



AGENDA

REGULAR MEETING OF THE BOARD OF DIRECTORS

Tuesday, January 3, 2023

6:00 PM

Modular C Classroom

600 N. Highland Springs Avenue, Banning, CA 92220

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at (951) 769-2160. **Notification 48 hours prior to the meeting** will enable the Healthcare District to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.02-35.104 ADA Title II].

TAB

I. Call to Order

D. Tankersley, Chair

II. Public Comment

A five-minute limitation shall apply to each member of the public who wishes to address the Healthcare District Board of Directors on any matter under the subject jurisdiction of the Board. A thirty-minute time limit is placed on this section. No member of the public shall be permitted to “share” his/her five minutes with any other member of the public. (Usually, any items received under this heading are referred to staff for future study, research, completion and/or future Board Action.) (PLEASE STATE YOUR NAME AND ADDRESS FOR THE RECORD.)

On behalf of the Healthcare District Board of Directors, we want you to know that the Board acknowledges the comments or concerns that you direct to this Board. While the Board may wish to occasionally respond immediately to questions or comments if appropriate, they often will instruct the Hospital CEO, or other Hospital Executive personnel, to do further research and report back to the Board prior to responding to any issues raised. If you have specific questions, you will receive a response either at the meeting or shortly thereafter. The Board wants to ensure that it is fully informed before responding, and so if your questions are not addressed during the meeting, this does not indicate a lack of interest on the Board’s part; a response will be forthcoming.

NOTE: ALL MEMBERS OF THE SAN GORGONIO MEMORIAL HOSPITAL BOARD OF DIRECTORS ARE INVITED PARTICIPANTS AND MAY ADDRESS THE SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT BOARD OF DIRECTORS AT ANY TIME DURING THIS MEETING.

TAB

OLD BUSINESS

III. * **Proposed Action - Approve Minutes**

All

- December 6, 2022, regular meeting

A

NEW BUSINESS

- | | | | |
|-------|---|----------------|---|
| IV. | *Proposed Action - Approve November 2022 Financial Report <ul style="list-style-type: none">▪ ROLL CALL <ul style="list-style-type: none">• Informational: Measure A Funds Report – November 2022 | M. Kammer | B |
| | | | C |
| V. | Reminder – All District Board Members Annual Execution of Confidentiality and Nondisclosure Agreement | D. Tankersley | D |
| VI. | *Proposed Action – Annual Approval of District Bylaws
(per bylaws Section 9, (b)) <ul style="list-style-type: none">▪ ROLL CALL | D. Tankersley | E |
| VII. | 2023 Slate of Officers
(2022 Slate of Officers included in packet for reference) <ul style="list-style-type: none">• * Proposed Action – Nominate/Approve 2023 District Board Chair<ul style="list-style-type: none">▪ ROLL CALL• * Proposed Action – Nominate/Approve 2023 District Board Vice Chair<ul style="list-style-type: none">▪ ROLL CALL• * Proposed Action – Nominate/Approve 2023 District Board Secretary/Treasurer<ul style="list-style-type: none">▪ ROLL CALL | D. Tankersley | F |
| VIII. | * Proposed Action – Approve Resolution No. 2023-01
(A RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LINE OF CREDIT WITH FIRST FOUNDATION PUBLIC FINANCE, A DELAWARE STATUTORY TRUST AND A WHOLLY-OWNED SUBSIDIARY OF FIRST FOUNDATION BANK, AND APPROVING CERTAIN OTHER ACTIONS) <ul style="list-style-type: none">▪ ROLL CALL | D. Heckathorne | G |
| IX. | * Proposed Action – Approve the replacement of SGMH’s Acudose ADCs with Omnicell ADCs at the current price of \$562,831.60 plus taxes and shipping. <ul style="list-style-type: none">▪ ROLL CALL | D. Heckathorne | H |
| X. | * Proposed Action – Approve the renewal of the 3M Software Coding Agreement <ul style="list-style-type: none">▪ ROLL CALL | D. Heckathorne | I |
| XI. | General Information | | |
| | *** ITEMS FOR DISCUSSION/APPROVAL IN CLOSED SESSION | D. Tankersley | |

San Gorgonio Memorial Healthcare District
Board of Directors Regular Meeting
January 3, 2023

- Proposed Action – Approve Medical Staff Credentialing
(Health & Safety Code §32155; and Evidence Code §1157)

XII. ADJOURN TO CLOSED SESSION

RECONVENE TO OPEN SESSION

***** REPORT ON ACTIONS TAKEN DURING CLOSED SESSION**

D. Tankersley

XIII. Future Agenda Items

XIV. Adjournment

D. Tankersley

***Action Required**

In accordance with The Brown Act, *Section 54957.5*, all public records relating to an agenda item on this agenda are available for public inspection at the time the document is distributed to all, or a majority of all, members of the Board. Such records shall be available at the Healthcare District Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Certification of Posting

I certify that on December 30, 2022, I posted a copy of the foregoing agenda near the regular meeting place of the Board of Directors of San Gorgonio Memorial Healthcare District, and on the San Gorgonio Memorial Hospital website, said time being at least 72 hours in advance of the regular meeting of the Board of Directors (*Government Code Section 54954.2*).

Executed at Banning, California on December 30, 2022



Ariel Whitley, Executive Assistant

TAB A

REGULAR MEETING OF THE
SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT
BOARD OF DIRECTORS

December 6, 2022

The regular meeting of the San Gorgonio Memorial Hospital Board of Directors was held on Tuesday, December 6, 2022, in Modular C meeting room, 600 N. Highland Springs Avenue, Banning, California.

Members Present: Randal Stevens, Lanny Swerdlow, Dennis Tankersley (Chair)

Members Absent: Shannon McDougall, Darrell Petersen

Required Hospital: Steve Barron (CEO), Pat Brown (CNO/COO), Annah Karam (CHRO), Margaret Kammer (Controller), Ariel Whitley (Executive Assistant)

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
Call To Order	Chair, Dennis Tankersley called the meeting to order at 6:57 pm.													
Public Comment	No public comment.													
OLD BUSINESS														
Proposed Action - Approve Minutes November 1, 2022, regular meeting.	Chair, Dennis Tankersley asked for any changes or corrections to the minutes of the November 1, 2022, regular meeting. There were none.	The minutes of the November 1, 2022, regular meeting will stand correct as presented.												
NEW BUSINESS														
Proposed Action – Approve the November 2022 Financial Report	Margaret Kammer reviewed the November 2022 Finance Report. This was included as a handout. BOARD MEMBER ROLL CALL: <table border="1" style="margin-left: 20px;"> <tr> <td>McDougall</td> <td>Absent</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	McDougall	Absent	Petersen	Absent	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		M.S.C., (Tankersley/Stevens), the SGMHD Board of Directors approved the October 2022 Financial report as presented.
McDougall	Absent	Petersen	Absent											
Stevens	Yes	Swerdlow	Yes											
Tankersley	Yes	Motion carried.												

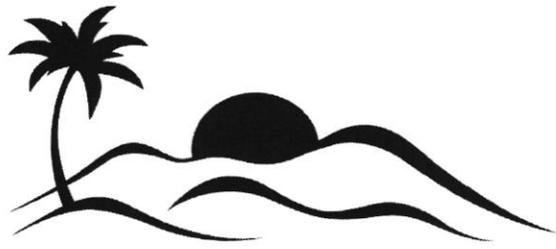
AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP												
<ul style="list-style-type: none"> Informational - Measure A expenditures – October 2022 	<p>Chair Tankersley noted that a copy of the Measure A funds and expenditures – October 2022 was given as a handout.</p>													
<p>Proposed Action – Approve the District Hospital Leadership Forum (DHLF) Annual Dues</p>	<p>San Geronio Memorial Healthcare District & Hospital have been members of the DHFL for many years. The DHLF is the group which formally oversees the overall guidance and planning for all matters related to Supplemental Funding on behalf of California Healthcare Districts. DHLF also coordinates their efforts with numerous California agencies (including CHA) in areas that impact the Healthcare Districts.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="407 827 1214 940"> <tr> <td>McDougall</td> <td>Absent</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	McDougall	Absent	Petersen	Absent	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Tankersley/Stevens), the SGMHD Board of Directors approved the District Hospital Leadership Forum (DHLF) Annual Dues as presented.</p>
McDougall	Absent	Petersen	Absent											
Stevens	Yes	Swerdlow	Yes											
Tankersley	Yes	Motion carried.												
<p>Proposed Action – Approve the FYE 22 Financial Audit</p>	<p>Dan Heckathorne, CFO, introduced David Imus of Wipfli, LLP. David presented the FYE 22 Financial Audit.</p> <p>It was noted that approval is recommended to the Healthcare District Board.</p> <p>BOARD MEMBER ROLL CALL:</p> <table border="1" data-bbox="407 1241 1214 1354"> <tr> <td>McDougall</td> <td>Absent</td> <td>Petersen</td> <td>Absent</td> </tr> <tr> <td>Stevens</td> <td>Yes</td> <td>Swerdlow</td> <td>Yes</td> </tr> <tr> <td>Tankersley</td> <td>Yes</td> <td colspan="2">Motion carried.</td> </tr> </table>	McDougall	Absent	Petersen	Absent	Stevens	Yes	Swerdlow	Yes	Tankersley	Yes	Motion carried.		<p>M.S.C., (Tankersley/Stevens), the SGMHD Board of Directors approved the FYE 22 Financial Audit as presented.</p>
McDougall	Absent	Petersen	Absent											
Stevens	Yes	Swerdlow	Yes											
Tankersley	Yes	Motion carried.												
<p>COMMITTEE REPORTS</p>														
<p>Measure H Community Oversight Committee</p>	<p>Committee met on 11/16/22 and deemed measures appropriate. Shown on Tab D.</p>													
<p>Measure A Community Oversight Committee</p>	<p>Committee met on 11/16/22 and deemed measures appropriate. Shown on Tab E.</p>													
<p>For Review – Healthcare District Bylaws</p>	<p>It was noted that the current Healthcare District Bylaws were included for review. They are scheduled for re-approval at the February 2023 board meeting.</p>													

AGENDA ITEM	DISCUSSION	ACTION / FOLLOW-UP
General Information	None.	
Adjourn to Closed Session	Chair, Tankersley reported the items to be reviewed and discussed and/or acted upon during Closed Session will be: <ul style="list-style-type: none"> ➤ Proposed Action – Approve Medical Staff Credentialing. The meeting adjourned to Closed Session at 7:09 pm.	
Reconvene to Open Session	The meeting reconvened to Open Session at 7:11 pm. At the request of Chair, Tankersley, Ali Webb reported on the actions taken/ information received during closed session as follows: <ul style="list-style-type: none"> ➤ Approved Medical Staff Credentialing 	
Future Agenda Items	None.	
Adjournment	The meeting was adjourned at 7:12 pm.	

In accordance with The Brown Act, *Section 54957.5*, all reports and handouts discussed during this Open Session meeting are public records and are available for public inspection. These reports and/or handouts are available for review at the Healthcare District Administration office located at 600 N. Highland Springs Avenue, Banning, CA 92220 during regular business hours, Monday through Friday, 8:00 am - 4:30 pm.

Minutes respectfully submitted by Ariel Whitley, Executive Assistant

TAB B



SAN GORGONIO
MEMORIAL HEALTHCARE
DISTRICT

November 2022 Unaudited Financial Report

FY 2023

Presented by:

M. Kammer

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**SAN GORGONIO MEMORIAL DISTRICT
BANNING, CALIFORNIA**

11/30/22

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FY 2023

	ACT CUR 11/30/22	BUD CUR 11/30/22	PRIOR YR 11/30/21	ACT YTD 11/30/22	BUD YTD 11/30/22	Prior YTD 11/30/21
Gross Patient Revenue						
Inpatient Routine Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Inpatient Ancillary Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Outpatient Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Long Term Care Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Home Health Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Total Gross Patient Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Discounts and Allowances	\$0	\$0	\$0	\$0	\$0	\$0
Bad Debt Expense (Governmental Provic	\$0	\$0	\$0	\$0	\$0	\$0
Prior Year Settlements	\$0	\$0	\$0	\$0	\$0	\$0
Charity Care	\$0	\$0	\$0	\$0	\$0	\$0
Total Deductions From Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Net Patient Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Clinic Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Tax Subsidies Measure D	\$246,994	\$246,994	\$233,333	\$1,234,969	\$1,234,969	\$699,999
Tax Subsidies Advelorum	\$154,500	\$154,500	\$150,000	\$772,500	\$772,500	\$450,000
Other Non-Operating Revenue - Grants	\$0	\$10,833	\$0	\$0	\$54,167	\$0
	\$401,494	\$412,327	\$383,333	\$2,007,469	\$2,061,636	\$1,149,999
EXPENSES						
Salaries and Wages	\$0	\$0	\$0	\$0	\$0	\$0
Fringe Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Contract Labor	\$0	\$0	\$0	\$0	\$0	\$0
Physicians Fees	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Services	\$2,147	\$7,104	\$37,272	\$6,159	\$35,521	\$122,030
Supply Expense	\$0	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$2,333	\$1,765	\$8,909	\$11,667	\$8,425
Repairs and Maintenance	\$8,000	\$10,667	\$6,500	\$49,416	\$53,333	\$37,484
Insurance Expense	\$0	\$0	\$0	\$0	\$0	\$0
All Other Operating Expenses	\$150,565	\$0	\$0	\$159,363	\$0	\$0
IGT Expense	\$0	\$0	\$0	\$0	\$0	\$0
Leases and Rentals	\$0	\$0	\$0	\$0	\$0	\$0
Clinic Expenses	\$0	\$0	\$0	\$0	\$0	\$0
	\$160,712	\$20,104	\$45,537	\$223,847	\$100,521	\$167,939
EBIDA	\$240,782	\$392,223	\$337,796	\$1,783,622	\$1,961,115	\$982,060
Depreciation	\$406,450	\$550,044	\$504,865	\$2,175,842	\$2,750,218	\$2,019,460
Interest Expense (Non-Governmental Pro	\$355,607	\$468,587	\$360,607	\$1,735,325	\$2,342,933	\$1,441,398
	\$762,056	\$1,018,630	\$865,472	\$3,911,167	\$5,093,151	\$3,460,858
Contributions	\$2,538	\$466,744	\$1,523	\$1,395,664	\$2,333,721	\$36,022
Tax Subsidies for GO Bonds - M-A	\$627,353	\$615,404	\$613,966	\$3,136,766	\$3,077,020	\$2,455,863
Total Non Operating Revenue/(Expens	\$629,891	\$1,082,148	\$615,489	\$4,532,430	\$5,410,742	\$2,491,885
NET INCOME	\$108,617	\$455,741	\$87,813	\$2,404,885	\$2,278,706	\$13,087

