.	Hathaway, Humphry	Approved by All
4.2	Finance Quarterly Board Binder: The Finance Board Binder was approved and signed.	Hathaway, Humphry	Approved by All
4.3	Credit Line Letter from Cornerstone Bank: The Credit Line was moved to bring to the full board.	Hathaway, Humphry	Approved by All
5	ADMINISTRATIVE REPORT: . Libby reported that the meal premiums have decreased from \$6000 per pay period to \$4,800 per pay period.		
6	OTHER INFORMATION/ANNOUNCEMENTS: None.		
7	ADJOURNMENT: 12:08 pm		
	Next Finance Committee Meeting: June 25, 2025 in Burney		

Finance Notes May FY 25

Ratios	FY 25	FY 24 Average	
Cash on Hand	315	192	Average PY
Net Income	2,189,990	709,973	Average PY
Current Ratio	12.05		N/A
AR Days	81	76	Average PY
Accounts Payable	1,193,107	651,656	Average PY
Daily Gross Revenue	165,269	169,348	Average PY
YE % of Gross Revenue Collected	63%	59%	Average PY

- 1) Our USDA pre-application has officially been approved. Given all the requirements for the official application including environmental reviews it will be October 1st at the earliest that we can file. The pre-application took six months as USDA has had a significant reduction in staffing. Jessica and myself will be spending a significant amount of time working through their checklist of required items.
- 2) All the managers have turned in their budgets and I have consulted with CHA and DHLF but with the constant shifts in the Big Beautiful Bill it's difficult to model what will happen with our supplemental payments. Some of the bill language doesn't have changes occurring until 2027 and that's a slow phase in over a few years. I took a conservative middle road as I know our Rate Range is going to be large next year even if the matching percentage is decreased. Later in the year when there's more clarity from the federal level, we can always make a revised budget.
- 3) Attended the Office of Healthcare Affordability (OHCA) Advisory committee meeting on the 16th. They are still pushing forward with the 3.5% target increase even though state healthcare spending is increasing over 8% per year with retail pharmacy and insurers having the largest increases. Hospital increases were over 5% annually. I emphasized to the committee about their seismic requirements as well as drug costs which need to be factored in when hospitals surpass the target rate which is going to happen with a majority of facilities.
- 4) I'm hoping to have until August to present the year end financials as there are always late invoices and I like to analyze a full year's worth of claims payments to see if I need to increase or decrease my contractuals at year end.
- 5) There were some posting issues in May for the SNF software so AR is overstated, and our days will be lower going forward. I was hoping to have it resolved before my finance packet and notes but software support has been slow in responding.
- 6) Below are the cash flow updates for next year's supplemental payments. The HQAF will only be the smaller direct grants vs the larger IGT portion.

Budget/Cash Flow Updates – FY 2026

Best estimates of timing for the supplemental funds for the upcoming FY 2026.

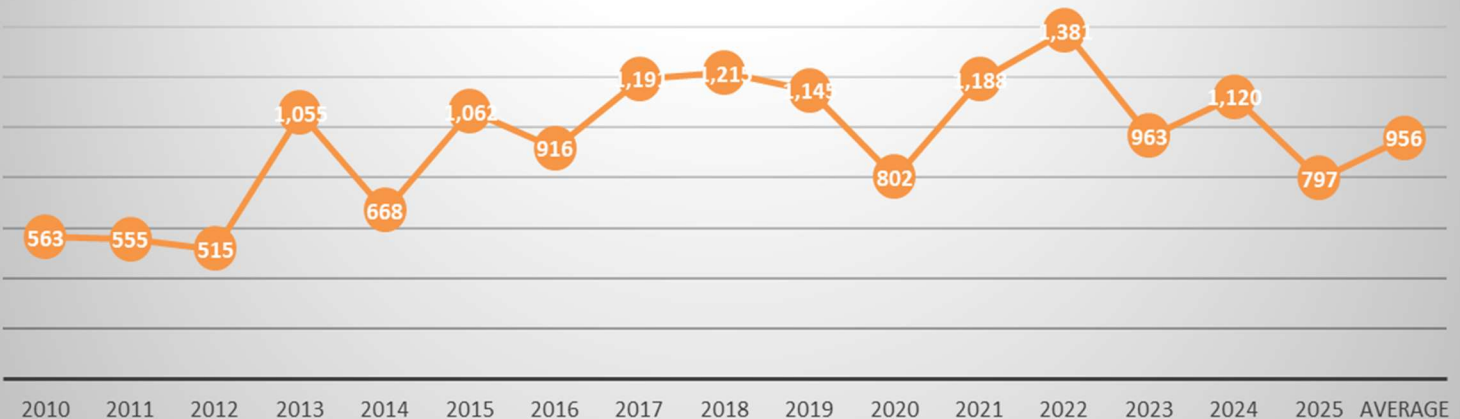
Program (Year)	IGT	Payment to Hospital	Notes
DP-NF Managed Care CY24	n/a	August-25	LTC transitioned to MCO in 2023
QIP PY7 CY24 Interim Payment	July-25	Sept/Oct-25	Only those hospitals which Opt'd in for an Interim Payment
DHDP CY23 Phase 2	August 22, 2025	Oct/Nov-25	6-months only
Rate Range CY 2024	Oct-25	Dec/Jan-26	
HQAF IX CY25 Direct Grant #1	n/a	Mar-26	
HQAF IX CY25 Direct Grant #2	n/a	May-26	
QIP PY 7 CY 24	Feb-26	Apr/May-26	
DHDP CY24 Phase 1	Feb-26	Apr/May-26	6-months only
NDPH – SF FY25/26	n/a	Apr/May-26	All hospitals will receive small payment
AB 113 FY25/26	Apr-26	May/Jun-26	Interim Payment
AB 113 FY24/25	Apr-26	May/Jun-26	Final Reconciliation – \$ will be minimal
AB 915 FY23/24	n/a	By Jun-26	

Statistics

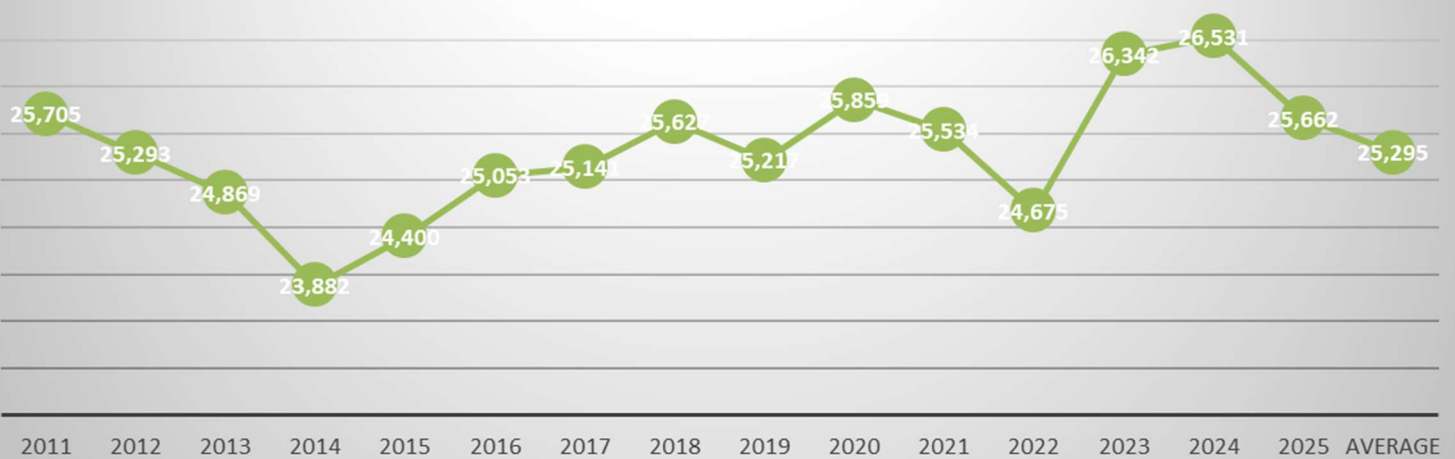
Acute Days YTD FY 10 to 25



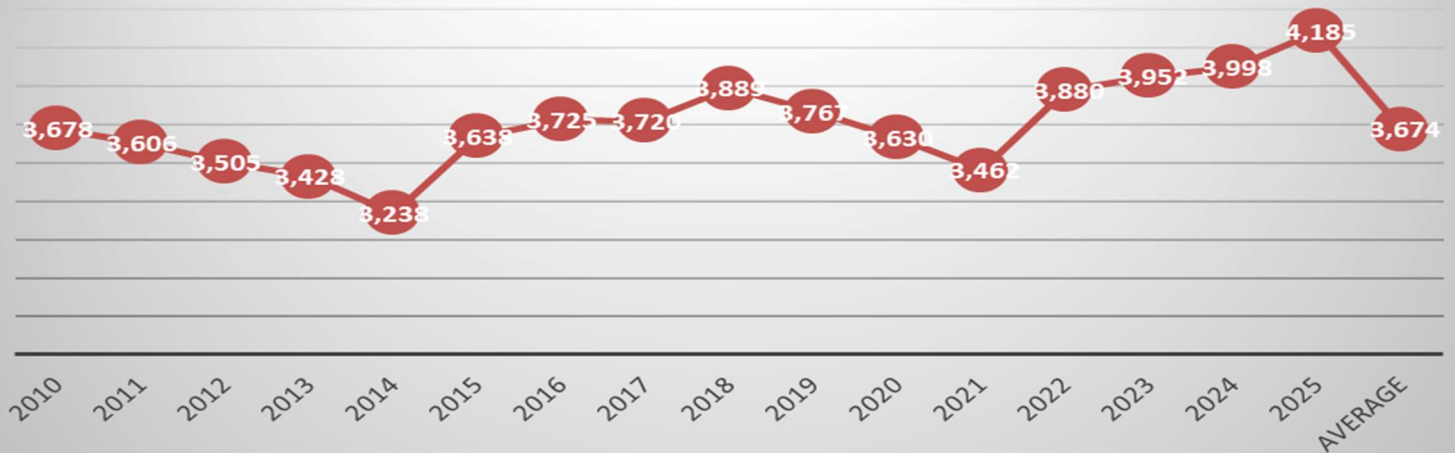
Swing Days YTD FY 10 to 25



SNF Days YTD FY 10 to 25



ER Visits YTD FY 10 to 25

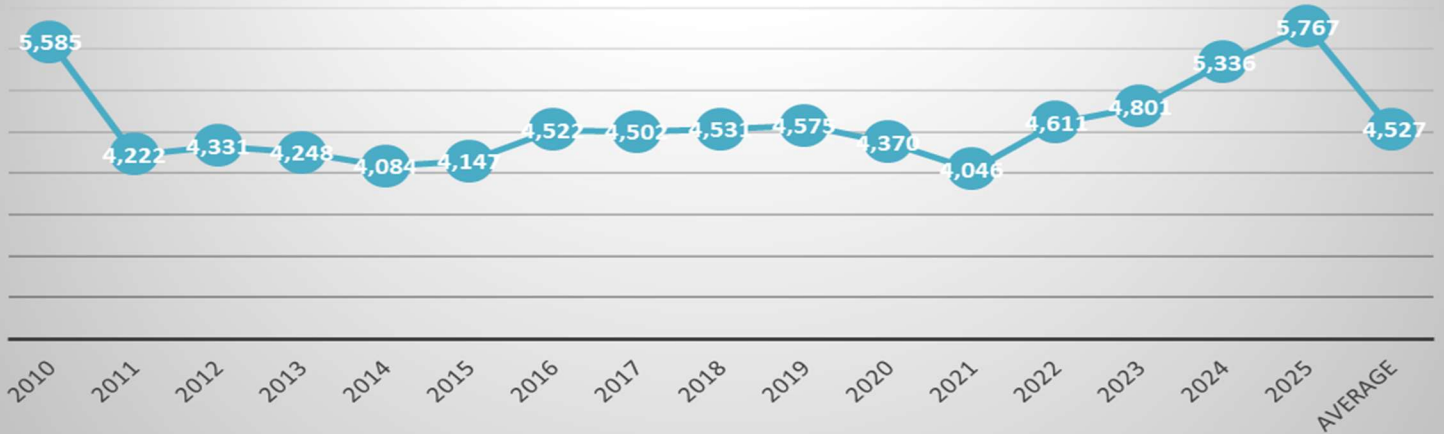


Historically our average ER visits per day were 10.9 and this year we are at 12.49 which is a 14% increase.

