

Chief Executive Officer  
Ryan Harris



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

Finance Committee  
**Meeting Agenda**  
July 31, 2024 at 11:00 AM  
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

				<b>Approx. Time Allotted</b>
1	<b>CALL MEETING TO ORDER</b>			
2	<b>CALL FOR REQUEST FROM THE AUDIENCE - PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS</b>			
3	<b>APPROVAL OF MINUTES</b>			
3.1	Regular Meeting – June 26, 2024	<i>Attachment A</i>	<b>Action Item</b>	2 min.
4	<b>FINANCIAL REVIEWS/BUSINESS</b>			
4.1	Interim June 2024 Financials		<b>Discussion</b>	15 min.
4.2	Accounts Payable (AP)/Accounts Receivable (AR)	<i>Attachment B</i>	<b>Action Item</b>	15 min.
4.3	Line of Credit	<i>Attachment C</i>	<b>Action Item</b>	2 min.
4.4	New Account at Plumas Bank	<i>Attachment D</i>	<b>Action Item</b>	5 min.
4.5	New Account at Cornerstone Bank	<i>Attachment E</i>	<b>Action Item</b>	5 min.
4.6	Capital Expenditure Plan	<i>Attachment F</i>	<b>Action Item</b>	5 min.
4.7	Pit River Lodge Well	<i>Attachment G</i>	<b>Action Item</b>	5 min.
5	<b>ADMINISTRATIVE REPORT</b>		Information	5 min.
6	<b>OTHER INFORMATION/ANNOUNCEMENTS</b>			
7	<b>ADJOURNMENT:</b> Next Regular Meeting – August 28, 2024			

Posted 07/26/2024

Public records which relate to any of the matters on this agenda (except Closed Session items), and which have been distributed to the members of the Board, are available for public inspection at the office of the Clerk to the Board of Directors, 43563 Highway 299 East, Fall River Mills CA 96028. This document and other Board of Directors documents are available online at [www.mayersmemorial.com](http://www.mayersmemorial.com).

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Board of Directors  
**Finance Committee**  
**Minutes**  
June 26, 2024  
MMHD FR Boardroom

*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	<b>CALL MEETING TO ORDER:</b> Tami Humphry called the meeting to order at 11am on the above date.		
	<b>BOARD MEMBERS PRESENT:</b>  Tami Vestal-Humphry, Committee Chair Abe Hathaway, Board President  <b>ABSENT:</b>	<b>STAFF PRESENT:</b>  Ryan Harris, CEO Travis Lakey, CFO Libby Mee, CHRO Val Lakey, CPRO  Harold Swartz, Imaging Manager Ashley Nelson, interim Board Clerk Jessica DeCoito, Board Clerk	
2	<b>CALL FOR REQUEST FROM THE AUDIENCE – PUBLIC COMMENTS OR TO SPEAK TO AGENDA ITEMS - None</b>		
3	<b>APPROVAL OF MINUTES: May 22, 2024 – minutes attached.</b> Motion moved, seconded and carried.	<i>Humphry, Harris</i>	<b>Approved by All</b>
4	<b>FINANCIAL REVIEWS</b>		
	4.1 <b>May 2024 Financials:</b> A Physical therapist is still being sought after, with no hits within our Registry company.  Motion moved, seconded and carried to approve financials.		
	4.2 <b>Accounts Payable (AP) &amp; Accounts Receivable (AR):</b> It was reported that cash on hand is 278 days, compared to 250 days on May 2 <sup>nd</sup> 2024. AR is 25.1 days. Accounts Receivable is down approximately \$2 million. \$5 million in patient payments were paid this last month. As of today, we are at 59% collection ratio. Contractual were reported and further explained that the “increased ER days” on the report related to the increase in Acute days admitted. It was explained that the overall AR decreased, due to manual entries. It was confirmed that half of the large Acute outstanding charge was paid, but incorrectly. Lastly, the wage growth spreadsheet throughout the last 10 years- showing an increase from \$8 million in 2009 to \$21 million currently.	<i>Harris, Humphry</i>	<b>Approved by All</b>
	4.3 <b>Annual Budget Hearing:</b> The overall contractual percentages for the year were reported. Salaries and wages have increased by 7%. Registry fees will decrease if registry staff switch over to MMHD staff. There is also an increase in Liability insurance. A Capital Budget will be brought to the Finance team, next month for each department.  Motion moved, seconded and carried to bring the Annual Budget to the full Board.	<i>Harris, Humphry</i>	<b>Approved by All</b>
	4.4 <b>TCCN Building Upgrades:</b> Although the staff do not have a building, the programs are continuing. With the opinion letter from the architect given last month, the County did not have an issue with the TCCN being occupied, pending approval of a fire inspection. The Fire Chief sent an email, explaining a list of non-permitted issues that need to be fixed before staff is allowed back in the building. To fix these issues, there are 3 phases of Scope of Work that will be accomplished-	<i>T. Lakey, Humphry</i>	

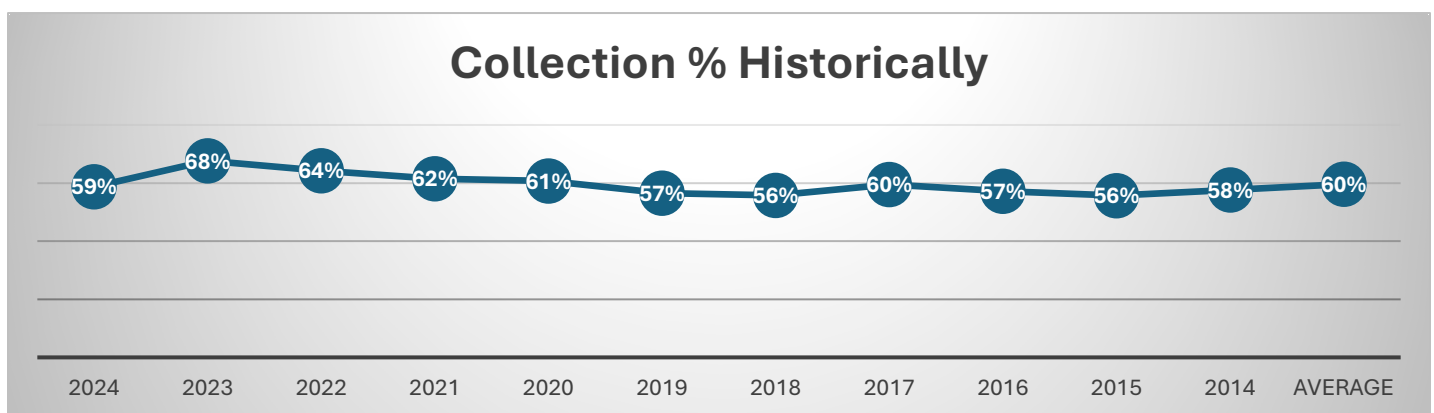
	Phase 1 is permitting/paperwork, Phase 2 is fixing the existing office space and Phase 3 is completing the children's area. It is estimated that the Phase 2 budget will be \$53,000. It is estimated that the children's area budget will be \$100,000, including plumbing. Time frame for Phase 3 is estimated at 1 year. Overall, the project budget need is \$200,000. Motion moved for budget, seconded and carried.		
4.5	<p><b>Radiology PACS Program:</b> Radiology is currently Utilizing AMBRA- an Image exchange platform, with non-responsive issues and does not have Cerner capability. Fugi Synapse would give staff the ability to make changes, with less issues for staff and patient, with Cerner capability. Over 5 years, the cost would be \$150,000. Once approved, machine can be moved forward within 30 days. According to our IT department, there is a 90% chance that nothing more will need to be added into the system, regarding Cerner. There is an additional cost for a patient portal platform, ClearPath- @ \$1.00 per patient, per study.</p> <p>Motion moved, seconded and carried to bring to the full Board the Radiology budget of \$215,000, with \$16,000 per following year for 5 years.</p>	<i>T. Lakey, Humphry</i>	
5	<b>ADMINISTRATIVE REPORT:</b> I2I will not compromise on the 5 year term so will not be continuing with it.		
6	<b>OTHER INFORMATION/ANNOUNCEMENTS: None</b>		
7	<b>ADJOURNMENT – 11:49 pm</b>		
	Next Finance Committee Meeting: July 31, 2024		

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## Finance Notes June FY 24 Year End

Ratios	FY 24	FY 23 Average	
Cash on Hand	274	182	Average PY
YE Net Income		328,477	Average PY
Current Ratio	22.8		N/A
AR Days	90	61	Average PY
Accounts Payable	614,253	651,656	Average PY
Daily Gross Revenue	178,137	142,873	Average PY
YE % of Gross Revenue Collected	59%	68%	Average PY

- 1) I'm not issuing the Income Statement yet because there's something odd between my contractual spreadsheet and the results I'm getting in Multiview. We have had multiple calls and tickets with Multiview this year and they insist it's correct but I'd rather take the extra time to confirm being the year end financials.
- 2) This year is an outlier as we had two HQAF payments and a much higher rate range as they were reconciling a prior year in addition to the current year funding.
- 3) AR Days are up as Partnership is processing claims much slower since they expanded into their new counties. Since SNF is our biggest source of cash this has an adverse impact on days.
- 4) Daily Gross Revenue is up as our Charge Capture is much better in Cerner.
- 5) I'm happy with our percentage of gross revenue collected given the disruption of a new EMR, Revenue Cycle Process and Partnership not getting us our May SNF payment in June. Below is what we have historically collected. Years where we have more Inpatient revenue and less Outpatient revenue we have a higher collection % as our charges are closer to our payments in the inpatient areas.



- 6) Rate Range has been delayed a month so we'll contribute in November and receive it in January if the state can stay on their proposed schedule. Also, HQAF was moved up so it's possible we'll have received all of our larger supplemental payments before March.

## District Supplementals – FY25 Cash Flow Timing

Version: July 17, 2024

Program (Year)	IGT Date	Payment to Hospital Date	Notes
HQAF VIII (CY23) Direct Grant #4	n/a	Sept-24	
<b>DP-NF (Managed Care CY23)</b>	<b>n/a</b>	<b>Oct/Nov-24</b>	<b>Only in counties that LTC transitioned to MCO in 2023</b>
HQAF VIII (CY24) Direct Grant #1	n/a	Nov-24	
<b>Rate Range (CY 2023)</b>	<b>Nov-24</b>	<b>Jan-25</b>	
HQAF VIII (CY24) Direct Grant #2	n/a	Dec-24	
HQAF VIII (CY24) Direct Grant #3	n/a	Jan-25	
<b>HQAF VIII (CY24) Managed Care</b>	<b>Dec-24</b>	<b>Feb/Mar-25</b>	
CHFFA Loan Repayment Year 2	Winter-24	n/a	For those who received a loan
QIP PY 6 (CY 23)	Feb-25	Apr/May-25	
District Hospital Directed Payment – Phase 1 (1/1/23-6/30/23)	Feb-25	Apr/May-25	This is for six months, thus ½ estimated annual amount
AB 113 (FY24/25)	Apr-25	May/Jun-25	Interim Payment
AB 113 (FY23/24)	Apr-25	May/Jun-25	Final Reconciliation – \$ will be minimal
AB 915 (FY23/24)	n/a	By Jun-25	
HQAF VIII (CY24) Direct Grant #4	n/a	Jun-25	

### Notes

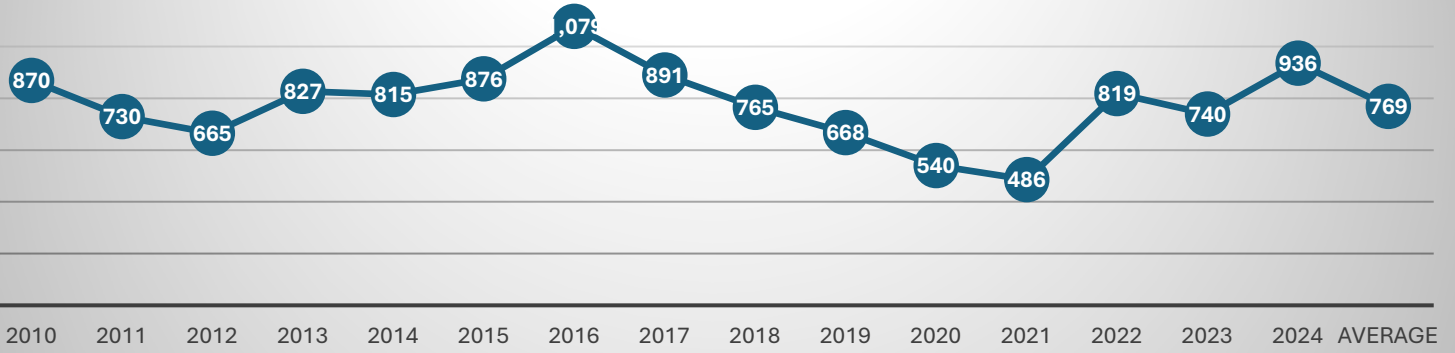
- Items in **red font** have changed since the last iteration of this documents
- Programs listed are only those that have an IGT or payment between 7/1/24 – 6/30/25
- Dates are based on latest estimates from DHCS and are subject to change



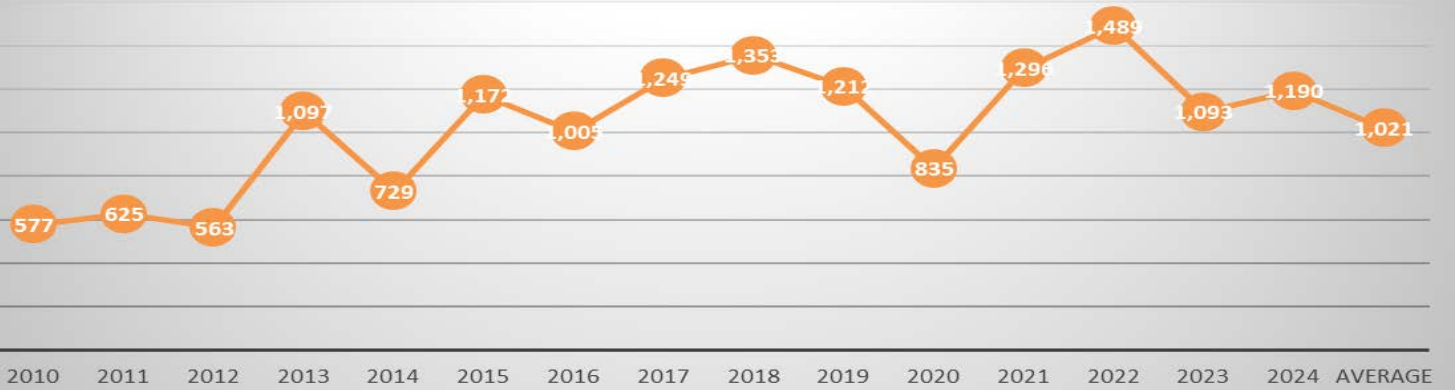
- 7) Due to our changes with our Workers Comp that should save us a minimum of 175K per year Beta is requiring us to have a Line of Credit set up with a bank. Cornerstone is very easy to work with so I have one set up for your approval there. It won't be drawn so the only fees we will pay are the 500 dollar loan fee.
- 8) I'm proposing opening accounts and moving funds to Plumas and Cornerstone as we have a lot of money in Tri-Counties that while it's insured would take a while to recover and we would need operational funds in the meantime. We could always move funds back to LAIF but I would prefer to have it in some money market accounts where we are getting a higher interest rate.
- 9) Our annual audit is scheduled for the last week of August. If any of the board would like to ask them any questions while they are on-site, I'll set that up.
- 10) The Medi-Cal auditor has reached out to get going on the FY 23 review. This is fairly early as I don't typically hear from them until September.
- 11) I'm working on an annual data request and have a call scheduled with Fitch for our annual bond rating call.
- 12) After we make some decisions to get into our lending capacity for our future expansion, I need to start formal discussions with USDA and work with Wipfli to make our Debt Capacity Study into the more in-depth Financial Feasibility Study.