Balance Sheet - Assets

SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT
BANNING, CALIFORNIA

11/30/22

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	Current Month 11/30/2022	Prior Month 10/30/2022	ASSETS Positive/ (Negative) Variance	Percentage Variance	Prior Year 06/30/2022
					\$0
Current Assets -DISTRICT ONLY					
Cash and Cash Equivalents	\$2,077,409	\$2,335,115	(\$257,706)	-2%	\$1,873,283
Gross Patient Accounts Receivable	\$0	\$0	\$0	0.00%	\$0
Less: Bad Debt and Allowance Reserve	\$0	\$0	\$0	0.00%	\$0
Net Patient Accounts Receivable	\$0	\$0	\$0	0.00%	\$0
Interest Receivable	\$5,836,289	\$4,107,409	\$1,728,880	906%	\$1,178,859
Other Receivables	\$660,465	\$539,354	\$121,111	0%	\$660,465
Inventories	\$0	\$0	\$0	0.00%	\$0
Prepaid Expenses	\$126,169	\$426,169	(\$300,000)	0%	\$426,159
Due From Third Party Payers	\$0	\$0	\$0	0.00%	\$0
Due From Affiliates/Related Organization	\$0	\$0	\$0	0.00%	\$0
Other Current Assets	\$0	\$0	\$0	0.00%	\$0
Total Current Assets	\$8,700,332	\$7,408,047	\$1,292,285	33%	\$4,138,766
Assets Whose Use is Limited					
Cash			\$0	0.00%	
Investments	\$8,809,050	\$8,395,962	\$413,088	1%	\$12,704,494
Bond Reserve/Debt Retirement Fund		\$0	\$0	0.00%	\$0
Trustee Held Funds		\$0	\$0	0.00%	\$0
Funded Depreciation		\$0	\$0	0.00%	\$0
Board Designated Funds		\$0	\$0	0.00%	\$0
Other Limited Use Assets	\$8,809,050	\$0	\$8,809,050	0.00%	\$0
		\$0	\$0	0.00%	\$0
Total Limited Use Assets		\$8,395,962	\$9,222,137	1%	\$12,704,494
	\$4,828,182				
Property, Plant, and Equipment	\$129,281,491				
Land and Land Improvements	\$27,112,216	\$4,828,182	\$22,284,034	0%	\$4,828,182
Building and Building Improvements	\$2,082,369	\$129,281,491	(\$127,199,122)	0%	\$129,281,561
Equipment		\$27,045,243	(\$27,045,243)	0%	\$26,856,789
Construction In Progress	\$163,304,259	\$1,754,216	\$161,550,043	0%	\$1,679,782
Capitalized Interest	(\$90,394,360)	\$0	(\$90,394,360)	0.00%	\$0
Gross Property, Plant, and Equipm	\$72,909,899	\$162,909,132	(\$60,804,647)	0%	\$162,646,314
Less: Accumulated Depreciation		(\$89,581,481)	\$89,581,481	1%	(\$89,145,667)
Net Property, Plant, and Equipment	\$627,385	\$73,327,651	\$28,776,834	-1%	\$73,500,647
Other Assets	\$28,967,972				
Unamortized Loan Costs		\$627,385	(\$627,385)	0%	\$627,385
Assets Held for Future Use	\$29,595,356	\$0	\$29,595,356	0.00%	\$0
Investments in Subsidiary/Affiliated Org.		\$29,543,943	(\$29,543,943)	4%	\$21,282,258
Other	\$120,014,636	\$0	\$120,014,636	0.00%	\$0
Total Other Assets	\$0	\$30,171,328	\$119,438,665	4%	\$21,909,643
TOTAL UNRESTRICTED ASSETS	\$120,014,636	\$119,302,988	\$158,729,920	1%	\$112,253,550
Restricted Assets	\$0	\$0	\$0	0.00%	\$0
TOTAL ASSETS	\$120,014,636	\$119,302,988	\$158,729,920	1%	\$112,253,550

Balance Sheet - Liabilities and Net Assets
SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT
BANNING, CALIFORNIA

11/30/22

	Cur Month 11/30/2022	Prior Month 10/30/2022	Positive/ (Negative) Variance	Percentage Variance	PRIOR YEAR 06/30/2022
Current Liabilities					
Accounts Payable	\$497,298	\$1,263,505	(\$766,207)	-22%	\$980,448
Notes and Loans Payable	\$0	\$0	\$0	0.00%	\$0
Accounts Payable- Construction	\$0	\$0	\$0	0.00%	\$0
Accrued Payroll Taxes	\$0	\$0	\$0	0.00%	\$0
Accrued Benefits	\$0	\$0	\$0	0.00%	\$0
Accrued Pension Expense (Current Portion)	\$0	\$0	\$0	0.00%	\$0
Other Accrued Expenses	\$0	\$0	\$0	0.00%	\$0
Accrued GO Bond Interest Payable	\$1,615,481	\$1,376,337	\$239,144	40%	\$2,526,756
Property Tax Payable	\$0	\$0	\$0	0.00%	\$0
Due to Third Party Payers	\$0	\$0	\$0	0.00%	\$0
Advances From Third Party Payers	\$0	\$0	\$0	0.00%	\$0
Current Portion of LTD (Bonds/Mortgages)	\$2,335,000	\$2,335,000	\$0	0%	\$2,335,000
Current Portion of LTD (Leases)	\$0	\$0	\$0	0.00%	\$0
Other Current Liabilities	\$0	\$0	\$0	0.00%	\$0
Total Current Liabilities	\$4,297,779	\$4,974,842	(\$527,064)	-8%	\$5,842,204
Long Term Debt					
Bonds/Mortgages Payable	\$99,542,891	\$103,043,956	(\$3,501,065)	0%	\$103,043,956
Revenue Bond Payable	\$11,779,417	\$11,804,064	(\$24,647)	0%	\$2,293,348
Current Portion	\$0	\$0	\$0	0.00%	\$0
Total Long Term Debt	\$111,322,308	\$114,848,020	(\$3,525,712)	0%	\$105,337,304
Other Long Term Liabilities					
Deferred Revenue	\$0	\$0	\$0	0.00%	\$0
Accrued Pension Expense (Net of Current)	\$0	\$0	\$0	0.00%	\$0
Other	\$0	\$0	\$0	0.00%	\$0
Total Other Long Term Liabilities	\$0	\$0	\$0	0.00%	\$0
TOTAL LIABILITIES	\$115,620,087	\$119,822,862	(\$4,052,775)	0%	\$111,179,508
Net Assets:					
Unrestricted Fund Balance	\$1,830,302	(\$2,906,037)	\$4,736,339	1%	(\$1,141,993)
Temporarily Restricted Fund Balance	\$0	\$0	\$0	0.00%	\$0
Restricted Fund Balance	\$0	\$0	\$0	0.00%	\$0
Net Revenue/(Expenses)	\$2,564,248	\$2,386,163	\$178,085	106%	\$2,216,045
TOTAL NET ASSETS	\$4,394,550	(\$519,874)	\$4,914,424	2104%	\$1,074,052
TOTAL LIABILITIES AND NET ASSETS	\$120,014,636	\$119,302,988	\$861,648	-1%	\$112,253,560
	(\$0)	\$0			\$0

TAB C

San Geronio Memorial Healthcare District

Measure A analysis of Project Funds Paid by General Category

11/30/2022

	Measure A Project-to-Date	Current Month-Measure A 11/30/2022	District Funds 11/30/2022
Computer Equipment	\$ 5,311,028	\$ -	
Radiology Equipment	\$ 1,526,641	\$ -	
Legal/Regulatory/Bonds	\$ 3,143,910	\$ -	
Architectural (HDR)-ALL PHASE 1 PROJ	\$ 11,756,851	\$ -	
Construction Management-ALL PHASE 1	\$ 12,875,601	\$ -	
Contractors 1-A (HELIPAD/COOLING TOW	\$ 7,814,103	\$ -	
Other	\$ 3,021,460	\$ -	
Contractors 1-B (CENTRAL PLANT)	\$ 20,800,201	\$ -	
Contractors 1-C (ED/ICU)	\$ 28,157,355	\$ -	
Contractors 1-E Dietary Remodel	\$ 5,225,946	\$ -	
Contractors 1-Medley Project	\$ 4,796,620	\$ -	
Previous Expenditures for Measure A-Phase 1	\$ 104,429,717	\$ -	
Contractors, Architect, Mgmt - 2-A Patient Facility prior to 9/01/14	\$ 7,015,575		
Expenditures prior to 9/01/14 all phases	\$ 111,445,293		
Project expenditures using District Funds			
TCU Conversion 0001	\$ 0.00	\$ 0.00	\$ 108,612
Medical Records Conversion 0004	\$ 0.00	\$ 0.00	\$ 13,618
Pharmacy Conversion 0005	\$ 0.00	\$ 0.00	\$ 50,447
CIP Patient Care Facility-0008	\$ 0.00	\$ 0.00	\$ 2,100
Project Expenditures using Measure A funds			
TCU Conversion 0001	\$ 539,852.53	\$ 0.00	
Medical Records Conversion 0004	\$ 0.00	\$ 0.00	
Pharmacy Conversion 0005	\$ 0.00	\$ 0.00	
CIP Patient Care Facility-0008	\$ 1,338,416.28	\$ 0.00	\$ 0.00
OR Electrical Conversion	\$ 0.00	\$ 0.00	\$ 39,751.00
Other Construction Costs	\$ 150,247.92	\$ 0.00	
Other Non-Construction Costs	\$ 193,576.42	\$ 0.00	\$ 5,955.22
Total Expenditures	\$ 113,667,386	\$ -	\$ 220,483

Measure A Project General Obligation Funds
Statement of Funds Flows

PROCEEDS SUMMARY:	
Initial Project Fund transfer from sale of General Obligation Bonds 2006 A to FSA	25,200,349
Initial Project Fund Transfer from sale of General Obligation Bonds 2006 B (08/08/	24,876,964.91
Initial Project Fund from sale of General Obligation Bonds 2006 C (08/14/2009)	57,800,000
Planholder Checks project to date and refunds for overpayments	24,072
HDR Returned payments	139,979
Initial Proceeds	108,041,365
<u>Investment Income</u>	
FSA Inc. (Series 2006 A)	1,762,060
BB&T GIC (Series 2008 B)	1,461,176
Bank of Hemet Series A	1,001
City National Money Market	81
GE Capital (Series 2009 C)	2,638,823
Security Bank Money Market	39,206
Interest Income SUBTOTAL	5,902,348
Total Proceeds Available for Measure A:	\$ 113,943,713

Projected Interest by end of Project>	5,912,351
Total Projected Proceeds Available for Measure A:	\$ 113,953,716

FUND FLOWS:		
Total Measure A Funds Initial Proceeds (from above)		108,041,364.81
Add:	<u>Rate</u>	<u>Interest Income</u>
FSA Inc. (Series 2006 A), FY 07	5.27%	1,030,536.43
FSA Inc. (Series 2006 A), FY 08	5.27%	635,706.73
FSA Inc. (Series 2006 A), FY 09	5.27%	95,817.32
BB&T GIC (Series 2008 B) FY 09	4.94%	680,384
BB&T GIC (Series 2008 B) FY 10	4.94%	648,151
BB&T GIC (Series 2008 B) FY 11	4.94%	132,640
GE Capital (Series 2009 C) FY 10	1.75%	688,722
GE Capital (Series 2009 C) FY 11	1.75%	956,529
GE Capital (Series 2009 C) FY 12	1.75%	591,104.24
GE Capital (Series 2009 C) FY 13	1.75%	293,402.39
GE Capital (Series 2009 C) FY 14	1.75%	109,065.59
Bank of Hemet Series A		1,001
City National Money Market		81
Security Bank Construction funds		1,126
Security Bank Construction Money Market		38,080
Total Interest Income earned		\$ 5,902,348
Project Expenditures (from above)		\$ 113,667,386
Total Consolidated Funds available:		\$ 276,327.18
	spent to date	100%

MEASURE A BALANCES:		
	Balances as of 11/30/2022	
Bank of Hemet Series A	4310	-
Security Bank of California Construction Fu	1812	5,990
Security Bank of California Money Market	2509	270,337
Total Balances		\$ 276,327

TAB D

CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT

HEALTHCARE DISTRICT BOARD

This Confidentiality and Nondisclosure Agreement (“Agreement”) is entered into on _____ between San Gorgonio Memorial Healthcare District (“District”) and _____ an individual (“Director”). The District and Director are each a “Party” and sometimes collectively referred to herein as the “Parties”.

RECITALS

A. Director has been elected/appointed as a director of District’s board of directors (“Board of Directors”) wherein Director will have access to certain business information, including, but not limited to, financial information exchanged in closed door sessions of the Board of Directors (“Confidential Information”).

B. Director desires to assure District that the Confidential Information will not be disclosed to other individuals or entities, except as expressly authorized by this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

OPERATIVE PROVISIONS

1. Acknowledgment. The Parties acknowledge and understand that the Confidential Information contains sensitive and private information, some of which may constitute trade secrets of District.

2. Restriction on Use. The Parties agree that only management level employees and professional advisors of District (collectively “Authorized Persons”), shall have access to the Confidential Information and that each Party shall cause any such Authorized Persons having access to the Confidential Information to sign an agreement substantially in the form of this Agreement, in which said Authorized Person agrees to be bound by terms and provisions substantially identical to those set forth in this Agreement.

3. Restriction on Disclosure. Each Party further agrees on behalf of itself and any Authorized Persons, that it shall hold, maintain and protect the confidential nature of the Confidential Information and shall not disclose the existence or contents of the Confidential Information to any person or entity, except as expressly authorized by this Agreement.