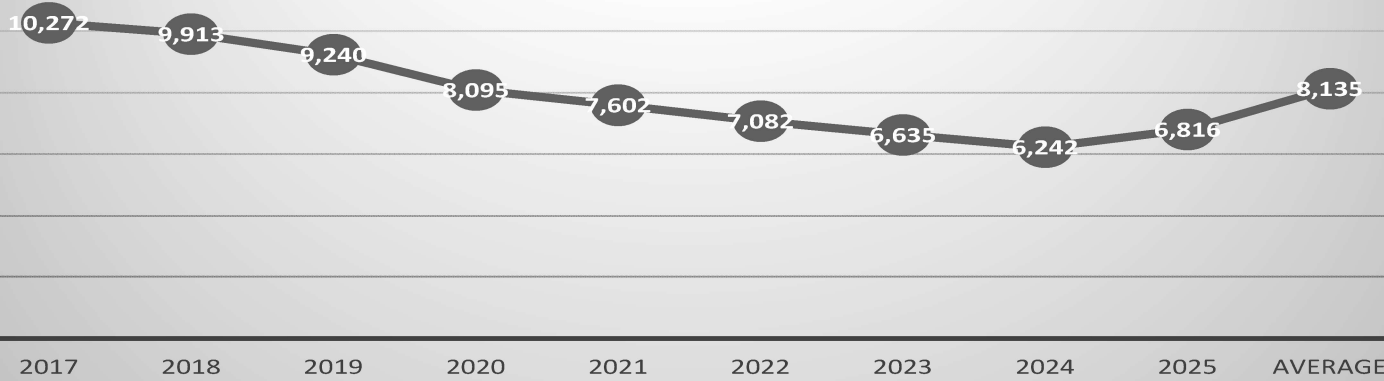
Labs YTD FY 10 to 25



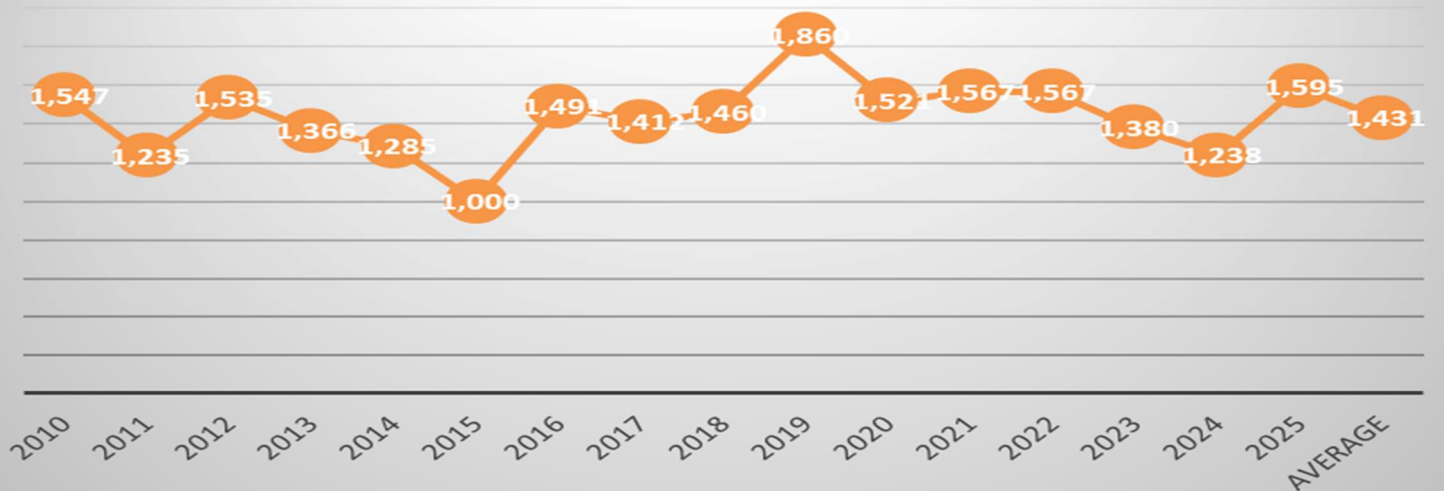
Rad Procedures YTD FY 10 to 25



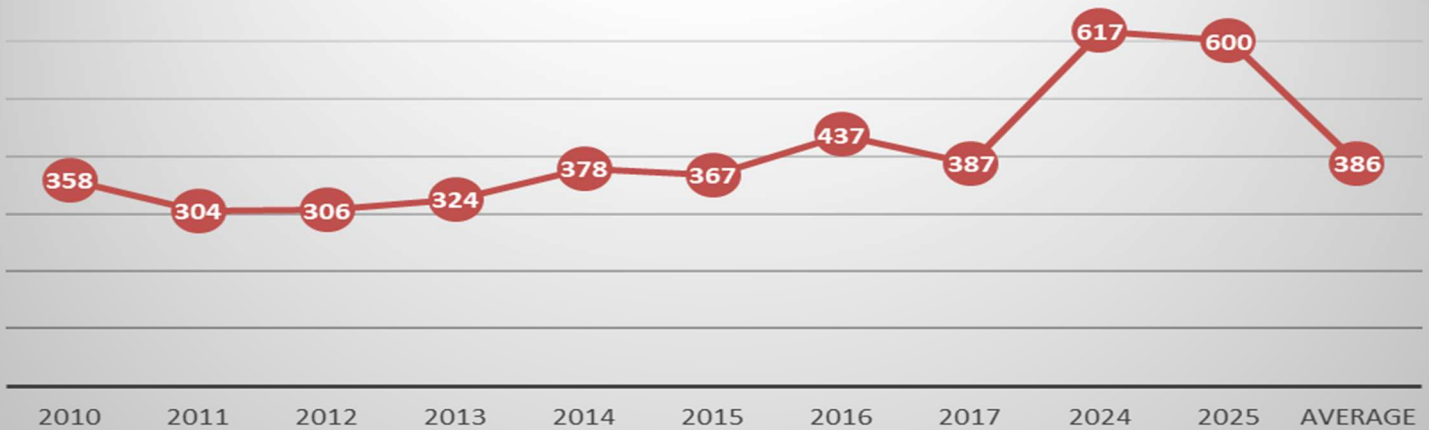
PT Procedures YTD FY 17 to 26



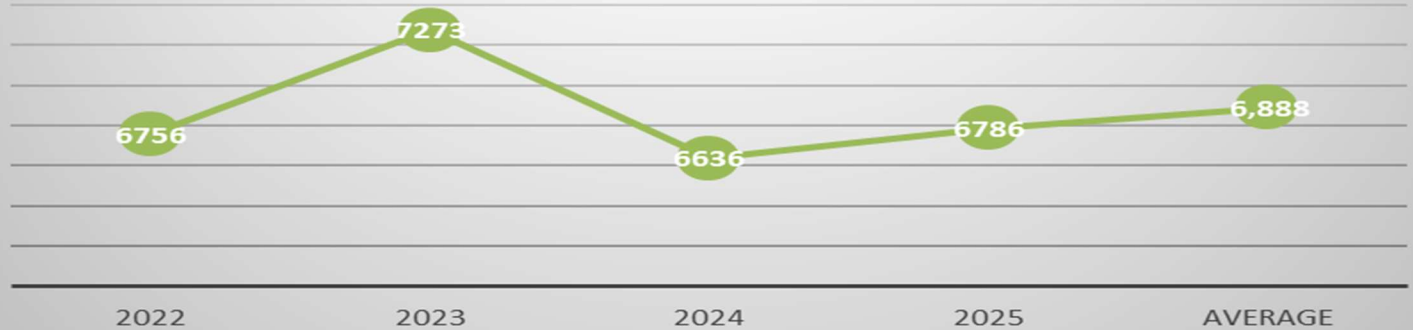
Outpatient Medical YTD FY 10-25



Ambulance Runs YTD FY 10-17, 24-25



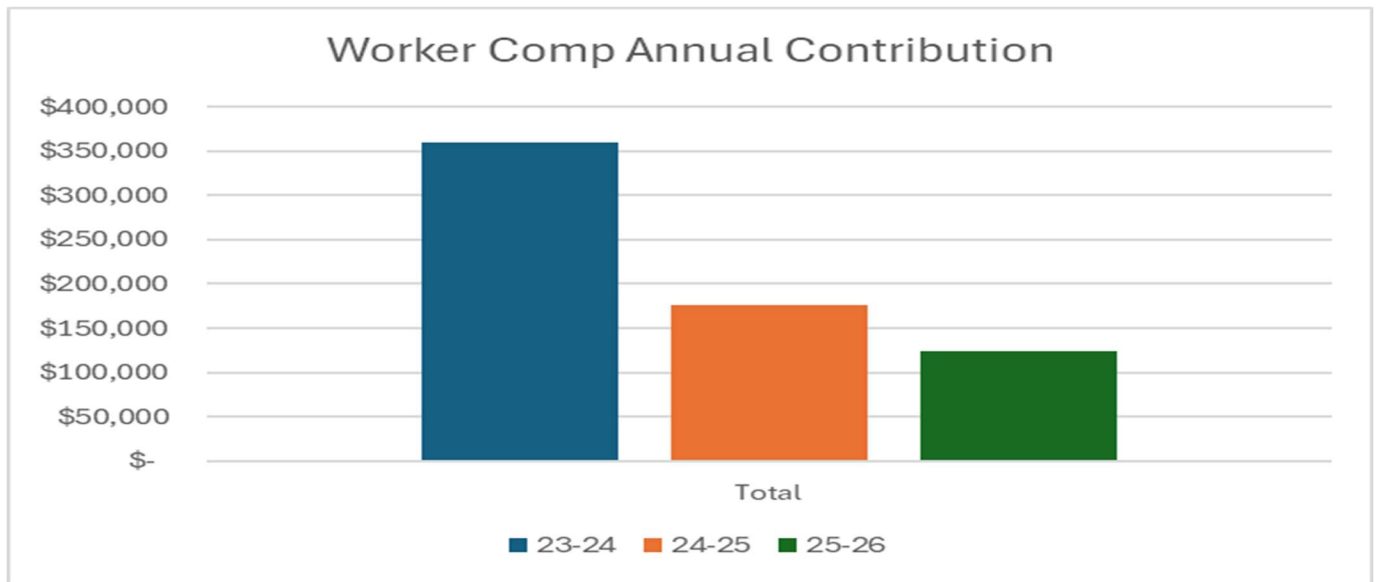
Clinic Visits YTD FY 22 to 25



Income Statement

- 1) Acute Revenue is down due to a large reduction in patient days for Acute and Swing as noted in the charts above.
- 2) Outpatient Revenue is up due to increased ER, Radiology, Outpatient Medical, Surgery and PT visits.
- 3) Contractuals are up this year due to less supplemental payments (2 HQAFs last year) and some billing clean up. I also increased them YTD in my model given the age of our AR.
- 4) Supplies are up mostly due to increases in drug prices.
- 5) Travelers are down across the board for savings of 1.2 million. Great work by Libby and Ashley.
- 6) Other Purchased Services are up due to Anesthesiology (more surgeries this year), outsourced billing, Custom Learning Systems (Ignite the Patient Experience, Healthcare Leadership Institute, and Pharmacy Travelers).

- 7) Utilities are up due to rate increases.
- 8) Insurance is down due to changing to the 100K deductible for our Workers Comp. On renewal it will decrease by over 52K



- 9) Net Income is up in May due to our HQAF payment.

Balance Sheet

- 1) Cash is up due to our HQAF payment.
- 2) Patient AR is down due to collections and clean up of uncollectible accounts.
- 3) The Medicare/Medi-Cal Settlement is mostly cleaned out as we have received all of our large supplemental payments for the year.
- 4) Construction in Progress will decrease when we get the solar project online.
- 5) Accounts Payable was up due to some McKesson drug and traveler invoices that show up after month end.
- 6) Our Current Ratio is a strong 12.05. This means we could pay all of our current liabilities over 12 times.