Year End Statistics

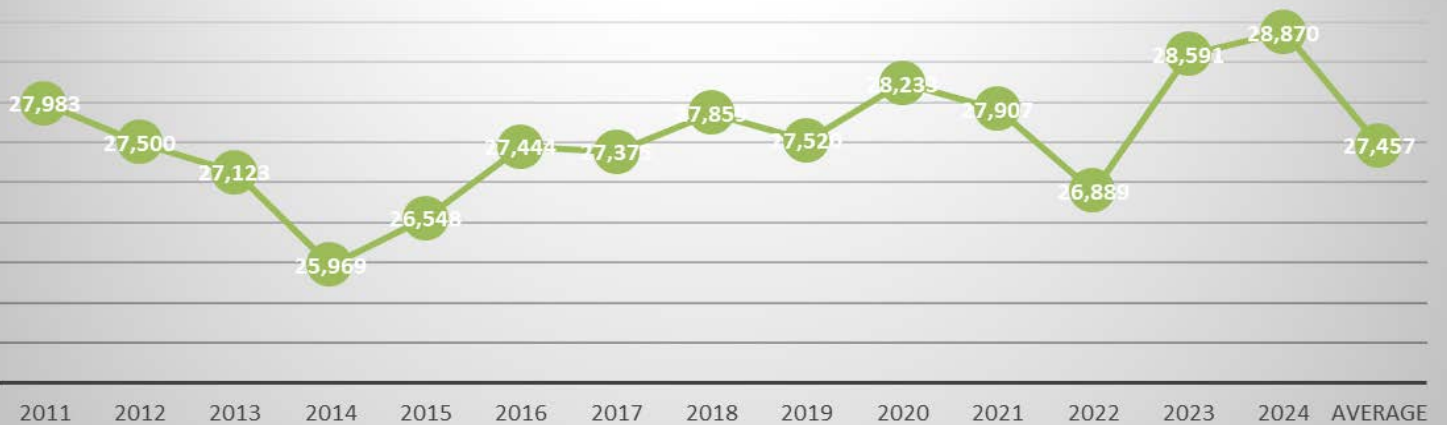
### Acute Days FY 10 to 24



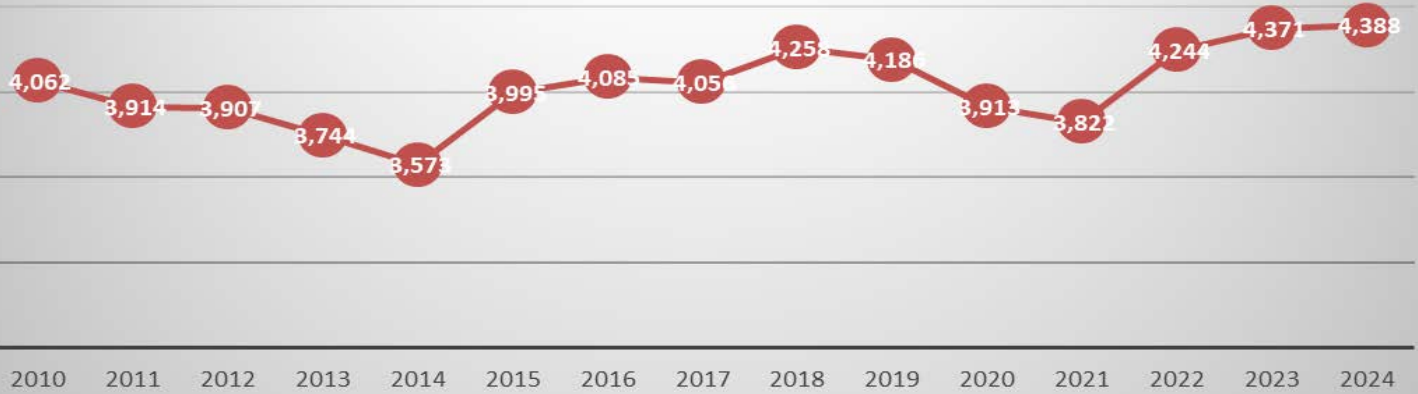
### Swing Days FY 10 to 24



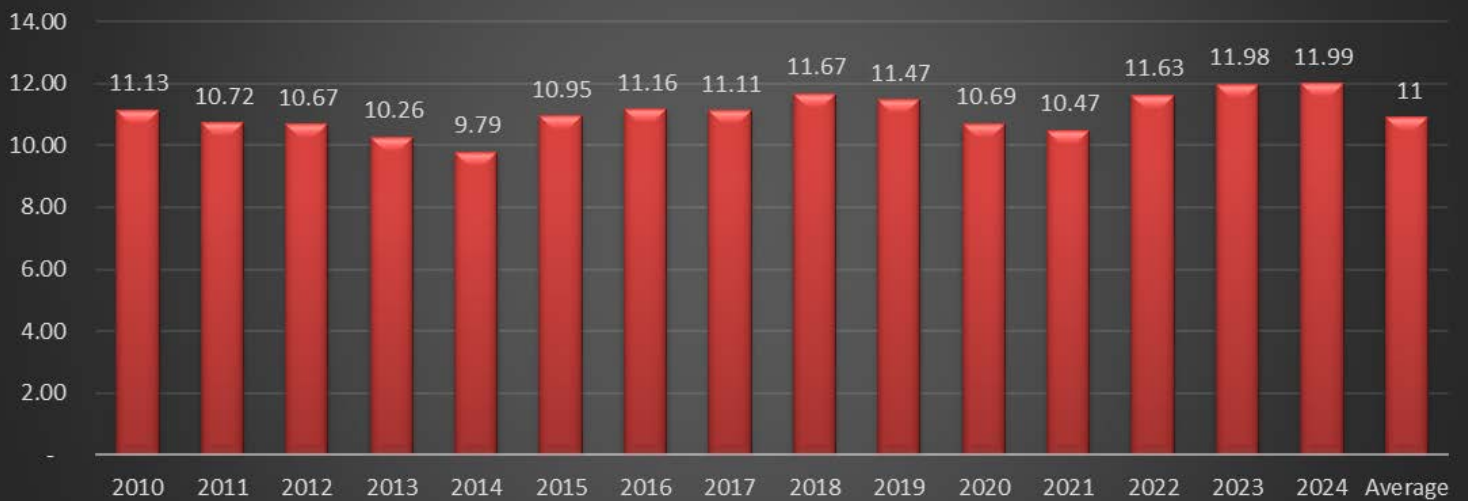
### SNF Days FY 11 to 24



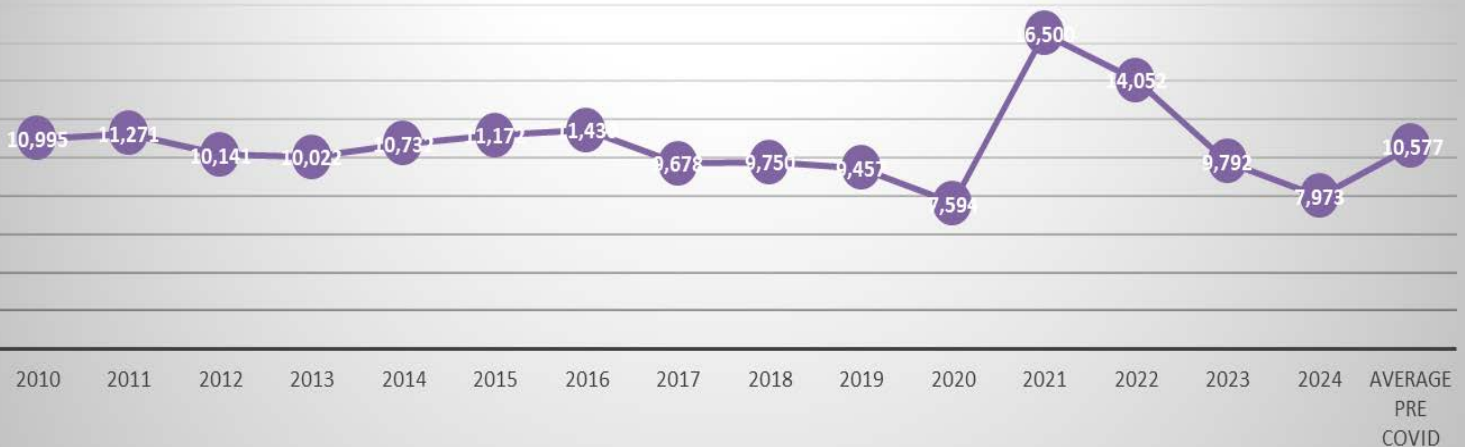
### ER Visits FY 10 to FY 24



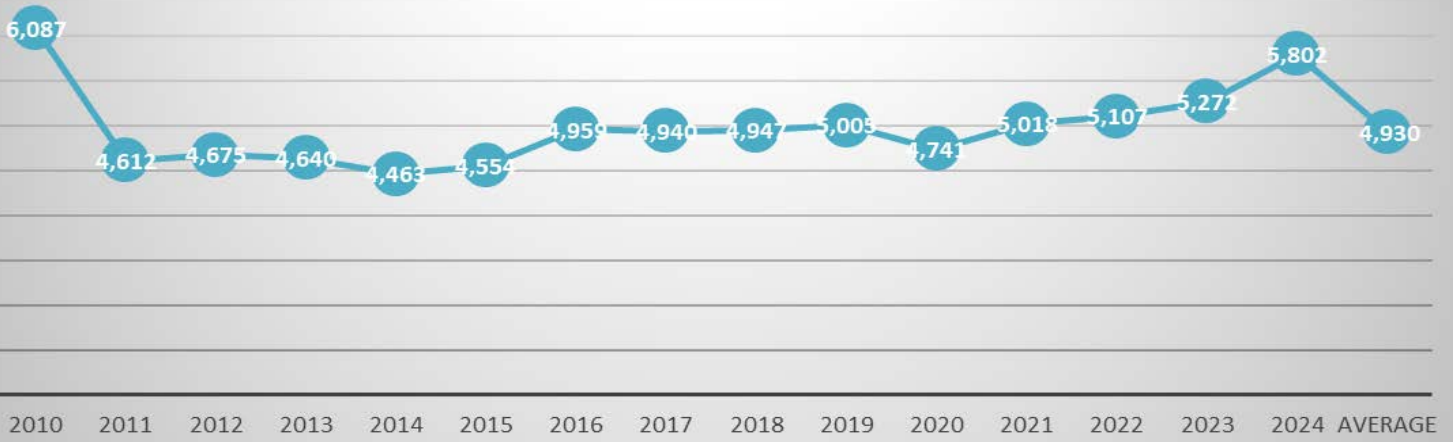
### Average ER visits Per Day FY 10 to 24



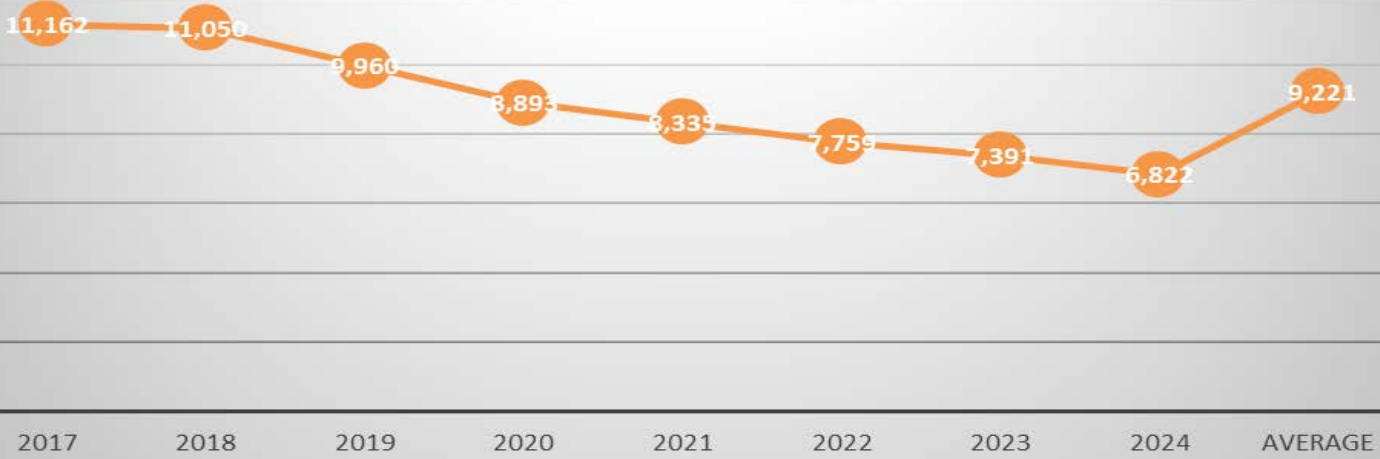
### Labs FY 10 to 24



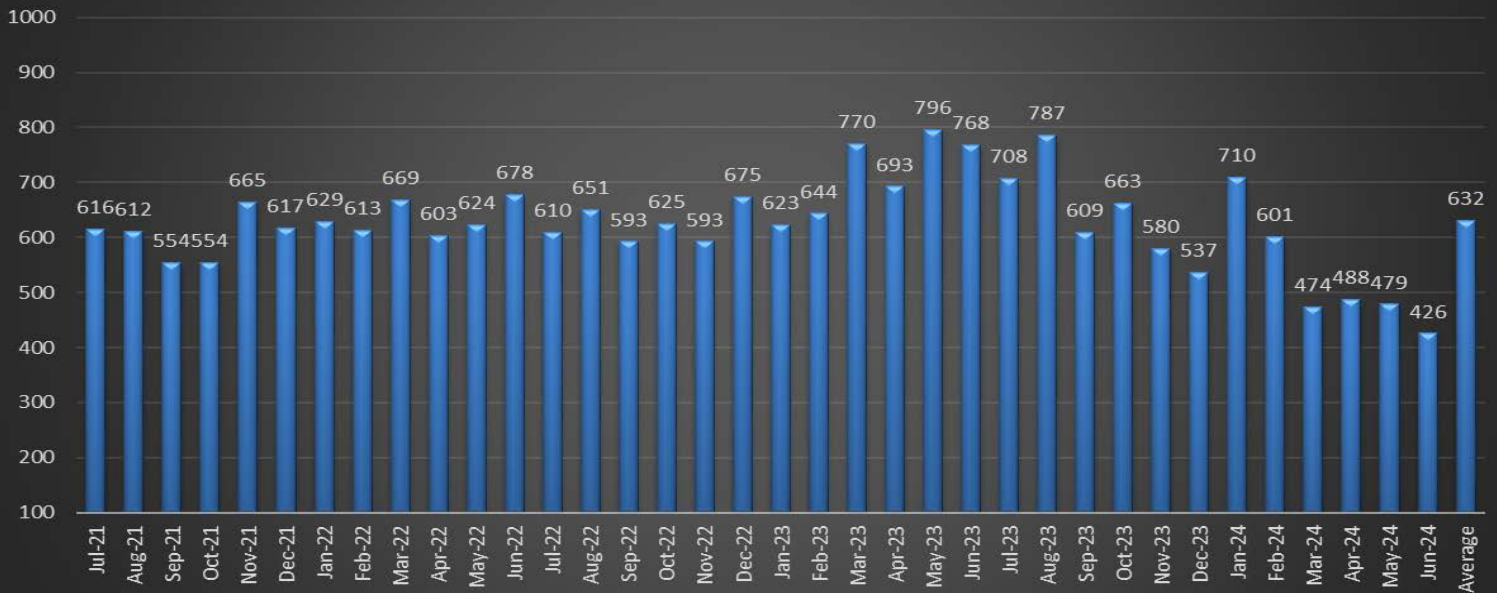
### Rad Procedures FY 10 to 24



### PT Procedures FY 17 to 24

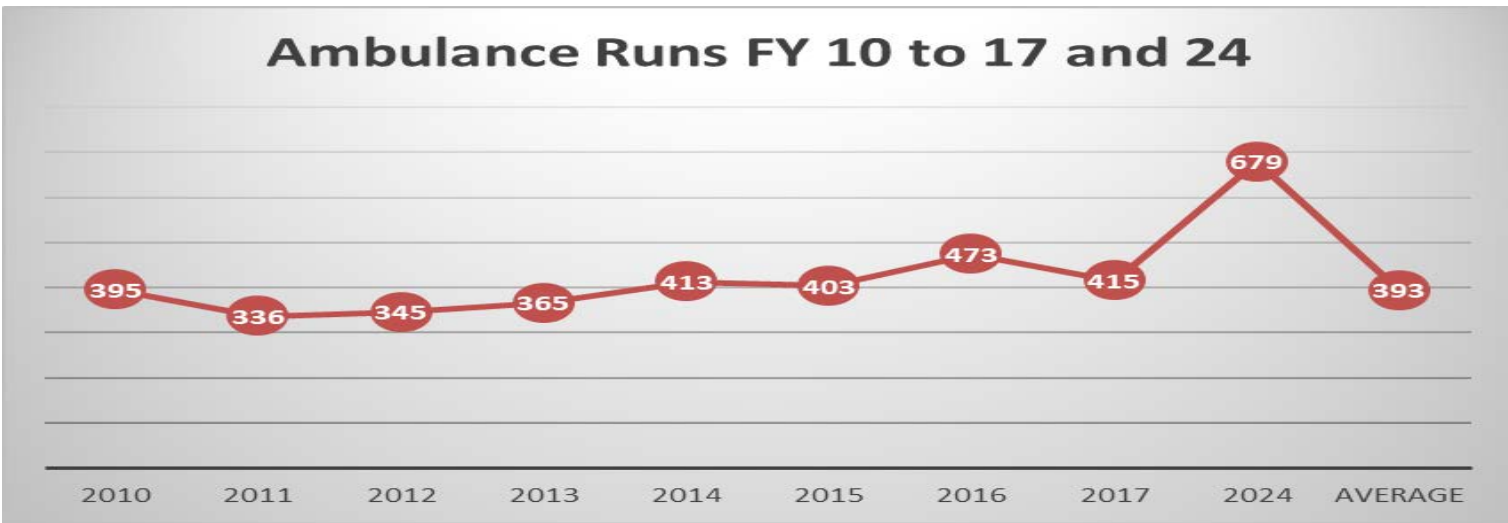


### RHC Visits

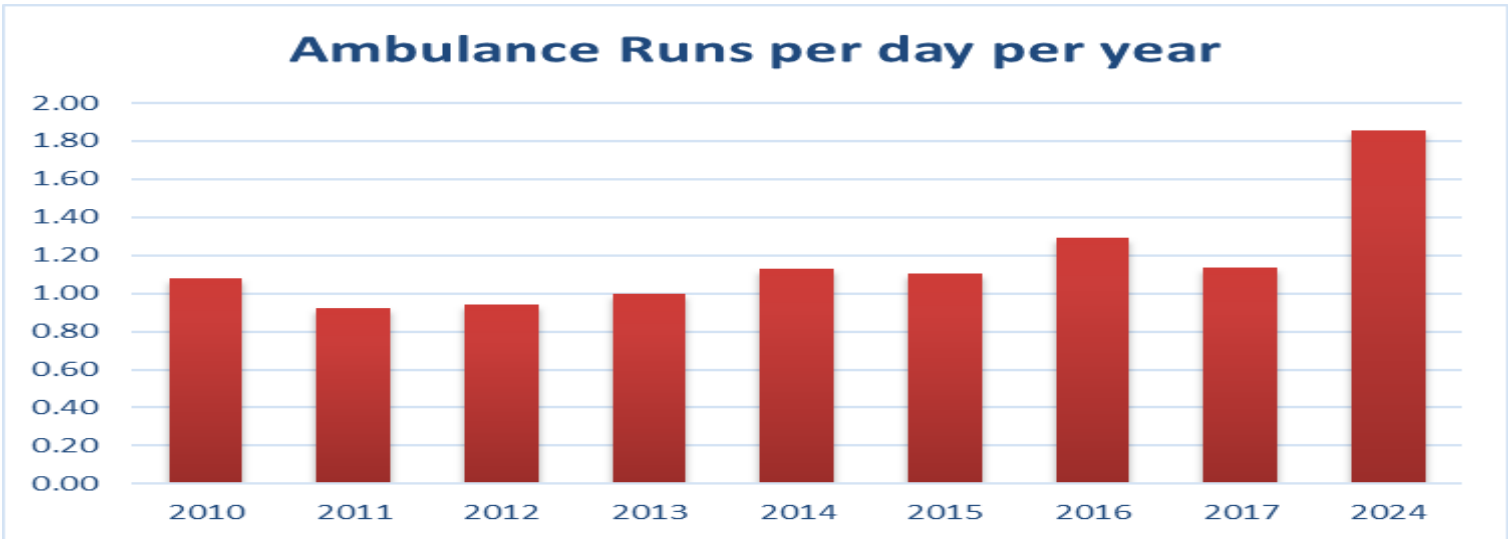




## Ambulance Runs FY 10 to 17 and 24



## Ambulance Runs per day per year



### Balance Sheet

- 1) Cash is down with some of the projects we have going.
- 2) Patient Accounts Receivable is up with Partnership not paying us our SNF payment.
- 3) The Patient Allowance is up as it's a percentage of the Patient Accounts Receivable.
- 4) Inventories are down as there was some issues with the transition from Paragon to Cerner that caused it to be overstated until we had the year end inventory to adjust it appropriately.
- 5) Accounts Payable is currently at 614K but will go up as we accrue all the late invoices in for FY 24.
- 6) The Medicare/Medi-Cal Settlements and the Payables will all start up again on the July financials as we start to account for the IGT payables and receivables for FY 25.
- 7) We ended the year at a robust 22.79 for our Current Ratio.

### Miscellaneous

- 1) Retail Pharmacy ended the year with a 143K positive bottom line.
- 2) The RHC also ended in the black with a 36K net income.
- 3) As you can see on the Collections vs Obligations spreadsheet we had a great year as we collected 9.8 million more than we spent.

<b>MAYERS MEMORIAL HOSPITAL</b>							
Statistical Data							
Fiscal Year Ending JUNE 30, 2024							
COMPARISION TO ACTUAL							
2024	2024			<b>FY 2024</b>	<b>FYE 2023</b>		
<b>June</b>	<b>May</b>			<b>YTD</b>	<b>YTD</b>		
<b>Actual</b>	<b>Actual</b>	Variance	<b>VOLUME:</b>	<b>Actual</b>	<b>Actual</b>	Variance	<b>% Increase or Decrease</b>
			<b>DISCHARGES</b>				
19	16	3	Acute	223	199	24	12.12%
7	10	(3)	Swing Bed	93	104	(11)	-10.61%
4	4	0	Skilled Nursing Care (DISCHG)	38	42	(4)	-9.51%
4	8	(4)	Observations	63	95	(32)	-33.71%
			<b>PATIENT DAYS</b>				
67	77	(10)	Acute	936	740	196	26.52%
70	130	(60)	Swing Bed	1,190	1,093	97	8.92%
2,339	2,431	(92)	Skilled Nursing Care	28,870	28,591	279	1.02%
			<b>LENGTH OF STAY</b>				
3.53	4.36	(1)	Acute	4.20	3.92	0	7.12%
10.00	11.40	(1)	Swing Bed	12.80	10.51	2	21.72%
			Skilled Nursing Care				
			<b>AVERAGE DAILY CENSUS</b>				
2.16	2.03	0	Acute	2.79	2.07	1	34.62%
2.26	3.80	(2)	Swing Bed	3.54	2.99	1	18.52%
75.45	79.07	(4)	Skilled Nursing Care	85.92	78.33	8	9.72%
			<b>ANCILLARY SERVICES</b>				
0	0	0	Surgery Inpatient Visits	0	0	0	#DIV/0!
15	20	(5)	Surgery OP/ procedure visits	63	3	60	2000.02%
390	416	(26)	Emergency Room Visits	4388	4,371	17	.42%
86	113	(27)	Outpatient Services Procedures	1151	1,602	(451)	-28.21%
634	616	18	Laboratory Visits	7973	9,792	(1819)	-18.61%
466	518	(52)	Radiology Procedures	5802	5,272	530	10.12%
580	685	(105)	Physcial Therapy Procedures	6822	7,391	(569)	-7.71%
143	177	(34)	Cardiac Rehab	2074	2,335	(261)	-11.21%
58	59	(1)	Telemedicine visits	691	60	631	1051.72%
21	18	3	Admissions from ER	233	265	(32)	-12.11%
26	30	(4)	Transfers from ER	293	187	106	56.72%
426	479	(53)	Clinic Visits	7062	8,041	(979)	-12.21%
62	63	(1)	Ambulance	679	-	679	#DIV/0!
			<b>PRODUCTIVITY:</b>				
			Productive FTE's				
7.12	7.12		Nursing - Acute	8.16	12.47		
36.58	38.31		Long Term Care	39.85	45.95		
53.14	54.46		Ancillary	58.87	44.74		
72.00	69.79		Service	74.04	71.62		
168.84	169.68		Total Productive	180.92	174.78		
95.43	94.35		Non-Productive FTE's	98.25	69.96		
264.27	264.03		Paid FTE's	279.17	244.74		
			<b>PRODUCTIVE FTE PER</b>				
2.64	2.51		<b>ADJUSTED OCCUPIED BED</b>	2.49	2.61		