4. Exceptions to Restriction on Disclosure. Nothing contained in this Agreement shall prevent or be interpreted as preventing either Party or the Authorized Persons from disclosing the Confidential Information under the following circumstances:

- (a) Where written consent is provided by the non-disclosing Party; and
- (b) Where disclosure of the Confidential Information is required by subpoena or other process of law; provided the subpoenaed Party or the Authorized Persons, as the case may

be, shall promptly notify the non-subpoenaed Party of the receipt of said process so as to allow the non-subpoenaed Party every opportunity to resist the subpoena, service of process or court order.

5. No Rights in Confidential Information. No rights or licenses in the Confidential Information, expressed or implied, are granted to Committee Member as a result of this Agreement.

6. Survival. Director's obligations with respect to the Confidential Information shall survive any expiration, termination or cancellation of this Agreement and continue to bind Director.

7. Governing Law. This Agreement shall be governed by the laws of the State of California.

8. Remedies. Committee Member acknowledges that money damages alone would not be a sufficient remedy for its breach of this Agreement. In addition to all other remedies, District shall be entitled to specific performance and injunctive or equitable relief to remedy a breach. Director agrees to waive any requirement for the securing or posting of a bond in connection with such remedy. Director agrees to be fully responsible for its breach of any provision of this Agreement.

9. Entire Agreement. This Agreement constitutes the entire agreement and understanding of the Parties with respect to the subject matter herein and supersede all prior agreements and understandings, whether oral or written.

10. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, this Agreement has been executed as of the day and year first above written.

DIRECTOR:

By: _____
(signature)

Name: _____
(name printed)

TAB E

**AMENDED AND RESTATED BYLAWS
OF THE
SAN GORGONIO MEMORIAL
HEALTHCARE DISTRICT**

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AMENDED AND RESTATED BYLAWS
OF THE
SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT

ARTICLE I. PURPOSES

Section 1. Specific Purposes. The purposes of this healthcare district shall be:

- (a) To establish and maintain a hospital for the care of persons suffering from illnesses or disabilities which require that the patients receive hospital care.
- (b) To carry on any activities related to health services which, in the opinion of the Board of Directors, may be justified by the facilities, personnel, funds or other requirements that are or can be made available.
- (c) To promote and carry on scientific research related to the care of the sick and injured insofar as, in the opinion of the Board of Directors, such research and education can be carried on in, or in connection with, the hospital.
- (d) To participate, so far as circumstances may warrant, in any activity designed and carried on to promote the general health of the community.

Section 2. Public Body. This district is organized as a public body. No part of its earnings will inure to the benefit of any member, director, officer or individual.

ARTICLE II. ORGANIZATION

Section 1. Name. The name of this healthcare district shall be "San Gorgonio Memorial Healthcare District".

Section 2. Principal Office. The function and governance of this District shall be conducted at the principal office of the San Gorgonio Memorial Hospital, which is located at the southeastern corner of Highland Springs Avenue and West Wilson Street in the City of Banning, in the County of Riverside, State of California or such other place or places in the District as the Board of Directors may from time to time designate.

Section 3. Board of Directors. The administrative powers of this District shall be vested in a Board of Directors of five members who have charge, control and management of the property, affairs and funds of the District and who have the power and authority to perform all acts and functions not inconsistent with these bylaws or with the Healthcare District Laws of the State of California.

Section 4. Seal. The District shall have a seal which shall be circular in form and have in the perimeter thereof the following inscription:

San Gorgonio Memorial Healthcare District

Organized October 9, 1947

California

Section 5. District Service Area. The District is entirely located in Riverside County and the State of California. Communities serviced are as follows: CALIMESA - CHERRY VALLEY - BANNING - BEAUMONT - CABAZON - WHITEWATER. The present boundary of San Gorgonio Memorial HealthCare District is as shown on attached map.

ARTICLE III. BOARD OF DIRECTORS

Section 1. Number and Qualification. There shall be five (5) directors of this District, each of whom shall be a registered voter residing in this District.

Section 2. Term. The term of each Director shall be four (4) years. These terms shall be staggered. In each year divisible by four, two (2) Directors shall be elected for four (4) year terms. In the other even years, three (3) Directors shall be elected for four (4) years.

Section 3. Electorate. Directors shall be elected by the qualified electors of the District. All registered voters residing in the District are qualified electors.

Section 4. Successors. Directors shall go out of office upon the election and qualification of their successors after each healthcare district general election in even numbered years, as provide by California Health and Safety Code Section 32100.

Section 5. Vacancies. A vacancy upon the Board can occur upon the happening of any of the events set forth in Government Code Section 1770. Any vacancy shall be filled in accordance with Section 1780 of the Government Code and in accordance with other applicable statutes. Any person appointed to fill such vacancy shall hold office for the unexpired term.

Section 6. Quorum. A quorum for the transaction of business at regular or special meetings shall consist of a majority of the members of the Board of Directors.

Section 7. Agenda. The agenda at any meeting of the Board of Directors shall be as required from time to time by the Local Healthcare District Law.

Section 8. Regular Meetings. The Board of Directors shall hold regular meetings at such times as may be prescribed from time to time by resolution of the Board of Directors, but not less than ten times annually. Such meetings shall be held on the campus of the San Gorgonio Memorial Hospital or at such other place within the boundaries of the District as may be designated from time to time by the Healthcare District Board of Directors.

Section 9. Organizational Meeting.

- (a) At the first meeting following a regular hospital election, the Board of Directors shall meet for the purpose of organization, including election of officers, committee assignments and the transaction of other necessary business.
- (b) At the regular meeting in January, the Board of Directors shall meet for the purpose of reviewing the Bylaws and updating them as necessary.

Section 10. Special Meetings. Special meetings of the Board may be called by the Chair, or shall be called at the written request of three members of the Board. Written notice of special meetings shall be mailed from a point within the District to each member of the Board at least forty-eight hours before the date of such special meeting. This notice shall state the business to be conducted and no business other than that stated in the notice shall be conducted at such special meeting.

Section 11. Management. . Subject to the limitations of the Local Healthcare District Law, or as the same may hereafter be amended, and subject to the duties of Directors as prescribed by these bylaws, it is the responsibility of the Board of Directors to ensure that any hospital operated by the District is properly managed in accordance with the Health and Safety Code and applicable regulations promulgated thereunder, and to establish policy, maintain quality patient care, and provide for institutional management and planning. The Board of Directors may provide for the management and operation of its hospital

by an independent management company (“Manager”) which shall assist the Board of Directors in its duties and responsibilities.

Section 12. Sessions of Board Open to Public. All of the sessions of the Board of Directors, whether regular or special, shall be open to the public, except as authorized by Government Codes 54950 et seq., Health and Safety Code Sections 32106 and 32155, and such additional statutory authority as may exist from time to time relating to public meetings of local health care districts.

Section 13. Adjournment. A quorum of the Directors may adjourn any Directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum those present at any directors meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 14. Notice of Adjournment. Notice of the time and place of holding an adjourned meeting shall be given to absent directors.

Section 15. Compensation and Expenses. The members of the District Board of Directors are entitled to receive amounts per meeting as provided by California Administrative Codes. Such amounts shall not be mandatory and Board Members choosing not to accept compensation may do so. Additionally, each Board member is also entitled to receive reimbursement for expenses incurred in conjunction with educational seminars.

Section 16. Duties. The Board of Directors has the responsibility to establish policy for San Gorgonio Memorial Hospital (the “Hospital”) and its business, including, but not limited, to all matters pertaining to the quality of care rendered within the Hospital. The Board of Directors shall exercise this authority in conformity with applicable laws, regulations, and accreditation requirements. In furtherance of the foregoing, the role of the Board of Directors shall be as follows:

- (a) Establish policy for the operation, maintenance and development of the Hospital and its business, including, but not limited to assuring the quality of care within the Hospital.
- (b) Provide for the appointment of a competent and experienced Chief Executive Officer who shall be its direct representative in the management of the Hospital.
- (c) On an annual basis, review the performance of the Chief Executive Officer, unless such Chief Executive Officer is an employee of a Manager for the Hospital, in which case it will review the performance of the Manager.
- (d) Approve an annual operating budget and capital expenditures.
- (e) Approve the strategic plan on an annual basis.
- (f) Review and approve periodic financial statements and other financial matters of the Hospital.
- (g) Assure that adequate revenues are retained by the Hospital and spent appropriately.
- (h) Review and act on financing arrangements recommended by the Chief Executive Officer for the Hospital.
- (i) Review these Bylaws, the Medical Staff Bylaws, and all committees as needed, and approve needed changes.
- (j) Review and, when appropriate, approve policies and procedures to promote care, treatment, and rehabilitation of patients.
- (k) Review and revise, as appropriate, all department and service policies and procedures when warranted and ensure that the Medical Staff participates, as appropriate.
- (l) Act as the final decision-making authority with respect to all matters pertaining to credentialing and privileges. Upon the recommendation and advice of the Medical Staff, the Board shall appoint members of

the Medical Staff and grant such privileges as may, in their judgment, be warranted by the experience and training of the applicant.

ARTICLE IV. OFFICERS

Section 1. Officers. The officers of the Board of Directors shall be a Chair, a Vice Chair, a Secretary, a Treasurer and such other officers as the Board of Directors may authorize. They shall hold office for a period of one year or until their successor shall have been duly elected and qualified. All officers, agents and employees shall be bonded in such amounts as may be determined from time to time by the District Board of Directors.

Section 2. Duties of Officers.

- (a) **Chair.** The Chair shall call and preside at all meetings and shall be ex-officio, a member of all committees.
- (b) **Vice Chair.** The Vice Chair shall act as Chair, in the absence of the Chair and when so acting shall have all the power and authority of the Chair.
- (c) **Treasurer.** The Treasurer's duties shall correspond with those delineated in Section 32127 of the Health and Safety Code of the State of California or as the same may hereafter be amended.
- (d) **Secretary.** The Secretary shall: (i) act as or cause to be provided a Secretary of the Board, (ii) act as or cause to be provided a custodian of all records and reports of the District and of the Board (iii) be responsible for or cause to be maintained the keeping and reporting of adequate records of all transactions and of the minutes of all meetings of the Board of Directors. The Secretary shall also be responsible for causing the copying and forwarding to the County Clerk of the disclosure forms required to be filed with the Secretary under the California Political Reform Act.

ARTICLE V. MISCELLANEOUS

Section 1. Contracts and How Executed. Except as otherwise provided by these bylaws, the Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the District, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors no officer, agent or employee shall have any power or authority to bind the District by any contract or engagement or to pledge its credit or render it liable for any purpose or to any amount.

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the District, shall be signed or endorsed by such person or persons and in the manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 3. Conflict of Interest and Employment Restriction.

(a) **Prohibited Conflict of Interest.** Members of the Board of Directors shall not have a prohibited conflict of interest and may not make, participate in making, or in any way use or attempt to use his or her official position to influence a District decision when he or she knows or has reason to know he or she has a disqualifying financial interest. A disqualifying conflict of interest arises when a Director, or his or her immediate family, can reasonably foresee a direct and material monetary gain or suffer any direct and material monetary loss as a result of his or her official activity or on any financial interest described by Title 2 of the California Code of Regulations §18700. A disqualifying conflict does not exist if, as a member of a business profession, occupation or group, a Director accrues no greater of a benefit or detriment than any other Director. As may be permitted by Government Code Sections 1091-1091.5, if a member of the Board of Directors has a disqualifying conflict of interest with certain matters before the Board, such Member shall recuse himself/herself from any discussion on the matter as well as any vote on the matter.

(b) **No Employment with District or Hospital.** An employee of the District or the Hospital shall not be sworn into office as an elected or appointed member of the Board unless the elected or appointed member resigns as an employee. If

the elected or appointed member does not resign, the employment shall be deemed automatically terminated upon his or her being sworn into office.

(c) No Significant Financial Interest in Transaction or Contract. An elected or appointed member of the Board of Directors shall not be sworn into office as long as the member has a significant financial interest in a pending transaction or existing contractual arrangement with the District or the Hospital. A significant financial interest exists where the Director, or his or her immediate family, has a direct and material monetary gain or would suffer direct and material monetary loss as a result of the transaction or contractual arrangement with the District, including any financial interest described by Title 2 of the California Code of Regulations §18700.

(d) One Year Restriction. A former member of the Board of Directors may not be hired by the District in the capacity of an employee, or have a significant financial interest in any transaction or contractual arrangement with the District for one (1) year after the former member has ceased to be a Director. This prohibition shall not apply to any Director who was at the inception of his or her term of office an employee, or had a significant financial interest with the District and terminated such employment status or such significant financial interest upon the commencement of his or her term.

(e) Compliance with District’s Conflict of Interest Code. Members of the Board of Directors shall comply with the District’s Conflict of Interest Code, as it may be amended or supplemented from time to time, applicable provisions of the Political Reform Act, Government Code Section 81000, et seq. Government Code Section 1090 et seq. and other policies adopted by the Board, including but not limited to confidentiality and conflict of interest policies. As required by the foregoing laws, Board members shall file an FPPC Form 700 with the District within 30 days of taking office, annually, and within 30 days of leaving office.

ARTICLE VI. COMMITTEES

The Committees of the Board shall be standing or special. The Chair of each Committee must be a member of the Board of Directors. All Committee appointments shall be made by the Chair of the Board of Directors.

All Standing Committees shall meet annually, unless the specific description of a Standing Committee specifies a different frequency of meeting, or except as a different frequency of meeting is set by the Board of Directors.

Ad hoc committees may be appointed by the Chair with the concurrence of the majority of the Board and in such numbers and for such special tasks as circumstances warrant. Such special Committees shall limit their activities to the accomplishment of the task for which created and appointed, and shall have no power to act except such as is specifically conferred by action of the Board. Upon completion of the tasks for which appointed, each such special committee shall stand discharged.

All appointments to committees shall terminate with the reorganization of the Board of Directors at the organizational meeting held following regular district elections or upon the special election or appointment of any new Board member(s).