Miscellaneous

- 1) The Retail Pharmacy continues its great year. I'm excited to see how many prescriptions we pick up from Rite Aid.
- 2) The RHC is positive for the year even with the last couple of months of losses with the higher wages.

ACCOUNTS RECEIVABLE BY SYSTEM

<u>SYSTEM</u>	<u>CURRENT</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>121-150</u>	<u>151-180</u>	<u>180-365+</u>	<u>TOTAL</u>
PARAGON	(35.00)	-	-	-	-	622,437.09	116,255.77	738,657.86
CERNER	3,712,046.13	1,500,032.96	992,430.40	831,722.50	568,910.74	481,542.35	2,675,049.26	10,761,734.34
PCC	1,123,287.50	926,362.00	373,119.00	240,056.50	170,648.00	-	-	2,833,473.00
MATRIXCARE	11,036.93	17,411.39	26,393.20	17,330.09	87,187.31	-	(214,738.18)	(55,379.26)
Total	4,846,335.56	2,443,806.35	1,391,942.60	1,089,109.09	826,746.05	1,103,979.44	2,576,566.85	14,278,485.94
%	34%	17%	10%	8%	6%	8%	18%	
% Prior to Cerner	65%	11%	6%	3%	2%	2%	11%	

MAYERS MEMORIAL HOSPITAL							
Statistical Data							
Fiscal Year Ending JUNE 30, 2025							
COMPARISION TO ACTUAL							
2025	2025			FY 2025	FYE 2024		
May	April			YTD	YTD		
Actual	Actual	Variance	VOLUME:	Actual	Actual	Variance	% Increase or Decrease
DISCHARGES							
10	16	(6)	Acute	152	204	(52)	-25.51%
10	3	7	Swing Bed	85	86	(1)	-1.21%
-	2	(2)	Skilled Nursing Care (DISCHG)	30	34	(4)	-11.81%
3	6	(3)	Observations	73	59	14	23.72%
PATIENT DAYS							
-							
28	51	(23)	Acute	552	869	(317)	-36.51%
72	53	19	Swing Bed	797	1,120	(323)	-28.81%
2,299	2,210	89	Skilled Nursing Care	25,662	26,531	(869)	-3.31%
LENGTH OF STAY							
2.80	3.19	(0)	Acute	3.63	4.26	(1)	-14.71%
7.20	3.54	4	Swing Bed	9.38	13.02	(4)	-28.01%
			Skilled Nursing Care				
AVERAGE DAILY CENSUS							
0.93	1.70	(1)	Acute	2.01	2.66	(1)	-24.21%
2.40	1.77	1	Swing Bed	2.91	3.19	(0)	-8.71%
76.63	73.67	3	Skilled Nursing Care	93.66	79.01	15	18.52%
ANCILLARY SERVICES							
0	0	0	Surgery Inpatient Visits	0	0	0	#DIV/0!
15	13	2	Surgery OP/ procedure visits	145	48	97	202.12%
413	374	39	Emergency Room Visits	4,185	3,998	187	4.72%
182	169	13	Outpatient Services Procedures	1,595	1,126	469	41.72%
592	658	(66)	Laboratory Visits	6,896	7,339	(443)	-6.01%
521	555	(34)	Radiology Procedures	5,708	5,336	372	7.02%
662	596	66	Physcial Therapy Procedures	6,816	6,242	574	9.22%
207	194	13	Cardiac Rehab	2,017	1,931	86	4.52%
76	105	(29)	Telemedicine visits	782	633	149	23.52%
9	17	(8)	Admissions from ER	163	212	(49)	-23.11%
24	16	8	Transfers from ER	218	267	(49)	-18.41%
712	741	(29)	Clinic Visits	6,786	6,636	150	2.32%
54	41	13	Ambulance	600	617	(17)	-2.81%
PRODUCTIVITY:							
Productive FTE's							
8.75	7.49		Nursing - Acute	8.61	7.56		
48.53	29.73		Long Term Care	34.16	36.80		
85.66	56.04		Ancillary	55.91	54.44		
103.34	72.06		Service	69.82	68.04		
246.28	165.32		Total Productive	160.95	166.84		
144.25	94.32		Non-Productive FTE's	95.55	90.30		
390.53	259.64		Paid FTE's	266.25	257.14		
PRODUCTIVE FTE PER ADJUSTED OCCUPIED BED							
3.31	2.06			3.31	2.51		

Balance Sheet

	May 2025	May 2024
Cash - General, Payroll, & Petty Cash	37,261,315	32,970,296
Reserve Cash (Unrestricted)	1,915,045	1,852,337
Restricted Cash	2,271,656	2,882,528
Cash	41,448,016	37,705,161
Patient Accounts Receivable	13,914,933	15,990,150
Patient Allowances	(6,445,156)	(4,081,141)
Net Patient Accounts Receivable	7,469,777	11,909,009
Accounts Receivable	7,469,777	11,909,009
Shasta County Tax Receivables	235,086	(379,220)
Inventories	656,971	1,160,541
Other Accounts Receivable	3,266	3,266
Prepaid Expenses	1,316,280	284,971
Medicare/Medi-Cal Settlements	30,357	30,357
Total Current Assets	51,159,753	50,714,085
Property, Plant & Equipment		
Land and Building Improvements	3,969,852	3,969,852
Building and Fixed Equipment	40,011,490	39,457,490
Equipment	16,047,250	16,113,899
Subscription Based Assets	218,779	321,634
Construction in Progress	4,140,416	1,306,027
Accumulated Depreciation	(30,393,978)	(28,835,104)
Accumulated Amortization-Leases	(88,865)	0
Accumulated Amortization-SBITA's	(58,154)	(18,365)
Total Property, Plant & Equipment	33,846,790	32,315,435
Total Assets	85,006,543	83,029,520
Accounts Payable	1,193,107	321,446
Payroll and Related Liabilities	2,334,437	1,890,256
Current Subscription Liability	38,460	35,092
Accrued Interest	196,965	196,965
Notes & Loans Payable	596,335	10,926
Current Portion of Medicare/Medi-Cal Settlement	(112,649)	375,798
Total Current Liabilities	4,246,655	2,830,483
Long-Term Debt		
GO Bond	1,386,054	1,896,054
Leases	(27,462)	(6,211)
PPP Loan	0	0
Notes & Loans Payable/CHFFA	1,196,702	1,258,158
GO Bond Series B & Refunding	19,241,000	20,061,000
Capital Leases & Settlement Payments	20,410,240	21,312,947
Long Term Subscription Liability	17,101	55,561
Total Long-Term Debt	21,813,395	23,264,561
Total Fund Balance	58,946,493	56,934,475
Liabilities and Fund Balance	85,006,543	83,029,520
Current Ratio	12.05	17.92

MAYERS MEMORIAL HOSPITAL

Statement of Revenue and Expenses
Fiscal Year Ending JUNE 30, 2025
COMPARISON TO ACTUAL

2025 MAY Month Actual	2024 MAY Month Actual		2025 MAY YTD Actual	2024 MAY YTD Actual		
663,251	1,349,074	(685,823)	9,530,890	13,084,366	(3,553,476)	-27%
1,311,923	1,377,073	(65,150)	14,609,890	14,928,618	(318,728)	-2%
3,276,626	2,847,320	429,306	35,168,888	29,644,217	5,524,671	19%
5,173,531	5,605,428	(431,898)	58,774,157	58,002,185	771,972	1%
732,015	(1,615,799)	2,347,814	(4,306,610)	(465,354)	(3,841,257)	825%
(381,560)	(257,587)	(123,973)	(5,536,038)	(2,330,090)	(3,205,948)	138%
(22,883)	(6,942)	(15,940)	(769,279)	(115,916)	(653,363)	564%
(19,242)	(30,545)	11,303	(216,811)	(769,808)	552,997	-72%
6,480	17,429	(10,949)	(32,555)	(341,626)	309,072	-90%
314,810	(1,893,445)	2,208,255	(10,861,293)	(4,022,794)	(6,838,499)	170%
424,565	149,138	275,427	2,580,833	669,074	1,911,759	286%
5,912,906	3,861,122	2,051,785	50,493,698	54,648,465	(4,154,768)	-8%
1,695,604	1,857,334	(161,729)	19,777,869	18,756,306	1,021,563	5%
518,775	593,096	(74,322)	5,949,321	5,647,307	302,015	5%
416,495	391,431	25,064	4,345,581	3,898,991	446,590	11%
160,008	133,825	26,183	1,612,461	1,342,331	270,130	20%
56,988	64,696	(7,708)	352,573	754,549	(401,975)	-53%
247,733	334,622	(86,889)	3,167,630	3,576,915	(409,285)	-11%
81,882	178,136	(96,254)	1,086,407	1,493,966	(407,559)	-27%
386,602	577,454	(190,852)	4,606,611	5,825,430	(1,218,819)	-21%
321,847	77,454	244,392	2,573,609	1,774,544	799,065	45%
53,175	41,451	11,723	429,307	425,880	3,427	1%
85,152	90,808	(5,656)	1,227,153	1,081,310	145,842	13%
37,521	55,454	(17,933)	439,561	606,612	(167,051)	-28%
134,931	112,874	22,056	1,668,344	1,726,343	(57,999)	-3%
0	0	0	645,320	658,418	(13,098)	-2%
9,451	8,236	1,215	70,317	73,108	(2,791)	-4%
133,068	151,921	(18,853)	1,510,091	1,672,769	(162,678)	-10%
8,668	13,070	(4,403)	159,910	107,980	51,930	48%
3,961,296	4,104,409	(143,113)	45,015,454	43,597,327	1,418,126	3%
1,951,610	(243,287)	2,194,897	5,478,244	11,051,138	(5,572,894)	-50%
472,868	443,092	29,776	4,661,540	4,819,624	(158,085)	-3%
108,024	99,290	8,734	1,160,455	834,866	325,589	39%
342,512	242,385	100,127	3,163,367	3,255,368	(92,001)	-3%
238,381	299,997	(61,617)	2,658,628	2,399,123	259,505	11%
2,189,990	56,710	2,133,281	8,136,872	13,450,261	(5,313,389)	-40%

**MAYERS MEMORIAL HOSPITAL
NON-OPERATING REVENUE AND EXPENSE
RETAIL PHARMACY**

2025 MAY Month Actual	2024 MAY Month Actual	Variance		2025 MAY YTD Actual	2024 MAY YTD Actual	Variance	Increase Decrease %
Retail Pharmacy Revenue							
80,407	(40)	80,447	Retail Pharmacy Revenue	292,353	(709)	(293,062)	41343.91%
0	1,515	(1,515)	Other	0	21,050	21,050	-100.00%
18,600	47,970	(29,370)	Private	617,800	434,602	(183,198)	42.15%
126,827	269,603	(142,776)	Third Party	1,951,043	2,860,152	909,109	-31.79%
0	0	0	Retail Pharmacy Revenue	0	0	0	#DIV/0!
80,407	1,475	78,933	Other	292,353	20,341	(272,012)	1337.26%
359,824	319,048	40,776	Non-Operating Revenue	3,760,785	3,449,507	(311,278)	9.02%
Non-Operating Expenses							
14,721	8,913	5,808	Salaries & Wages	178,747	183,542	4,796	-2.61%
187	1,818	(1,630)	Employee Benefits	8,969	19,582	10,613	-54.20%
292,434	193,223	99,211	Supplies	2,485,524	2,614,543	129,020	-4.93%
30,555	30,226	330	Ancillary Travelers	346,636	282,862	(63,774)	22.55%
41	1,893	(1,852)	Other Purchased Services	18,617	83,398	64,781	-77.68%
1,434	583	850	Utilities	12,533	3,125	(9,408)	301.00%
273	1,776	(1,504)	Other	33,749	22,277	(11,472)	51.50%
2,858	2,858	0	Depreciation	30,887	30,979	92	-0.30%
8	8	0	Rent - Lease	78	64	(14)	21.88%
342,512	241,299	101,213	Total Non-Operating Expense	3,123,644	3,246,799	123,155	-3.79%
17,312	77,749	(60,437)	Net Income (Loss)	637,140	202,707	(434,433)	214.32%