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

2024		2023		Variance		2024		2023		Variance	Increase Decrease %
JUNE	JUNE	JUNE	JUNE			JUNE	JUNE	JUNE	JUNE		
Month Actual	Month Actual					YTD Actual	YTD Actual				
					<b>Retail Pharmacy Revenue</b>						
0	0	0		0	Medicare	310	0	310	0	0%	
0	0	0		0	Medi-Cal	134,102	18,762	115,340	-615%		
(52)	(6,424)	6,372		6,372	Retail Pharmacy Revenue	(761)	0	(761)	0%		
44,071	40,762	3,309		3,309	Private	478,674	392,165	86,509	-22%		
215,978	202,918	13,060		13,060	Third Party	3,076,129	2,234,006	842,123	-38%		
1,173	39	1,134		1,134	Other	21,514	(128)	21,642	16908%		
261,222	243,719	17,503		17,503	<b>Non-Operating Revenue</b>	3,710,728	2,644,805	4,163,567	-40%		
					<b>Non-Operating Expenses</b>						
13,721	31,639	(17,918)		(17,918)	Salaries & Wages	197,263	344,162	(146,899)	43%		
1,606	2,793	(1,187)		(1,187)	Employee Benefits	21,188	34,186	(12,998)	38%		
268,440	179,870	88,570		88,570	Supplies	2,882,983	2,166,035	716,948	-33%		
32,512	0	32,512		32,512	Ancillary Travelers	315,374	4,983	310,391	-6229%		
0	0	0		0	Non-Operating Employee Travel Expenses	6,378	0	6,378	0%		
456	35	421		421	Other Purchased Services	83,854	42,933	40,921	-95%		
637	4,444	(3,807)		(3,807)	Utilities	3,762	7,669	(3,907)	51%		
0	0	0		0	Repairs	48	0	48	0%		
491	141	350		350	Other	22,768	7,193	15,575	-217%		
2,766	2,807	(41)		(41)	Depreciation	33,745	33,680	65	0%		
8	16	(8)		(8)	Rent - Lease	72	388	(316)	81%		
320,637	217,745	102,892		102,892	<b>Total Non-Operating Expense</b>	3,567,436	2,641,229	926,207	-35%		
(59,415)	33,454	(92,869)		(92,869)	<b>Net Income (Loss)</b>	143,292	3,546	139,746	-3941%		

**MAYERS MEMORIAL HOSPITAL****Balance Sheet**

	<b>JUNE</b>
<b>CURRENT ASSET</b>	<b>2,024</b>
Cash - General, Payroll, & Petty Cash	29,830,564
Reserve Cash (Unrestricted)	1,852,337
Restricted Cash	2,882,710
<b>Cash</b>	<u>34,565,610</u>
Patient Accounts Receivable	16,952,659
Patient Allowances	<u>(7,327,593)</u>
Net Patient Accounts Receivable	9,625,066
Accounts Receivable	13,069,797
Shasta County Tax Receivables	<u>(276,010)</u>
Inventories	763,599
Other Accounts Receivable	3,595
Prepaid Expenses	354,414
Medicare/Medi-Cal Settlements	30,357
<b>Total Current Assets</b>	<u>48,511,364</u>
 <b>PROPERTY, PLANT, AND EQUIPMNT</b>	
Land and Building Improvements	3,969,852
Building and Fixed Equipment	39,457,488
Equipment	16,367,799
Subscription Based Assets	331,906
Construction in Progress	1,692,368
Accumulated Depreciation	<u>(29,019,741)</u>
Accumulated Amortization	<u>(36,730)</u>
<b>Total Property, Plant &amp; Equipment</b>	<u>32,762,943</u>
Other Assets	0
 <b>Total Assets</b>	<u><u>81,274,307</u></u>
 Accounts Payable	614,253
Payroll and Related Liabilities	1,197,228
Audit Fees Payable	0
Grant Liabilities	0
Lease - Current Liability	0
Current Subscription Liability	121,886
Accrued Interest	196,965
HQAF 7 Payable	0
HQAF 8 Payable	0
Rate Range Payable	0
Notes & Loans Payable	5,422
Current Portion of Medicare/Medi-Cal Settlement	<u>(7,082)</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>2,128,672</u>
 <b>LONG TERM DEBT</b>	
GO Bond	1,896,054
Leases	63,853
PPP Loan	0
Notes & Loans Payable/CHFFA	1,258,158
GO Bond Series B & Refunding	20,061,000
Long Term Subscription Liability	111,109
<b>TOTAL LONG-TERM DEBT</b>	<u>23,390,173</u>
 <b>FUND BALANCE</b>	
Restricted Fund Balance	23,086
Fund Balance - Hospital	55,732,375
Fund Balance - Adjustments	0
<b>TOTAL FUND BALANCE</b>	<u>55,755,461</u>
 Liabilities and Fund Balance	81,274,307
 Net Income	18,612,471
 <b>Current Ratio</b>	22.79

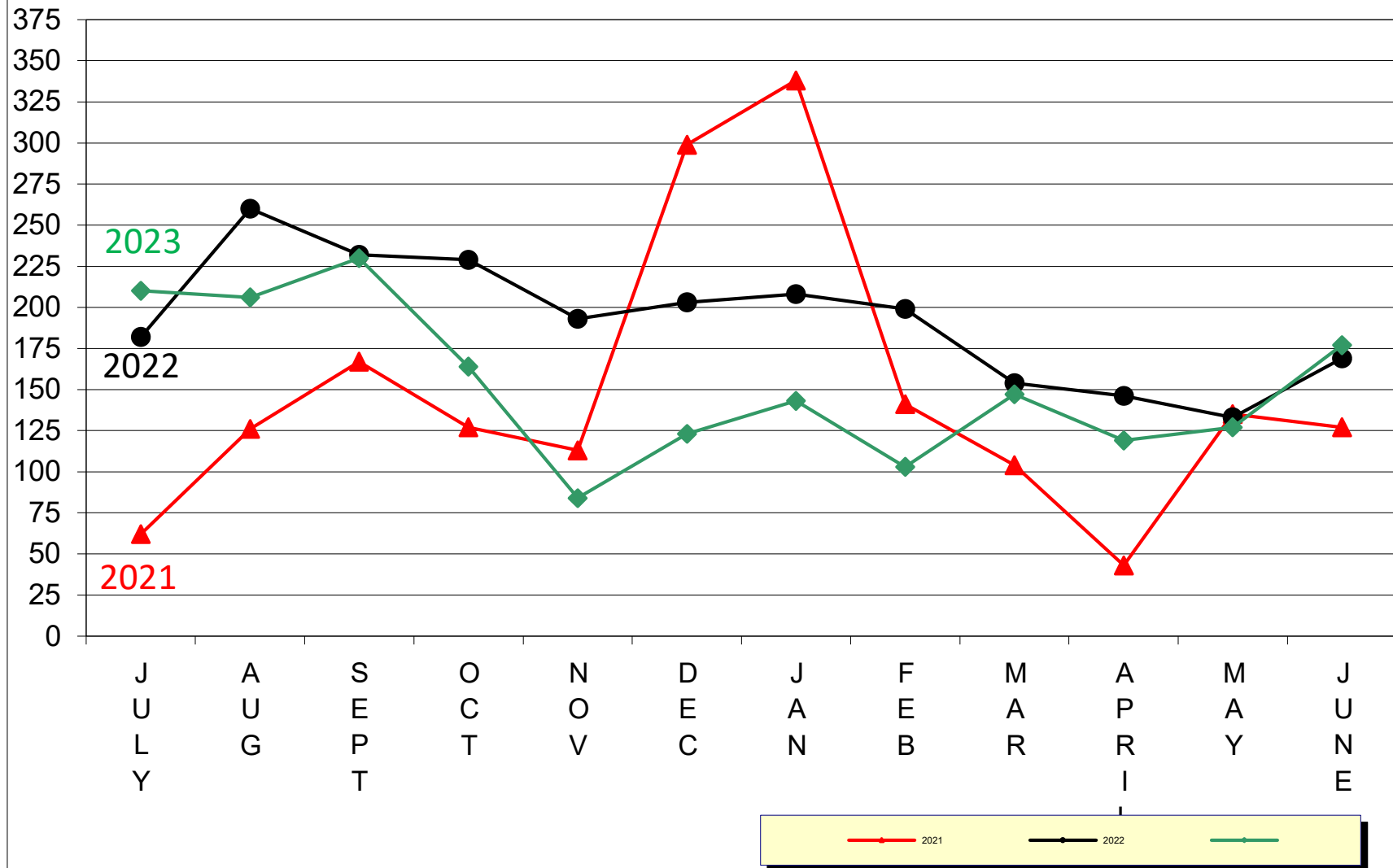
**MAYERS MEMORIAL HOSPITAL**  
**SUMMARY OF SERVICES - DEPOSITS - REFUNDS**  
- Fiscal Year 2024

DATE:	REVENUE / SERVICES	AVERAGE DAILY REVENUE	TOTAL DEPOSITS	MISC. PAYMENTS	MISC. PMTS PT RELATED	PATIENT PAYMENTS	ADJUSTMENT S & WRITE-OFFS	REFUNDS
July 31, 2023	4,623,679.50	149,150.95	3,652,756.59	46,893.31	18,182.00	3,587,681.28	1,691,702.55	399.52
August 31, 2023	4,725,908.02	152,448.65	3,367,116.77	123,385.38	-	3,243,731.39	1,770,311.97	1,090.01
September 30, 2023	4,928,637.74	164,287.92	3,113,606.99	58,052.19	-	3,055,554.80	1,617,344.87	411.81
October 31, 2023	4,752,520.84	153,307.12	6,499,044.61	209,385.50	3,521,626.00	2,768,033.11	1,096,151.95	5,490.84
November 30, 2023	5,016,256.20	167,208.54	2,666,431.77	55,620.19	-	2,610,811.58	1,732,467.29	1,492.98
December 31, 2023	4,794,351.84	154,656.51	2,681,503.59	114,670.38	-	2,566,833.21	1,407,295.12	-
January 30, 2024	5,505,116.20	177,584.39	3,263,197.67	536,648.44	-	2,726,549.23	1,623,505.35	1,050.74
February 28, 2024	5,436,551.08	187,467.28	3,601,391.26	75,827.79	-	3,525,563.47	1,780,829.00	1,461.47
March 30, 2024	5,417,097.27	174,745.07	3,135,630.42	234,883.10	728,514.00	2,172,233.32	2,461,628.24	28,079.27
April 29, 2024	5,518,903.86	183,963.46	21,576,669.24	19,522,912.39	107,228.77	1,946,528.08	1,894,608.96	-
May 30, 2024	5,865,710.39	189,216.46	9,968,357.14	576,715.11	4,088,627.00	5,303,015.03	2,929,677.19	3,856.17
June 29, 2024	5,344,134.90	178,137.83	2,894,747.64	18,717.95	-	2,876,029.69	2,911,885.97	-
<b>YTD TOTAL</b>	<b>61,928,867.84</b>	<b>169,347.85</b>	<b>66,420,453.69</b>	<b>21,573,711.73</b>	<b>8,464,177.77</b>	<b>36,382,564.19</b>	<b>22,917,408.46</b>	<b>43,332.81</b>

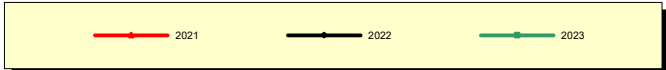
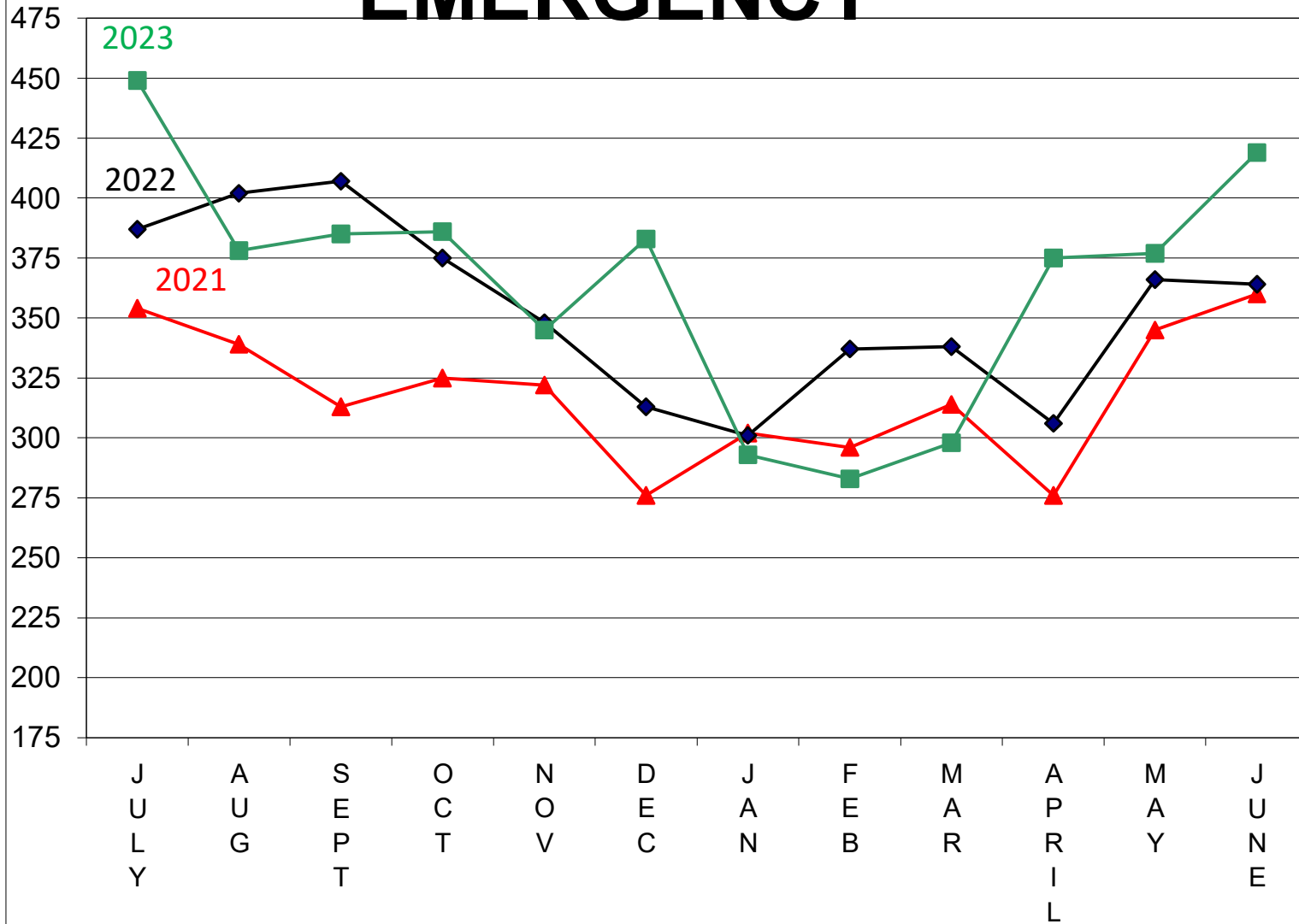
Zero is the "depo misc rev patient related from T code got it from the paperwork " daily cash/adjustments

ACCOUNTS RECEIVABLE AGING					PAYOR MIX - YTD % OF REVENUE				
	June	June	May	APR					3 MONTH
	<u>\$ OUTSTANDING</u>	<u>DAYS OUT</u>	<u>DAYS OUT</u>	<u>DAYS OUT</u>		June	May	APR	AVERAGE
MEDICARE	6,655,049.76	82.76	82.76	84.23	MEDICARE	38.08%	44.18%	44.89%	42.38%
MEDI - CAL	6,241,077.41	71.31	71.31	97.83	MEDI - CAL	40.97%	41.65%	40.03%	40.88%
THIRD PARTY	19,174.86	108.02	108.02	108.32	THIRD PARTY	16.41%	13.63%	14.36%	14.80%
PRIVATE	969,295.27				PRIVATE	4.55%	0.54%	0.72%	1.94%
<b>LTC ONLY (INCLUDE)</b>	<b>3,304,149.70</b>	<b>79.67</b>	<b>65.88</b>	<b>110.17</b>					
<b>OVERALL</b>	<b>16,407,383.87</b>	<b>90.23</b>	<b>85.1</b>	<b>96.41</b>					