ARTICLE VII. CHIEF EXECUTIVE OFFICER

The Board of Directors may employ or arrange as part of the services provided by a Manager an experienced Chief Executive Officer (“CEO”) approved by the Board of Directors. The CEO shall be the direct executive representative in the management of the Hospital and shall supervise, direct, and control the activities, affairs, and officers of the Hospital. This CEO shall have the necessary authority and shall be held responsible for the administration of the Hospital in all its activities and departments, subject only to such policies as may be adopted, and such orders as may be issued by the Board of Directors or by any of its officers or committees to which it has delegated power for such action. The CEO shall act as the duly authorized administrative representative of the Board of Directors in all matters concerning the Hospital and shall have such other powers and duties as the Board of Directors of these Bylaws may prescribe.

ARTICLE VIII. MEDICAL STAFF

Section 1. Medical Staff Organization. The Board of Directors shall serve as the Governing Body of San Gorgonio Memorial Hospital, and shall cause to be created a self-governing medical staff, to be known as the Medical Staff of San Gorgonio Memorial Hospital. The Medical Staff shall be comprised of all duly licensed physicians and surgeons, podiatrists, dentists, and clinical psychologists who are privileged to attend patients at the Hospital. Membership in this Medical Staff shall be a prerequisite to the exercise of clinical privileges in the Hospital, except as otherwise specifically provided in the San Gorgonio Memorial Hospital Medical Staff Bylaws.

Section 2. Allied Health Professionals. Allied Health Professionals shall not be eligible for Medical Staff membership but may be granted appropriate practice privileges if they meet the eligibility criteria adopted by the Medical Staff and approved by the Board of Directors, as may be set forth in the San Gorgonio Memorial Hospital Medical Staff Bylaws or other Medical Staff or Hospital documents.

Section 3. Nondiscrimination. No applicant to the Medical Staff shall be denied Medical Staff membership on the basis of sex, race, creed, color or national origin, or on the basis of any other criterion lacking professional justification. The Hospital shall not discriminate with respect to staff privileges or the provision of professional services against a licensed clinical psychologist within the scope of his/her licensure, or against a licensed physician and surgeon or podiatrist on the basis of whether the physician and surgeon or podiatrist holds an M.D., D.O. or D.P.M. degree.

Section 4. Medical Staff Bylaws. The Medical Staff shall propose and adopt bylaws, rules, and regulations, which shall be known as the San Gorgonio Memorial Hospital Medical Staff Bylaws (“Medical Staff Bylaws”), and which shall be effective when approved by the Board of Directors. Approval shall not be unreasonably withheld. The Medical Staff Bylaws shall include provisions required by law and regulation, including as required by California Health & Safety Code section 32128, and shall state the purposes, functions and policies by which the Medical Staff exercises its responsibilities. The Medical Staff shall be organized in accordance with the Medical Staff Bylaws, and shall govern its own affairs, elect its own officers, and conduct meetings in accordance with the Medical Staff Bylaws.

The Medical Staff shall have the initial responsibility to formulate, adopt and recommend Medical Staff Bylaws to the Board of Directors, and amendments thereto as necessary from time to time. The Board of Directors may request that the Medical Staff adopt specific amendments to the Medical Staff Bylaws, but may not unilaterally amend the Medical Staff Bylaws.

Section 5. Delegation of Authority. The Board of Directors hereby delegates to the Medical Staff the responsibility and authority to investigate and evaluate all matters relating to Medical Staff membership status, clinical privileges, and corrective action, and shall require that the Medical Staff adopt and forward to it specific written recommendations with appropriate supporting documentation that will allow the Board of Directors to take informed action on Medical Staff matters.

If the Medical Staff fails to investigate or take disciplinary action contrary to the weight of evidence, the Board of Directors may, in a manner provided by the Medical Staff Bylaws, direct the Medical Staff to initiate investigation or disciplinary action, but only after consultation with the Medical Staff. The Board of Directors’ request for Medical Staff action shall be in writing and shall set forth the basis for the request. If the Medical Staff fails to take action in response to the Board of Directors’ directive, the Board of Directors may take corrective action, provided it has first given written notice to the Medical Staff and provided the Board of Directors’ action is in accord with the Medical Staff Bylaws.

When no person authorized under the Medical Staff Bylaws is available to summarily suspend or restrict clinical privileges, the Board of Directors, or its designee, may immediately suspend a practitioner’s clinical privileges if a failure to summarily suspend those privileges is likely to result in imminent danger to the health of any individual, provided the Board of Directors has, before the suspension, made reasonable attempts to contact the persons authorized by the Medical Staff Bylaws to suspend or restrict privileges. A suspension by the Board of Directors which has not been ratified by the Medical Staff within two working days, excluding weekends and holidays, after the suspension shall terminate automatically.

Section 6. Medical Staff Appointment and Reappointment. The Medical Staff Bylaws shall establish controls to ensure the achievement and maintenance of high standards of professional ethical practices including a provision that all members of the Medical Staff be required to demonstrate their ability to perform surgical and/or other procedures competently

and to the satisfaction of an appropriate committee or committees of the Medical Staff, at the time of original application for appointment to the staff and at least every two years thereafter.

The Medical Staff Bylaws shall specify eligibility for Medical Staff membership and the procedure by which establishment of professional privileges is determined. Medical Staff members shall be appointed initially and reappointed for no more than two years per appointment term. At a minimum, applications for membership shall include complete information regarding the applicant's education, licensure, practice, previous hospital experience, and any unfavorable history regarding licensure or privileges. This information shall be verified by the appropriate individual on behalf of the Medical Staff. The applicant shall agree in writing to follow the Medical Staff Bylaws, and these Bylaws as applicable, and all other policies of the Hospital, upon appointment.

The Medical Staff Bylaws shall provide that all applications be reviewed by the Medical Staff, or a committee or committees thereof, and that the Medical Staff study the qualifications of all applicants in the establishment of professional privileges. Selection shall be based on individual character, competence, training, experience, and judgment. Applications for appointments to the Medical Staff shall be considered in a timely and good faith manner. The Medical Staff shall submit to the Board of Directors recommendations regarding each application.

Final action on all matters relating to Medical Staff membership status, clinical privileges, and corrective action shall be taken by the Board of Directors after considering Medical Staff recommendations, or as otherwise provided in the Medical Staff Bylaws. Medical Staff recommendations shall be considered by the Board, but shall not be binding upon the Board.

Section 7. Corrective Action, Hearings and Appeals. When an appointment is denied or not renewed or when privileges have been proposed to be reduced, altered, suspended, or terminated, the applicant or Medical Staff member shall have the procedural rights, if applicable, set forth in the Medical Staff Bylaws. With respect to hearings and appeals, inasmuch as Article IX of the Medical Staff Bylaws provides for procedure for hearing and appeals, Article IX of the Medical Staff Bylaws is hereby adopted and by reference incorporated herein as though fully set forth, including any amendments to Article IX as may be made from time to time.

Section 8. Medical Staff Communication. Communication between the Medical Staff and the Board of Directors is facilitated by the attendance of the Chief of the Medical Staff, or his/her designee, at the regular monthly meetings of the Board of Directors. A member of the Medical Staff who is an elected member of the Board shall not represent the Medical Staff. Communication between the Board of Directors and the Chief of the Medical Staff, or his/her designee, shall include discussion of matters related to the quality of medical care provided to patients of the Hospital, and shall allow for the Chief of the Medical Staff, or his/her designee, on behalf of the Medical Staff, to participate in the development of Hospital policy.

Section 9. Medical Staff Membership and Clinical Privileges. Each member of the Medical Staff shall have the authority and responsibility for the care of his/her patients, subject to such limitations as contained in these Bylaws, the Medical Staff Bylaws, Rules, policies and procedures, and other Medical Staff documents, and as attached to his/her appointment. Each member of the Medical Staff shall be required to obtain and maintain malpractice insurance as specified in the Medical Staff Bylaws.

Section 10. Medical Records. All members of the Medical Staff shall be responsible for accurate and complete documentation of the care they provide, so that accurate and complete medical records are prepared and maintained for all patients.

ARTICLE VIIIa. QUALITY OF PROFESSIONAL SERVICES

Section 1. Accountability. The Board of Directors is legally responsible for the conduct of the Hospital, and the Medical Staff shall be accountable to the Board of Directors for the quality of professional services provided to patients. To fulfill its responsibilities, the Board of Directors assures:

(a) Every patient is under the care of a duly licensed doctor of medicine or osteopathy, doctor of podiatric medicine, doctor of dental surgery or dental medicine, or clinical psychologist; provided, however, that a doctor of medicine or osteopathy is responsible for the care of each patient with respect to any medical or psychiatric problem that is not specifically within the scope of practice of a doctor of dental surgery, dental medicine, podiatric medicine, or clinical psychologist.

(b) Patients are admitted to the Hospital only on the recommendation of a licensed practitioner permitted by the State to admit patients to a hospital.

(c) Services performed under a contract are provided in a safe and effective manner.

(d) Financial oversight and provision of management and administrative assistance, as well as appropriate physical resources and personnel, to meet the needs of patients and support and facilitate the ongoing operations of the Hospital.

(e) It participates in planning to meet the health needs of the community.

(f) All reasonable steps are taken to conform to all applicable federal, state and local laws and regulations, including those relating to licensure, fire inspection and other safety measures.

(g) Such other support as the Board of Directors deems necessary for the preservation and improvement of the quality, safety, and efficiency of patient care.

Section 2. Professional Services. The Medical Staff shall be self-governing with respect to the professional work performed in the Hospital, and the Medical Staff or one or more committees thereof shall meet periodically to review and analyze at regular intervals the clinical experience of the members of the Medical Staff. Patient medical records shall be the basis for such review and analysis. The Medical Staff shall provide periodic reports to the Board of Directors regarding its review and evaluation of the care provided at the Hospital, including documentation necessary for the Board of Directors to take informed action as appropriate.

ARTICLE IX. AMENDMENTS

The Bylaws may be amended at a regular or special meeting by affirmative vote of a majority of all members of the District Board of Directors.

ARTICLE X. CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting Secretary of SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT, and that the above Amended and Restated Bylaws, consisting of ~~11~~¹² pages, including this page, are the Bylaws of the San Gorgonio Memorial Healthcare District as adopted by the Healthcare District's Board of Directors on ~~January 4, 2022~~January 3, 2023, and that they have not been amended or modified since that date.

Executed on January 3, 2023, _____, ~~2022~~ at Banning, California.

~~Joel Labha~~, Secretary/Treasurer

TAB F



2022 SLATE OF OFFICERS

<u>POSITION</u>	<u>NAME</u>
Chair	Dennis Tankersley
Vice Chair	Ehren Ngo
Secretary/Treasurer	Joel Labha

TAB G

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

To: Finance Committee, Board of Directors, and District Board

Agenda Item for December 27, 2022 Finance Committee and January 3, 2023 Board Meetings

Subject:

RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LINE OF CREDIT WITH FIRST FOUNDATION PUBLIC FINANCE, A DELAWARE STATUTORY TRUST AND A WHOLLY-OWNED SUBSIDIARY OF FIRST FOUNDATION BANK, AND APPROVING CERTAIN OTHER ACTIONS

San Gorgonio Memorial Healthcare District & Hospital have been accessing the Operating Line of Credit since January 7, 2021. Key terms of the LOC include the following:

- 1) Total amount available for revolving LOC: \$12 million
- 2) Interest Rate: Prime plus 50 basis points (.50%), with a minimum rate of 3.75%
- 3) 30 Day -0- Balance requirement during each 12-month period
- 4) Budgeted Debt service Coverage Ratio of at least 1:50 : 1:00
- 5) Debt Service Coverage Ratio of at least 1.25 : 1.00 (waived for FY 2021 and FY 2022)
- 6) Days Cash on Hand Ratio of at least 50 Days (waived for FY 2021 and FY 2022)
- 7) Current Expiration Date: January 6, 2023

Recommended Action: To approve the Resolution providing for the renewal of the First Foundation Public Finance Line of Credit based on the same terms listed above, except with a 12- month (vs. 24 month) expiration date.

A copy of the FIRST AMENDMENT TO LINE OF CREDIT is included in the packet.

SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT

RESOLUTION NO. 2023-01

RESOLUTION APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO LINE OF CREDIT WITH FIRST FOUNDATION PUBLIC FINANCE, A DELAWARE STATUTORY TRUST AND A WHOLLY-OWNED SUBSIDIARY OF FIRST FOUNDATION BANK, AND APPROVING CERTAIN OTHER ACTIONS

RESOLVED, by the Board of Directors (the "Board") of the San Gorgonio Memorial Healthcare District (the "District"), as follows:

WHEREAS, the District has issued its San Gorgonio Memorial Healthcare District (Riverside County, California) Revenue Bonds, Series 2021, in the aggregate principal amount of up to \$2,350,000 (the "2021 Bonds") pursuant to an Indenture of Trust, dated as of January 1, 2021 (as amended and supplemented, the "Indenture"), by and between the District and U.S. Bank National Association, as trustee;

WHEREAS, pursuant to the Line of Credit dated January 7, 2021 (the "Original Agreement"), between the District and First Foundation Public Finance, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank (formally referred to as First Foundation Public Finance Trust), including its successors and permitted assigns (the "Bank"), the Bank provided a revolving taxable credit facility in the aggregate principal amount of up to twelve million dollars (\$12,000,000) (the "Credit Facility"), for the purpose of providing capital to the District for working capital purposes of the District, such Credit Facility is secured by gross revenues of the District on a parity with the 2021 Bonds; and

WHEREAS the Bank is willing to amend the Original Agreement pursuant to the First Amendment to Line of Credit (the "Amendment") to (i) extend the Termination Date of the Original Agreement from January 6, 2023 to January 5, 2024, and (ii) make certain additional changes to the Original Agreement on the terms and conditions set forth therein.

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. The Amendment, in the form presented to this meeting, is hereby approved. The Chair of the Board, the Vice Chair of the Board, the Chief Executive Officer of the District, the Chief Financial Officer of the District or their designees, are hereby authorized and directed, for and in the name of the District, to execute and deliver the Amendment, with such changes, additions and deletions therein as the officer executing the same may approve, such approval to be conclusively evidenced by the execution and delivery of the Agreement.