RHC INCOME STATEMENT

	2024 JUL	2024 AUG	2024 SEP	2024 OCT	2024 NOV	2024 DEC	2025 JAN	2025 FEB	2025 MAR	2025 APR	2025 MAY	YTD MAY	
Patient Revenue	128,385	118,255	180,511	156,434	140,415	141,706	168,773	138,602	168,739	158,113	140,562	0	1,640,494
Salaries and Wages	98,336	121,319	96,180	101,858	105,140	98,713	99,504	94,884	92,469	136,623	109,554	0	1,154,579
Employee Benefits	10,466	17,568	7,589	12,254	19,260	13,170	10,559	9,425	9,433	14,077	14,691	0	138,491
Supplies	5,423	1,990	5,462	24,655	17,911	3,415	12,405	6,340	7,841	8,717	10,971	0	105,130
Professional Fees	0	0	0	0	0	110	0	220	220	0	0	0	550
Travelers	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Purchased Services	4,698	4,207	7,143	5,151	83	575	2,918	1,148	1,256	637	531	0	28,349
Repairs & Maintenance	0	0	0	0	0	0	0	0	291	0	0	0	291
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Insurance Other	1,909	2,920	1,909	1,909	1,909	1,909	1,909	1,909	1,909	1,908	1,908	0	22,007
Other Expenses	3,647	903	5,006	1,296	6,225	493	837	6,148	4,115	2,027	6,699	0	37,395
USDA Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation Expense	4,480	4,480	4,336	4,480	4,336	4,480	4,480	4,047	4,480	4,336	4,480	0	48,414
Total Expenses	128,958	153,388	127,624	151,603	154,864	122,865	132,611	124,121	122,013	168,326	148,834	0	1,535,205
Total Non-Operating	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income (Loss)	(573)	(35,133)	52,886	4,831	(14,449)	18,841	36,163	14,481	46,726	(10,213)	(8,272)	0	105,289

MAYERS MEMORIAL HOSPITAL
SUMMARY OF SERVICES - DEPOSITS - REFUNDS
- Fiscal Year 2025

DATE:	REVENUE / SERVICES	AVERAGE DAILY REVENUE	TOTAL DEPOSITS	MISC. PAYMENTS	MISC. PMTS PT RELATED	PATIENT PAYMENTS	ADJUSTMENT S & WRITE- OFFS	REFUNDS
July 31, 2024	5,437,078.00	175,389.61	4,830,617.70	559,104.34	920,314.24	3,351,199.12	2,064,832.77	6,824.28
August 31, 2024	5,125,173.24	165,328.17	3,963,266.11	227,680.40	-	3,735,585.71	2,442,815.13	36,290.55
September 30, 2024	5,109,328.43	170,310.95	3,164,823.55	121,674.17	135,359.00	2,907,790.38	2,446,633.02	3,185.04
October 31, 2024	5,595,084.02	180,486.58	3,665,341.82	119,484.21		3,545,857.61	2,318,913.18	37,127.52
November 30, 2024	5,469,446.42	182,314.88	2,610,880.00	239,954.42		2,370,925.58	2,035,653.07	8,380.00
December 31, 2024	5,274,115.61	170,132.76	3,467,130.65	318,347.21		3,148,783.44	2,742,777.74	-
January 30, 2025	5,470,185.76	176,457.61	21,054,886.62	757,582.08	17,094,401.21	3,202,903.33	2,950,997.43	1,876.40
February 28, 2025	5,518,620.46	197,093.59	1,571,458.58	98,275.95		1,473,182.63	1,048,058.39	-
March 31, 2025	5,161,968.01	166,515.10	4,804,555.79	157,535.95		4,647,019.84	1,100,312.39	-
April 30, 2025	4,996,947.68	166,564.92	4,084,679.09	422,558.71		3,662,120.38	2,369,132.76	
May 31, 2025	5,123,363.43	165,269.79	10,832,214.33	487,205.73	7,147,800.00	3,197,208.60	3,761,366.81	713.72
June 30, 2025		-				-		
YTD TOTAL	58,281,311.06	174,169.45	64,049,854.24	3,509,403.17	25,297,874.45	35,242,576.62	25,281,492.69	94,397.51

ACCOUNTS RECEIVABLE AGING				PAYOR MIX - YTD % OF REVENUE				
	May \$ OUTSTANDING	May DAYS OUT	April DAYS OUT		May	April	March	3 MONTH AVERAGE
MEDICARE	5,066,229.89	28.74	32.72	MEDICARE	35.84%	39.96%	36.13%	37.31%
MEDI - CAL	5,307,988.86	30.11	23.53	MEDI - CAL	43.83%	40.27%	40.48%	41.53%
THIRD PARTY	3,133,562.16	17.77	17.11	THIRD PARTY	19.58%	17.44%	21.82%	19.61%
PRIVATE	770,705.03	4.37	4.25	PRIVATE	0.75%	2.33%	1.57%	1.55%
OVERALL	14,278,485.94	80.99	77.62					

**MAYERS MEMORIAL HOSPITAL
2024-2025 OPERATING ACTUAL**

	2024 JUL	2024 AUG	2024 SEP	2024 OCT	2024 NOV	2024 DEC	2025 JAN	2025 FEB	2025 MAR	2025 APR	2025 MAY	2025 YTD	
<u>Operating Revenue</u>													
Acute Revenue	751,814	823,156	997,423	933,070	860,223	893,932	932,051	1,144,829	708,018	823,121	663,251	0	9,530,890
Revenue - SNF Inpatient	1,420,714	1,339,094	1,295,344	1,292,945	1,310,387	1,441,466	1,363,396	1,213,408	1,349,826	1,271,386	1,311,923	0	14,609,890
Revenue - Hospice Inpatient	0	2,690	0	(1,875)	0	0	0	0	0	0	0	0	815
Outpatient Revenue	3,460,197	2,862,200	2,855,223	3,403,151	3,311,931	3,032,385	3,297,001	3,266,936	3,222,644	3,180,595	3,276,626	0	35,168,888
Total Patient Revenue	5,636,616	5,026,424	5,149,852	5,638,503	5,487,985	5,133,352	5,511,207	5,618,205	5,185,466	5,213,016	5,173,531	0	58,774,157
Medicare/Medi-Cal Contractuals	(491,841)	(1,008,829)	407,829	190,598	150,668	1,560,937	2,146,196	(1,400,366)	(2,104,048)	(4,489,769)	732,015	0	(4,306,610)
<u>Less Deductions</u>													
PPO Contractuals	(401,471)	(343,907)	(423,608)	(336,610)	(396,127)	(482,008)	(144,501)	(198,556)	(436,922)	(1,990,769)	(381,560)	0	(5,536,038)
MCMC Contractual	(893,312)	(1,352,736)	(15,779)	(146,012)	(245,458)	1,078,929	2,001,695	(1,598,922)	(2,540,970)	(6,480,538)	350,455	0	(9,842,648)
Total Deductions	(916,664)	(1,742,861)	(69,264)	(183,556)	(328,286)	998,859	1,635,797	(1,635,260)	(2,655,717)	(6,279,151)	314,810	0	(10,861,293)
Other Operating Revenues	128,004	110,649	104,113	87,524	193,074	240,856	752,260	76,618	56,635	406,534	424,565	0	2,580,833
Net Revenue	4,847,957	3,394,212	5,184,701	5,542,471	5,352,774	6,373,067	7,899,263	4,059,563	2,586,384	(659,600)	5,912,906	0	50,493,698
Salaries and Wages	1,914,546	2,058,810	1,749,658	2,015,102	2,068,278	1,697,828	1,688,630	1,662,375	1,584,993	1,642,044	1,695,604	0	19,777,869
Employee Benefits	845,949	448,292	382,666	687,757	415,414	485,981	1,830,162	535,446	(648,613)	447,493	518,775	0	5,949,321
Supplies	299,743	378,655	382,250	429,460	382,396	380,623	405,749	346,601	406,597	517,013	416,495	0	4,345,581
Professional Fees	115,836	166,252	160,054	136,038	101,141	174,944	118,783	164,635	196,604	118,166	160,008	0	1,612,461
Other Purchased Service Nurse Travel Acute	18,918	12,253	6,089	12,097	25,186	34,167	30,446	75,807	54,039	26,584	56,988	0	352,573
Other Purchased Service Nurse Travel SNF	283,832	296,737	259,318	346,381	304,156	270,672	303,781	275,472	304,831	274,716	247,733	0	3,167,630
Other Purchased Service Travel Ancillary	123,829	112,896	121,383	95,695	93,860	129,223	105,758	64,785	95,212	61,885	81,882	0	1,086,407
Other Purchased Service Hospice Travel	0	0	0	0	0	0	0	0	0	0	0	0	0
Travelers	426,579	421,887	386,790	454,173	423,202	434,062	439,984	416,064	454,082	363,185	386,602	0	4,606,611
Other Purchased Services	188,189	180,055	205,750	249,819	181,060	185,052	236,909	326,628	254,975	243,325	324,225	0	2,575,987
Repairs & Maintenance	25,033	33,723	58,123	42,524	45,433	21,522	30,331	35,067	33,095	51,283	53,175	0	429,307
Utilities	138,378	132,866	107,750	119,148	79,287	114,506	131,762	99,609	121,628	97,068	85,152	0	1,227,153
Insurance Other	41,925	56,083	41,381	37,521	37,521	37,521	37,521	37,521	36,021	39,022	37,521	0	439,561
Other Expenses	120,404	110,466	141,362	128,394	195,765	117,402	130,933	159,618	221,049	208,020	134,931	0	1,668,344
Interest Expense	8,498	6,843	9,140	9,513	2,374	2,374	2,374	8,263	3,218	8,269	9,451	0	70,317
Depreciation Expense	148,579	147,596	142,969	145,791	140,535	134,631	134,458	120,326	133,262	128,877	133,068	0	1,510,091
Rental/Lease	1,878	8,587	6,539	9,553	13,645	28,296	57,585	8,118	8,670	8,371	8,668	0	159,910
Operating Expenses	4,275,537	4,150,115	4,100,424	4,464,794	4,086,050	3,814,741	5,245,182	4,474,270	3,124,910	3,872,135	3,963,674	0	45,571,831
Total Operating Expenses	4,275,537	4,150,115	4,100,424	4,464,794	4,086,050	3,814,741	5,245,182	3,920,270	3,124,910	3,872,135	3,963,674	0	45,571,831
Net Operating Revenue over Expense	572,420	(755,902)	1,084,277	1,077,677	1,266,724	2,558,326	2,654,081	139,293	(538,526)	(4,531,736)	1,949,232	0	5,475,866
<u>Non-Operating Revenue</u>													
Non-Operating Revenue	444,007	367,472	540,919	396,680	329,288	328,316	441,021	400,636	504,856	435,477	472,868	0	4,661,540
Interest Income	128,348	111,492	106,882	120,602	82,834	73,033	87,927	111,036	114,694	115,582	108,024	0	1,160,455
Non-Operating Expenses	263,728	303,569	226,730	273,851	221,477	347,548	311,625	58,830	491,548	321,949	342,512	0	3,163,367
Total Non-Operating	308,627	175,394	421,071	243,432	190,645	53,802	217,323	452,841	128,001	229,110	238,381	0	2,658,628
Net Revenue over Expense	881,047	(580,508)	1,505,348	1,321,109	1,457,369	2,612,128	2,871,404	592,134	(410,524)	(4,302,625)	2,187,613	0	8,134,495
Days in Month	31	31	30	31	30	31	31	28	31	30	31		335
Expenses per Day	133,128	129,113	131,915	139,323	131,517	118,713	164,862	155,498	96,505	124,775	123,568	0	120,717
Days Cash on Hand	267	274	266	241	200	220	252	251	398	275	335		31
Cash in Bank @ Month End	35,601,847	35,313,275	35,056,255	33,523,508	26,314,863	26,073,907	41,571,837	39,051,330	38,396,882	34,326,892	41,448,016	0	8,419,021
Days In Month	31	31	30	31	30	31	31	28	31	30	31		335