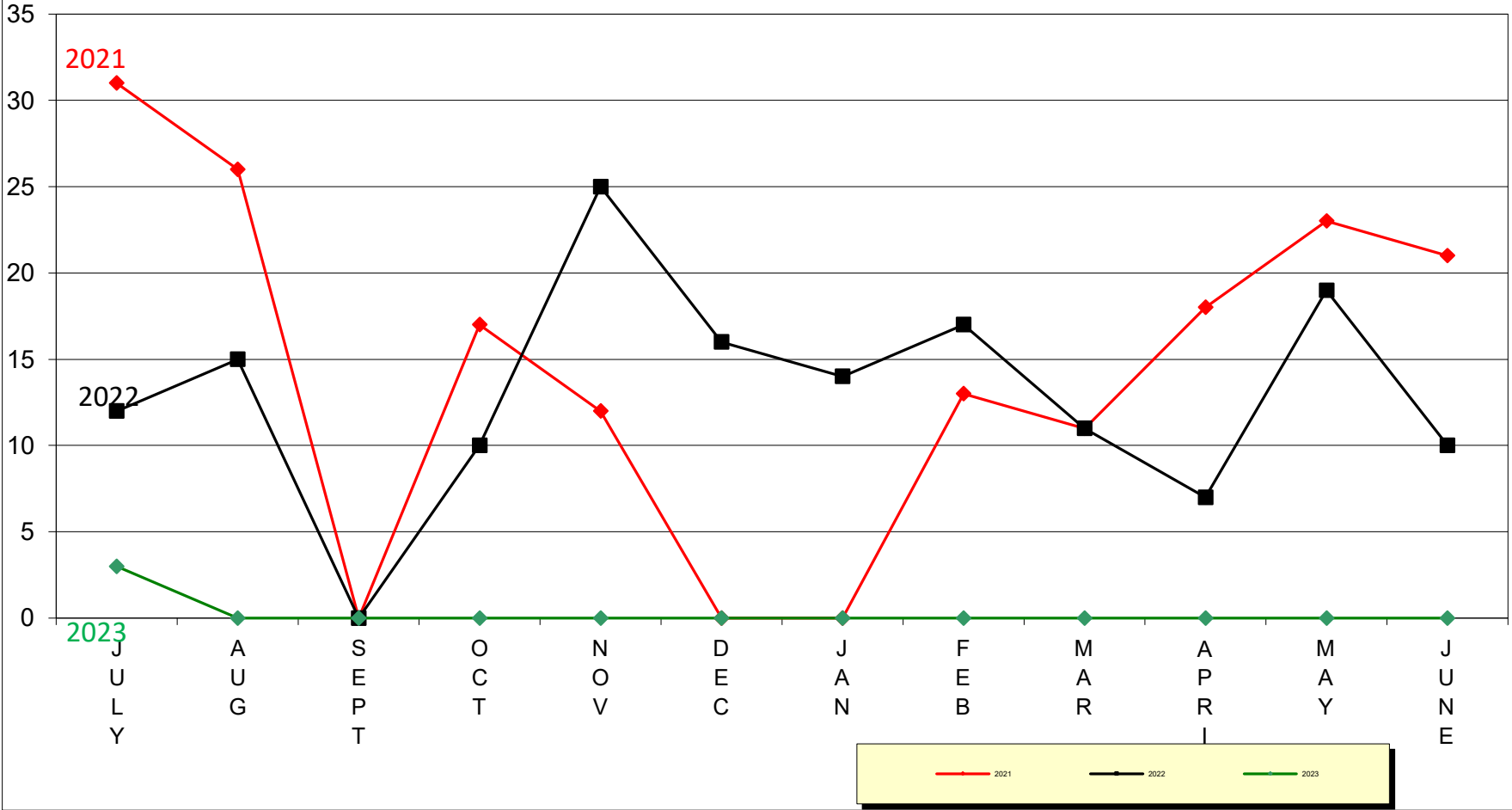
# ACUTE / SWING PATIENT DAYS



# EMERGENCY

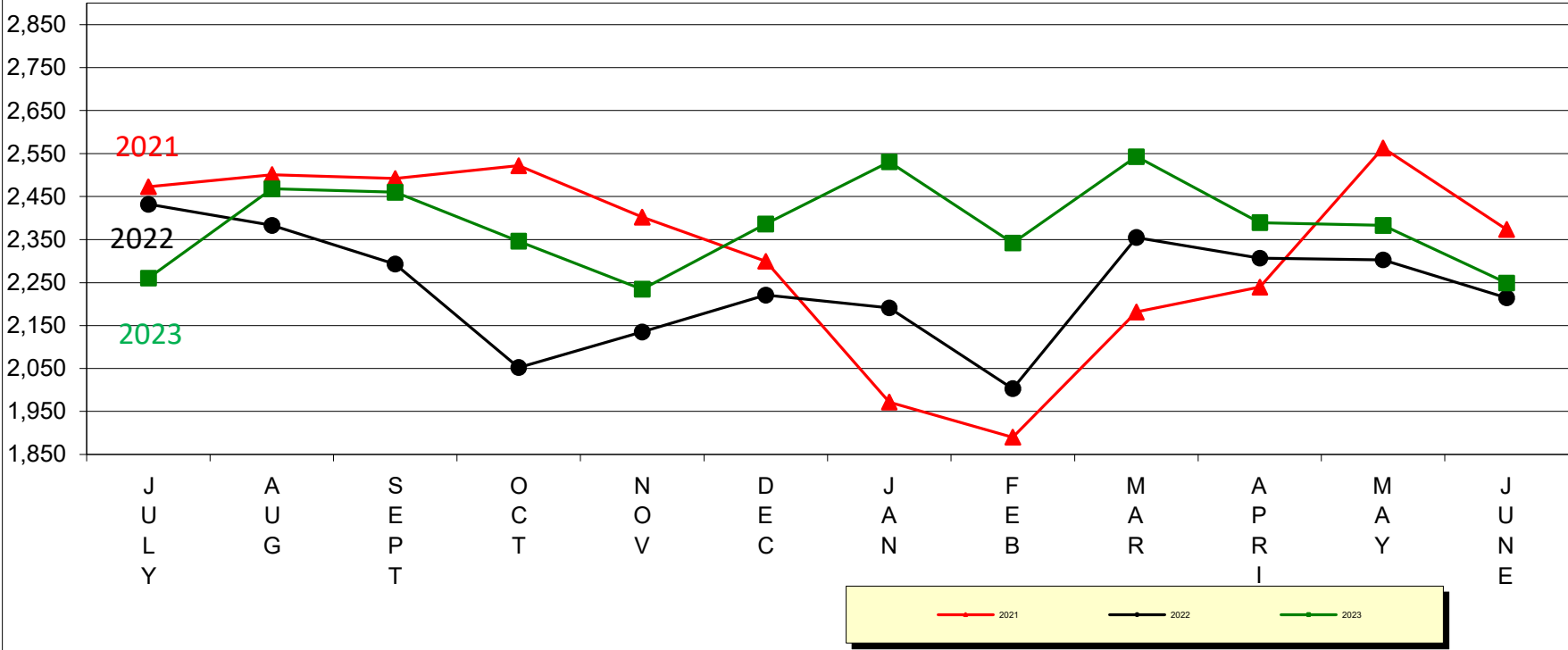


# SURGERY / OUTPATIENT PROCEDURES





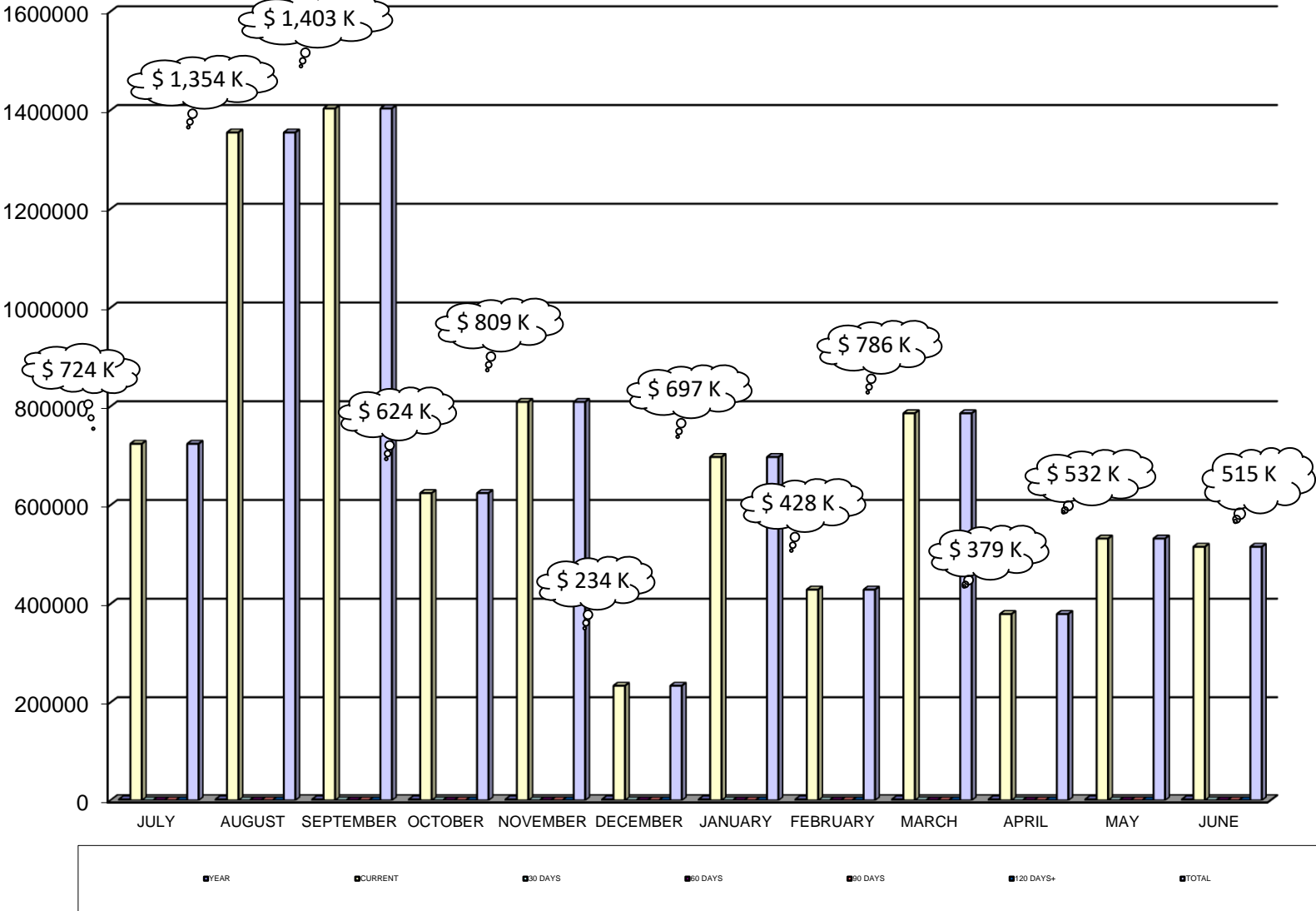
# SNF PATIENT DAYS



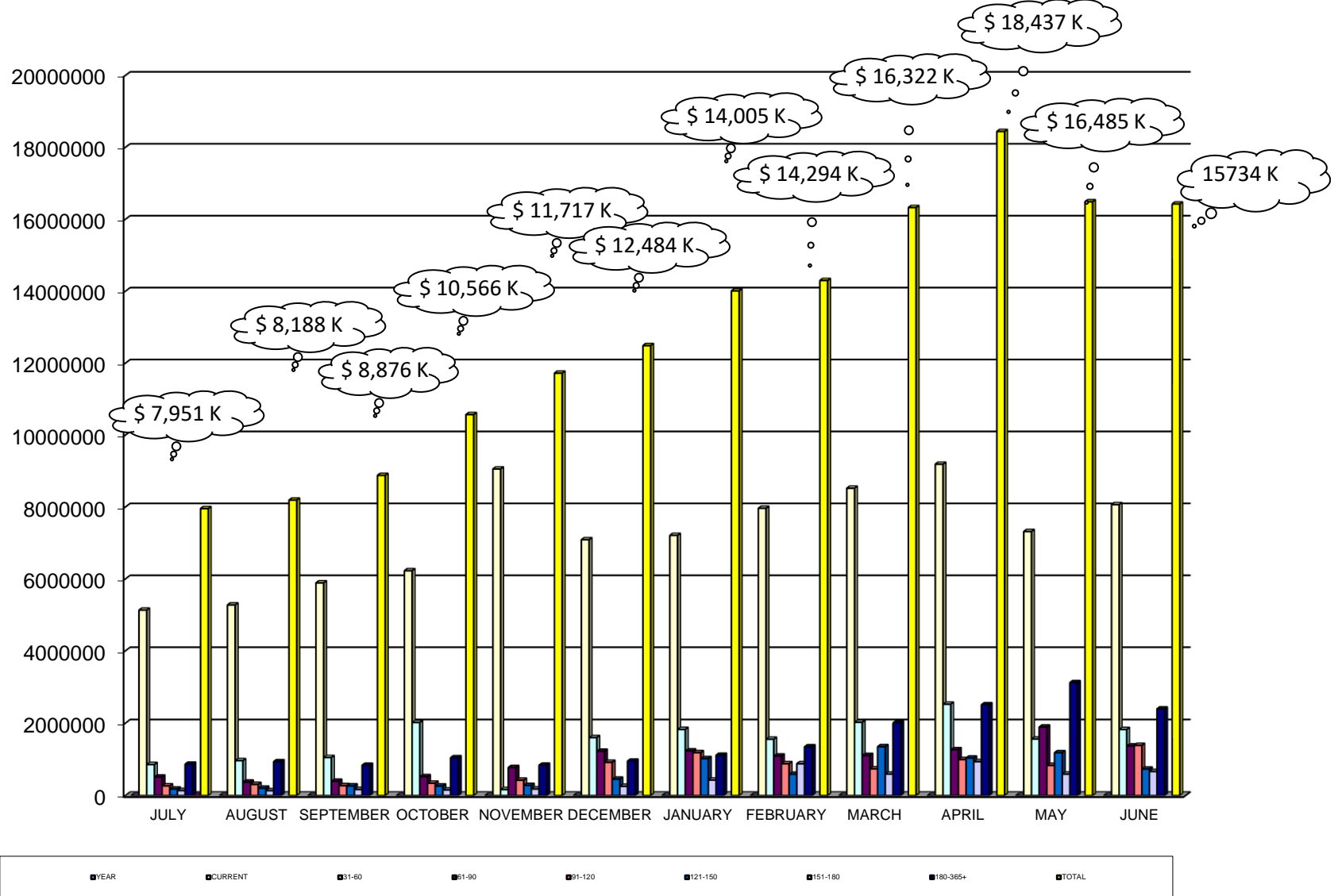
### RHC INCOME STATEMENT

	July 2023	August 2023	September 2023	October 2023	November 2023	December 2023	January 2024	February 2024	March 2024	April 2024	May 2024	June 2024	YTD
Patient Revenue	147,859	162,320	129,207	191,794	185,838	118,885	152,678	175,034	146,197	129,887	94,396	101,610	1,735,705
<b>Operating Expenses</b>													
Salaries & Wages	131,944	129,731	90,043	110,320	126,494	103,578	119,498	96,137	95,112	88,976	78,351	94,407	1,264,592
Employee Benefits	8,562	9,935	6,293	6,486	7,904	10,364	9,641	8,513	7,822	7,662	10,243	8,612	102,038
Supplies	17,526	18,778	14,781	35,753	19,298	12,739	6,069	8,077	1,693	3,710	2,688	7,045	148,156
Professional Fees	82	82	102	82	50	240	36	990	0	0	0	0	1,664
Travelers	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Purchased Service	7,531	11,260	7,618	6,584	5,036	4,772	4,713	5,064	15,560	4,137	8,117	5,683	86,076
Repairs & Maintenance	0	0	0	0	1,700	0	0	0	0	0	0	0	1,700
Utilities	334	0	47	77	70	0	0	0	105	0	0	0	633
Insurance Other	4,638	0	1,576	3,151	1,576	1,576	1,576	0	1,576	1,576	1,576	2,587	21,405
Other Expenses	2,601	2,534	1,694	913	5,757	765	768	956	153	2,161	298	1,233	19,833
Depreciation Expense	4,399	4,399	4,498	4,480	4,336	4,480	4,480	4,191	4,480	4,336	4,480	4,336	52,894
Rental/Lease	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	177,616	176,719	126,650	167,847	172,221	138,514	146,780	123,930	126,501	112,558	105,752	123,903	1,698,991
Net Income (Loss)	(29,757)	(14,399)	2,401	23,947	13,616	(19,628)	5,898	51,104	19,696	17,329	(11,356)	(22,293)	36,560

# ACCOUNTS PAYABLE



# ACCOUNTS RECEIVABLE



## 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	2023	5,129,418.81	855,710.44	511,902.11	267,808.34	181,366.34	140,335.86	865,049.42	7,951,591.32
AUGUST	2023	5,273,384.11	962,458.04	372,018.73	307,975.52	203,337.36	136,376.78	933,253.00	8,188,803.54
SEPTEMBER	2023	5,887,057.58	1,049,061.98	395,095.95	273,731.12	265,748.11	170,330.58	835,320.08	8,876,345.40
OCTOBER	2023	6,225,856.99	2,014,041.09	522,014.12	341,153.52	264,054.02	157,200.19	1,042,525.52	10,566,845.45
NOVEMBER	2023	9,054,120.44	167,346.42	772,487.12	423,272.02	280,638.44	182,074.36	837,597.21	11,717,536.01
DECEMBER	2023	7,085,857.05	1,599,234.24	1,223,123.48	917,552.63	452,345.76	256,568.25	949,957.70	12,484,639.11
JANUARY	2024	7,207,331.31	1,824,664.34	1,231,267.09	1,184,355.83	1,018,536.81	427,999.78	1,111,770.96	14,005,926.12
FEBRUARY	2024	7,961,279.54	1,553,250.12	1,090,960.11	878,322.48	589,425.02	878,161.08	1,343,486.37	14,294,884.72
MARCH	2024	8,518,419.51	2,020,323.83	1,106,092.83	737,425.37	1,347,332.77	592,633.88	2,000,481.78	16,322,709.97
APRIL	2024	9,186,586.72	2,519,078.15	1,264,084.10	992,515.29	1,035,845.68	935,661.44	2,503,801.45	18,437,572.83
MAY	2024	7,315,071.10	1,558,943.17	1,889,783.20	832,786.22	1,182,172.40	592,507.49	3,113,719.18	16,484,982.76
JUNE	2024	8,062,078.69	1,822,593.23	1,368,061.65	1,383,552.59	732,099.38	664,491.29	2,389,444.58	16,422,321.41

## 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	2023	724,249.80	0.00	0.00	0.00	0.00	724,249.80
AUGUST	2023	1,354,803.00	0.00	0.00	0.00	0.00	1,354,803.00
SEPTEMBER	2023	1,403,432.00	0.00	0.00	0.00	0.00	1,403,432.00
OCTOBER	2023	624,411.37	0.00	0.00	0.00	0.00	624,411.37
NOVEMBER	2023	809,115.73	0.00	0.00	0.00	0.00	809,115.73
DECEMBER	2023	234,011.24	0.00	0.00	0.00	0.00	234,011.24
JANUARY	2024	697,542.97	0.00	0.00	0.00	0.00	697,542.97
FEBRUARY	2024	428,875.31	0.00	0.00	0.00	0.00	428,875.31
MARCH	2024	786,062.75	0.00	0.00	0.00	0.00	786,062.75
APRIL	2024	379,500.78	0.00	0.00	0.00	0.00	379,500.78
MAY	2024	532,346.22	0.00	0.00	0.00	0.00	532,346.22
JUNE	2024	515,647.05	0.00	0.00	0.00	0.00	515,647.05

in th

## ACCOUNTS RECEIVABLE BY SYSTEM

<b>SYSTEM</b>	<b>CURRENT</b>	<b>31-60</b>	<b>61-90</b>	<b>91-120</b>	<b>121-150</b>	<b>151-180</b>	<b>180-365+</b>	<b>TOTAL</b>
<b>PARAGON</b>	\$ 3,269,804.44	\$ 165,338.00	\$ 688.50	\$ (472.00)	\$ 417.84	\$ 2,931.00	\$ 737,443.69	\$ 4,176,151.47
<b>CERNER</b>	\$ 4,599,229.72	\$ 1,556,191.04	\$ 1,250,362.75	\$ 1,286,196.59	\$ 558,605.58	\$ 588,640.37	\$ 1,231,152.79	\$ 11,070,378.84
<b>EPIC</b>	\$ 4,812.21	\$ -	\$ -	\$ -	\$ 12,768.93	\$ -	\$ -	\$ 17,581.14
<b>MATRIXCARE</b>	\$ 41,637.33	\$ 35,305.50	\$ 54,373.86	\$ 42,595.11	\$ 84,464.68	\$ -	\$ 211,982.53	\$ 470,359.01
<b>TOTAL</b>	\$ 7,915,483.70	\$ 1,756,834.54	\$ 1,305,425.11	\$ 1,328,319.70	\$ 656,257.03	\$ 591,571.37	\$ 2,180,579.01	\$ 15,734,470.46

MONTHLY COLLECTIONS - OBLIGATIONS FISCAL YEAR 2024

	2023						2024					
	<u>JULY</u>	<u>AUGUST</u>	<u>SEPTEMBER</u>	<u>OCTOBER</u>	<u>NOVEMBER</u>	<u>DECEMBER</u>	<u>JANUARY</u>	<u>FEBRUARY</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>
BEGINNING AP BALANCE	744,055.46	724,249.80	1,354,803.00	1,403,432.00	624,411.37	809,115.73	234,011.24	697,542.97	428,875.31	786,062.75	379,500.78	532,346.22
BEGINNING CREDIT LINE BALANCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b><u>CASH COLLECTIONS</u></b>												
PATIENT PAYMENTS	3,209,664.96	3,314,218.96	3,108,448.28	2,848,517.21	2,660,566.09	2,644,554.12	2,790,272.04	3,587,943.19	2,241,201.77	1,986,197.80	5,493,342.80	2,876,029.19
COST REPORT SETTLEMENTS	416,967.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	593,155.00	0.00	0.00	0.00
DSH (Disproportionate Share)	18,182.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OUTPATIENT SUPPLEMENTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	107,228.77	0.00	0.00
DPNF SUPPLEMENTAL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
E.H.R. MCAL/MCARE INCENTIVES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
USDA FUNDING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CHFFA FUNDING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PRIME	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
IGT RATE RANGE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,400,248.63	0.00	0.00
QIP LTC	0.00	0.00	0.00	15,750.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HQAF	0.00	0.00	0.00	3,521,626.00	0.00	0.00	0.00	0.00	135,359.00	0.00	4,088,627.00	0.00
2017 G.O. BOND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SPECIAL - WINDMILL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TAXES	0.00	40,422.65	742.38	35,119.86	0.00	5,284.88	469,174.63	9,618.82	51,396.84	0.00	360,880.25	9,833.23
RENTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VENDING / CAFETERIA	3,696.00	3,464.25	2,387.00	4,018.25	3,273.75	2,457.50	3,751.00	3,829.25	2,955.50	4,042.75	3,381.25	0.00
Telemed Grant (HRSA)	0.00	9,000.00	0.00	0.00	0.00	0.00	0.00	0.00	8,000.00	0.00	0.00	0.00
Mayers Healthcare Foundation	0.00	0.00	0.00	18,653.37	0.00	0.00	0.00	0.00	80,480.99	0.00	11,000.00	3,502.95
MISC (REBATES/REIMB, CARES ACT ETC)	4,246.63	10.91	2,029.33	55,359.92	2,591.93	29,207.09	0.00	0.00	23,081.32	78,951.29	11,125.84	5,382.27
<b><u>TOTAL COLLECTIONS</u></b>	<b>3,652,756.59</b>	<b>3,367,116.77</b>	<b>3,113,606.99</b>	<b>6,499,044.61</b>	<b>2,666,431.77</b>	<b>2,681,503.59</b>	<b>3,263,197.67</b>	<b>3,601,391.26</b>	<b>3,135,630.42</b>	<b>21,576,669.24</b>	<b>9,968,357.14</b>	<b>2,894,747.64</b>
<b><u>EXPENSES</u></b>												
INCOME STATEMENT EXPENSES	3,340,237.00	4,296,635.00	3,106,148.00	4,097,268.00	4,097,930.00	3,184,738.00	3,159,648.00	3,544,035.00	3,967,754.00	3,615,577.00	4,003,165.00	4,024,560.00
ASSET EXPENSES	0.00	66,650.00	0.00	0.00	5,390.49	23,036.48	33,233.56	0.00	15,867.07	0.00	0.00	0.00
CIP EXPENSES	11,691.57	265,626.17	11,380.74	45,069.88	15,082.22	35,933.65	38,775.18	39,880.26	82,134.26	153.27	45,759.40	351,826.37
IGT EXPENSES / PRIME REPYMT/ HQAF	0.00	0.00	0.00	1,089,472.00	0.00	0.00	0.00	7,587,027.00	1,298,927.00	0.00	0.00	0.00
USDA PRIN-INT PYMTS	0.00	0.00	728,426.25	0.00	0.00	0.00	0.00	0.00	325,991.25	0.00	0.00	0.00
MEDICARE/MCAL REPAYMENT PLANS/C	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
CAPITAL LEASES	2,465.71	2,466.00	0.00	2,476.30	2,466.00	2,466.00	2,466.00	2,466.30	2,465.64	4,932.20	0.00	2,466.00
<b><u>TOTAL EXPENSES</u></b>	<b>3,354,394.28</b>	<b>4,631,377.17</b>	<b>3,845,954.99</b>	<b>5,234,286.18</b>	<b>4,120,868.71</b>	<b>3,246,174.13</b>	<b>3,234,122.74</b>	<b>11,173,408.56</b>	<b>5,693,139.22</b>	<b>3,620,662.47</b>	<b>4,048,924.40</b>	<b>4,378,852.37</b>
<b><u>collections less expenses</u></b>	<b>298,362.31</b>	<b>(1,264,260.40)</b>	<b>(732,348.00)</b>	<b>1,264,758.43</b>	<b>(1,454,436.94)</b>	<b>(564,670.54)</b>	<b>29,074.93</b>	<b>(7,572,017.30)</b>	<b>(2,557,508.80)</b>	<b>17,956,006.77</b>	<b>5,919,432.74</b>	<b>(1,484,104.73)</b>
ENDING AP BALANCE	724,249.80	1,354,803.00	1,403,432.00	624,411.37	809,115.73	234,011.24	697,542.97	428,875.31	786,062.75	379,500.78	532,346.22	515,647.15
ENDING CREDIT LINE BALANCE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**average**

**beg balance**

726,533.89

0.00

**YTD total**

**cash collections**

36,760,956.41

1,010,122.00

18,182.00

107,228.77

0.00

0.00

0.00

0.00

0.00

19,400,248.63

15,750.00

7,745,612.00

0.00

0.00

982,473.54

0.00

37,256.50

17,000.00

113,637.31

211,986.53

66,420,453.69

**YTD total**

**expenses**

44,437,695.00

144,177.60

943,312.97

9,975,426.00

1,054,417.50

0.00

27,136.15

56,582,165.22

9,838,288.47

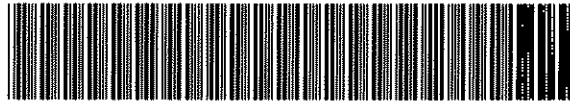
**average**

**ending balance**

707,499.86

0.00





\*0400416700060007232024\*



## LOAN CHECKLIST

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$100,000.00	07-23-2024	07-23-2025	400416700	4 / 028		***	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

**Borrower:** Mayers Memorial Hospital District  
PO Box 459  
Fall River Mills, CA 96028

**Lender:** Cornerstone Community Bank  
Redding Branch  
192 Hartnell Ave.  
Redding, CA 96002

### DESCRIPTION

\_\_\_\_ Loan Type: This is a Variable Rate Nondisclosable Draw Down Line of Credit Loan to a Corporation for \$100,000.00 due on July 23, 2025. The reference rate (Prime Rate as published in the Wall Street Journal. When a range of rates has been published, the higher of the rates will be used, currently 8.500%, with an interest rate floor of 5.000%), resulting in an initial rate of 8.500.