Section 2. The Chair of the Board, the Vice Chair of the Board, the Secretary of the Board, the Assistant Secretary of the Board, the Chief Executive Officer of the District, the Chief Financial Officer of the District or their designees are hereby authorized and directed, for and in the name of the District, to execute and deliver any other documents as may be deemed necessary or appropriate to approve the Amendment, such approval to be conclusively evidenced by the execution and delivery of such documents.

Section 3. The Secretary or the Assistant Secretary of the Board is hereby authorized and directed to attest the signature of the Chair of the Board, the Vice Chair of the Board, the Chief Executive Officer of the District, the Chief Financial Officer of the District, or the designee thereof, as may be required in connection with the execution and delivery of the Amendment and such other documents referenced above in accordance with this resolution.

Section 4. This resolution shall take effect immediately upon its passage.

* * * * *

PASSED AND ADOPTED this 3rd day of January 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

By _____
Chair, Board of Directors
San Gorgonio Memorial Healthcare District

I hereby certify that the foregoing resolution was duly adopted at a meeting of the Board of Directors of the San Gorgonio Memorial Healthcare District held on the 3rd day of January 2023.

By _____
Secretary, Board of Directors
San Gorgonio Memorial Healthcare District

FIRST AMENDMENT TO LINE OF CREDIT

This First Amendment to Line of Credit (this “Amendment”) is dated as of January 6, 2023, by and between SAN GORGONIO MEMORIAL HEALTHCARE DISTRICT, a local health care district organized and existing under the Constitution and laws of the State of California (including its successors, the “Borrower”), and FIRST FOUNDATION PUBLIC FINANCE, a Delaware statutory trust and a wholly-owned subsidiary of First Foundation Bank (and formally referred to as First Foundation Public Finance Trust) (including its successors and assigns, the “Lender”).

WITNESSETH:

A. The Borrower and the Lender previously executed the Line of Credit dated as of January 7, 2021 (the “Original Agreement”), pursuant to which the Lender agreed to provide a line of credit in the initial aggregate principal amount of up to \$12,000,000 (the “Original Line of Credit”), and the Borrower executed a promissory note in the amount thereof (the “Original Line of Credit Note”) to evidence amounts due and owing under the Original Line of Credit.

B. The Borrower and the Lender have agreed (i) to extend the Termination Date of the Original Line of Credit from January 6, 2023 to January 5, 2024, and (ii) make certain additional changes to the Original Line of Credit as set forth in this Amendment.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto agree as follows:

Section 1. Amendments.

The Original Agreement is hereby amended as follows:

(a) Section 1.1 of the Original Agreement is hereby amended by the addition of the following definitions which are to be situated therein by alphabetical order:

““First Amendment” means the First Amendment to Line of Credit dated January 6, 2023, by and between the Borrower and the Lender.”

““First Amendment Effective Date” means January 6, 2023.”

(b) Section 2.6 of the Original Agreement is hereby amended by deleting “January 6, 2023” therein and replacing it with “January 5, 2024”.

(c) The Original Agreement and the Original Line of Credit Note are hereby amended by replacing all references to “First Foundation Public Finance Trust” with “First Foundation Public Finance.”

Section 2. Conditions to Delivery of This Amendment.

The amendments to the Original Agreement provided for in Section 1 hereof shall become effective on the date hereof; *provided*, that each of the following conditions shall be fulfilled to the satisfaction of the Lender:

(a) The Lender shall have received:

(i) executed counterparts of this Amendment, signed by an authorized representative of the Borrower and the Lender, and

(ii) all other legal matters pertaining to the execution and delivery of this Amendment shall be satisfactory to the Lender and the execution and delivery hereof and thereof by the Lender shall constitute conclusive evidence that all such legal matters have been completed to the satisfaction of the Lender.

(b) The representations and warranties of the Borrower contained in Article IV of the Original Agreement shall be true and correct in all material respects with the same effect as though made on and as of the date hereof (except (i) to the extent a representation or warranty relates specifically to an earlier date, in which case, such representation and warranty shall have been true and correct as of such earlier date, (ii) as otherwise previously disclosed in writing to the Lender or otherwise waived by the Lender, and (iii) to the extent a representation or warranty relates specifically to financial statements that were not prepared in accordance with GAAP, such financial statements were otherwise provided to and accepted by the Lender);

In addition to the foregoing representations, the Borrower hereby represents and warrants as follows:

(i) the execution, delivery and performance by it of this Amendment are within its respective powers, have been duly authorized by all necessary action and do not contravene any law or any contractual restriction binding on or affecting it,

(ii) it has performed, and is in compliance with, all agreements and conditions set forth in the Agreement that it is required to satisfy in connection with the execution, delivery and performance of the Amendment on and prior to the date hereof and the Original Agreement, as amended by this Amendment, constitute the legal, valid and binding obligations of it and are enforceable against it in accordance with their terms, and

(iii) no further authorization, approval or other action by, and no notice to or filing is required for its due execution, delivery and performance of this Amendment.

(c) There shall not have occurred any material adverse change in the financial condition or operations of the Borrower since the date of the most recent financial information provided to the Lender pursuant to the Original Agreement, except as otherwise disclosed by the Borrower to the Lender. On or prior to the date hereof, (i) there shall not have occurred a change in the laws, rules, guidelines or regulations (or the interpretation or administration thereof) applicable to the Borrower which materially adversely affects the ability of the Borrower to perform its obligations under the Agreement, or the other Loan Documents, as determined by

the Lender in its sole discretion, and (ii) no law, regulation, ruling or other action of the United States or the State of California or any political subdivision or authority therein or thereof shall be in effect or shall have occurred, the effect of which would be to prevent the Lender from fulfilling its obligations under this Amendment. No event has occurred which constitutes a Default or an Event of Default under the Agreement.

(d) The Lender shall have received such other approvals, opinions, certificates, instruments and documents as it may reasonably request.

(e) The Borrower shall pay all costs and expenses incurred by the Lender in connection with this Amendment by the Lender's counsel Nixon Peabody LLP, in the amount of \$5,000 pursuant to an invoice provided by such counsel, which such invoice shall be paid no later than 15 days after the receipt thereof.

Section 3. Miscellaneous

(a) The parties hereto acknowledge and confirm that, from and after the date hereof, any reference in the Original Agreement, or Related Documents to the "Agreement" shall mean and refer to, collectively, the Original Agreement, as amended hereby.

(b) Except as provided in this Amendment, the Original Agreement shall remain in full force and effect and unaffected hereby except, as set forth herein, from and after the date hereof.

(c) This Amendment and the Original Agreement, as amended hereby, shall be subject to Section 7.13 of the Original Agreement.

(d) This Amendment may be executed by the parties in counterparts, each such counterpart shall be deemed an original, and all such counterparts taken together shall constitute one and the same binding instrument. A facsimile signature to this Amendment or a signature transmitted electronically shall count as an original signature.

(e) If any provision of this Amendment shall be held invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

(f) The parties hereto shall perform any further acts and execute and deliver any further documents which may be reasonably necessary or otherwise required in furtherance of the transactions contemplated hereby.

[Signatures follow.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above.

SAN GORGONIO MEMORIAL HEALTHCARE
DISTRICT

By: _____
Steven Barron
Chief Executive Officer

[Signatures continue on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above.

FIRST FOUNDATION PUBLIC FINANCE

By: _____
Trevor Mael
Director of Public Finance

[End of signature pages.]

TAB H

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District
To: Finance Committee, Board of Directors, and District Board

Agenda Item for December 27, 2022, Finance Committee and January 3, 2023 Board Meetings

Subject:

Replacement of current Acudose Automated Medication Dispensing Cabinets (ADCs) with Omnicell Automated Dispensing Cabinets –

San Gorgonio Memorial Healthcare District & Hospital have been using the current Acudose automated medication dispensing (ADCs) cabinets since 2007. The ADCs are a standard of care for patient safety for dispensing medications in a hospital setting. Our ADCs are currently supported and serviced under a contract with Omnicell. Omnicell is known as the industry leader for hospital pharmacy automation, and is currently used by JFK Hospital, Eisenhower Health, Desert Regional Medical Center, Redlands Hospital and Loma Linda University Medical Center in our surrounding area. Our ADCs are at the end of life and our service contract expires on December 31, 2022. A new service agreement will start on Jan 1, 2023, and we will be credited for any time remaining if we were to purchase Omnicell ADCs.

We have researched three different vendors, and the Omnicell system is best suited for SGMH. Not only is the price differential slightly better than the Pyxis system, but the Omnicell system is highly respected as illustrated by the number of regional Hospitals which use that system and have an expected life of at least 10 years. Finally, a third vendor was reviewed, however, it only has installed its system at one surgery hospital in California, and we don't feel comfortable being only the second California hospital and only general acute care hospital installation for that vendor. We intend to finance this project with funds from Measure A. Measure A balance is \$276,296 and the check from the trust fund was \$305,010.88 for a total of \$581,306.88 available for the purchase.

Omicell: SGMH currently has a contract in place for service and support with Omnicell for existing ADC. The pricing we have right now is the best in the past 2 years and the quote will expire at the end of the calendar year. The total amount due for the PO would be equipment, annual server subscription, Windows annual license and shipping. The service agreement will begin when our new equipment is installed. The invoice will be sent upon shipping of equipment.

Omicell Equipment Costs	
(Like to like replacement of existing equipment)	
Equipment Purchase	\$562,831.60
Shipping	\$16,738.33
Taxes	\$43,619.45
Total Equipment Cost	\$623,489.38
Omicell Annual Estimate Service and Support Expenses	
* (This items is not new, these fees are currently in place and necessary for current ADC operation)	
Windows 10 Software Licensing	\$4,800
Cloud Hosted Server	\$13,440
*System Maintenance and Support	\$20,796
Total Annual Service and Support	\$39,036

Recommended Action: To approve the replacement of SGMH’s Acudose ADCs with Omnicell ADCs at the current price of \$562,831.60 plus taxes and shipping. Annual support and licensing fees will be \$39,036. A Purchase Order to secure this price is required to be generated before December 30, 2022, and will include the language “Subject to final Board approval”. Funding applied toward this equipment purchase will come from remaining Measure A Funds (\$276,296) and a check from the donated trust fund (\$305,010.88) for a total amount of \$581,306.88. The remaining funding of \$41,992.50 will come from the Hospital’s Capital Equipment budget.

XT Automated Dispensing Cabinets and Drawers

No other medication dispensing system offers more cabinet choices to meet the needs of acute and post-acute care sites. The scalable Omnicell® XT Automated Dispensing System can easily be expanded with additional cabinets, and drawers can be added or changed on-site as clinical needs evolve. Medications and supplies can be combined in a single cabinet, promoting convenience and saving space.



XT Automated Dispensing Cabinets



One-Cell Cabinet
Height: 77.5"
Width: 26.5"
Depth: 27.0"



Two-Cell Cabinet
Height: 77.5"
Width: 51.5"
Depth: 27.0"



Three-Cell Cabinet
Height: 77.5"
Width: 76.5"
Depth: 27.0"



Half-Height Cabinet
Height: 53.3"
Width: 26.5"
Depth: 27.0"



Quarter-Height Cabinet
Height: 25.4"
Width: 26.5"
Depth: 27.0"

Omnicell XT Cabinet Drawers

Metal Locking Lid Drawers

Durable metal locking lids keep medications secure. All drawers include Guiding Lights.



6-Bin Double-Deep Wide

Largest locked bin in the industry—fits IV bags and other bulky items.

Bins:
Double Deep Wide
Height: 4.0"
Width: 10.1"
Length: 6.3"



10-Bin

Larger bin fits up to three 60 mL PCA units.

Bins:
5 Extended-Wide 5 Long
Height: 1.7" Height: 1.7"
Width: 6.6" Width: 13.8"
Length: 3.4" Length: 3.4"



15-Bin Double-Deep Narrow

Accommodates medium-sized bulkier items such as 100 mL premixed bags.

Bins:
Double Deep Narrow
Height: 3.8"
Width: 3.5"
Length: 6.6"



18-Bin

Securely stores a variety of items, including prefilled syringes.

Bins:
Extended
Height: 1.7"
Width: 6.6"
Length: 2.6"



27-Bin

Larger bin accommodates prefilled syringes and other larger items.

Bins:
18 Standard 9 Extended
Height: 1.7" Height: 1.7"
Width: 2.9" Width: 6.6"
Length: 2.6" Length: 2.6"



36-Bin

Securely stores oral solids, vials, and small par level items.

Bins:
Standard
Height: 1.7"
Width: 2.9"
Length: 2.6"

Open Configurable Drawers

Greater configurability and brighter Guiding Lights than previous generation.



24-Bin Double-Deep

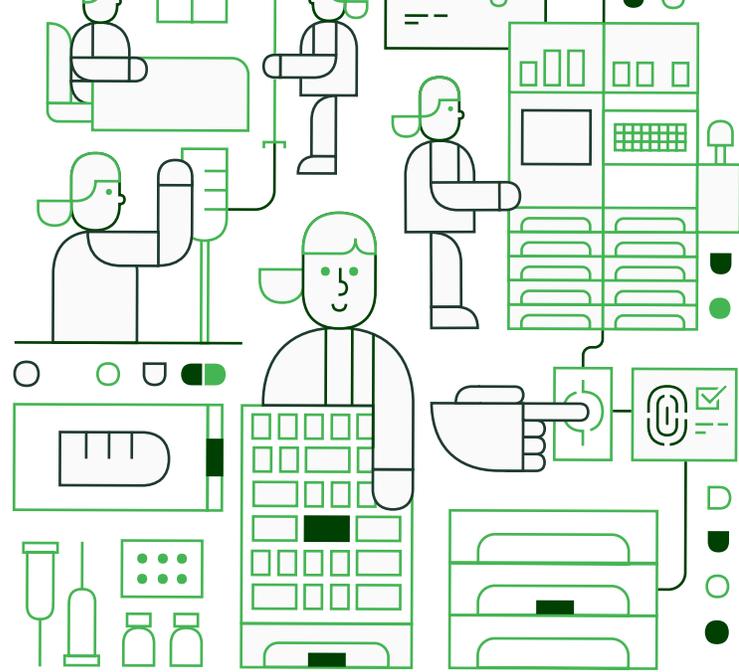
Double-deep drawer can be configured to include up to 24 bins.