ACCOUNTS RECEIVABLE

<u>MONTH</u>	<u>YEAR</u>	<u>CURRENT</u>	<u>31-60</u>	<u>61-90</u>	<u>91-120</u>	<u>121-150</u>	<u>151-180</u>	<u>180-365+</u>	<u>TOTAL</u>
JULY	2024	7,504,685.01	2,444,141.17	1,069,049.50	1,212,149.86	1,466,471.09	562,712.35	2,887,869.27	17,147,078.25
AUGUST	2024	5,933,788.19	1,083,030.48	943,175.74	2,452,612.32	1,791,946.72	1,284,470.69	1,186,200.05	14,675,224.19
SEPTEMBER	2024	5,388,226.43	1,720,134.74	1,003,175.00	881,295.00	928,267.00	819,728.00	2,834,567.86	13,575,394.03
OCTOBER	2024	6,449,837.65	1,609,201.35	1,103,397.17	813,142.57	797,663.90	863,205.28	3,301,999.62	14,938,447.54
NOVEMBER	2024	6,892,888.89	1,995,555.09	1,099,452.33	897,848.27	806,771.69	588,234.56	3,524,925.36	15,805,676.19
DECEMBER	2024	6,285,173.59	2,338,775.51	1,048,323.15	689,829.03	784,248.14	764,310.63	3,428,429.73	15,339,089.78
JANUARY	2025	5,452,460.47	2,725,172.26	1,251,764.29	911,275.72	624,291.60	762,712.59	3,173,284.98	14,900,961.91
FEBRUARY	2025	6,160,514.10	4,665,527.96	1,195,015.33	1,066,408.29	669,573.68	320,554.82	3,692,578.77	17,770,172.95
MARCH	2025	5,349,592.49	2,416,745.97	2,231,039.77	957,804.06	1,080,468.00	624,511.08	3,085,262.53	15,745,423.90
APRIL	2025	5,184,177.03	1,394,299.35	1,269,696.80	1,865,316.75	622,422.68	717,145.32	2,632,192.56	13,685,250.49
MAY	2025	4,846,335.56	2,443,806.35	1,391,942.60	1,089,109.09	826,746.05	1,103,979.44	2,576,566.85	14,278,485.94
JUNE	2025	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

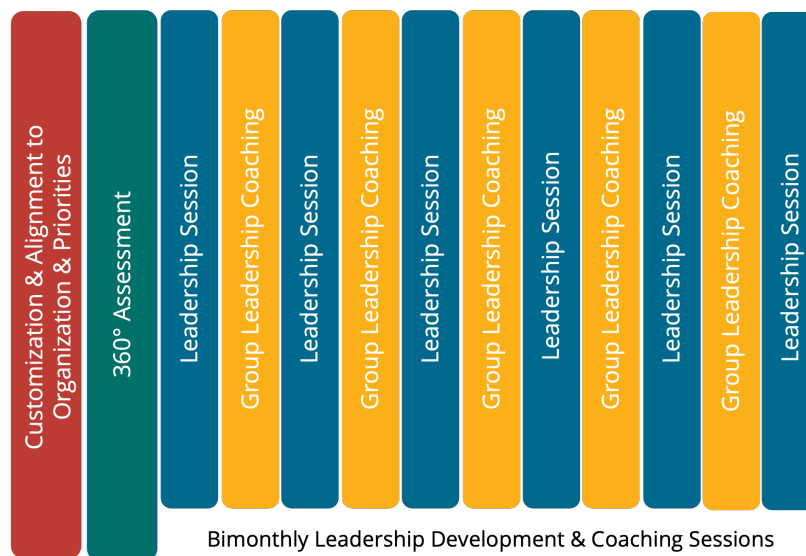
ACCOUNTS PAYABLE (includes accrued payables)

<u>MONTH</u>	<u>YEAR</u>	<u>CURRENT</u>	<u>30 DAYS</u>	<u>60 DAYS</u>	<u>90 DAYS</u>	<u>120 DAYS+</u>	<u>TOTAL</u>
JULY	2024	515,500.00	0.00	0.00	0.00	0.00	515,500.00
AUGUST	2024	194,787.18	0.00	0.00	0.00	0.00	194,787.18
SEPTEMBER	2024	129,244.00	0.00	0.00	0.00	0.00	129,244.00
OCTOBER	2024	(63,622.00)	0.00	0.00	0.00	0.00	(63,622.00)
NOVEMBER	2024	595,536.00	0.00	0.00	0.00	0.00	595,536.00
DECEMBER	2024	917,652.00	0.00	0.00	0.00	0.00	917,652.00
JANUARY	2025	2,048,242.00	0.00	0.00	0.00	0.00	2,048,242.00
FEBRUARY	2025	1,949,822.00	0.00	0.00	0.00	0.00	1,949,822.00
MARCH	2025	244,226.00	0.00	0.00	0.00	0.00	244,226.00
APRIL	2025	1,146,387.42	0.00	0.00	0.00	0.00	1,146,387.42
MAY	2025	1,193,107.00	0.00	0.00	0.00	0.00	1,193,107.00
JUNE	2025	0.00	0.00	0.00	0.00	0.00	0.00

RENEWAL to MAYERS MEMORIAL SALES AGREEMENT

SERVICES PROGRAM FEATURES VIRTUAL LEADERSHIP ACADEMY 2ND COHORT

The proposed academy includes design and customization of a curriculum with cohort learning, 360° assessment, 6 virtual sessions and group leadership coaching.



Program Features:

1. Organizational Needs Assessment and Custom Build

Based on needs assessment results and organizational priorities, HLI will customize, with Mayers Memorial Healthcare District, content, and experiences to leverage the cohort's strengths and address their development areas. HLI may plan and schedule interviews with key leaders during which HLI will discuss current leadership challenges, the strategic plans of the organization, leadership competency model, and skills and characteristics needed for current and future success.

2. Curriculum Customized

Based on the needs assessment results and organizational priorities, HLI will customize, with Mayers Memorial Healthcare District, content, and experiences to leverage the cohort's strengths and address their development areas.

3. Self-Assessments (when applicable)

HLI will use a variety of tools to evaluate individual leadership competencies and behaviors that may include communication styles, transformation and change readiness, emotional intelligence, learning styles, time management, teamwork, performance management, and conflict resolution.

4. 360° Assessment Process

HLI will coordinate and launch the 360° Assessment process using the HLI competency profile and/or the Emotional Capital Report ECR 360. The 360° Assessment is a tool designed to provide participants with feedback regarding their leadership strengths and areas of opportunity for personal and professional development. A 360° report provides feedback from the perspective of the people around the participant. Upon completion HLI will provide a confidential 360° Assessment Feedback Report to each participant along with an Aggregate Team Report with collective strengths and weaknesses. Leadership coaches will debrief the individual results with each participant.

5. Development Sessions

6 Virtual development sessions will be held where local and national faculty will deliver hands-on, engaging sessions. All sessions are designed to be experiential, and simulation based to maximize the learning of the participants. Customized case studies, small group discussion, and role-playing learning methodologies are used for deeper learning and development. Suggested topics are provided on the schedule.

6. Professional Program Management

HLI will provide a program manager to lead the design and delivery of the leadership development program including:

- Interviews to determine development needs and building relationship.
- Launching assessments
- Designing the curriculum based on interviews and assessment results.
- Coordinating virtual sessions where faculty will deliver engaging sessions.
- Ensuring that all sessions are designed to be experiential, and simulation based to maximize the learning of the participants.
- Ensuring quality of delivery of the program
- Coordinating progress of the overall development program

7. Group Leadership Coaching

Participants will be organized in learning communities (6-8 per group) to share best practices, solve challenges together and support each other. Each learning community will be assigned an HLI coach. Group coaching involves calls during which the coach assists the participants in identifying priority areas, facilitating the group discussions, deepening the learning from the sessions, and providing ongoing guidance and support.

Investment

1	Design and Development	INCLUDED
2	Nomination & Selection Process	INCLUDED
3	360° Assessment with 1:1 Debrief Call	INCLUDED
4	Program Management	INCLUDED
5	6 Online sessions (customization, speakers, delivery)	INCLUDED
6	Learning Materials	INCLUDED
7	Group Coaching (2 groups)	INCLUDED
Mayers Memorial Virtual Leadership Academy Investment		\$3,750/per participant

Notes:

- Minimum of 15 participants

Optional Selections

Additional Block of Coaching 20 credits	\$10,000
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A block of coaching credits can be used as needed for support during the duration of the engagement. These hours can be used for on-demand coaching, one-on-one coaching, dyad coaching, executive coaching, small group coaching and/or clinical unit or team coaching.

Coaching Credit Rates

The following credit rates apply to planning, follow up and actual coaching calls as follow:

1. One Hour of Leadership One-on-One Coaching is equivalent to 1 Credit
2. One hour of Dyad Coaching is equivalent to 1.5 Credits
3. One hour of Team/Group Coaching is equivalent to 2 Credits
4. One hour of Executive Coaching is equivalent to 2 Credits
5. Planning time and follow up are equivalent to 1 Credit
6. Missed or cancelled calls are charged at .5 credit



Optional Selections

- ☐ Optional Block of Coaching 20 credits

Payment Terms:

Payment schedule

- First payment of 50% due at the signing of the agreement
- Second payment 50% due after session two

Mayers Memorial Healthcare District Responsibilities

Mayers Memorial would provide an Engagement Liaison (EL) who will act as the liaison between HLI and the participants to ensure the successful implementation of the program. Specific responsibilities are defined in future communication.

Mayers Memorial Healthcare District Leadership Academy

Samples Schedule and Curriculum

Day	Date	Time	Session Topic	Location
NA	JUL 2025	NA	Needs assessment (online survey & phone conversations)	NA
TBD	AUG 2025	8 AM -12 PM	Leading Across Differences in Work Style and Leading Effective Meetings	Online
NA	SEPT 2025	1 Hr TBD	Group Leadership Coaching	Online
TBD	OCT 2025	8 – 10 AM	Enhancing Personal Productivity	Online
NA	NOV 2025	1 Hr TBD	Group Leadership Coaching	Online
TBD	DEC 2026	8 – 10 AM	Effective Delegation and Gentle Accountability	Online
TBD	JAN 2026	1 Hr TBD	Group Leadership Coaching	Online
TBD	FEB 2026	8 – 10 AM	Giving & Receiving Feedback: Facilitating Growth, Improvement and Behavior Change	Online
TBD	MAR 2026	1 Hr TBD	Group Leadership Coaching	Online
TBD	APR 2026	8 – 10 AM	Having the Tough Conversations and Leading Through Conflict	Online
TBD	MAY 2026	1 Hr TBD	Group Leadership Coaching	Online
TBD	JUN 2026	8 – 10 AM	Enhancing Resilience & Well Being/Preventing Burnout Program Graduation	Online



IN WITNESS WHEREOF, HLI and the Client have caused this Renewal to be executed as of the Effective Date.

CLIENT

Mayers Memorial Hospital

By: _____

Name: _____

Title: _____

Date: _____

HLI

**Center for Transformation and Innovation, LLC
d/b/a The Healthcare Leadership Institute™**

By: _____

Mohamad Kasti, CEO

Date: _____



RESOLUTION NO. 2025-09

**A RESOLUTION OF THE BOARD OF TRUSTEES
OF MAYERS MEMORIAL HEALTHCARE DISTRICT**

WHEREAS, the Governing Board of Directors is responsible for the preparation and adoption of a final budget, which provides a financial plan, including estimated revenues, expenditures and reserves, for operation during the fiscal year July 1 through June 30.

WHEREAS, the budget submitted is required by law to be a balanced operating budget for year July 1, 2025 through June 30, 2026; Total Net Patient Revenue \$51,193,630 with a bottom line of \$6,329,936.

NOW, THEREFORE, the undersigned certifies and attests that the above resolution was approved at a regular meeting of the Board of Directors, Fall River, California, the 25th day of June 2025.