\_\_\_\_ Transaction Number: 5166.

\_\_\_\_ Collateral: This transaction is unsecured.

\_\_\_\_ Officer: CSCB\MMOSELEY Moseley, Matt

\_\_\_\_ Processor: CSCB\CSAETERN Saetern, Chan

\_\_\_\_ Standard Product: Commercial - Letter of Credit.

\_\_\_\_ Standard Policy: Commercial - Letter of Credit.

\_\_\_\_ Branch Number and Name: 002 -- Redding Branch.

\_\_\_\_ General Lending Policy for this transaction is governed by California law.

\_\_\_\_ LASER PRO has identified this as a California "Constitution" transaction.

### LOAN DOCUMENTS

- |  |   |
|--|---|
| ____ Loan Checklist  | ____ Loan Request Summary   |
| ____ Corporate Resolution: Mayers Memorial Hospital District         | ____ Business Loan Agreement  |
| ____ Customer Information Profile: Ryan J Ramon Harris               | ____ Irrevocable Letter of Credit: 2024009                                    |
| ____ Customer Information Profile: Mayers Memorial Hospital District | ____ Customer Information Profile: Travis Lakey                               |
| ____ Promissory Note   | ____ Certification of Beneficial Owner(s) - Mayers Memorial Hospital District |
| ____ Automatic Payment - Automatic Payment                           | ____ Red Flag - Red Flag Checklist  |
| ____ Disbursement Request and Authorization                          | ____ Red Flag - Red Flag Checklist  |
| ____ Boarding Data Sheet: Transaction 5166                           | ____ Notice of Final Agreement  |
| ____ Model Privacy Notice: Mayers Memorial Hospital District         | ____ Loan Cover Sheet   |

This list of documents may not include all the documents needed for this transaction. Applications, verifications, and other specialized documents may be needed.

### ENTRY OMISSION WARNINGS TO LENDER

In processing this loan, any omission warnings in this "Entry Omissions" section should be reviewed as provided below.

### ADVISORY WARNINGS TO LENDER

\_\_\_\_ **BORROWER ORDER.** The original order of the Borrowers for this transaction has been changed on the **Customer Summary** window. This may cause discrepancies of the Borrower order in some windows and their associated forms. Be sure that all your forms for this transaction correctly reflect the order of Borrowers and their associated information. **3BLEAS0024S**

\_\_\_\_ **INCREASED POST-MATURITY RATE.** You have selected to provide for an increased interest rate following default in the Interest Rates in Default policy component for this California loan. Our California counsel has advised that a California court recently found that liquidated damages in the form of an increased interest rate assessed against the entire outstanding balance of an unmatured loan qualified as an unlawful penalty under California law. Therefore, when California law applies and your financial institution has chosen an increased post-default rate in Standard Policy for the loan, the Interest After Default paragraph provides only for application of the increased interest rate on a fully matured note. Additionally, our California counsel advised that since increased interest after default provisions have been scrutinized by California courts, and since this is a developing area of the law, it is possible that a court may even find that default interest applied to the principal balance upon maturity, or upon acceleration of the loan (which is an issue that has not yet been clearly addressed by California courts), may not

## LOAN CHECKLIST (Continued)

Loan No: 400416700

Page 2

be enforceable in certain situations. Consult your legal counsel if you have questions. **3CLECA0002S**

**365/360.** A 365/360 interest calculation method has been selected for this loan. This calculation method results in a higher effective interest rate than the numeric interest rate stated in the loan documents. Before committing to this interest calculation method, you should consult your legal counsel or compliance officer. LaserPro offers the option of making the chosen 365/360 interest calculation method more conspicuous by including a line for the borrower to initial the "Interest Calculation Method" paragraph. This option has not been chosen for this loan. Additionally, LaserPro offers the option to add the following statement in the "Interest Calculation Method" paragraph: "This calculation method results in a higher effective interest rate than the numeric interest rate stated in this Note." Including this language alerts your customers to the effect of the 365/360 interest calculation method. This option has also not been chosen for this loan. Consult your legal counsel if you have questions. **3BLEAS0160S**

**365/360 MIN MAX.** A 365/360 interest calculation method has been selected for this loan that also contains a ceiling, floor or default rate increase. Your legal counsel should be consulted to determine how a floor, ceiling, or default rate should be applied in conjunction with this accrual. **3BLEAS0163S**

**MISSING BENEFICIAL OWNER DATA.** You have not entered sufficient information for identification on the Certification of Beneficial Owner(s) form for one or more of the beneficial owners / controllers: Travis Lakey. FinCEN customer due diligence rules require covered institutions to collect information regarding beneficial owners of legal entity customers (corporations, LLCs, partnerships, or similar entities), unless otherwise exempt, and verify the identities of such individuals at the time of account opening as part of the institution's anti-money laundering (AML) program. **3BLEAS0267S**

In processing this loan, any warnings in this "Advisory Warnings" section should be reviewed as provided below.

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### CRITICAL WARNINGS TO LENDER

In processing this loan, any warnings in this "Critical Warnings" section should be reviewed as provided below.

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### CHECKLIST WARNINGS

In processing this loan, all warnings appearing above should be reviewed. To generate correct closing documents, it is important to visit and make appropriate selections on all applicable details windows, such as collateral details windows. All closing documents should be reviewed by your compliance officer or legal counsel as specified in the LaserPro Setup Guide. If you have questions about why LaserPro has generated any warning, visit the Finastra Customer Success Community at <https://support.finastra.com> to log into our online self-service Case Management system. If you have legal questions about these warnings or this loan or what action to take, you should seek the advice of your compliance officer or legal counsel.



\*0400416700061007232024\*



### LOAN REQUEST SUMMARY

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$100,000.00	07-23-2024	07-23-2025	400416700	4 / 028		***	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Mayers Memorial Hospital District  
PO Box 459  
Fall River Mills, CA 96028

**Lender:** Cornerstone Community Bank  
Redding Branch  
192 Hartnell Ave.  
Redding, CA 96002

#### DRAW DOWN LINE OF CREDIT (Variable Rate)

	<u>Financed</u>	<u>In Cash</u>
<b>AMOUNT REQUESTED:</b>	\$100,000.00	
<b>PREPAID FINANCE CHARGES:</b>		
Loan Origination Fee		500.00
<b>SECURITY INTEREST CHARGES:</b>	0.00	
<b>NOTE AMOUNT:</b>	\$100,000.00	\$500.00

#### PAYMENT CALCULATION:

**Interest Method:** 365/360  
**Disbursement Date:** 07-23-2024  
**First Int Payment Date:** 08-23-2024  
**Due Date:** 07-23-2025  
**Int Payment Period:** Monthly  
**Variable Interest Rate:** 8.500%  
**Credit Insurance:** None

**Payment Schedule.** Borrower's payment schedule consists of the following: one payment of \$100,000.00 plus accrued interest on July 23, 2025, with interest calculated on the unpaid principal balances at an interest rate based on the Prime Rate as published in the Wall Street Journal. When a range of rates has been published, the higher of the rates will be used (currently 8.500%), resulting in an initial interest rate of 8.500% based on a year of 360 days, and 11 monthly consecutive payments, beginning August 23, 2024, with interest calculated on the unpaid principal balances at an interest rate based on the Prime Rate as published in the Wall Street Journal. When a range of rates has been published, the higher of the rates will be used (currently 8.500%), resulting in an initial interest rate of 8.500% based on a year of 360 days. Borrower's final payment of \$100,354.17 will be due on July 23, 2025. This estimated final payment is based on the assumption that all payments will be made exactly as scheduled and that the Index does not change; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under the Note.

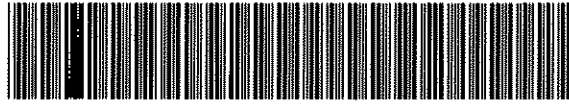
e APR 9.715%	FINANCE CHARGE \$4,809.03	AMOUNT FINANCED \$99,500.00	TOTAL OF PAYMENTS \$104,309.03
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e means estimate

**COLLATERAL:** Unsecured.

**TRANSACTION NUMBER:** 5166

**NOTICE:** This Loan Request Summary is for informational purposes only and does not obligate Lender in any way to make this loan or any other loan to Borrower. The fees and charges listed above are estimates only; and, if a loan is made, different or additional fees and charges may be imposed.



\*0400416700028007232024\*

# CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL

<b>Principal</b> \$100,000.00	<b>Loan Date</b> 07-23-2024	<b>Maturity</b> 07-23-2025	<b>Loan No</b> 400416700	<b>Call / Coll</b> 4 / 028	<b>Account</b>	<b>Officer</b> ***	<b>Initials</b>
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References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.  
Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Corporation:** Mayers Memorial Hospital District  
PO Box 459  
Fall River Mills, CA 96028

**Lender:** Cornerstone Community Bank  
Redding Branch  
192 Hartnell Ave.  
Redding, CA 96002

### WE, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

**THE CORPORATION'S EXISTENCE.** The complete and correct name of the Corporation is Mayers Memorial Hospital District ("Corporation"). The Corporation is a non-profit corporation which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. The Corporation is duly authorized to transact business in all other states in which the Corporation is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Corporation is doing business. Specifically, the Corporation is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Corporation has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Corporation maintains an office at 43563 Hwy 299 E, Fall River Mills, CA 96028-9787. Unless the Corporation has designated otherwise in writing, the principal office is the office at which the Corporation keeps its books and records. The Corporation will notify Lender prior to any change in the location of the Corporation's state of organization or any change in the Corporation's name. The Corporation shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Corporation and the Corporation's business activities.

**RESOLUTIONS ADOPTED.** At a meeting of the Directors of the Corporation, or if the Corporation is a close corporation having no Board of Directors then at a meeting of the Corporation's shareholders, duly called and held on **July 23, 2024**, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

**OFFICERS.** The following named persons are officers of Mayers Memorial Hospital District:

<u>NAMES</u>	<u>TITLES</u>	<u>AUTHORIZED</u>		<u>ACTUAL SIGNATURES</u>
Ryan J Ramon Harris	CEO	Y	X	_____
Travis Lakey	Chief Financial Officer	Y	X	_____

**ACTIONS AUTHORIZED.** Any two (2) of the authorized persons listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Corporation. Specifically, but without limitation, any two (2) of such authorized persons are authorized, empowered, and directed to do the following for and on behalf of the Corporation:

**Borrow Money.** To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Corporation and Lender, such sum or sums of money as in their judgment should be borrowed, without limitation.

**Execute Notes.** To execute and deliver to Lender the promissory note or notes, or other evidence of the Corporation's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Corporation's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

**Grant Security.** To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Corporation or in which the Corporation now or hereafter may have an interest, including without limitation all of the Corporation's real property and all of the Corporation's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Corporation to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

**Execute Security Documents.** To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

**Negotiate Items.** To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Corporation or in which the Corporation may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Corporation's account with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

**Further Acts.** In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements, including agreements requiring disputes with Lender to be submitted to binding arbitration for final resolution, as the officers may in their discretion deem reasonably necessary or proper in order to carry into effect the provisions of this Resolution. The following person or persons are authorized, except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from the Corporation, at Lender's address shown above, written notice of revocation

**CORPORATE RESOLUTION TO BORROW / GRANT COLLATERAL  
(Continued)**

Loan No: 400416700

Page 2

of such authority: Advances may be made only to satisfy requests for draws vs. Letter of Credit No. 2024009 issued on July 23, 2024 in favor of the BETA Healthcare Group, in connection with the Agreement between Mayers Memorial Hospital District and BETA Healthcare Group. . Advances against this line of credit will be restricted from the Borrower's use and will be made for the sole purpose of supporting advances by the BETA Healthcare Group, its successors and/or assigns ("Beneficiary") of the Irrevocable Standby Letter of Credit No. 2024009.

**ASSUMED BUSINESS NAMES.** The Corporation has filed or recorded all documents or filings required by law relating to all assumed business names used by the Corporation. Excluding the name of the Corporation, the following is a complete list of all assumed business names under which the Corporation does business: **None.**

**NOTICES TO LENDER.** The Corporation will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Corporation's name; (B) change in the Corporation's assumed business name(s); (C) change in the management of the Corporation; (D) change in the authorized signer(s); (E) change in the Corporation's principal office address; (F) change in the Corporation's state of organization; (G) conversion of the Corporation to a new or different type of business entity; or (H) change in any other aspect of the Corporation that directly or indirectly relates to any agreements between the Corporation and Lender. No change in the Corporation's name or state of organization will take effect until after Lender has received notice.

**CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS.** The officers named above are duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupy the positions set opposite their respective names. This Resolution now stands of record on the books of the Corporation, is in full force and effect, and has not been modified or revoked in any manner whatsoever.

**NO CORPORATE SEAL.** The Corporation has no corporate seal, and therefore, no seal is affixed to this Resolution.

**CONTINUING VALIDITY.** Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Corporation's agreements or commitments in effect at the time notice is given.

**IN TESTIMONY WHEREOF,** we have hereunto set our hand and attest that the signatures set opposite the names listed above are their genuine signatures.

We each have read all the provisions of this Resolution, and we each personally and on behalf of the Corporation certify that all statements and representations made in this Resolution are true and correct. This Corporate Resolution to Borrow / Grant Collateral is dated July 23, 2024.

CERTIFIED TO AND ATTESTED BY:

X \_\_\_\_\_  
Ryan J Ramon Harris, CEO of Mayers Memorial Hospital District

X \_\_\_\_\_  
Travis Lakey, Chief Financial Officer of Mayers Memorial Hospital District

NOTE: If the officers signing this Resolution are designated by the foregoing document as one of the officers authorized to act on the Corporation's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Corporation.



\*0400416700007007232024\*



## BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$100,000.00	07-23-2024	07-23-2025	400416700	4 / 028		***	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Mayers Memorial Hospital District  
PO Box 459  
Fall River Mills, CA 96028

**Lender:** Cornerstone Community Bank  
Redding Branch  
192 Hartnell Ave.  
Redding, CA 96002

**THIS BUSINESS LOAN AGREEMENT** dated July 23, 2024, is made and executed between Mayers Memorial Hospital District ("Borrower") and Cornerstone Community Bank ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement. Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

**TERM.** This Agreement shall be effective as of July 23, 2024, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until such time as the parties may agree in writing to terminate this Agreement.

**LINE OF CREDIT.** The Indebtedness contemplates multiple loan advances. Advances under the Indebtedness, as well as directions for payment from Borrower's accounts, may be requested only in writing by Borrower or as provided in the "Advance Authority" section below. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person as described in the "Advance Authority" section below or (B) credited to any of Borrower's accounts with Lender.

**ADVANCE AUTHORITY.** The following person or persons are authorized, except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **Advances may be made only to satisfy requests for draws vs. Letter of Credit No. 2024009 issued on July 23, 2024 in favor of the BETA Healthcare Group, in connection with the Agreement between Mayers Memorial Hospital District and BETA Healthcare Group. . Advances against this line of credit will be restricted from the Borrower's use and will be made for the sole purpose of supporting advances by the BETA Healthcare Group, its successors and/or assigns ("Beneficiary") of the Irrevocable Standby Letter of Credit No. 2024009.**

**CONDITIONS PRECEDENT TO EACH ADVANCE.** Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

**Loan Documents.** Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

**Borrower's Authorization.** Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel, may require.

**Payment of Fees and Expenses.** Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

**Representations and Warranties.** The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

**No Event of Default.** There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

**REPRESENTATIONS AND WARRANTIES.** Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any Indebtedness exists:

**Organization.** Borrower is a non-profit corporation which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of California. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains an office at 43563 Hwy 299 E, Fall River Mills, CA 96028-9787. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's business activities.

**Assumed Business Names.** Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: **None.**

**BUSINESS LOAN AGREEMENT  
(Continued)**

Loan No: 400416700

Page 2

**Authorization.** Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under (1) any provision of (a) Borrower's articles of incorporation or organization, or bylaws, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

**Financial Information.** Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

**Legal Effect.** This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

**Properties.** Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

**Hazardous Substances.** Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral. (2) Borrower has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

**Litigation and Claims.** No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

**Taxes.** To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

**Lien Priority.** Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly securing repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

**Binding Effect.** This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

**AFFIRMATIVE COVENANTS.** Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

**Notices of Claims and Litigation.** Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

**Financial Records.** Maintain its books and records in accordance with GAAP, or an OCBOA acceptable to Lender, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

**Financial Statements.** Furnish Lender with such financial statements and other related information at such frequencies and in such detail as Lender may reasonably request.

**Additional Information.** Furnish such additional information and statements, as Lender may request from time to time.

**Insurance.** Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

**Insurance Reports.** Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained,

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and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

**Other Agreements.** Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

**Loan Proceeds.** Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

**Taxes, Charges and Liens.** Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits. Provided however, Borrower will not be required to pay and discharge any such assessment, tax, charge, levy, lien or claim so long as (1) the legality of the same shall be contested in good faith by appropriate proceedings, and (2) Borrower shall have established on Borrower's books adequate reserves with respect to such contested assessment, tax, charge, levy, lien, or claim in accordance with GAAP or an OCBOA acceptable to Lender.

**Performance.** Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

**Operations.** Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

**Environmental Studies.** Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive, at or affecting any property or any facility owned, leased or used by Borrower.

**Compliance with Governmental Requirements.** Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

**Beneficial Ownership Information.** Comply with all beneficial ownership information reporting requirements of the Corporate Transparency Act and its implementing regulations (collectively the CTA), if applicable to that Borrower. Any Borrower that is or becomes a reporting company as defined in the CTA: (1) has filed, or will file within required timeframes a complete and accurate report of its beneficial ownership information with the Financial Crimes Enforcement Network (FinCEN) as required by the CTA; (2) will update or correct its beneficial ownership information with FinCEN within required timeframes upon any change in its beneficial ownership information; (3) will provide Lender with a copy of its beneficial ownership information report filed with FinCEN upon request; (4) consents to allow Lender to obtain from FinCEN beneficial ownership information filed by Borrower; and (5) will notify Lender in writing of any change in its beneficial ownership information within 30 days of such change.

**Inspection.** Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

**Compliance Certificates.** Unless waived in writing by Lender, provide Lender at least annually, with a certificate executed by Borrower's chief financial officer, or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that, as of the date of the certificate, no Event of Default exists under this Agreement.