48-Bin

Drawer can be configured to include up to 48 bins.

XT Auxiliary Cabinets



One-Cell Auxiliary Cabinet

Height: 77.5"
Width: 26.5"
Depth: 27.0"



Two-Cell Auxiliary Cabinet

Height: 77.5"
Width: 51.5"
Depth: 27.0"



Three-Cell Auxiliary Cabinet

Height: 77.5"
Width: 76.5"
Depth: 27.0"

Are you ready to make medication management easier?
Learn more about the XT series at omnicell.com.

TAB I

San Gorgonio Memorial Hospital and San Gorgonio Memorial Health Care District

To: Finance Committee, Board of Directors, and District Board

Agenda Item for December 27, 2022 Finance Committee and January 3, 2023 Board Meetings

Subject:

Renewal of 3M Software Coding Agreement –

San Gorgonio Memorial Healthcare District & Hospital have been using the 3M coding software for many years. This is the software that facilitates the coding needed for each medical chart. This coding is then used for billing purposes and reporting purposes for each patient's medical record.

3M is known as the industry leader for this software, and they work closely with CMS as their product is customized to facilitate the coding and gathering all of the specific services and treatments that are provided to each patient. The current agreement expires on January 6, 2023.

Recommended Action: To approve the renewal of the 3M software agreement for a 3-year term, at a price of \$71, 996.97 for the first year. We anticipate moving this software to be "cloud based" in the near future, which will enhance access and ease of use for our external providers such as Guidehouse.

Copies of the supporting documents are included in the packet.



MASTER SOFTWARE AND SERVICES AGREEMENT

SIGNATURE PAGE

THIS MASTER SOFTWARE AND SERVICES AGREEMENT ("Agreement") between **3M Health Information Systems, Inc.** ("3M") having an office at 575 West Murray Boulevard, Murray, Utah 84123-4611 and **San Gorgonio Memorial Hospital** ("Client") with offices at **600 N Highland Springs Ave, Banning, CA 92220-3046** (collectively the "Parties" or individually the "Party") shall be effective as of the date last signed ("Effective Date").

The Parties acknowledge that the agreements(s) listed below, shall be terminated as of **January 6, 2023**, with the exception of any Services being contracted for (but not yet completed and invoiced) under the agreement(s) below which were not added to this Agreement ("Outstanding Services"). Such Outstanding Services under the agreement(s) below shall not be cancelled and shall continue to be completed and invoiced under the agreement(s) they were originally contracted for, and such agreement(s) will be extended to the extent necessary to complete such Outstanding Services. After the completion of any such Outstanding Services, the agreement(s) below shall terminate in their entirety.

DESCRIPTION OF AGREEMENT	DATED	AGREEMENT NUMBER (IF APPLICABLE)
Software License Agreement	January 6, 2005	99-1641

REMIT ALL PAYMENTS DUE UNDER THIS AGREEMENT TO: 3M Health Information Systems Dept. 0881 PO Box 120881 Dallas, TX 75312-0881	ACH AND WIRE TRANSFERS TO: JPMorganChase 1 Chase Manhattan Plaza New York NY 10081 Beneficiary A/C Name: 3M Health Information Systems, Inc. ABA # 021000021 Account # 192825864 Swift address: CHASUS33 (for International Use)
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WRITTEN NOTICES UNDER THIS AGREEMENT SHALL BE SENT TO: San Gorgonio Memorial Hospital 600 N Highland Springs Ave Banning, CA 92220-3046 Attention: Email Address:	3M HEALTH INFORMATION SYSTEMS 575 West Murray Boulevard Murray, UT 84123-4611 Attention: Pricing and Contract Director With copy to: Legal
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To indicate acceptance and agreement to be bound by the terms and conditions of this Agreement, the Parties have executed this Agreement on the date(s) indicated below.

SAN GORGONIO MEMORIAL HOSPITAL

3M HEALTH INFORMATION SYSTEMS, INC.

BY:	BY: <i>John C. Mathison</i> ^{SA}
NAME:	NAME: John C. Mathison
TITLE:	TITLE: HIS Operations
DATE:	DATE: December 15, 2022

Please email or fax a purchase order in the amount of **\$71,996.97**, this signed Agreement and applicable Tax-Exempt forms to: **hisilverspringcontractrequests@mmm.com** or **(651) 732-8469**

ISSUE DATE / BY:	GPO:	BATCH NUMBER:	CLIENT SITE ID:	AGREEMENT NUMBER:	CLIENT EMR:
12/13/22 CM	*****	039699	2930109	039699-22 MSSA	
REVISION DATE / BY:	VERSION: MSSA				
12/15/2022 TA					

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

- 1.1. **"3M Information"** means all items, information, and data (technical and non-technical and tangible and intangible), provided by 3M or 3M Personnel, any 3M Product, Deliverables or Results of a 3M Product(s) in connection with this Agreement, and any ideas, input, and feedback provided by Client to 3M or 3M Personnel.
- 1.2. **"3M Personnel"** means 3M's employees, agents, contractors, and subcontractors.
- 1.3. **"3M Product"** means any item listed on a Schedule.
- 1.4. **"Agreement"** means the General Terms and Conditions, and all exhibits, Appendices, Schedules, SOW's, and other attachments.
- 1.5. **"Appendix"** means the document so titled, attached to the Agreement and includes terms and conditions unique to a class of 3M Products.
- 1.6. **"Authorized Site"** means an entity that meets the requirements of Section 2.2.
- 1.7. **"Authorized User"** means an Authorized Site's employees and contingent workers (individuals hired by Client through a temporary staffing agency for a period not to exceed twelve months that supplements Client's employee workforce or serves as a temporary replacement of an employee position, and Client is responsible for the training and day-to-day direction of the individual) and, if applicable, an admitting physician (a licensed physician who has the privilege to admit patients at an Authorized Site) and a consulting physician (a licensed physician who provides medical consultation at an Authorized Site, or to an admitting physician).
- 1.8. **"Client Applications"** means Client developed software.
- 1.9. **"Client Data"** means all information provided by Client to 3M under this Agreement.
- 1.10. **"Client Equipment"** means the central processing unit(s), any peripheral equipment and all interconnecting cables and wires physically located at the Authorized Sites.
- 1.11. **"Client Portal"** means any proprietary secure electronic gateway provided by 3M to a collection of digital files, Consulting Services, Deliverables, Results, and other information accessible over the internet through a web browser.
- 1.12. **"Consulting Services"** means services identified on a Schedule attached to the Consulting Services Appendix.
- 1.13. **"Deliverables"** or **"Results"** means any report, file, document, presentation, analysis, analytics, recommendation, suggestion, methodologies, Software output or other work product that 3M delivers to Client or may make available to Client through the use of a 3M Product.
- 1.14. **"Documents"** means written reference, technical and hardware specifications, and operations and/or user manuals for 3M Products.
- 1.15. **"Implementation and Training"** or **"I&T"** means implementation (installation) and training services for a specific 3M Product.
- 1.16. **"Interface"** means enabling the communication between a non-3M Product and a 3M Product.
- 1.17. **"Intellectual Property Rights"** means all intellectual property rights throughout the world, including but not limited to registered or unregistered copyrights, trade secrets, patents, patent applications, designs, know-how, registered or unregistered trademarks and service marks, and trade names.
- 1.18. **"License Start Date"** or **"Go-Live"** means with respect to: (a) Software to be installed on 3M equipment or by 3M on Client Equipment - the date on which 3M has completed all I&T tasks and the respective module(s) of Software are made available to Client for productive use; or (b) Software to be installed by Client on Client Equipment - seven (7) days after the date on which such Software is made available to Client (without regard to actual Client installation).
- 1.19. **"Perpetual Software"** means Software identified on a Schedule attached to the Perpetual Software Appendix.
- 1.20. **"Schedule"** means the document so titled and attached to the respective Appendix, which lists each 3M Product to be provided, the Authorized Site(s), and the associated fees.
- 1.21. **"Services"** means Implementation and Training, Support Services, or Consulting Services.
- 1.22. **"Software"** means any and all (a) 3M owned computer program(s) with incorporated Third-Party Content, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form and whether embodied in software or otherwise, including application programming interfaces, architecture, records, schematics, computerized databases, software implementations of algorithms, software tool sets, software models, (b) databases, libraries and compilations, including any and all data and

collections of information or data, each to the extent relating to or otherwise used in support or for the benefit of, or embodied within, any of the items in (a) above, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, and (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, which are licensed under this Agreement and are identified on the applicable Schedule.

1.23. **“Software as a Service” or “SaaS”** means the cloud infrastructure including hosting, maintenance, and support of the servers, databases and code that constitute the services environment, including, without limitation, system administration, system management, and system monitoring activities for such SaaS products.

1.24. **“Support Services”** means 3M's maintenance and support of 3M Products as further defined in Section 3.1.3.

1.25. **“SOW”** means a statement of work or scope of work document so titled that describes the 3M Product and sets forth project specific details.

1.26. **“Territory”** means the United States of America, its territories and protectorates.

1.27. **“Third-Party Content”** means all non-3M owned software, algorithms, rules, analytical tools, materials, and content incorporated into, or distributed by 3M for use in combination with the 3M Product.

1.28. **“Update”** means a modification to Software provided by 3M to each customer licensing the Software without an additional or increased fee.

1.29. **“Use Rights”** means the limited rights to specific 3M Information granted by 3M.

2. OWNERSHIP; RESTRICTIONS; USE; SERVICES

2.1. **Ownership.** 3M, and its suppliers, are the sole and exclusive owners of all Intellectual Property Rights in and to the 3M Information. Client obtains no ownership interest in the 3M Product or 3M Information by virtue of providing 3M with Client Data under this Agreement.

2.2. **Authorized Site.** A facility is an Authorized Site if it is (a) Controlled by Client, and (b) has been added to the applicable Schedule. “Controlled” means Client possessing more than fifty percent (50%) of the voting stock or similar ownership interest. The Controlled requirement may be waived by 3M on a facility-by-facility basis.

2.2.1. **“Access Site”** means an Authorized Site that accesses the Software and is identified on the applicable Schedule as an “ACCESS” site.

2.2.2. **“Host Site”** means a Third-Party Contractor authorized by 3M to host the Software on behalf of Client and is identified on the applicable Schedule as a “HOST” site.

2.2.3. **“Install Site”** means the Authorized Site's physical location where the Software has been installed and which is listed on the applicable Schedule as an “INSTALL” site.

2.3. **Use Rights.** Use Rights to 3M Information are found in the applicable Appendix and are specific to the 3M Product(s) added to the applicable Appendices Schedule(s). Any Use Rights not explicitly granted in this Agreement are reserved by 3M.

2.4. **Restrictions.** Including any additional Restrictions on the applicable Appendices, the Use Rights granted in this Agreement do not permit access or use of 3M Information in any manner not specifically authorized in this Agreement. Client shall not, and shall not permit Authorized Users to:

- (a) download, attempt to download, or make extra copies of the 3M Information, provided however, Client may make: (i) one (1) copy of the Software (non SaaS) for archival purposes and such number of backup copies of the Software (non SaaS) and/or Results as are consistent with Client's normal periodic backup procedures with all such copies remaining subject to the terms of this Agreement, and (ii) reproduce or copy any portion of the Documents into machine-readable or printed form for its internal use and only as required to exercise its rights hereunder;
- (b) sublicense, lease, lend, transfer, redistribute, or permit any third-party to have access to, or the use of, the 3M Information;
- (c) process transactions of any entity or facility that has not been specifically listed as an Authorized Site under the applicable Schedule, including using the Software or Results in a service bureau or any other manner to provide a service or analytics for a third-party;
- (d) disassemble, decrypt, decompile, reverse-engineer, disclose, or use any means to discover the source code, methodologies, or other trade secrets embodied in any 3M Information;
- (e) create derivative works based upon 3M Information;

- (f) engage in any activity or introduce any device, software or routine that interferes with or disrupts the Software, Support Portal (as defined in Section 3.1.3), Client Portal, or the servers or networks which are connected to such;
- (g) remove the Software (non SaaS) from the installation site without 3M's written consent, which shall not be unreasonably withheld; ~~however, during any period of Client Equipment malfunction causing the Software (non-SaaS) to be inoperative, Client may use the Software (non SaaS) on alternate Client Equipment if Client promptly notifies 3M in writing of the new location (upon correction of the Client Equipment malfunction, Client shall immediately delete Software from the alternate Client Equipment and certify in writing to 3M such deletion is complete);~~
- (h) modify or otherwise alter the 3M Information;
- (i) remove the trademarks, trade names or any notice of 3M or 3M's suppliers from any 3M information;
- (j) use, allow access to, or distribute Results or Deliverables that is not permitted in the applicable Appendix;
- (k) create or offer a "wrapper," which is software that hides the underlying Software or Client Portal by any means;
- (l) use or access any 3M Information for benchmarking, consulting, or data analytics.

2.5. Third-Party Access to or Use of 3M Information. Client is prohibited from providing or allowing a third-party to view, use, execute, or display 3M Information, or create and/or maintain an Interface using 3M Information, unless the third-party has executed a 3M prepared confidentiality agreement and is listed as a limited license Authorized Site on the applicable Schedule.

2.6. Suspension. 3M may temporarily suspend portions of its performance in the event (a) of a denial of service attack or other attack on the Software; (b) 3M determines there is a reasonable likelihood of risk to 3M, 3M Products, or 3M customers if performance is not suspended; (c) 3M determines it is prudent to do so for legal or regulatory reasons; or (d) Client is in breach of the Agreement, subject to the cure period set forth in Section 8.2 (with the exception of a breach of 3M intellectual property, for which no cure period shall apply). 3M Shall endeavor to provide Client notice of any suspension under this section. Any suspension shall only be to the extent and duration necessary to investigate and remediate the adverse condition. If a suspension occurs as a result of items (a)-(c) above which last more than five (5) consecutive days, if Client submits a written request for a credit within thirty (30) days of the end of such suspension, 3M will provide a pro-rated credit for the term of the suspension for the suspended 3M Products, to be applied on a future invoice.