PASSED AND ADOPTED on June 25, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Date

Jeanne Utterback, President
Board of Directors
Mayers Memorial Healthcare District

Date

Tami Vestal-Humphry, Treasurer
Board of Directors
Mayers Memorial Healthcare District

FISCAL YEAR July 1, 2025- June 30, 2026
BUDGET

APPROVED AND ADOPTED AT THE BOARD OF DIRECTORS' REGULAR MEETING
THIS 25th DAY JUNE 2025.

Jeanne Utterback, President
BOARD OF DIRECTORS
MAYERS MEMORIAL HEALTHCARE DISTRICT

Tami Vestal-Humphry, Treasurer
BOARD OF DIRECTORS
MAYERS MEMORIAL HEALTHCARE DISTRICT

Budget Prepared By:

MAYERS MEMORIAL HEALTHCARE DISTRICT

(Attachment: FY2026 Operating Budget)

	2024 Actual	May YTD Actual	2025 Annualized	2026 Budget	% Increase	Notes
Acute Revenue	14,277,277	9,530,890	10,397,335	12,242,858	18%	Increased back to historical average based off volumes
Revenue - SNF Inpatient	14,936,710	14,609,890	15,938,062	16,962,282	6%	SNF rate increase
Outpatient Revenue	32,320,904	35,168,888	38,366,060	38,787,999	1%	Charge increase
Patient Revenue	61,884,962	58,774,157	64,227,182	67,465,941	5%	Total
Deductions from Revenue	(9,976,200)	(10,861,293)	(13,033,552)	(15,707,281)	21%	Less supplemental payments which historically decreases contractals
Net Revenue	51,908,762	47,912,864	51,193,630	51,758,660	1%	Total
Other Operating Revenues	731,252	2,580,833	2,580,833	2,332,978	-10%	Reduction in Medicare Bad Debt payments
Salaries and Wages	20,514,284	19,777,869	21,575,857	23,349,115	8%	Wage increases plus new employees with traveler reductions
Employee Benefits	6,140,745	5,949,321	6,490,168	7,000,502	8%	increased benefit costs plus higher employee count
Supplies	4,325,178	4,345,581	4,740,634	5,666,682	20%	Higher usage in inpatient, surgery and drug cost increases
Professional Fees	1,484,229	1,612,461	1,759,048	1,840,471	5%	Historical average increase
Travelers	6,334,423	4,606,611	5,025,394	3,942,402	-22%	Based off this fiscal year
Other Purchased Services	1,980,566	2,573,609	2,807,573	2,811,996	0%	Expected to stay consistent
Repairs & Maintenance	479,823	429,307	468,335	499,861	7%	Older facility with aging HVAC system
Utilities	1,181,543	1,227,153	1,338,712	978,162	-27%	Solar project
Insurance Other	681,182	439,561	479,521	498,544	4%	Liability Insurance is increasing
Other Expenses	1,795,185	1,668,344	1,820,012	1,924,958	6%	Based off manager input
USDA Interest Expense	658,418	645,320	645,320	631,874	-2%	Based off USDA debt schedule
Interest Expense	74,479	70,317	76,709	77,000	0%	Based off CHFFA debt schedule
Depreciation Expense	1,850,714	1,510,091	1,647,372	1,711,541	4%	Solar project
Rental/Lease	120,291	159,910	174,447	141,979	-19%	Closer to historical norms
Operating Expenses	47,621,059	45,015,455	49,049,104	51,075,087	4%	Total
Income from Operations	5,018,955	5,478,242	4,725,360	3,016,551	-36%	Reduction in Supplemental Payments
Non-Operating Revenue	5,619,900	4,661,540	5,593,848	5,804,259	4%	More retail pharmacy prescriptions from Rite Aid closure
Interest Income	949,451	1,160,455	1,392,546	1,449,132	4%	Higher balance invested to accrue interest
Non-Operating Expenses	3,581,540	3,163,367	3,796,040	3,940,005	4%	Increased expenses in retail pharmacy due to more drug spend and staffing
Total Non-Operating	2,987,811	2,658,628	3,190,354	3,313,386	4%	Total
Net Income	8,006,766	8,136,872	7,915,713	6,329,936	-20%	Down due to no HQAF payment

MOBILE MRI PURCHASE AND OPERATION AGREEMENT

This Mobile MRI Purchase and Operation Agreement (this “**Agreement**”) is made and entered into by and among Eastern Plumas Healthcare District, a California health care district with its principal place of business at 500 1st Ave., Portola, CA 96122 (“**Eastern Plumas**”); Mayers Memorial Healthcare District, a California health care district with its principal place of business at 43563 Highway 299 East, Fall River Mills, CA 96028 (“**Mayers**”); Last Frontier Healthcare District d.b.a. Modoc Medical Center, a California health care district with its principal place of business at 1111 N. Nagle Street, Alturas, CA 96101 (“**Modoc**”); Plumas Healthcare District d.b.a. Plumas District Hospital, a California health care district with its principal place of business at 1065 Bucks Lake Rd., Quincy, CA 95971 (“**Plumas**”); and Seneca Healthcare District, a California health care district with its principal place of business at 130 Brentwood Dr., Chester, CA 96020 (“**Seneca**”). Eastern Plumas, Mayers, Modoc, Plumas, and Seneca are sometimes referred to in this Agreement individually as a “**Party**” and collectively as the “**Parties**.”

RECITALS

- A. The Parties are healthcare providers providing medical services in the northeast region of California and are in need of a magnetic resonance imaging (“**MRI**”) system to provide services to their patients.
- B. The Parties are engaged in a collaborative partnership to jointly purchase and operate a mobile MRI system that can be moved among the Parties’ facilities via a trailer (“**Mobile MRI Unit**”).
- C. The Parties will jointly own and operate the Mobile MRI Unit pursuant to the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the above Recitals and of the mutual promises and agreements contained herein, the Parties agree as follows:

ARTICLE 1

MOBILE MRI UNIT PURCHASE, OWNERSHIP, OPERATION

- 1.1 Purchase and Delivery of Mobile MRI Unit.** Each Party will deposit its proportionate share of the cost to purchase the Mobile MRI Unit to the Management Agency (as defined in Section 2.1 below) within 30 days’ notice from the Management Agency. The number of payments to the Management Agency shall be based on compliance with the commercial seller’s order and payment terms for the Mobile MRI Unit. For example, if the commercial seller requires a deposit to be paid, the Management Agency will invoice the Parties for their proportionate share of the deposits, and shall further invoice the Parties for their proportionate share of the remaining amount(s) at or around the time payments are due to the commercial seller. The purchase price of the Mobile MRI Unit shall not exceed \$2 million, unless otherwise approved by the Parties as an amendment to this Agreement. Each Party’s proportionate share of the purchase price shall be based on the proportion of scheduled days that each Party is scheduled to use the Mobile MRI Unit upon delivery and operation, as set forth in Exhibit A, attached hereto and incorporated herein. Retroactive adjustments to the Parties’ share of the purchase price, if any, will be addressed pursuant to Section 1.3.2.
- 1.2 Ownership.** The Parties shall jointly own and share legal title to the Mobile MRI Unit. In the event the commercial seller of the Mobile MRI Unit will not agree to the sale with joint

ownership and legal title, the Parties' may agree in writing to designate one Party to serve as the owner or holder of legal title, while the other Parties shall have binding contractual rights to use of the Mobile MRI Unit pursuant to this Agreement (or agree to transfer ownership and legal title jointly to all of the Parties at a later date). An agreement to designate one Party to serve as the owner or holder of legal title, or to transfer ownership and legal title jointly to all of the Parties at a later date, may be approved pursuant to the Administrative Approval Process described in Section 8.1.

1.3 Operation.

1.3.1 Operation Generally. The Parties shall use the Mobile MRI Unit pursuant to the terms and conditions of this Agreement, and shall comply with all applicable laws, rules and regulations in the use and operation of the Mobile MRI Unit.

- (a) *Privacy Compliance.* Without limiting the generality of the foregoing, each Party shall comply with any applicable health and consumer information privacy laws, including without limitation the Health Insurance Portability and Accountability Act of 1996, the Confidentiality of Medical Information Act, and the California Consumer Privacy Act, as each may be amended from time to time. If deemed appropriate in the reasonable discretion of the Management Agency, the Parties agree to execute one or more business associate agreements or similar agreements to provide further assurances for legal compliance in relation to the use and operation of the Mobile MRI Unit and nondisclosure of protected health information or similar data.
- (b) *Required Licenses or Permits for Individual Parties.* Notwithstanding Section 2.1.1, if a Party or its employees or agents is required by applicable laws, rules or regulations to obtain individual licenses or permits for use or operation of the Mobile MRI Unit, each Party shall be responsible for obtaining such licenses or permits; a Party's failure or delay in obtaining such licenses or permits shall not affect its obligations under this Agreement, including without limitation any financial obligations.
- (c) *Medical Malpractice Liability.* Except to the extent covered by medical malpractice liability or other professional liability insurance of the Operator, each Party shall be responsible for medical malpractice liability arising from such Party's use or operation of the Mobile MRI Unit and agrees to defend, indemnify, and hold harmless the other Parties therefor pursuant to the provisions of Section 5.2.
- (d) *Billing.* Each Party is responsible for billing its own patients relating to the Party's use and operation of the Mobile MRI Unit.

1.3.2 Operating Schedule. The Parties hereby agree that the Mobile MRI Unit will rotate for use by each of the Parties in accordance with the schedule set forth in Exhibit A. Exhibit A may be amended or replaced pursuant to the Administrative Approval Process described in Section 8.1.

- (a) *Updates to Purchase Price Responsibility.* If, during the initial term of this Agreement, the Parties amend the operating rotation in Exhibit A, the amendment will state whether, and to what extent, the Parties will make payments or receive credits due to retroactively updating the Parties' proportionate shares of the purchase price based on the updated schedule. Such amendment may generally be approved pursuant to the Administrative Approval Process described in Section 8.1 (provided that a Party whose share of the purchase price will increase as a result of the amendment may be required to submit such amendment to its governing body for approval because the additional amount exceeds the delegated authority of its chief executive officer or general manager).
- (b) *Updates to O&M Expenses.* If, at any time during the term of this Agreement, the Parties amend the operating rotation in Exhibit A, the Parties' responsibilities for O&M Expenses (as defined below) will be updated on a going-forward basis as of the effective date of such amendment. In addition, the amendment will state whether, and to what extent, the Parties will make payments or receive credits due to retroactively updating the Parties' proportionate shares of the O&M Expenses for the current Fiscal Year (as defined below) in which the amendment took effect. Such amendment may generally be approved pursuant to the Administrative Approval Process described in Section 8.1 (provided that a Party whose share of the O&M Expenses will increase as a result of the amendment may be required to submit such amendment to its governing body for approval because the additional amount exceeds the delegated authority of its chief executive officer or general manager).

1.4 Damage by Party or Its Agents. Each Party agrees to exercise reasonable care in the use of the Mobile MRI Unit. In the event a Party or its officials, officers, employees, contractors, consultants, or agents negligently, recklessly, or willfully causes loss or damage to the Mobile MRI Unit or causes a penalty or enforcement action by a court, regulatory agency, or other governmental body, such Party shall pay the reasonable and necessary costs, including the costs of defense, incurred by the Management Agency or other Parties as a result of the damage, penalty, or enforcement action, which may include but not be limited to costs of repairs or replacement. Costs allocated to a specific Party under this section shall be included in a quarterly bill issued by the Management Agency following consultation with representatives of all of the Parties. In the event that the Management Agency cannot or does not make an allocation to one or more specific Parties pursuant to this section, such costs shall be shared by the Parties as part of O&M Expenses, or one or more of the Parties may invoke the dispute resolution provisions of this Agreement prior to pursuing legal action to enforce this section.

1.5 Cooperation and Coordination. The Parties recognize the necessity and hereby agree to cooperate with each other in carrying out the purposes of this Agreement. Designated representatives of each of the Parties will meet from time to time to discuss matters related to the Mobile MRI Unit, including existing or anticipated issues related to operation and maintenance and the schedule provided under Exhibit A.