**Environmental Compliance and Reports.** Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

**Additional Assurances.** Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

**RECOVERY OF ADDITIONAL COSTS.** If the imposition of or any change in any law, rule, regulation, guideline, or generally accepted accounting principle, or the interpretation or application of any thereof by any court, administrative or governmental authority, or standard-setting organization (including any request or policy not having the force of law) shall impose, modify or make applicable any taxes (except federal, state or local income or franchise taxes imposed on Lender), reserve requirements, capital adequacy requirements or other obligations which would (A) increase the cost to Lender for extending or maintaining the credit facilities to which this Agreement relates, (B) reduce the amounts payable to Lender under this Agreement or the Related Documents, or (C) reduce the rate of return on Lender's capital as a consequence of Lender's obligations with respect to the credit facilities to which this Agreement relates, then Borrower agrees to pay Lender such additional amounts as will compensate Lender therefor, within five (5) days after Lender's written demand for such payment, which demand shall be accompanied by an explanation of such imposition or charge and a calculation in reasonable detail of the additional amounts payable by Borrower, which explanation and calculations shall be conclusive in the absence of manifest error.

**LENDER'S EXPENDITURES.** If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to



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discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

**NEGATIVE COVENANTS.** Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

**Indebtedness and Liens.** (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur or assume indebtedness for borrowed money, including finance leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts receivable, except to Lender.

**Continuity of Operations.** (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge or restructure as a legal entity (whether by division or otherwise), consolidate with or acquire any other entity, change its name, convert to another type of entity or redomesticate, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) pay any dividends on Borrower's stock (other than dividends payable in its stock), provided, however that notwithstanding the foregoing, but only so long as no Event of Default has occurred and is continuing or would result from the payment of dividends, if Borrower is a "Subchapter S Corporation" (as defined in the Internal Revenue Code of 1986, as amended), Borrower may pay cash dividends on its stock to its shareholders from time to time in amounts necessary to enable the shareholders to pay income taxes and make estimated income tax payments to satisfy their liabilities under federal and state law which arise solely from their status as Shareholders of a Subchapter S Corporation because of their ownership of shares of Borrower's stock, or purchase or retire any of Borrower's outstanding shares or alter or amend Borrower's capital structure.

**Agreements.** Enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

**CESSATION OF ADVANCES.** If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any Collateral securing any Loan; or (D) any Guarantor seeks, claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

**DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Payment Default.** Borrower fails to make any payment when due under the Loan.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's or any Grantor's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Defective Collateralization.** This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

**Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Loan is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**BUSINESS LOAN AGREEMENT  
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**EFFECT OF AN EVENT OF DEFAULT.** If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all Indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

**MISCELLANEOUS PROVISIONS.** The following miscellaneous provisions are a part of this Agreement:

**Amendments.** This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Arbitration.** Borrower and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Agreement or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any Collateral shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any Collateral, including any claim to rescind, reform, or otherwise modify any agreement relating to the Collateral, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Borrower and Lender agree that in the event of an action for judicial foreclosure pursuant to California Code of Civil Procedure Section 726, or any similar provision in any other state, the commencement of such an action will not constitute a waiver of the right to arbitrate and the court shall refer to arbitration as much of such action, including counterclaims, as lawfully may be referred to arbitration. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Agreement shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

**Attorneys' Fees; Expenses.** Borrower agrees to pay upon demand all of Lender's costs and expenses, including Lender's attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

**Caption Headings.** Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**Consent to Loan Participation.** Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

**Governing Law.** This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of California.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Grantor, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Notices.** Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

**Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability

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of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

**Subsidiaries and Affiliates of Borrower.** To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

**Successors and Assigns.** All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

**Survival of Representations and Warranties.** Borrower understands and agrees that in extending Loan Advances, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the extension of Loan Advances and delivery to Lender of the Related Documents, shall be continuing in nature, shall be deemed made and redated by Borrower at the time each Loan Advance is made, and shall remain in full force and effect until such time as Borrower's Indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

**Time is of the Essence.** Time is of the essence in the performance of this Agreement.

**DEFINITIONS.** The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

**Advance.** The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

**Agreement.** The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time.

**Borrower.** The word "Borrower" means Mayers Memorial Hospital District and includes all co-signers and co-makers signing the Note and all their successors and assigns.

**Collateral.** The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

**Environmental Laws.** The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., Chapters 6.5 through 7.7 of Division 20 of the California Health and Safety Code, Section 25100, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

**Event of Default.** The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

**GAAP.** The word "GAAP" means generally accepted accounting principles.

**Grantor.** The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

**Guarantor.** The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan.

**Guaranty.** The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

**Hazardous Substances.** The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

**Indebtedness.** The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents.

**Lender.** The word "Lender" means Cornerstone Community Bank, its successors and assigns.

**Loan.** The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time.

**Note.** The word "Note" means the Note dated July 23, 2024 and executed by Mayers Memorial Hospital District in the principal amount of \$100,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

**OCBOA.** The term "OCBOA" means Other Comprehensive Basis of Accounting, as designated by Lender in writing as an acceptable alternative to GAAP.

**Permitted Liens.** The words "Permitted Liens" mean (1) liens and security interests securing Indebtedness owed by Borrower to Lender;

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(2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets.

**Related Documents.** The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan.

**Security Agreement.** The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest.

**Security Interest.** The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

**BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED JULY 23, 2024.**

**BORROWER:**

**MAYERS MEMORIAL HOSPITAL DISTRICT**

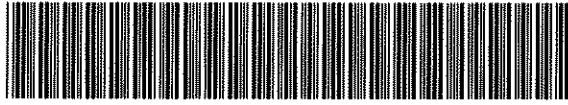
By: \_\_\_\_\_  
Ryan J Ramon Harris, CEO of Mayers Memorial  
Hospital District

By: \_\_\_\_\_  
Travis Lakey, Chief Financial Officer of Mayers  
Memorial Hospital District

**LENDER:**

**CORNERSTONE COMMUNITY BANK**

By: \_\_\_\_\_  
Matt Moseley, President/CEO



\*0400416700124507232024\*

**CUSTOMER INFORMATION PROFILE**

**Mayers Memorial Hospital District**

**CUSTOMER INFORMATION**

Customer Name: Mayers Memorial Hospital District  
 Customer Type: Corporation  
 Street Address: 43563 Hwy 299 E Mailing Address: PO Box 459  
 Fall River Mills, CA 96028-9787 Fall River Mills, CA 96028  
 Primary Phone Number: (530) 336-5511  
 Cell Phone Number:

**IDENTIFICATION**

Taxpayer ID: 94-1634940  Taxpayer ID Applied For  
 Primary ID: Articles of Incorporation Secondary ID:  
 ID Number: ID Number:  
 Issue Date: Issue Date:  
 Issued By: USA Issued By:

**ACCOUNT INFORMATION**

Branch Location: 002 Redding Branch  
 Bank Rep. Name: Saetern, Chan

<b>Product Type</b>	<b>Loan Number</b>	<b>Opening Date</b>
Commercial - Letter of Credit	400416700	07-23-2024

**RESULTS OF NON-DOCUMENTARY VERIFICATION**

Customer's Identity has been verified using the non-documentary methods described below:

- |   |   |                                      |
|---|---|--------------------------------------|
| <input type="checkbox"/> ChexSystems <sup>SM</sup> Verification | <input type="checkbox"/> Logical Verification             | <input type="checkbox"/> Other _____ |
| <input type="checkbox"/> Credit Report Obtained                 | <input type="checkbox"/> Fraud/Bad Check Database Checked |                                      |
| <input type="checkbox"/> Financial Statement                    | <input type="checkbox"/> Reference Check                  | <input type="checkbox"/> Other _____ |

Unable to verify customer's identity (explanation and resolution of discrepancies):

**ADDITIONAL CIP INFORMATION**

Mother's Maiden Name: \_\_\_\_\_  
 Employer: \_\_\_\_\_  
 Business Identification Documents: \_\_\_\_\_  
 Business Identification Documents #2: \_\_\_\_\_  
 Nature of Business: \_\_\_\_\_  
 Other ID Verification: \_\_\_\_\_

**Physical Address Note**

An exception to the physical address may occur if a customer participates in the California Safe Home Program (Confidential Address Program) ACP administered by the California Secretary of State. This program provides an individual or business with a free P.O. Box for the purpose of protecting their physical location. To comply with FinCEN's rules the Bank should collect the street address of the sponsoring agency (California Secretary of State) for the purpose of meeting our CIP address requirements. For proof of enrollment ask for enrollee's current Safe at Home ID card.

VERIFICATION CONDUCTED BY

LENDER:

CORNERSTONE COMMUNITY BANK

X \_\_\_\_\_  
Matt Moseley, President/CEO Date



\*0400416700260507232024\*

### CERTIFICATION OF BENEFICIAL OWNER(S)

<b>Principal</b> \$100,000.00	<b>Loan Date</b> 07-23-2024	<b>Maturity</b> 07-23-2025	<b>Loan No</b> 400416700	<b>Call / Coll</b> 4 / 028	<b>Account</b>	<b>Officer</b> ****	<b>Initials</b>
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References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Persons opening an account on behalf of a legal entity must provide the following information:**

- a. Name and Title of Natural Person Opening Account:  
**Ryan J Ramon Harris, CEO of Mayers Memorial Hospital District**
- b. Name, Type, and Address of Legal Entity for Which the Account is Being Opened:  
**Mayers Memorial Hospital District, Corporation, 43563 Hwy 299 E, Fall River Mills, CA 96028-9787**
- c. The following information for each individual, if any, who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, owns 25 percent or more of the equity interests of the legal entity listed above:  
  
**Not Applicable**
- d. The following information for one individual with significant responsibility for managing the legal entity listed above, such as:  
 An executive officer or senior manager (e.g., Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, Treasurer); or  
 Any other individual who regularly performs similar functions.  
 (If appropriate, an individual listed under section (c) above may also be listed in this section (d)).

Name/Title	Date of Birth	Address (Res. or Bus. Street Address)	For U.S. Persons <sup>1</sup>	For Non-U.S. Persons <sup>2</sup>
Travis Lakey, Chief Financial Officer	01-11-1977	45532 Pittville Road, McArthur, CA 96056, USA		

I, Ryan J Ramon Harris (name of natural person opening account), hereby certify, to the best of my knowledge, that the information provided above is complete and correct, and on behalf of Mayers Memorial Hospital District, I agree to notify the financial institution of any change in such information.

By: \_\_\_\_\_ Date \_\_\_\_\_  
Ryan J Ramon Harris, CEO of Mayers Memorial Hospital District

<sup>1</sup> U.S. Persons must provide a Social Security Number.

<sup>2</sup> Non-U.S. Persons must provide a Social Security Number, passport number and country of issuance, or similar identification number. In lieu of a passport number, Non-U.S. Persons may also provide a Social Security Number, an alien identification card number, or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard.

Legal Entity Identifier: \_\_\_\_\_ (Optional)



\*0400416700095507232024\*



### PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$100,000.00	07-23-2024	07-23-2025	400416700	4 / 028		****	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Mayers Memorial Hospital District  
PO Box 459  
Fall River Mills, CA 96028

**Lender:** Cornerstone Community Bank  
Redding Branch  
192 Hartnell Ave.  
Redding, CA 96002

**Principal Amount: \$100,000.00**

**Date of Note: July 23, 2024**

**PROMISE TO PAY.** Mayers Memorial Hospital District ("Borrower") promises to pay to Cornerstone Community Bank ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Thousand & 00/100 Dollars (\$100,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

**PAYMENT.** Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on July 23, 2025. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning August 23, 2024, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any late charges; and then to any unpaid collection costs. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**VARIABLE INTEREST RATE.** The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Prime Rate as published in the Wall Street Journal. When a range of rates has been published, the higher of the rates will be used (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each day. Borrower understands that Lender may make loans based on other rates as well. **The Index currently is 8.500% per annum.** Interest on the unpaid principal balance of this Note will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate equal to the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 8.500%. If Lender determines, in its sole discretion, that the Index has become unavailable or unreliable, either temporarily, indefinitely, or permanently, during the term of this Note, Lender may amend this Note by designating a substantially similar substitute index. Lender may also amend and add a positive or negative margin (percentage added to or subtracted from the substitute index value) as part of the rate determination. In making these amendments, Lender may take into consideration any then-prevailing market convention for selecting a substitute index and margin for the specific Index that is unavailable or unreliable. Such an amendment to the terms of this Note will become effective and bind Borrower 10 business days after Lender gives written notice to Borrower without any action or consent of the Borrower. **NOTICE:** Under no circumstances will the interest rate on this Note be less than 5.000% per annum or more than the maximum rate allowed by applicable law.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding (but not including February 29 in leap years). All interest payable under this Note is computed using this method.

**PREPAYMENT.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. **All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Cornerstone Community Bank, Redding Branch, 192 Hartnell Ave., Redding, CA 96002.**

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$10.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon maturity of this Note, whether the scheduled maturity date or due to this loan being accelerated by Lender because of a default under this Note, the interest rate on this Note shall immediately increase by adding an additional 5.000 percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding interest rate change that would have applied had there been no default. However, in no event will the interest rate applied under this paragraph exceed the maximum interest rate permitted under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.



**PROMISSORY NOTE  
(Continued)**

Loan No: 400416700

Page 2

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees, expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. Borrower also will pay any court costs, in addition to all other sums provided by law.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of California without regard to its conflicts of law provisions. This Note has been accepted by Lender in the State of California.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$25.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

**COLLATERAL.** This loan is unsecured.

**LINE OF CREDIT.** This Note evidences a straight line of credit. Once the total amount of principal has been advanced, Borrower is not entitled to further loan advances. Advances under this Note may be requested only in writing by Borrower or as provided in this paragraph. All communications, instructions, or directions by telephone or otherwise to Lender are to be directed to Lender's office shown above. The following person or persons are authorized, except as provided in this paragraph, to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **Advances may be made only to satisfy requests for draws vs. Letter of Credit No. 2024009 issued on July 23, 2024 in favor of the BETA Healthcare Group, in connection with the Agreement between Mayers Memorial Hospital District and BETA Healthcare Group. . Advances against this line of credit will be restricted from the Borrower's use and will be made for the sole purpose of supporting advances by the BETA Healthcare Group, its successors and/or assigns ("Beneficiary") of the Irrevocable Standby Letter of Credit No. 2024009.** Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

**ARBITRATION.** Borrower and Lender agree that all disputes, claims and controversies between them whether individual, joint, or class in nature, arising from this Note or otherwise, including without limitation contract and tort disputes, shall be arbitrated pursuant to the Commercial Arbitration Rules of the American Arbitration Association in effect at the time the claim is filed, upon request of either party. No act to take or dispose of any collateral securing this Note shall constitute a waiver of this arbitration agreement or be prohibited by this arbitration agreement. This includes, without limitation, obtaining injunctive relief or a temporary restraining order; invoking a power of sale under any deed of trust or mortgage; obtaining a writ of attachment or imposition of a receiver; or exercising any rights relating to personal property, including taking or disposing of such property with or without judicial process pursuant to Article 9 of the Uniform Commercial Code. Any disputes, claims, or controversies concerning the lawfulness or reasonableness of any act, or exercise of any right, concerning any collateral securing this Note, including any claim to rescind, reform, or otherwise modify any agreement relating to the collateral securing this Note, shall also be arbitrated, provided however that no arbitrator shall have the right or the power to enjoin or restrain any act of any party. Borrower and Lender agree that in the event of an action for judicial foreclosure pursuant to California Code of Civil Procedure Section 726, or any similar provision in any other state, the commencement of such an action will not constitute a waiver of the right to arbitrate and the court shall refer to arbitration as much of such action, including counterclaims, as lawfully may be referred to arbitration. Judgment upon any award rendered by any arbitrator may be entered in any court having jurisdiction. Nothing in this Note shall preclude any party from seeking equitable relief from a court of competent jurisdiction. The statute of limitations, estoppel, waiver, laches, and similar doctrines which would otherwise be applicable in an action brought by a party shall be applicable in any arbitration proceeding, and the commencement of an arbitration proceeding shall be deemed the commencement of an action for these purposes. The Federal Arbitration Act shall apply to the construction, interpretation, and enforcement of this arbitration provision.

**STANDBY LETTER OF CREDIT.** This Draw Down Line of Credit is solely to support Standby Letter of Credit No. 2024009 in favor of BETA Healthcare Group.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**PROMISSORY NOTE  
(Continued)**

Loan No: 400416700

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**NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES.** Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: Cornerstone Community Bank Note Department 192 Hartnell Avenue Redding, CA 96002.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive any applicable statute of limitations, presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

**MAYERS MEMORIAL HOSPITAL DISTRICT**

By: \_\_\_\_\_  
Ryan J Ramon Harris, CEO of Mayers Memorial  
Hospital District

By: \_\_\_\_\_  
Travis Lakey, Chief Financial Officer of Mayers  
Memorial Hospital District

# RED FLAG CHECKLIST

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
<b>\$100,000.00</b>	<b>07-23-2024</b>	<b>07-23-2025</b>	<b>400416700</b>	<b>4 / 028</b>		<b>***</b>	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "*****" has been omitted due to text length limitations.							

**Borrower:** Mayers Memorial Hospital District  
PO Box 459  
Fall River Mills, CA 96028

**Lender:** Cornerstone Community Bank  
Redding Branch  
192 Hartnell Ave.  
Redding, CA 96002

## RED FLAG CHECKLIST (LOAN APPLICATIONS)

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Description of Loan: \_\_\_\_\_

Yes:      No:

- |       |       |   |
|-------|-------|---|
| _____ | _____ | 1. Does the consumer credit report contain Fraud Alerts or ActiveDuty Alerts?                           |
| _____ | _____ | 2. Does the consumer credit report contain an Address Discrepancy Notice?*                              |
| _____ | _____ | 3. Has the applicant presented suspicious supporting documents in connection with the loan request?     |
| _____ | _____ | 4. Has the applicant presented suspicious identification documents in connection with the loan request? |

Please comment on any of the above if the answer is "yes".

\_\_\_\_\_

\_\_\_\_\_

**\*Address Discrepancy Verification Procedure:**

When a notice of address discrepancy is received from a consumer reporting agency, enhanced CIP procedures will be followed by the Loan Officer and the correct address will be ascertained. Under the enhanced procedures, the customer's identity will be verified a second time and additional proof of identification will be obtained. The second verification will be noted in the file.

The loan cannot be closed and funded until the Loan Officer has reviewed the identification documents and initialed and dated the consumer report to indicate resolution of the discrepancy. Also, notate the discrepancy and resolution on the File Log. If the Loan Officer cannot resolve the discrepancy, the loan must be declined and an "Adverse Action" notice sent to the applicant stating the reason for decline is "unable to verify credit".

# AUTOMATIC PAYMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
<b>\$100,000.00</b>	<b>07-23-2024</b>	<b>07-23-2025</b>	<b>400416700</b>	<b>4 / 028</b>		<b>****</b>	

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**Borrower:** **Mayers Memorial Hospital District**  
**PO Box 459**  
**Fall River Mills, CA 96028**

**Lender:** **Cornerstone Community Bank**  
**Redding Branch**  
**192 Hartnell Ave.**  
**Redding, CA 96002**

I authorize Automatic Payments:

- YES I want automatic payments.  
 NO I do not wish to have automatic payments at this time.

I hereby authorize Cornerstone Community Bank to transfer funds as follows:

Loan Number: 400416700  
 Payment Amount: \$Regular Payment  
 First Payment Beginning: August 23, 2024

Name of Financial Institution: \_\_\_\_\_  
 Address of Financial Institution: \_\_\_\_\_

Bank Routing No. \_\_\_\_\_

Bank Account No. \_\_\_\_\_

- Checking  
 Savings

If the funds in the account are insufficient to cover any payment, Lender shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Lender may voluntarily terminate Automatic Payments.

I authorize Cornerstone Community Bank to make the transfer described above. I understand that a new transfer will begin on the given Start Date or (next) scheduled frequency, to be **not less than 10 days** from the date of this Authorization. I understand I may change or cancel this Authorization by giving written notice in such time and manner as to afford Cornerstone Community Bank reasonable opportunity to act. I understand that, if the balance in the From Account is less than the transfer amount on any scheduled transfer date, no transfer of any amount will be made, and that this may cause me to be in default under my loan agreement (if applicable). If an entry has been transmitted incorrectly, Cornerstone Community Bank has the right to reverse this entry within five banking days following the settlement date of the incorrect entry. This Authorization will remain in effect until I so instruct in writing. All accounts listed remain subject to the terms and conditions set forth in the Account Rules and the NACHA ACH rules.

Note: If your payment is being debited from an account not with Cornerstone Community Bank, you must include a blank check marked VOID Member FDIC .