2.7. Verification. Upon thirty (30) day notice, and no more than once every twelve (12) months, during Client's regular business hours, Client shall allow 3M, or a third-party designated by 3M, to inspect and audit applicable books and records to verify Client's compliance with its obligations under this Agreement. In addition to other available remedies, the cost of any audit conducted by a third-party shall be paid for by Client if the audit reveals a violation of 3M's Intellectual Property Rights, or unauthorized release or use of 3M Information. Consistent with 3M's efforts to ensure its business operations are conducted in compliance with applicable laws, 3M's audit rights of Section 9.12 Compliance with Laws, shall apply during the Term, and will survive three years thereafter.

2.8. Third-Party Content. Client agrees to comply with Exhibit B (Third-Party Content Terms and Conditions) which contain flow-down provisions for Third-Party Content that may be incorporated in 3M Products and are contractually required by the Third-Party Content providers. 3M may by written notice, modify the contents of Exhibit B, that do not result in Client incurring additional fees, as may be required by its contracts with Third-Party Content providers by sending Client written notice of the contractually required changes to Exhibit B.

2.9. Use of Client Data. When Client Data is uploaded, submitted, stored, or otherwise sent to 3M through or in connection with a 3M Product, Client gives 3M the right to use, aggregate, and modify Client Data; to develop, enhance, deliver, and support the 3M Product(s) and their underlying technologies, in compliance with the terms of the Business Associate Agreement between the Parties. This right is subject to all applicable laws restricting the use of the applicable types of Client Data.

3. ADDITIONAL OBLIGATIONS

3.1. 3M's Obligations.

3.1.1. Security. 3M is responsible for the security of, access to, and use of Client Data, and the security of any 3M Product that is installed or stored on 3M equipment.

3.1.2. Implementation and Training. When I&T for a module of Software is added to a Schedule, 3M will contact Client and establish a mutually agreed upon I&T plan. 3M agrees to reasonably cooperate with Client including, but not limited to: (i) adhering to the I&T plan; (ii) providing constant and informative communication; and (iii) providing the necessary personnel, equipment (if any is required by be provided by 3M), and technical resources contemplated and required.

3.1.3. Support. Support Services shall be provided as set forth on 3M's website at <https://support.3Mhis.com> as updated from time to time ("Support Portal). Updates and the notifications of Updates for Software installed on Client Equipment, as well as updates to

Documents are provided through the Support Portal. Updates to Software installed on 3M equipment are performed by 3M. Support Services do not apply if Client: (a) is in breach of the Agreement; (b) fails to place a Support Service request as set forth in the Support Portal; (c) fails to provide 3M reasonable access to Client's Equipment, data, and qualified Client personnel; and (d) has not installed the most recent Software Update.

3.1.4. Access. To the extent required by law, 3M and applicable subcontractors, shall make available upon written request to the Secretary of Health and Human Services or the Comptroller General of the United States, or to any of their duly authorized representatives, this Agreement and such books, documents and records necessary to verify the cost of services furnished to Client by 3M.

3.2. Client Obligations.

3.2.1. General. Client is responsible for: (a) ensuring Authorized Sites and Authorized Users adhere to the requirements of the Agreement; (b) its business decisions and any medical care it provides; (c) accuracy of Client Data, (d) verifying the accuracy of the Results of the 3M Product(s), (e) any Interfaces not created by 3M, (e) the acquisition and maintenance of Client Equipment and any non-3M software; (f) installing Updates on Client Equipment, and testing and running a commercially reasonable software security scan on all Updates before releasing the Update into its production environment; (g) performing routine backups (e.g., incremental backups performed daily, and full backups performed weekly) of its data and providing 3M with only copies of Client's original data set; (h) provide a list of Client Applications upon request; (i) reasonably cooperating with requests made by 3M; (j) delays or deficiencies caused by special requests made by Client or a government authority (authorized to regulate or supervise Client); and (k) installing all Software for which it has not added I&T to the applicable Schedule. Reasonable cooperation entails but is not limited to: (i) adhering to the I&T plan; (ii) providing constant and informative communication; and (iii) providing the necessary access, data, personnel, facilities, equipment, and technical resources contemplated and required.

3.2.2. Security. Client is responsible for: (a) security of, access to, and use of 3M Information; and (b) within fifteen (15) calendar days of discovery, notifying 3M of unauthorized use, disclosure of, or access to 3M Information.

4. CONFIDENTIAL INFORMATION

4.1. Protected Health Information. The Parties will comply with the applicable provisions of HIPAA and the HITECH Act, and when exchange of protected health information ("PHI") is reasonably anticipated, will enter into a business associate agreement that will be the controlling document as it relates to use, disclosure, confidentiality, and notifications relating to PHI. Unless explicitly contracted for otherwise, PHI delivered to 3M does not constitute a "designated record set" as defined under 45 CFR § 164.501.

4.2. Confidential Information. For the purposes of this Agreement, "Confidential Information" means any business, technical, or personnel information that a Party ("Disclosing Party") discloses to the other Party ("Receiving Party") that: (a) if disclosed in writing, is marked "confidential" or "proprietary" at the time of disclosure; (b) if disclosed orally, is identified as "confidential" or "proprietary" at the time of disclosure, or is later summarized in writing by the Disclosing Party to the Receiving Party; or (c) if not so identified or marked as stated previously, information that would be reasonably understood to be confidential due to the nature of the information or the circumstances in which it was disclosed. At all times, this Agreement, 3M Information, and pricing information are Confidential Information.

4.3. Confidential Treatment. Each Party will: (a) keep the Disclosing Party's Confidential Information confidential; (b) use the Disclosing Party's Confidential Information only as authorized or necessary to perform its obligations under this Agreement, and (c) protect the Disclosing Party's Confidential Information by using the same degree of care, but not less than a reasonable degree of care, to prevent the unauthorized disclosure or use of Confidential Information as the Receiving Party uses to protect its own confidential information of a like nature. 3M's privacy standards for confidentiality of contact information of Client personnel (i.e. Personal Information) are found in the 3M Global Privacy policy. Neither Party acquires rights to the other Party's Confidential Information, and a Receiving Party shall hold harmless the Disclosing Party and its personnel, from any unauthorized use or disclosure by the Receiving Party, or its suppliers, of the Disclosing Party's Confidential Information.

4.4. Disclosures Required by Law. The Receiving Party may release Confidential Information as required to comply with applicable law, regulation, valid court order, or other binding requirement of a competent governmental authority, provided that in any such case, where permitted by applicable law: (a) the Receiving Party will immediately notify the Disclosing Party in writing of any such requirement (and in any event, prior to disclosure of Confidential Information); (b) the Receiving Party provides all reasonable assistance to the Disclosing Party in any attempt by the Disclosing Party to limit or prevent the disclosure of Confidential Information; and (c) the Receiving Party agrees to furnish only that portion of the Confidential Information that is legally required to be furnished and, in consultation with the Disclosing Party, to use all reasonable efforts to ensure, to the extent possible, that the information is maintained in confidence by the party to whom it is furnished.

4.5. Exceptions. A Party's Confidential Information does not include information that: (a) is made available to the public by the Disclosing Party; (b) was known to the Receiving Party without an obligation of confidentiality prior to its receipt from the Disclosing Party as evidenced by the Receiving Party's written records; (c) is received by the Receiving Party from a third-party who is not subject to an obligation of confidentiality and without breach of any agreement or violation of law to the Disclosing Party and without breach of any agreement or violation of law; or (d) is

independently developed by the Receiving Party without reference to Confidential Information received hereunder. The Parties agrees that the existence of a copyright notice shall not cause or be construed to cause the Software or Documents to be a published copyrighted work or in the public domain. A Party's information that would otherwise be Confidential Information, but for a breach of an agreement or violation of law, shall remain the Disclosing Party's Confidential Information.

5. WARRANTIES; INDEMNIFICATION

5.1. 3M Warranties and Indemnification.

5.1.1. **Debarment/Exclusion from Participation Warranty.** 3M warrants to Client that upon the Effective Date, neither it nor any of its officers, directors, or employees performing 3M's obligations under the Agreement (collectively "3M Participant") is excluded from participation in any applicable Federal or State health benefits program. Upon discovery that a 3M Participant is excluded, 3M will immediately remove the 3M Participant from involvement with this Agreement. REMOVAL OF A 3M PARTICIPANT FOR EXCLUSION IS CLIENT'S SOLE REMEDY, UNLESS 3M ITSELF IS THE EXCLUDED PARTICIPANT, IN WHICH CASE CLIENT'S REMEDY IS TERMINATION OF THE AGREEMENT AND A PRORATED CREDIT OF PREPAID FEES.

5.1.2. **Software Performance Warranty.** Software shall perform in substantial accordance with the Documents; however, 3M does not represent or warrant the operation of the Software will be uninterrupted, error-free, or that immaterial non-conformance between the Software and Documents can be corrected. Upon receipt of written notice from Client that Software fails to meet this warranty, 3M shall provide Support Services in accordance with the terms of the Agreement. IF 3M IS UNABLE TO REMEDY A BREACH OF THIS WARRANTY, CLIENT'S REMEDY SHALL BE TO TERMINATE THE 3M PRODUCT THAT FAILS TO MEET THE WARRANTY AND RECEIVE A PRORATED CREDIT OF APPLICABLE PREPAID ANNUAL FEES.

5.1.3. **Services Warranty.** 3M warrants to Client that Services will be performed in a workman-like manner, using generally recognized commercial practices and standards. Provided 3M receives written notice of breach of this warranty from Client within thirty (30) days after the Service was performed, CLIENT'S REMEDY IS, AT 3M'S OPTION TO EITHER: (A) RE-PERFORM THE SERVICES IN A MANNER CONSISTENT WITH THIS WARRANTY; OR (B) REFUND TO CLIENT ANY AMOUNTS PAID FOR THE SERVICES THAT FAIL TO MEET THIS WARRANTY AND TERMINATE THE SERVICES GIVING RISE TO THE CLAIM WITHOUT FURTHER OBLIGATION ON THE PART OF EITHER PARTY.

5.1.4. **Hardware Warranty.** Any warranty for Hardware is provided by the manufacturer of the Hardware. "Hardware" means tools, machinery, and other tangible equipment.

5.1.5. **Disabling Code Warranty.** 3M warrants to Client that after using reasonable, industry-standard, up-to-date anti-virus technology, the 3M Product does not contain viruses, worms, trojan horses, spyware, ransomware, trap doors, time bombs, or other similar devices and techniques. Nothing prevents the inclusion of technical protection measures in the 3M Product for purposes of preventing unauthorized use, are not considered Disabling Code. IF 3M IS UNABLE TO REMEDY A BREACH OF THIS WARRANTY, CLIENT'S REMEDY SHALL BE TO TERMINATE THE 3M PRODUCT THAT FAILS TO MEET THE WARRANTY AND RECEIVE A PRORATED CREDIT OF APPLICABLE PREPAID ANNUAL FEES.

5.1.6. **3M Indemnification.** 3M shall indemnify, defend and hold Client harmless from any liability for any damages, cost or expense actually and finally awarded against Client, or any settlement made by 3M, that is caused by or resulting from any third-party claim, action, suit or proceeding that a specific 3M Product licensed under this Agreement infringes or misappropriates such third-party's U.S. patent, trademark, copyright or trade secret ("Infringement Claim"). Client shall give 3M prompt notice of any Infringement Claim and provide 3M with a copy of any pleadings or claim. The selection of counsel, the conduct of the defense of any lawsuit and any settlement shall be within the sole control of 3M. Client shall reasonably cooperate with 3M in 3M's defense and settlement of an Infringement Claim. In the event that use of the 3M Product is enjoined or, in 3M's opinion, likely to be enjoined, 3M will, at its option and expense, either: (a) procure for itself, or Client, as applicable, the right to continue using the relevant 3M Product; (b) replace or modify the same so that the relevant 3M Product is comparable and non-infringing, or (c) terminate the alleged infringing 3M Product, require Client to cease all further access to and use of the relevant 3M Product and in such case, 3M will provide Client pro-rated credit of prepaid fees, except with respect to Perpetual Software, a credit in an amount equal to the unamortized portion (based on straight-line depreciation over a five-year period) of the license fee. 3M shall have no obligation or liability under this Section in the event any Infringement Claim results solely from licensure of the 3M Product in combination with any item not furnished by 3M such liability would not have occurred from the licensure of the 3M Product itself. THIS SECTION STATES CLIENT'S REMEDY FOR ANY ALLEGED INFRINGEMENT AND IS IN LIEU OF ALL WARRANTIES, EXPRESS OR IMPLIED.

5.2. Client Warranties and Indemnifications.

5.2.1. **Client Data Use.** Client represents and warrants that Client has all rights and permissions necessary to grant 3M the use rights set forth in Section 2.9, Use of Client Data.

5.2.2. Client Indemnification. To the extent permitted by law, Client shall indemnify, defend and hold 3M harmless from any liability for any damages, cost or expense actually and finally awarded against 3M, or any settlement made by Client, that is caused by or resulting from any third-party claim, action, suit or proceeding related to any of Client's obligations or responsibilities in Section 2.9 and 3.2.