ARTICLE 2
MANAGEMENT AGENCY; O&M EXPENSES

- 2.1 Management Agency.** One Party will be designated in Exhibit A as the management agency (“**Management Agency**”) responsible for:
- 2.1.1 Permits and Licensing.** Obtaining and maintaining, or causing applicable contractors or agents to obtain and maintain, any and all permits, licenses, or other legal entitlements which are required to be obtained or maintained with respect to ownership, operation, and maintenance of the Mobile MRI Unit; and
- 2.1.2 Services Necessary for Operation & Maintenance.** Operating and maintaining the Mobile MRI Unit in good repair and working order and providing the services envisioned under this Agreement, including contracting for all services reasonably necessary to operate and maintain the Mobile MRI unit, which may include but not be limited to: (1) a mobile operator (“**Operator**”) to move and operate the Mobile MRI Unit among the Parties’ designated facilities based on the schedule in Exhibit A; (2) leasing or otherwise contracting for a tractor/semi-truck to move the Mobile MRI Unit (to the extent not provided by the Operator); (3) obtaining and maintaining insurance coverage as described herein; (4) performing or causing performance of maintenance and repairs; and (5) licensing compliance. For the clarity of the Parties, the Management Agency may contract for a contractor to be responsible for some or all of these services, but shall generally be responsible for ensuring they are provided under this Agreement.
- 2.2 Contracting Procedures.** The Management Agency shall comply with applicable laws, rules and regulations when contracting for services for the operation and maintenance of the Mobile MRI Unit. Prior to any O&M Expense contract or expenditure that will exceed \$50,000 in any Fiscal Year (defined below), the Management Agency will provide prior written notice to the designated representatives of the other Parties and provide at least 15 business days’ opportunity for comments and questions on the proposed contract or expenditure. The notice must include the proposed scope of services and anticipate annual cost during the term of the Agreement. Notwithstanding the above, if the O&M Expense contract or expenditure arises from an Emergency (as defined below), the Management Agency may proceed with the contract or expenditure, provided that it must provide written notice to the other Parties as soon as practicable, but in no case more than five (5) calendar days after execution of the contract or incurring the expense. For purposes of this Agreement, “**Fiscal Year**” shall mean the one-year period commencing on the first day of July each year and ending on the last day of June of the following year.
- 2.3 Insurance.** The Management Agency will procure and maintain and/or cause the Operator to procure and maintain, all insurance reasonably necessary related to the operation, maintenance, and protection of the Mobile MRI Unit, which may include, but not be limited to: (1) commercial general liability insurance; (2) property insurance sufficient to cover the replacement value of the Mobile MRI Unit; (3) automobile liability insurance; (4) workers’ compensation coverage; and (5) applicable professional liability insurance.
- 2.4 O&M Expenses.** Costs for all expenses incurred by the Management Agency pursuant to Section 2.1 shall be referred to as “**O&M Expenses.**”

- 2.4.1** Administrative Costs. The Management Agency may include its administrative costs in the O&M Expenses. Such administrative costs will be determined by tracking the Management Agency's actual costs at the fully burdened rate for its employees. The administrative costs shall not exceed 5% of the cost of other O&M Expenses during a Fiscal Year, except as otherwise approved pursuant to the Administrative Approval Process described in Section 8.1 for such Fiscal Year.
- 2.4.2** Billing for O&M Expenses. On a quarterly basis, the Management Agency will bill the other Parties in advance of the beginning of each quarter for their proportionate share of O&M Expenses for the upcoming quarter, which will be divided among the Parties based on the proportion of scheduled days that each Party will use the Mobile MRI Unit as set forth in Exhibit A (except as otherwise provided in Section 1.4 of this Agreement). Retroactive adjustments to the Parties' share of the O&M Expenses for a Fiscal Year, if any, will be addressed pursuant to Section 1.3.2. Payments to the Management Agency must be made within 60 days of receipt of the quarterly invoice from the Management Agency. In addition to the amount due for the upcoming quarter, the invoice will include O&M Expenses incurred in the previous quarter. If a Party disputes any charges included on the invoice, the disputing Party must provide written notice of the amount and basis for dispute within the 60-day period. Upon receipt of such notice, Management Agency shall schedule a meeting within thirty (30) days, or such other period of time agreed upon by the Parties, with the Parties' representatives to discuss the disputed amount(s) prior to resorting to the dispute resolution provisions of this Agreement. The Management Agency may charge interest for any amounts not paid within the 60-day period at a rate of 10% per annum or the maximum legal rate, whichever is less.
- 2.4.3** Cash Flow. Any net surplus or deficit of cash used by Management Agency arising from advance quarterly payments will be added or deducted from future quarterly payments. A reconciliation of the net surplus or deficit of actual funds used by Management Agency will be calculated and/or reconciled by Management Agency each Fiscal Year and reflected in the quarterly payments for the upcoming Fiscal Year. In addition to advance quarterly payments, if Management Agency determines the advance quarterly payments will be insufficient due to anticipated operations or unanticipated expenses, Management Agency may issue a supplemental invoice upon approval pursuant to the Administrative Approval Process described in Section 8.1, which approval shall not be unreasonably conditioned, withheld, or delayed.
- 2.4.4** Unexpected Expenditures. Management Agency may utilize the advance quarterly payments to pay for unexpected costs and expenses required: (1) in the event of an emergency or sudden unexpected occurrence requiring immediate action to prevent or mitigate loss or damage to the Mobile MRI Unit ("**Emergency**"); and/or (2) in the event of new or expanded federal, state, and local laws, rules and regulations applicable to the operation of the Mobile MRI Unit. Following any event or occurrence under this section, Management Agency shall promptly provide to representatives of the other Parties a summary of the emergency circumstance, actions taken, and estimated costs thereof. Management Agency shall replenish the advance quarterly payment fund for any unexpected expenditures resulting from loss or damage caused by Management Agency pursuant to Section 1.4.

2.4.5 Annual Estimates for O&M Expenses. The Management Agency will prepare a non-binding estimate of O&M Expenses and quarterly payments by April 1 of each year in order to assist the other Parties with budgeting for anticipated O&M Expenses for the upcoming Fiscal Year.

2.4.6 Year-End Adjustment. At the end of each Fiscal Year, the Management Agency shall reconcile the O&M Expenses and quarterly payments by the Parties. If one or more of the Parties overpaid, the Management Agency shall credit any future charges; if one or more of the Parties underpaid, the Management Agency shall bill for any additional amounts due in the quarter after the prior year costs have been reconciled.

ARTICLE 3 RECORDS AND AUDITS

3.1 Keeping and Maintenance of Records. The Management Agency shall keep appropriate records and accounts of all costs and expenses related to the acquisition of the Mobile MRI Unit and the O&M Expenses. The Management Agency shall keep such records and accounts related to acquisition for at least ten (10) years and O&M Expenses for at least four (4) years, or for any longer periods required by law or other obligation. All Parties shall keep appropriate records and accounts related to the use of the Mobile MRI Unit for at least four (4) years or for any longer periods required by law or other obligations. Notwithstanding the disposition of any records or accounts as authorized above, the Management Agency shall maintain basic records and/or accounts showing the Parties' total contributions toward the purchase of the Mobile MRI Unit and O&M Expenses throughout the term of the Agreement.

3.2 Inspection and Annual Audits. Said records and accounts shall be subject to reasonable inspection by any authorized representative of any Party. Further, Management Agency's accounts and records shall be audited annually by an independent certified public accounting firm appointed by Management Agency pursuant to generally accepted accounting principles. A copy of said report shall be available to any Party. As part of said audit, the actual amount of acquisition costs (in the applicable Fiscal Year(s), O&M Expenses, and payments from each Party shall be determined and audited by the Management Agency's external auditors, and a summary of such amounts shall be included as a footnote or attachment to the annual audit. Incremental additional audit costs for Management Agency to comply with this section, if any, may be included as O&M Expenses in the Fiscal Year in which the audit is performed.

ARTICLE 4 TERM; WITHDRAWAL; TERMINATION; SALE OR DISPOSAL OF MOBILE MRI UNIT

4.1 Initial Term; Renewal Terms. This Agreement shall be effective upon execution by all of the Parties, and shall be dated as of the signature date of the last executing Party ("**Effective Date**"). The initial term of this Agreement shall be five (5) years, commencing upon delivery of the Mobile MRI Unit by the commercial seller to the Parties ("**Commencement Date**"). This Agreement shall automatically renew for up to three (3) additional renewal terms of five (5) years (for a potential total term of 20 years), unless a Party provides prior written notice to all other Parties at least 180 days before the end of the initial term or a renewal term of its intent not to renew its participation in this Agreement. Upon the start of the new renewal term, the non-renewing Party shall no longer be considered a Party to this Agreement.

- 4.2 Further Extension.** This Agreement is subject to extension beyond the initial term and three (3) renewal terms by agreement of the then-existing Parties.
- 4.3 Termination.** The Parties may mutually terminate this Agreement by a written instrument signed by all Parties.
- 4.4 Withdrawal During Renewal Term.** Notwithstanding the provisions of Section 3.1, a Party may withdraw during a renewal term (but not during the initial term) by providing prior written notice to all of the other Parties under the following circumstances: (1) the Party declares bankruptcy or insolvency under any applicable federal or state standard, has filed for protection or relief under any applicable bankruptcy or creditor protection statute, or has been formally threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute, in which case the Party's withdrawal may be effective within 60 days; or (2) at least 180 days before the start of a Fiscal Year, the Party provides notice to the other Parties of its intent to withdraw. The other Parties may agree to an earlier withdrawal date pursuant to the Administrative Approval Process described in Section 8.1. Upon the effective date of withdrawal, the withdrawing Party shall no longer be considered a Party to this Agreement.
- 4.5 Sale or Disposal of Mobile MRI Unit.** The Mobile MRI Unit will not be sold, otherwise disposed of, or subcontracted without the prior written approval of all the then-existing Parties to the Agreement pursuant to the Administrative Approval Process described in Section 8.1. Proceeds from the sale, disposition, or subcontracting of the Mobile MRI Unit shall be divided among the then-existing Parties based on their total contributions toward the purchase of the Mobile MRI Unit and O&M Expenses during the term of the Agreement. Notwithstanding any other provisions of this Agreement, the provisions of this Section 4.5 shall survive the expiration or mutual termination of this Agreement.

ARTICLE 5 INSURANCE AND INDEMNIFICATION

- 5.1 Insurance.** During the Term of this Agreement, the Parties shall maintain in full force and effect insurance policies and/or equivalent risk management coverage in the manner and to the extent that each Party insures and/or self-insures itself for similar risks with respect to such Party's operations, equipment, and property. The manner in which such insurance and/or self-insurance is provided and the extent of such insurance and/or self-insurance shall be set forth in a Certificate of Insurance and/or Certificate of Self-Insurance, delivered to the other Parties and signed by an authorized representative of the applicable Party, which fully describes the insurance and/or self-insurance program and how the insurance/program covers the risks set forth in this section. Minimum policy limits maintained by any Party shall in no way limit the Party's indemnification obligations under this Agreement. Insurance provided by a joint powers agency insurance pool shall be considered self-insurance for the purposes of this section. Coverage under such insurance and/or self-insurance shall provide coverage for the following:
- 5.1.1 Commercial General Liability.** Commercial general liability insurance or equivalent risk management coverage covering bodily injury, property damage, personal/advertising injury, premises/operations liability, products/completed operations liability, and contractual liability, in an amount no less than \$2,000,000 per occurrence / \$4,000,000

aggregate. The policy shall give the other Parties, their officials, officers, employees, agents and designated volunteers additional insured status, or endorsements providing the same coverage. Any Party may request a mutual increase in the dollar amount of insurance required under this Section every five (5) years; the new amount shall be based on prevailing insurance standards in the healthcare industry applicable at the time.

5.1.2 Automobile Liability. Automobile liability insurance or equivalent risk management coverage in an amount no less than \$1,000,000 per occurrence for bodily injury and property damage. Coverage shall include owned, non-owned and hired vehicles. The policy shall give the other Parties, their officials, officers, employees, agents and designated volunteers additional insured status, or endorsements providing the same coverage. Any Party may request a mutual increase in the dollar amount of insurance required under this Section every five (5) years; the new amount shall be based on prevailing insurance standards in the healthcare industry applicable at the time.