**BORROWER:**

**MAYERS MEMORIAL HOSPITAL DISTRICT**

By: \_\_\_\_\_  
**Ryan J Ramon Harris, CEO of Mayers Memorial Hospital District**

By: \_\_\_\_\_  
**Travis Lakey, Chief Financial Officer of Mayers Memorial Hospital District**

# RED FLAG CHECKLIST

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$100,000.00	07-23-2024	07-23-2025	400416700	4 / 028		***	
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**Borrower:** Mayers Memorial Hospital District  
 PO Box 459  
 Fall River Mills, CA 96028

**Lender:** Cornerstone Community Bank  
 Redding Branch  
 192 Hartnell Ave.  
 Redding, CA 96002

## RED FLAG CHECKLIST (LOAN APPLICATIONS)

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Description of Loan: \_\_\_\_\_

Yes:      No:

- |       |       |   |
|-------|-------|---|
| _____ | _____ | 1. Does the consumer credit report contain Fraud Alerts or ActiveDuty Alerts?                           |
| _____ | _____ | 2. Does the consumer credit report contain an Address Discrepancy Notice?*                              |
| _____ | _____ | 3. Has the applicant presented suspicious supporting documents in connection with the loan request?     |
| _____ | _____ | 4. Has the applicant presented suspicious Identification documents in connection with the loan request? |

Please comment on any of the above if the answer is "yes".

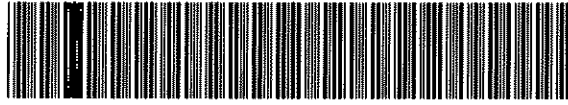
\_\_\_\_\_

\_\_\_\_\_

**\*Address Discrepancy Verification Procedure:**

When a notice of address discrepancy is received from a consumer reporting agency, enhanced CIP procedures will be followed by the Loan Officer and the correct address will be ascertained. Under the enhanced procedures, the customer's identity will be verified a second time and additional proof of identification will be obtained. The second verification will be noted in the file.

The loan cannot be closed and funded until the Loan Officer has reviewed the identification documents and initialed and dated the consumer report to indicate resolution of the discrepancy. Also, notate the discrepancy and resolution on the File Log. If the Loan Officer cannot resolve the discrepancy, the loan must be declined and an "Adverse Action" notice sent to the applicant stating the reason for decline is "unable to verify credit".



\*0400416700034507232024\*



### DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$100,000.00	07-23-2024	07-23-2025	400416700	4 / 028		****	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

**Borrower:** Mayers Memorial Hospital District  
 PO Box 459  
 Fall River Mills, CA 96028

**Lender:** Cornerstone Community Bank  
 Redding Branch  
 192 Hartnell Ave.  
 Redding, CA 96002

**LOAN TYPE.** This is a Variable Rate Nondisclosable Draw Down Line of Credit Loan to a Corporation for \$100,000.00 due on July 23, 2025.

**PRIMARY PURPOSE OF LOAN.** The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.
- Business (Including Real Estate Investment).

**SPECIFIC PURPOSE.** The specific purpose of this loan is: Line of Credit in support of Irrevocable Letter of Credit 2024009.

**DISBURSEMENT INSTRUCTIONS.** Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$100,000.00 as follows:

Undisbursed Funds:	<u>\$100,000.00</u>
Note Principal:	\$100,000.00

**CHARGES PAID IN CASH.** Borrower has paid or will pay in cash as agreed the following charges:

Prepaid Finance Charges Paid in Cash:	\$500.00
\$500.00 Loan Origination Fee	
<b>Total Charges Paid in Cash:</b>	<u>\$500.00</u>

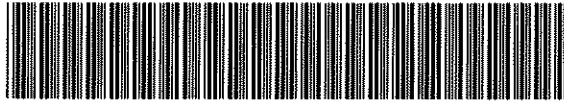
**FINANCIAL CONDITION.** BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED JULY 23, 2024.

**BORROWER:**

**MAYERS MEMORIAL HOSPITAL DISTRICT**

By: \_\_\_\_\_  
 Ryan J Ramon Harris, CEO of Mayers Memorial Hospital District

By: \_\_\_\_\_  
 Travis Lakey, Chief Financial Officer of Mayers Memorial Hospital District



\*0400416700082007232024\*



### NOTICE OF FINAL AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$100,000.00	07-23-2024	07-23-2025	400416700	4 / 028		***	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Mayers Memorial Hospital District  
 PO Box 459  
 Fall River Mills, CA 96028

**Lender:** Cornerstone Community Bank  
 Redding Branch  
 192 Hartnell Ave.  
 Redding, CA 96002

**BY SIGNING THIS DOCUMENT EACH PARTY REPRESENTS AND AGREES THAT: (A) THE WRITTEN LOAN AGREEMENT REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES, (B) THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES, AND (C) THE WRITTEN LOAN AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR UNDERSTANDINGS OF THE PARTIES.**

As used in this Notice, the following terms have the following meanings:

**Loan.** The term "Loan" means the following described loan: a Variable Rate Nondisclosable Draw Down Line of Credit Loan to a Corporation for \$100,000.00 due on July 23, 2025.

**Loan Agreement.** The term "Loan Agreement" means one or more promises, promissory notes, agreements, undertakings, security agreements, deeds of trust or other documents, or commitments, or any combination of those actions or documents, relating to the Loan, including without limitation the following:

**LOAN DOCUMENTS**

- Corporate Resolution: Mayers Memorial Hospital District
- Irrevocable Letter of Credit: 2024009
- Red Flag - Red Flag Checklist
- Red Flag - Red Flag Checklist
- Notice of Final Agreement
- Model Privacy Notice: Mayers Memorial Hospital District
- Business Loan Agreement
- Promissory Note
- Automatic Payment - Automatic Payment
- Disbursement Request and Authorization
- Loan Cover Sheet

**Parties.** The term "Parties" means Cornerstone Community Bank and any and all entities or individuals who are obligated to repay the loan or have pledged property as security for the Loan, including without limitation the following:

**Borrower:** Mayers Memorial Hospital District

Each Party who signs below, other than Cornerstone Community Bank, acknowledges, represents, and warrants to Cornerstone Community Bank that it has received, read and understood this Notice of Final Agreement. This Notice is dated July 23, 2024.

**BORROWER:**

**MAYERS MEMORIAL HOSPITAL DISTRICT**

By: Ryan J Ramon Harris, CEO of Mayers Memorial Hospital District

By: Travis Lakey, Chief Financial Officer of Mayers Memorial Hospital District

**NOTICE OF FINAL AGREEMENT  
(Continued)**

**Loan No: 400416700**

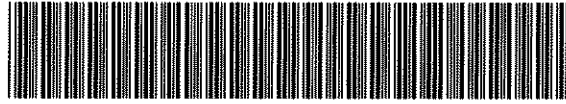
**Page 2**

**LENDER:**

**CORNERSTONE COMMUNITY BANK**

**X** \_\_\_\_\_  
**Matt Moseley, President/CEO**





\*0400416700082007232024\*



### NOTICE OF FINAL AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$100,000.00	07-23-2024	07-23-2025	400416700	4 / 028		***	

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**BORROWER:**

**MAYERS MEMORIAL HOSPITAL DISTRICT**

By: Ryan J Ramon Harris, CEO of Mayers Memorial Hospital District

By: Travis Lakey, Chief Financial Officer of Mayers Memorial Hospital District

LENDER:

CORNERSTONE COMMUNITY BANK

X \_\_\_\_\_  
Matt Moseley, President/CEO

## BOARDING DATA SHEET (Continued)

Loan No: 400416700

Page 2

Officer: **CSCBIMMOSELEY Moseley, Matt**  
 Processor No: **CSCB\CSAETERN Saetern, Chan**  
 Collateral Code: **028**  
 Charge Code:  
 Call Code: **4**  
 NAICS:  
 1098 Reportable: **NO**

Loan Type: **16 - Health Care & Social Assistance**  
 Loan Class: **New Loan**  
 Purpose Code: **52**  
 Class Code:  
 Loan Grade: **3-Satisfactory**  
 Annual Income:  
 Appraisal Info: **NA**

Portfolio Code:  
 Host System: **L01\*CL**  
 Exceptions:  
 Cap Rate: **NA**  
 DSCR: **13.32**

### CRA DATA

Loan Type: **09-Other loan data**  
 Loan Number: **400416700**  
 Loan Amount: **100K**  
 Action Taken: **1-Loan originated**  
 Action Taken Date: **07-23-2024**  
 MSA No: **39820**  
 State Code: **06**  
 County Code: **089**  
 Census Tract: **0127.02**

Business/Farm Gross Annual Revenue: **1-Less than or equal to \$1 million**  
 Affiliate: **1-Loan origination / purchase by the institution**  
 Loan Address: **43563 Hwy 299 E**  
 Loan City: **Fall River Mills**  
 Loan State: **CA**  
 Loan Zip: **96028-9787**  
 Loan County: **Shasta**  
 Income in Thousands:  
 CRA Account Type:

### PAYMENT DATA

#### DRAW DOWN LINE OF CREDIT (Variable Rate)

	Financed	In Cash
AMOUNT REQUESTED:	<b>\$100,000.00</b>	
PREPAID FINANCE CHARGES:		
Loan Origination Fee		<b>500.00</b>
SECURITY INTEREST CHARGES:	<b>0.00</b>	
NOTE AMOUNT:	<b>\$100,000.00</b>	<b>\$500.00</b>
PAYMENT CALCULATION:		
No. of Pmts	Due	
11	Monthly Interest Payments beginning 08-23-2024	
1	Final Principal and Accrued Interest Payment is due 07-23-2025	
Amount Interest		
<b>\$100,354.17</b>		
Disbursement Date:	<b>07-23-2024</b>	
Due Date:	<b>07-23-2025</b>	
Interest Reserve:	<b>\$0.00</b>	
INTEREST RATE SELECTION:		
Interest Method:	365/360	
Interest Rate:	<b>8.500 at 365/360.</b>	
Interest Rate Based On:	Prime Rate as published in the Wall Street Journal. When a range of rates has been published, the higher of the rates will be used adjusted each day.	
Current Index:	<b>8.500</b>	
Interest Rate is:	<b>Not Rounded</b>	
Rate Limits Information:		
Floor: <b>5.000</b>	Ceiling:	Max Rate Incr/Decr at one Time:

<b>APR</b> 9.715%	<b>FINANCE CHARGE</b> \$4,809.03	<b>AMOUNT FINANCED</b> \$99,500.00	<b>TOTAL OF PAYMENTS</b> \$104,309.03
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e means estimate

### LETTER OF CREDIT DATA

Beneficiary: **BETA Healthcare Group**  
 1443 Danville Boulevard  
 Alamo, CA 94507-1911

Letter of Credit Number: **2024009**  
 Letter of Credit Amount: **\$100,000.00**  
 Letter of Credit Expiration Date: **07-23-2025**

**ADDITIONAL PROVISIONS**

**Boarding Info.**

Received: \_\_\_\_\_ Recorded/Disbursed: \_\_\_\_\_ Boarded: \_\_\_\_\_

By: \_\_\_\_\_

**BANCPAC TICKLERS**

Covenants (See BLA) \_\_\_\_\_

UCC Filing \_\_\_\_\_

UCC Search to Reflect \_\_\_\_\_

DMV \_\_\_\_\_

Insurance \_\_\_\_\_

Prepayment Penalty (See Note) \_\_\_\_\_

Payment Schedule (See Note) \_\_\_\_\_

Rate Schedule (See Note) \_\_\_\_\_

Scanned \_\_\_\_\_

**COST/EXPENSE:**

\$900.00

Loan/Doc Fee(s): \_\_\_\_\_ (FASB)

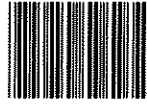
**SHARED NATIONAL CREDIT**

P – Poor 1-160

F – Fair 161-190

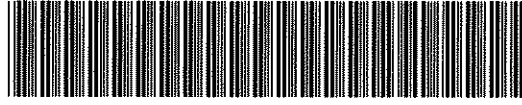
G – Good 191-210

E – Excellent 211-300



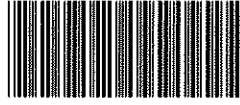
\*1500\*

Loan Number:



\*0000000000400416700\*

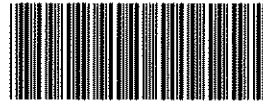
Date: 07-23-2024



\*07232024\*

Documentation Package for:

MAYERS MEMORIAL HOSPITAL DISTRICT



\*941634940\*

**FACTS**
**WHAT DOES CORNERSTONE COMMUNITY BANK DO WITH YOUR PERSONAL INFORMATION?**
**Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and payment history
- overdraft history and account transactions
- retirement assets and checking account information

When you are *no longer* our customer, we continue to share your information as described in this notice.

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Cornerstone Community Bank chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Cornerstone Community Bank share?	Can you limit this sharing?
<b>For our everyday business purposes</b> —such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> —to offer our products and services to you	No	We don't share
<b>For joint marketing with other financial companies</b>	No	We don't share
<b>For our affiliates' everyday business purposes</b> —information about your transactions and experiences	No	We don't share
<b>For our affiliates' everyday business purposes</b> —information about your creditworthiness	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

**Questions?**

Call (530) 529-1222 or go to [bankcornerstone.com](http://bankcornerstone.com)

**Who we are**

<b>Who is providing this notice?</b>	Cornerstone Community Bank
--------------------------------------	----------------------------

**What we do**

<b>How does Cornerstone Community Bank protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>USING OUR ELECTRONIC MEDIUM - Some parts of our web site may use a 'cookie' which is a file placed on your computer hard drive that allows the Bank's web server to log the pages you use in the Bank's web site and to determine if you have visited the site before. The cookie captures no personal identifying information.</p>
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<b>How does Cornerstone Community Bank collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>● open an account or deposit money</li> <li>● apply for a loan or use your credit or debit card</li> <li>● pay us by check</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
---	---

<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>● sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>● affiliates from using your information to market to you</li> <li>● sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
---------------------------------------	---

**Definitions**

<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>● <i>Our affiliates include companies with a Cornerstone Community Bancorp name.</i></li> </ul>
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>● <i>Cornerstone Community Bank does not share with nonaffiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>● <i>Cornerstone Community Bank doesn't jointly market.</i></li> </ul>

**Other important information****Special Notice For State Residents**

**Under California law Cornerstone Community Bank does not share personal information except as allowed by law for everyday business purposes.**



Please see below the documents required to open the new account if the board approves the opening.

- EIN Number
- Letter/Minutes on the organization letterhead stating who is authorized to sign on the account
- Contract for Deposit of Money signed by entities treasurer, this document will be provided by Plumas Bank Accounting Department once we have a copy of the Letter/Minutes of organization.
- New Signature card provided by Plumas Bank at account opening which needs to be signed by person authorized to open accounts stated in Letter/Minutes of organization.

Once the Meeting Minutes are sent, a contract will be drafted for Deposit of Money and signature card ready for signatures.





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**Attachment F**

Department	Current Manager:	Item Description	Priority	Estimate	Status	Funding Source	Submit Date	Board Rev/Award Date	Detail & Notes
Surgery	Leanne Melang	(2) Olympus Colonoscopes	High	\$55,000.00			7/22/2024		End of Life replacement
Emergency Department	Bridget Bernier	Mindray Cardiac Monitor Equipment Upgrades	Med	\$50,000.00			7/22/2024		Preparing for end of life units. Awaiting updated quote for accuracy.
Dietary	Susan Garcia	Cold Food Buffet Salad Bar	High	\$8,500.00			7/22/2024		Safety (time/temperature) Fall River
Dietary	Susan Garcia	Smart-Therm Base Heater	Med	\$9,743.00			7/22/2024		Safety (time/temperature) Fall River
Dietary	Susan Garcia	Smart Therm Bases	Med	\$6,852.00			7/22/2024		Safety (time/temperature) Fall River
Dietary	Susan Garcia	Emergency Food Supplies	High	\$40,000.00			7/22/2024		20-25 year shelf life Fall River
Dietary	Susan Garcia	Insulated Cooling Cart	High	\$5,000.00			7/22/2024		Safety (time/temperature) Fall River
SNF	Britany Hammons	Resident Room Decor: Privacy curtains, window blinds	Medium				7/22/2024		(49 beds/preferred color greens, creams)
SNF	Britany Hammons	Bedside Dresser drawers	High	\$10,000.00			7/22/2024		\$500 ea/ Some rooms are w/out, many in need of an update.
SNF	Britany Hammons	Low Air Loss Mattress System (4)	High	\$8,000.00			7/22/2024		Prevents/expidites healing progress of wounds. Very costly to rent.
SNF	Britany Hammons	Hill-Rom Bed Replacements (6)	Medium	\$50,000.00			7/22/2024		
Ambulance	Gonzalo Solorio	Zoll X Series Cardiac Monitor with accesories	Medium	\$30,000.00			7/22/2024		
Outpatient Medical	Michelle Peterson	Procedure lighting with company to install	Low	\$15,000.00			7/18/2024		Overhead lighting for procedures in room 304 OPM
Outpatient Medical	Michelle Peterson	Bariatric Wheelchair/Regular Wheelchair	Medium	\$5,000.00			7/18/2024		OPM Wheel chairs get a lot of use up and down to get people in the lobby
Lab	Sophia Rosal	Mini Incubator adjusted to 42 degrees © (for Campylobacter)	High	\$5,000.00			7/22/2024		
Acute	Moriah Padilla	Electrocardiogram (ECG)	HIGH	\$10,000.00			7/16/2024		
Acute	Moriah Padilla	Mindray Cardiac Monitor Equipment Upgrades	Med				7/19/2024		Preparing for end of life units
				\$308,095.00					

## Well Contacts

Company / POC	Location	Status	Phone
Your H2O Pro	Janesville	Quote	530-253-3601
L Enlo Well Drilling LLC	McCloud	Quote	530-964-2807
Duane Connors	Adin	Quote	530-640-0521
Lee Connors	Cedarville	No Response	530-640-0119
Billy Roberts	Alturas	No Response	530-640-2773
Shasta Drilling	Redding	Declined	530-229-9120
Diamond Core Drilling Inc	Shasta Lake	Declined	530-275-8162
Smith's Pumps	Susanville	No Response	530-252-4420
Kings Backhoe & Well Drilling	Day	Declined	530-294-5921

Your H2O Pro  
P. O. Box 233  
Janesville, CA 96114  
(530) 253-3601  
CA License #867400

# Estimate

DATE	ESTIMATE NO.
7/23/2024	1217

NAME / ADDRESS
MAYERS MEMORIAL HOSPITAL DISTRICT P.O. BOX 459 FALL RIVER MILLS, CA 96028

Ship To
MAYERS MEMORIAL HOSPITAL DISTRICT 24500 PIT ONE POWER HOUSE RD. FALL RIVER MILLS, CA 96028

QTY	DESCRIPTION	EACH	TOTAL
	TO FURNISH THE LABOR, MATERIAL & EQUIPMENT NECESSARY FOR THE CONSTRUCTION OF A 8" WATER WELL WITH STEEL CASING TO 60' THEN OPEN HOLE FROM 60' DRILLED TO THE ESTIMATED DEPTH OF 600'. THIS ESTIMATE IS CALCULATED PER FOOT AND BASED ON OPEN HOLE WELL CONSTRUCTION WITH 5 9/16" STEEL LINER. THE FINAL BILLING, HOWEVER, WILL BE ADJUSTED BY THE ACTUAL COMPLETION DEPTH & ACTUAL DRILLING TECHNIQUES REQUIRED FOR IT'S COMPLETION. IT'S POSSIBLE FOR THE DRILLING CONDITIONS TO REQUIRE A VARIANCE IN THE DRILLING TECHNIQUES UTILIZED. WE ARE, HOWEVER, THOROUGHLY EQUIPPED (AIR ROTARY, MUD ROTARY, AND UNDER REAMING SYSTEMS) TO PROPERLY CONSTRUCT YOUR WATER WELL REGARDLESS OF THE DRILLING TERRAIN AND CONDITIONS ENCOUNTERED, THEREFORE, OUR STANDARD WELL DRILLING CONTRACT DOES DETAIL ALL POTENTIAL DRILLING COSTS ABOVE/BELOW THOSE BEING ESTIMATED/ANTICIPATED WITHIN THIS ESTIMATE.		
1	SHASTA COUNTY WELL PERMIT	563.33	563.33
1	MOBILIZATION FEE	3,000.00	3,000.00
1	FUEL SURCHARGE	500.00	500.00
60	UNDEREAMING WELL CONSTRUCTION WITH 8 5/8" STEEL WELL CASING	115.00	6,900.00
340	WELL CONSTRUCTION, WITH 5 9/16" STEEL LINER	95.00	32,300.00
200	WELL CONSTRUCTION DEEPER THAN 400', WITH 5 9/16" STEEL LINER	97.00	19,400.00
1	UNDEREAMING RING BIT 8"	1,500.00	1,500.00
1	50 FOOT POURED SANITARY WELL SEAL	5,500.00	5,500.00
6	DAILY PER DIEM COST	300.00	1,800.00
1	PUMP DEVELOPEMENT REQUIRED IF UNDER 10 GPM	6,500.00	6,500.00

THANK YOU FOR THIS OPPORTUNITY TO SUBMIT AN ESTIMATE FOR YOUR CONSIDERATION!! VALID FOR 30 DAYS.	<b>Subtotal</b>	\$77,963.33
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SHOULD THIS ESTIMATE MEET WITH YOUR APPROVAL, PLEASE PHONE OUR OFFICE AT YOUR EARLIEST CONVENIENCE FOR SCHEDULING.	<b>Sales Tax (0.0%)</b>	\$0.00
--	-------------------------	--------