5.1.3 Workers' Compensation. Workers' compensation insurance or equivalent risk management coverage as required by law. Each Party certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and each Party will comply with such provisions before commencing work under this Agreement.

In addition, the Parties shall ensure that all contractors and subcontractors performing work in or around the Mobile MRI Unit maintain in full force and effect insurance policies consistent with the types and amounts of insurance required above. To the maximum extent practicable, each Party shall ensure that its contractors' and subcontractors' Commercial General Liability and Automobile Liability policies give the other Parties and their officials, officers, employees, agents, and designated volunteers additional insured status, or endorsements providing the same coverage.

5.2 Indemnification.

5.2.1 Each Party (the "Indemnifying Party") shall indemnify, defend and hold harmless the other Parties and their officials, officers, employees and agents (the "Indemnified Parties") from and against any and all liability, loss, damages, expenses, costs (including, without limitation, costs and fees of litigation or arbitration) of every nature, arising out of any act or omission of the Indemnifying Party related to this Agreement, provided, however, that the foregoing obligations shall not apply to the proportionate extent such claims or damages are caused by the negligence, recklessness, or willful misconduct of the Indemnified Parties.

5.2.2 Notwithstanding any other provision of this Agreement, this Section 5.2 and any obligations arising from this section shall survive any expiration of, termination of, nonrenewal of, or withdrawal from, this Agreement.

ARTICLE 6

FORCE MAJEURE

- 6.1** **Force Majeure Event.** A “Force Majeure Event” means an act, event, or condition described below that materially and adversely affects the ability of a Party to perform any obligation under this Agreement as long as such act, event or condition is beyond the reasonable control of such Party and is not a result of a negligent, reckless, or willful act or omission of or breach of this Agreement by such Party. Such acts, events, or conditions are: (a) an act of God, including an earthquake, wildfire, or other natural disaster or phenomenon, the effects of which could not be prevented or avoided by the exercise of due care or foresight; (b) terrorism, acts of a public enemy, war, blockage, or insurrection, riot, or civil disturbance; (c) an epidemic or pandemic affecting the area, a government ordered work stoppage in response to a declared public health crisis in the state or local area, or an epidemic, pandemic, or government ordered work stoppage in response to a declared public health crisis inside or outside the local area, if it impacts the supply chain for necessary equipment, materials, or labor; or (d) strikes, lockouts, work stoppages or labor disputes. Upon the occurrence of a Force Majeure Event, a Party shall be excused from its obligations under this Agreement (except payment obligations) for the period during which it is unable to comply with such obligations as a result of the Force Majeure Event. Any excuse of obligations of such pursuant to this section is subject to the proviso that, upon obtaining knowledge of a Force Majeure Event, such Party: (a) promptly notifies the other Parties of the Force Majeure Event; (b) provides reasonable details and updates relating to such Force Majeure Event and mitigation measures; and (c) implements mitigation measures to the extent commercially reasonable.

ARTICLE 7

DISPUTE RESOLUTION; ENFORCEMENT; EVENTS OF DEFAULT

7.1 **Dispute Resolution.**

- 7.1.1** **Non-Binding Mediation.** If a dispute arises among the Parties relating to or arising from a Party’s obligations under this Agreement, the Parties involved in the dispute shall first endeavor to resolve the matter through informal discussions and meetings among senior management of the Parties. If the matter remains unresolved, the Parties involved in the dispute shall next endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation under the rules of JAMS, AAA, or any other neutral organization agreed upon by the Parties before having recourse in a court of law. Mediation shall be commenced by sending a notice of demand for mediation to the other Party or Parties to the dispute. A copy of the notice shall be sent to all of the Parties.
- 7.1.2** **Selection of Mediator.** A single mediator that is acceptable to the Parties involved in the dispute shall be used to mediate the dispute. The mediator will be knowledgeable in the subject matter of this Agreement, if possible, and chosen from lists furnished by JAMS, AAA, or any other agreed upon mediator.
- 7.1.3** **Mediation Expenses.** The expenses of witnesses for either side shall be paid by the Party producing such witnesses. All mediation costs, including required traveling and other

expenses of the mediator, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be equally shared by the Parties to the dispute.

- 7.1.4** Conduct of Mediation. Mediation will be conducted in an informal manner. Discovery shall not be allowed. The discussions, statements, writings and admissions and any offers to compromise during the proceedings will be confidential to the proceedings (Evidence Code §§ 1115 – 1128; 1152) and will not be used for any other purpose unless otherwise agreed by the Parties in writing. The Parties may agree to exchange any information they deem necessary. The Parties involved in the dispute shall have representatives attend the mediation who are authorized to settle the dispute, though a recommendation of settlement may be subject to the approval of each agency's boards or legislative bodies. Either Party may have attorneys, witnesses, or experts present.
- 7.1.5** Mediation Results. Any resultant agreements from mediation shall be documented in writing. The results of the mediation shall not be final or binding unless otherwise agreed to in writing by the Parties. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.
- 7.1.6** Performance Required During Dispute. Nothing in this Section 7.1 shall relieve the Parties from performing their obligations under this Agreement. The Parties shall be required to comply with this Agreement, including the performance of all disputed activity and disputed payments, pending the resolution of any dispute under this Agreement.
- 7.1.7** Offers to Compromise. Any offers to compromise before or after mediation proceedings will not be used to prove a Party's liability for loss or damage unless otherwise agreed by the Parties in writing (pursuant to Evidence Code Section 1152).
- 7.2** Enforcement. The Parties are hereby authorized to take any and all legal or equitable actions, including but not limited to an injunction and specific performance, necessary or permitted by law to enforce this Agreement.
- 7.3** Additional Remedies. In the event that a Party has violated any material obligation in this Agreement, one or more of the other Parties may provide the violating Party with notice and written description of such violation. In the event that the violating Party is unwilling or unable to cure such breach within 60 days (or commence to cure such breach, if not reasonably curable within such period), the violating Party shall be deemed to have defaulted under this Agreement, and the other Parties may, by unanimous agreement among the other Parties: (1) immediately or on a specified date terminate the defaulting Party as a Party to this Agreement; (2) order that the defaulting Party shall not continue as a Party to this Agreement upon the start of a renewal term; (3) if the defaulting Party's violations relate to nonpayment of obligations under this Agreement, require the defaulting Party to make an additional advanced deposit of funds; or (4) provide a written warning to the defaulting Party that further violations of this Agreement may result in termination, nonrenewal, or payment of an additional advanced deposit.

**ARTICLE 8
MISCELLANEOUS PROVISIONS**

- 8.1 Administrative Approval Process.** The “Administrative Approval Process” is a formal binding process by which aspects of this Agreement may be amended or supplemented and relates to technical, administrative, operational, and/or procedural details of this Agreement. Matters subject to the Administrative Approval Process, as expressly identified in this Agreement, may be approved by a writing signed by the chief executive officer or general manager of each of the Parties, without requiring approval by the Parties’ governing bodies. Upon approval of an amendment or supplement to this Agreement approved by the Administrative Approval Process, the Management Agency shall provide copies of the executed amendment or supplement to all of the Parties.
- 8.2 Amendment.** Except as otherwise provided in this Agreement, neither this Agreement nor any provision hereof may be modified or amended except by a written instrument signed by the Parties.
- 8.3 Severability.** If any section, clause or phrase of this Agreement or the application thereof to any Party or any other person or circumstance is for any reason held to be invalid by a court of competent jurisdiction, it shall be deemed severable, and the remainder of the Agreement or the application of such provisions to any other Party or to other persons or circumstances shall not be affected thereby. Each Party hereby declares that it would have entered into this Agreement, and each subsection, sentence, clause and phrase thereof, irrespective that one or more sections, subsections sentences, clauses or phrases or the application thereof might be held invalid.
- 8.4 Notices.** Notices required or permitted hereunder shall be sufficiently given if made in writing and delivered either personally or by registered or certified mail, postage prepaid to the respective Parties, as follows:

EASTERN PLUMAS:

Eastern Plumas Healthcare District
500 1st Avenue
Portola, CA 96122
Attn: Chief Executive Officer

MODOC:

Last Frontier Healthcare District
1111 N. Nagle Street
Alturas, CA 96101
Attn: Administration

MAYERS:

Mayers Memorial Healthcare District
P.O. Box 459
Fall River Mills, CA 96028
Attn: Chief Executive Officer

PLUMAS:

Plumas Healthcare District
1065 Bucks Lake Rd.
Quincy, CA 95971
Attn: Chief Executive Officer

SENECA:

Seneca Healthcare District
199 Reynolds Road
Chester, CA 96020
Attn: Chief Executive Officer

The Parties may from time to time change the address to which notice may be provided by providing notice of the change to the other Parties.

- 8.5 Other Agreements Not Prohibited.** Other agreements by and between the Parties of this Agreement or any other entity are neither prohibited nor modified in any manner by execution of this Agreement.
- 8.6 Assignment.** Except as otherwise provided in this Agreement, the rights, titles and interests of any Party to this Agreement shall not be assignable or transferable without the consent of each Party hereto.
- 8.7 Section Headings.** The section headings herein are for convenience of the Parties only, and shall not be deemed to govern, limit, modify or in any manner affect the scope, meaning or intent of the provisions or language of this Agreement.
- 8.8 Laws of California.** This Agreement is made in the State of California, under the Constitution and laws of such State, and shall be construed and enforced in accordance with the laws of such State.
- 8.9 Construction of Language.** It is the intention of the Parties hereto that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.
- 8.10 Successors.** This Agreement shall be binding upon and shall inure to the benefit of the successors of the Parties hereto.
- 8.11 Time of Essence.** Time is of the essence for each and every provision of this Agreement.
- 8.12 Integration.** This Agreement constitutes the full and complete Agreement of the Parties.
- 8.13 Counterparts.** This Agreement may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.
- 8.14 No Third Party Beneficiaries.** All of the covenants contained in this Agreement are for the express benefit of each and all such Parties. This Agreement is not intended to benefit any third parties, and any such third party beneficiaries are expressly disclaimed.

SIGNATURES ON FOLLOWING PAGE(S)

IN WITNESS WHEREOF, the Parties have caused this Mobile MRI Purchase and Operation Agreement to be executed and attested by their proper officers thereunto duly authorized on the day and year set forth below, making the same effective on the date signed by the last of the Parties hereto.

EASTERN PLUMAS HEALTHCARE DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

MAYERS MEMORIAL HEALTHCARE DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

**LAST FRONTIER HEALTHCARE DISTRICT d.b.a.
MODOC MEDICAL CENTER**

By: _____

Name: _____

Title: _____

Date: _____

**PLUMAS HEALTHCARE DISTRICT d.b.a. PLUMAS
DISTRICT HOSPITAL**

By: _____

Name: _____

Title: _____

Date: _____

SENECA HEALTHCARE DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

ROTATION SCHEDULE; MANAGEMENT AGENCY

The Parties hereby agree to the following rotation schedule for the Mobile MRI Unit:

<u>Week</u> <u>1</u>	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday</u>	<u>Sunday</u>
	<i>Eastern Plumas</i>	<i>Plumas</i>	<i>Seneca</i>	<i>Mayers</i>	<i>Modoc</i>		
<u>Week</u> <u>2</u>	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday</u>	<u>Sunday</u>
	<i>Eastern Plumas</i>	<i>Eastern Plumas</i>	<i>Plumas</i>	<i>Seneca</i>	<i>Modoc</i>		

<u>Week</u> <u>3</u>	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday</u>	<u>Sunday</u>
	<i>Eastern Plumas</i>	<i>Plumas</i>	<i>Seneca</i>	<i>Mayers</i>	<i>Modoc</i>		
<u>Week</u> <u>4</u>	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday</u>	<u>Sunday</u>
	<i>Eastern Plumas</i>	<i>Plumas</i>	<i>Plumas</i>	<i>Seneca</i>	<i>Modoc</i>		

The Parties further agree that the Management Agency shall be: **Seneca Healthcare District.**