Phone #	Fax #	E-mail	<b>TOTAL</b>	\$77,963.33
(530) 253-3601	(530) 253-2881	KERRI@YOURH2OPRO.COM		

ORIGINAL  
File with DWR

STATE OF CALIFORNIA  
THE RESOURCES AGENCY  
DEPARTMENT OF WATER RESOURCES  
WATER WELL DRILLERS REPORT

36N/4E-10 Do not fill in  
No. 10252

Notice of Intent No. \_\_\_\_\_  
Local Permit No. or Date \_\_\_\_\_

State Well No. \_\_\_\_\_  
Other Well No. Pit 1-1

(2) LOCATION OF WELL (See instructions):  
County Shasta Owner's Well Number Pit 1-1  
Well address if different from above Pit 1 Power Station  
Township 36 N Range 4 E Section 10  
Distance from cities, roads, railroads, fences, etc. \_\_\_\_\_

(12) WELL LOG: Total depth 200 ft. Depth of completed well 0 ft.  
from ft. to ft. Formation (Describe by color, character, size or material)  
0 - 12 Loose silty sand & boulders  
12 - 24 Sandy silt w/ cobbles  
24 - 60 Brown cinders  
60 - 200 Layers of loose and hard gray sandstone  
Well was abandoned and filled from 200 ft to ground surface with pea-gravel cement grout

See attached location map

(3) TYPE OF WORK:  
New Well  Deepening   
Reconstruction   
Reconditioning   
Horizontal Well   
Destruction  (Describe destruction materials and procedures in Item \_\_\_\_\_)  
(4) PROPOSED USE:  
Domestic   
Irrigation   
Industrial   
Test Well   
Stock   
Municipal   
Other

WELL LOCATION SKETCH

(5) EQUIPMENT:  
Rotary  Reverse   
Cable  Air   
Other  Bucket   
(7) CASING INSTALLED:  
Steel  Plastic  Concrete

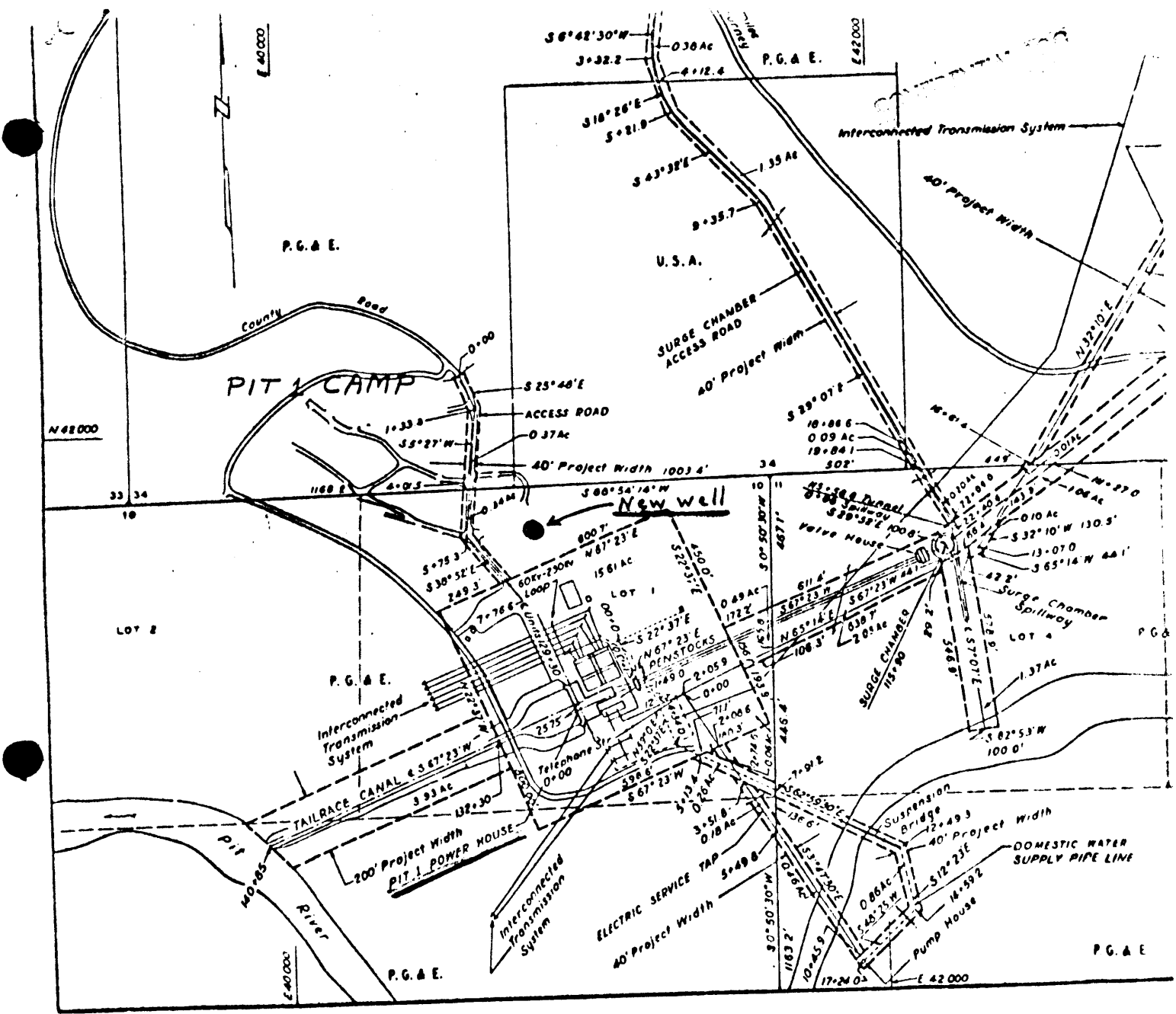
(6) GRAVEL PACK:  
Yes  No  Size \_\_\_\_\_  
Diameter of bore 7-1/2  
Packed from \_\_\_\_\_ to \_\_\_\_\_ ft.  
(8) PERFORATIONS:  
Type of perforation or size of screen \_\_\_\_\_

(9) WELL SEAL:  
Was surface sanitary seal provided? Yes  No  If yes, to depth \_\_\_\_\_ ft.  
Were strata sealed against pollution? Yes  No  Interval \_\_\_\_\_ ft.  
Method of sealing \_\_\_\_\_

(10) WATER LEVELS:  
Depth of first water, if known 60 ft.  
Standing level after well completion \_\_\_\_\_ ft.

(11) WELL TESTS:  
Was well test made? Yes  No  If yes, by whom? \_\_\_\_\_  
Type of test Pump  Bailer  Air lift   
Depth to water at start of test \_\_\_\_\_ ft. At end of test \_\_\_\_\_ ft.  
Discharge 5 gal/min after \_\_\_\_\_ hours Water temperature \_\_\_\_\_  
Chemical analysis made? Yes  No  If yes, by whom? \_\_\_\_\_  
Electric log made? Yes  No  If yes, attach copy to this report

Work started 10/24 1977 Completed 10/25 1977  
WELL DRILLER'S STATEMENT:  
This well was drilled under my jurisdiction and this report is true to the best of my knowledge and belief.  
SIGNED David Lawrence 968  
(Well Driller)  
NAME David Lawrence Well Drilling  
(Person, firm, or corporation) (Typed or printed)  
Address 1650 Oregon St  
City Redding, CA Zip 96001  
License No. 334700 Date of this report 11/7/77



FEB 06 1996

STATE OF CALIFORNIA  
WELL COMPLETION REPORT  
Refer to Instruction Pamphlet

DWR USE ONLY - DO NOT FILL IN

**36N/04E-10M**

STATE WELL NO./STATION NO.

LATITUDE \_\_\_\_\_ LONGITUDE \_\_\_\_\_

APN/TRS/OTHER \_\_\_\_\_

Page \_\_\_\_\_ of \_\_\_\_\_  
Owner's Well No. \_\_\_\_\_  
Date Work Began 10/13/95, Ended 10/20/95 No. **431557**

Local Permit Agency \_\_\_\_\_  
Permit No. 11289 Permit Date \_\_\_\_\_

**GEOLOGIC LOG**

ORIENTATION (✓)  VERTICAL  HORIZONTAL  ANGLE \_\_\_\_\_ (SPECIFY)  
DEPTH TO FIRST WATER 240 (Ft.) BELOW SURFACE

DEPTH FROM SURFACE		DESCRIPTION <i>Describe material, grain size, color, etc.</i>
Ft.	to Ft.	
0	40	TOP SOIL & ROCK
0	100	LARGE BOULDERS
0	100	BROKEN ROCK & ORANGE CLAY
0	140	BROKEN LAVA ROCK (BLACK)
140	160	RED CLAY & STONES
160	230	BROKEN LAVA ROCK (BLACK)
230	250	
<p>36N/04E-10 per Mike Drury WTP 4E</p>		
<p>TOTAL DEPTH OF BORING <u>350</u> (Feet)</p> <p>TOTAL DEPTH OF COMPLETED WELL <u>310</u> (Feet)</p>		

**WELL LOCATION**

Address \_\_\_\_\_  
City CHASTA  
County \_\_\_\_\_  
APN Book \_\_\_\_\_ Page \_\_\_\_\_ Parcel PLR PGE  
Township 36N Range 04E Section 10  
Latitude \_\_\_\_\_ Longitude \_\_\_\_\_

**LOCATION SKETCH** NORTH \_\_\_\_\_ SOUTH \_\_\_\_\_

**ACTIVITY (✓)**

NEW WELL

MODIFICATION/REPAIR

Deepen

Other (Specify) \_\_\_\_\_

DESTROY (Describe Procedures and Materials Under "GEOLOGIC LOG")

**PLANNED USE(S)**

(✓)  MONITORING

**WATER SUPPLY**

Domestic

Public

Irrigation

Industrial

"TEST WELL"

CATHODIC PROTECTION

OTHER (Specify) \_\_\_\_\_

*Pit #1*

*Mike Drury*  
*off 894-4656 - left msg*  
*per 532-4695*  
*cell 949-1426*

Illustrate or Describe Distance of Well from Landmarks such as Roads, Buildings, Fences, Rivers, etc.  
**PLEASE BE ACCURATE & COMPLETE.**

**DRILLING METHOD** AIR

**FLUID** \_\_\_\_\_

**WATER LEVEL & YIELD OF COMPLETED WELL**

DEPTH OF STATIC WATER LEVEL \_\_\_\_\_ (Ft.) & DATE MEASURED 10/20/95

ESTIMATED YIELD\* \_\_\_\_\_ (GPM) & TEST TYPE \_\_\_\_\_

TEST LENGTH \_\_\_\_\_ (Hrs.) TOTAL DRAWDOWN \_\_\_\_\_ (Ft.)

\* May not be representative of a well's long-term yield.

DEPTH FROM SURFACE	BORE-HOLE DIA. (Inches)	CASING(S)							DEPTH FROM SURFACE	ANNULAR MATERIAL					
		TYPE (✓)				MATERIAL / GRADE	INTERNAL DIAMETER (Inches)	GAUGE OR WALL THICKNESS		SLOT SIZE IF ANY (Inches)	TYPE				
Ft.	to Ft.	BLANK	SCREEN	CON-DUCTOR	FILL PIPE								Ft.	to Ft.	CE-MENT (✓)
0	10					STEEL	0	.250		0	10				
310	330	X				STEEL	0	.250	1/8	57	330		X		GRAVEL
<p>DEL 3 1 1996</p> <p>DEL 1 6 1996</p>															

**ATTACHMENTS (✓)**

Geologic Log

Well Construction Diagram

Geophysical Log(s)

Soil/Water Chemical Analyses

Other \_\_\_\_\_

ATTACH ADDITIONAL INFORMATION, IF IT EXISTS.

**CERTIFICATION STATEMENT**

I, the undersigned, certify that this report is complete and accurate to the best of my knowledge and belief.

**TURNER DRILLING**

NAME (PERSON, FIRM, OR CORPORATION) (TYPED OR PRINTED)  
714-350 U.S. Hwy. 395-E Susanville CA 96130

ADDRESS \_\_\_\_\_ CITY 02/06/96 STATE 522037

Signed Neomi Turner DATE SIGNED \_\_\_\_\_  
WELL DRILLER/AUTHORIZED REPRESENTATIVE DATE SIGNED \_\_\_\_\_ C-57 LICENSE NUMBER \_\_\_\_\_

\*The free Adobe Reader may be used to view and complete this form. However, software must be purchased to complete, save, and reuse a saved form.

File Original with DWR **OCT 1 1 2010**

State of California  
**Well Completion Report**  
 Refer to Instruction Pamphlet  
 No. **e0118123**

DWR Use Only - Do Not Fill In

**36N/04E-11**

State Well Number/Site Number

Latitude N Longitude W

APN/TRS/Other

Page 1 of 1  
 Owner's Well Number 2  
 Date Work Began 08/25/2010 Date Work Ended 9/13/2010  
 Local Permit Agency Siskiyou County Department of Resource Management  
 Permit Number 10-118 Charter Permit Date 8/12/10

Geologic Log		
Orientation <input checked="" type="radio"/> Vertical <input type="radio"/> Horizontal <input type="radio"/> Angle Specify _____		
Drilling Method <u>Direct Push</u> Drilling Fluid <u>Bentonite mud</u>		
Depth from Surface	Description	
Feet to Feet	Describe material, grain size, color, etc	
0	12	Silt/Boulders
12	33	River Cobble
33	44	Tan Clay
44	50	Diatamatus earth
50	85	Brown Clay
85	367	Grey Clay
367	375	Sand stone
375	400	Grey Clay
400	405	Diatamatus earth
Total Depth of Boring <u>405</u> Feet		
Total Depth of Completed Well <u>405</u> Feet		

**Well Location**

Address Pit One Powerhous Rd

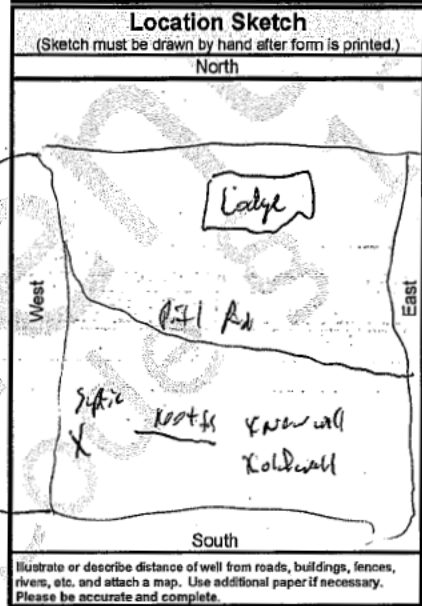
City \_\_\_\_\_ County \_\_\_\_\_

Latitude \_\_\_\_\_ N Longitude \_\_\_\_\_ W

Datum \_\_\_\_\_ Decimal Lat. \_\_\_\_\_ Decimal Long. \_\_\_\_\_

APN Book 022 Page 240-25 Parcel 800-007-981

Township 36N Range 04E Section 11



**Activity**

New Well  
 Modification/Repair  
 Deepen  
 Other \_\_\_\_\_  
 Destroy  
 Describe procedures and materials under "GEOLOGIC LOG"

**Planned Uses**

Water Supply  
 Domestic  Public  
 Irrigation  Industrial

Cathodic Protection  
 Dewatering  
 Heat Exchange  
 Injection  
 Monitoring  
 Remediation  
 Sparging  
 Test Well  
 Vapor Extraction  
 Other \_\_\_\_\_

**Water Level and Yield of Completed Well**

Depth to first water 367 (Feet below surface)  
 Depth to Static \_\_\_\_\_  
 Water Level 225 (Feet) Date Measured 09/13/2010  
 Estimated Yield \* 5 (GPM) Test Type Air Lift  
 Test Length \_\_\_\_\_ (Hours) Total Drawdown \_\_\_\_\_ (Feet)  
 \*May not be representative of a well's long term yield.

Casings								Annular Material			
Depth from Surface	Borehole Diameter	Type	Material	Wall Thickness	Outside Diameter	Screen Type	Slot Size	Depth from Surface	Fill	Description	
Feet to Feet	(Inches)			(Inches)	(Inches)		if Any (Inches)	Feet to Feet			
0	300	10	Blank	PVC Sch. 40	6			0	55	Bentonite	Slurry
300	400	10	Screen	PVC Sch. 40	6	Milled Slots		55	405	Fill	Gravel

**Attachments**

Geologic Log  
 Well Construction Diagram  
 Geophysical Log(s)  
 Soil/Water Chemical Analyses  
 Other \_\_\_\_\_

Attach additional information, if it exists.

**Certification Statement**

I, the undersigned, certify that this report is complete and accurate to the best of my knowledge and belief

Name Arley Enloe, Enloe Drilling, Inc.  
 Person, Firm or Corporation  
10927 Eagle Road Montague CA 96964  
 Address City State Zip  
 Signed [Signature] Date Signed 9/29/2010  
 C-57 Licensed Water Well Contractor Date Signed 710459 C-57 License Number



ORIGINAL  
File with DWR

STATE OF CALIFORNIA  
THE RESOURCES AGENCY  
DEPARTMENT OF WATER RESOURCES  
WATER WELL DRILLERS REPORT

37N/4E-34 Do not fill in  
No. 10251

Notice of Intent No. \_\_\_\_\_  
Local Permit No. or Date \_\_\_\_\_

State Well No. \_\_\_\_\_  
Other Well No. \_\_\_\_\_

(2) LOCATION OF WELL (See instructions):  
County Shasta Owner's Well Number Pit 1-2  
Well address if different from above \_\_\_\_\_  
Township 37N Range 4 E Section 34  
Distance from cities, roads, railroads, fences, etc. \_\_\_\_\_

(12) WELL LOG: Total depth 250 ft. Depth of completed well 0 ft.  
from ft. to ft. Formation (Describe by color, character, size or material):  
0 - 8 Loose silty sand and boulders  
8 - 12 Ash & cinders w/ cobbles  
12 - 16 Silty brown cinders  
16 - 19 Silty, sandy gravel  
19 - 20.5 Gray sandstone  
20.5 - 40 Brown cinders w/ cobbles  
40 - 60 Red cinders  
60 - 98 Bluish gray sandstone  
98 - 107 Gray clayey sand  
107 - 128 Gray clayey sand w/ volcanic ash  
128 - 140 Gray sandstone  
140 - 150 Brown sandstone, dense  
150 - 162 Sandy clay, gray to brown  
162 - 250 Gray sandy clay, very fine sand

See attached location map

(3) TYPE OF WORK:  
New Well  Deepening   
Reconstruction   
Reconditioning   
Horizontal Well   
Destruction  (Describe destruction materials and procedures in Item 12)  
(4) PROPOSED USE:  
Domestic   
Irrigation   
Industrial   
Test Well   
Stock   
Municipal   
Other

WELL LOCATION SKETCH

(5) EQUIPMENT:  
Rotary  Reverse   
Cable  Air   
Other  Bucket   
(6) GRAVEL PACK:  
Yes  No  Size 1/2 x 1/4  
Diameter of bore 7-1/2  
Packed from 250 to 38 ft.

(7) CASING INSTALLED: Steel  Plastic  Concrete   
(8) PERFORATIONS:  
Type of perforation or size of screen

From ft.	To ft.	Dia. in.	Gage or Wall	From ft.	To ft.	Slot size
210	0	6	10	210	150	3/32 x 2-1/2

(9) WELL SEAL:  
Was surface sanitary seal provided? Yes  No  If yes, to depth 40 ft.  
Were strata sealed against pollution? Yes  No  Interval \_\_\_\_\_ ft.  
Method of sealing Cement grout

(10) WATER LEVELS:  
Depth of first water, if known 60 ft.  
Standing level after well completion \_\_\_\_\_ ft.

(11) WELL TESTS:  
Was well test made? Yes  No  If yes, by whom? \_\_\_\_\_  
Type of test Pump  Bailer  Air lift   
Depth to water at start of test \_\_\_\_\_ ft. At end of test \_\_\_\_\_ ft.  
Discharge 3 gal/min after 6 hours Water temperature \_\_\_\_\_  
Chemical analysis made? Yes  No  If yes, by whom? \_\_\_\_\_  
Electric log made? Yes  No  If yes, attach copy to this report

Well was abandoned and filled from 210 ft to ground surface with pea-gravel cement grout; from 40 ft to ground surface grout placed outside casing in 40-inch hole  
Work started 10/25 19 77 Completed 11/4 19 77

WELL DRILLER'S STATEMENT:  
This well was drilled under my jurisdiction and this report is true to the best of my knowledge and belief.  
SIGNED David Lawrence (Well Driller)  
NAME David Lawrence Well Drilling  
(Person, firm, or corporation) (Typed or printed)  
Address 1650 Oregon St  
Redding, CA Zip 96001  
City \_\_\_\_\_ Date of this report 11/7/77  
License No. 334700