5.3. Exclusions

5.3.1. Warranty Exclusions. THE WARRANTIES SET FORTH IN THIS AGREEMENT DO NOT APPLY IF: (A) THE 3M PRODUCT IS USED, IN WHOLE OR IN PART, WITH COMPUTER EQUIPMENT, INTERFACE(S) OR OTHER SOFTWARE OTHER THAN THOSE RECOMMENDED IN WRITING BY 3M FOR USE WITH THE 3M PRODUCT; (B) ANYONE OTHER THAN 3M OR 3M PERSONNEL IN ANY WAY MAINTAINS, ATTEMPTS TO MAINTAIN, MODIFIES OR ATTEMPTS TO MODIFY THE 3M PRODUCT OR ANY PART THEREOF IN ANY MANNER, EXCEPT FOR THOSE ELEMENTS OF THE 3M PRODUCT THAT ARE SPECIFIED IN THE DOCUMENTS AS BEING USER-DEFINABLE; (C) THE 3M PRODUCT IS USED IN ANY MANNER OTHER THAN AS SPECIFIED IN THE DOCUMENTS; (D) CLIENT FAILS TO USE ANY UPDATE, NEW OR CORRECTED VERSIONS OF THE 3M PRODUCT OR ANY COMPONENT THEREOF MADE AVAILABLE BY 3M; (E) CLIENT FAILS TO FOLLOW ANY WRITTEN DIRECTIONS OR TO PERFORM ANY PROCEDURES PRESCRIBED BY 3M IN WRITING; (F) ANY ABUSE, MISUSE, ACCIDENT OR NEGLIGENCE, IN EACH CASE OTHER THAN BY 3M OR 3M PERSONNEL SHALL HAVE OCCURRED IN RELATION TO THE 3M PRODUCT; (G) THE NON-CONFORMANCE OF THE 3M PRODUCT WITH THE WARRANTY IS CAUSED BY CIRCUMSTANCES OTHER THAN BY THE 3M PRODUCT ITSELF, OR BY 3M OR 3M'S PERSONNEL; OR (H) MODIFICATIONS TO THE 3M PRODUCT MADE BY 3M AT CLIENT'S REQUEST UNLESS 3M HAS AGREED TO WARRANT SUCH MODIFICATIONS IN WRITING.

5.3.2. Third-Party Content. IF 3M RECEIVES A WARRANTY ON THE THIRD-PARTY CONTENT, TO THE EXTENT ALLOWABLE, SUCH WARRANTY SHALL BE PASSED THROUGH TO CLIENT, OTHERWISE, ALL THIRD-PARTY CONTENT IS PROVIDED "AS-IS" WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT.

5.3.3. Disclaimer. EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS SECTION 5, 3M AND ITS SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING FROM TRADE USAGE OR COURSE OF DEALING.

6. LIMITATIONS OF LIABILITY

6.1. RESTORATION OF CLIENT DATA. ALL CLIENT DATA SENT TO 3M IS TO BE A COPY OF CLIENT'S ORIGINAL DATA SET. IF CLIENT DATA IS LOST DUE TO 3M'S NEGLIGENT ACT OR OMISSION, OR BREACH OF WARRANTY, CLIENT'S EXCLUSIVE REMEDY SHALL BE FOR 3M TO USE COMMERCIALY REASONABLE EFFORTS TO RECOVER THE LOST CLIENT DATA SINCE CLIENT'S LAST REQUIRED BACKUP.

6.2. EXCLUDED DAMAGES. EXCEPT FOR A BREACH OF 3M'S INTELLECTUAL PROPERTY RIGHTS, NEITHER CLIENT, NOR 3M AND ITS SUPPLIERS SHALL BE LIABLE TO THE OTHER UNDER ANY CIRCUMSTANCES FOR ANY INCIDENTAL, SPECIAL, INDIRECT, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OR ECONOMIC LOSS, BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY EVEN IF 3M OR ITS SUPPLIERS OR CLIENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, REVENUE (EXCEPT FOR LOSS OF PROFITS OR REVENUE TO 3M ARISING FROM CLIENT'S FAILURE TO PAY AMOUNTS DUE UNDER THIS AGREEMENT), EQUIPMENT USE, DATA OR INFORMATION OF ANY KIND. 3M AND ITS SUPPLIERS SHALL NOT HAVE ANY LIABILITY ARISING FROM ANY INTERRUPTION OR LOSS OF USE OF THE 3M PRODUCT, NOR FROM THE UNAVAILABILITY OF, OR CLIENT'S INABILITY TO OBTAIN OR ACCESS, MEDICAL OR OTHER DATA.

6.3. MAXIMUM LIABILITY. 3M'S AND ITS SUPPLIERS' MAXIMUM CUMULATIVE ANNUAL LIABILITY FOR ALL DAMAGES, COSTS OR EXPENSES OF ANY TYPE OR NATURE BASED UPON BREACH OF WARRANTY, BREACH OF CONTRACT, NEGLIGENCE, STRICT LIABILITY IN TORT OR ANY OTHER LEGAL THEORY IS LIMITED TO TWO (2) TIMES THE FEES PAID TO 3M FOR THE 3M PRODUCT GIVING RISE TO THE LIABILITY, IN THE YEAR LIABILITY AROSE. ALL OTHER LIABILITIES NOT SPECIFICALLY LINKED TO A 3M PRODUCT IS LIMITED TO THE FEES PAID IN THE TWELVE (12) MONTHS PRECEDING THE EVENT GIVING RISE TO THE LIABILITY. 3M AND ITS SUPPLIERS MAXIMUM CUMULATIVE LIABILITY UNDER THIS AGREEMENT SHALL NOT EXCEED FIVE MILLION DOLLARS (\$5,000,000). THIS SECTION DOES NOT APPLY TO ANY NON-INFRINGEMENT INDEMNIFICATION OBLIGATIONS OR BREACH OF UNSECURED PROTECTED HEALTH INFORMATION.

7. FEES; AND INVOICING

7.1. **Payment of Fees.** All fees and other charges are payable in U.S. dollars, are due upon date of the invoice, and are delinquent thirty (30) days after the date of the invoice ("Payment Period"). During the Payment Period, Client may dispute an invoiced item that Client reasonably believes is incorrect, and for which Client intends to withhold payment, provided that, within the Payment Period, Client: (a) gives 3M a written notice detailing the specific items and amount in dispute and the basis of the dispute (or the invoiced item shall be deemed undisputed), and (b) pays all undisputed amounts in full.

7.2. **Late Payment; Suspension.** If Client becomes thirty (30) days delinquent on any undisputed fees, upon written notice to Client, 3M may suspend its obligations under the Agreement until such past due charges are brought current. All delinquent fees are subject to a late payment charge at a rate up to one percent (1%) per month calculated daily.

7.3. **Delays and Additional Expenses.** If Client delays or postpones a scheduled event with less than seven (7) day notice, Client shall pay to 3M all reasonably incurred and nonrefundable expenses associated with the delayed or postponed event, and a rescheduling fee calculated to represent one (1) day's fees for the canceled event. If business travel and miscellaneous expense are not included in the quoted fees, they will be billed to Client without mark-up, and will be incurred in accordance with 3M policies. If the delivery of a scheduled event, Services, or Consulting Services is delayed at Client's request, the entire schedule may be extended at 3M's discretion, it being understood that any such extension may exceed the delay requested by Client.

7.4. **Taxes.** Quoted fees do not include applicable taxes, duties, or amounts levied in place of taxes (collectively "Taxes"). 3M will invoice Client all applicable Taxes unless Client provides 3M a tax-exempt form. Client is not responsible for paying 3M's personal property taxes on the 3M Products nor taxes based on 3M's net income.

8. TERM AND TERMINATION

8.1. **Term of the Agreement.** The Agreement begins on the Effective Date and ends upon the termination of the last Schedule.

8.2. **Termination for Cause.** Either Party may terminate the Agreement if: (a) the other Party has failed to take reasonable steps to cure a breach of this Agreement within thirty (30) days after receiving written notice describing the breach; (b) the other Party becomes insolvent; or (c) either Party ceases to conduct business relevant hereunder. In the event Client terminates a 3M Product due to a material breach of a performance warranty by 3M, Client's remedy is for 3M to a refund to Client (i) for Perpetual Software, the unamortized portion of the pre-paid license fee based on straight-line depreciation over a five-year period, (ii) for Software other than Perpetual Software, the unused portion of the current year's pre-paid fee for the Software, or (iii) for Services, the actual fees paid to 3M for the Service not yet performed.

8.3. **Obligations upon Termination.** Upon termination of this Agreement or a Use Right for a specific 3M Product, each Party shall immediately cease use of the other Party's Confidential Information as it relates to the Use Right that was terminated, or all Confidential Information if the entire Agreement has terminated. Within fifteen (15) days of termination, Client shall: (a) certify that the relevant Software has been de-installed, or if the applicable Software requires 3M to assist in the de-installation have scheduled with 3M a date acceptable to 3M for 3M to de-install the Software; and (b) returned or destroyed all applicable Documents. Within ninety (90) days of the termination of the Agreement, the Parties will have destroyed all the other Party's Confidential Information, or Confidential Information related to the Use Right terminated, except those copies necessary to comply with legal obligations and items for which a perpetual license has been issued. IN THE EVENT CLIENT DOES NOT COMPLY WITH THE TERMINATION PROVISIONS, CLIENT IS IN BREACH OF 3M INTELLECTUAL PROPERTY RIGHTS, AND 3M MAY ELECT TO EITHER: (I) DEEM 3M PRODUCT(S) TO BE IN USE BY CLIENT AND CONTINUE TO INVOICE FOR THE FULL LIST PRICE AND THE AGREEMENT SHALL REMAIN IN FULL FORCE AND EFFECT; OR (II) SEEK ALL REMEDIES AT LAW TO ENSURE CLIENT HAS DE-INSTALLED THE SOFTWARE AND DESTROYED THE DOCUMENTS.

8.4. **Divestiture of Authorized Sites.** In the event an Authorized Site is divested, subject to 3M's right of approval, the Parties shall honor the Transition Period. "Transition Period" means a period of time the divested site is to remain an Authorized Site on this Agreement, which shall end the earlier of the date the divested site (a) has an active license for the relevant 3M Products under another agreement with 3M, (b) six (6) months following the date of divestiture, or (c) the divested site's notice to 3M it wishes to terminate all 3M Products under this Agreement. Upon conclusion of the Transition Period, the Use Rights for the divested site will terminate, and 3M will issue a prorated refund to Client applicable prepaid and unused fees.

9. GENERAL PROVISIONS

9.1. **Entire Agreement.** This Agreement represents the final, complete, exclusive and fully integrated agreement between the Parties with respect to its subject matter and supersedes any understanding, discussions, negotiations, representation or warranty of any kind made prior to or simultaneous with the execution of this Agreement, and no ancillary agreement or obligations are binding on 3M or 3M Personnel unless added to this Agreement by amendment. Terms or conditions found on a purchase order(s) or any other Client prepared document are specifically rejected and do not form any part of this Agreement. A failure or delay in enforcing any right or remedy under this Agreement shall not be construed as a waiver of any existing or future right or remedy.

9.2. **Amendments.** Any changes to the Agreement must be done through a 3M prepared amendment executed by both Parties, or 3M may, at its option, acknowledge and accept a written request from Client for changes, by returning to Client a numbered amendment letter prepared and signed by 3M (having the same effect as a fully executed amendment).

9.3. **Interpretation, Priority.** The headings and captions contained in this Agreement are for convenience only and shall not constitute a part hereof. In the event of any conflict of terms, the more specific parts of the Agreement prevail over more general; as such, any conflict shall be resolved in the following order of priority unless specifically stated otherwise (the more specific and controlling document listed first): Schedule, SOW, Appendix, Exhibit, and the Agreement's General Terms and Conditions.

9.4. **Assignment.** Client shall not assign or otherwise transfer this Agreement, including but not limited to, an acquisition or change of control of Client (e.g. merger, sale, voting membership) without 3M's prior written consent, which shall not be unreasonably withheld, and any attempt to do so shall be void.

9.5. **Force Majeure.** A Party shall not be liable for any failure of or delay in the performance of this Agreement for the period that such failure or delay is due to causes beyond its reasonable control, including but not limited to acts of God, war, strikes or labor disputes, embargoes, government orders or any other force majeure event. Notwithstanding the foregoing, if such force majeure event precludes payment of fees or the fulfillment of an obligation hereunder, the Parties will work together in good faith to come to a mutually agreeable resolution. In the event of any such delay, all performance obligations shall be tolled to the extent necessary under the circumstances.

9.6. **Announcements; Trade Name.** Neither Party may use the other Party's trade name or logo, or issue an announcement concerning this Agreement to the trade press or industry consultants without prior written consent.

9.7. **Notices.** All required legal notices shall be given to the address listed on the cover page of the Agreement, by authorized personnel in writing and delivered by personal delivery, certified or registered mail, overnight carrier, or to a designated email address. Any change of address or representative shall be promptly communicated in writing to the other Party. All other correspondence can be addressed to the parties' representatives listed on Exhibit D. If Exhibit D is not completed or the designated party's representative is not reachable, such notices may be delivered to the address on the cover page of the Agreement. Both Parties may also utilize email as acceptable written notice to the other Party except a notice of breach of contract must be sent via the methods described above.

9.8. **Governing Law.** This Agreement and any questions, claims, disputes or litigation concerning or arising from its creation, performance or termination, shall be governed by the laws of the State of Delaware, without giving effect to the conflicts of laws doctrines of any state.

9.9. **Dispute Resolution.** The parties shall attempt in good faith to resolve any controversy, claim or dispute (cumulatively, "Dispute") arising from or relating to this Agreement by negotiations between representatives of the parties. Prior to any litigation, the parties agree that "C-Level" executive from each party will discuss with one another to seek a resolution ("C-Level Meeting"), and if the C-Level Meeting doesn't resolve the Dispute, the Dispute shall undergo mediation using a mediator with a background in the industry and subject matter of the Dispute (mediation costs shall be shared equally). In the event of litigation both parties hereby waive any right of trial by jury. Nothing herein shall preclude a Party from taking any action necessary to preclude imminent and irreparable harm, nor diminish a Party's obligation to minimize damages.

9.10. **No Third-Party Beneficiaries.** Unless stated otherwise the Parties expressly acknowledge and agree that no third-party is intended to be nor shall be considered a beneficiary of any provision of this Agreement.

9.11. **Insurance.** The Parties shall each maintain insurance policies appropriate to its obligations under this Agreement, certificates of which shall be provided to the other Party upon request.

9.12. **Compliance with Laws.** Each Party shall comply with the provisions of all applicable federal, state, county and local laws, ordinances, regulations and orders pertaining to the performance of its obligations under this Agreement including, but not limited to the Deficit Reduction Act of 2005, the Federal False Claims Act, the U.S. Foreign Corrupt Practices Act, and other federal and state laws addressing anti-kickback, anti-bribery, self-referral, fraud, waste, and whistleblower protections for those reporting violations of such laws. If one Party believes that the other may not comply with one of the foregoing, it shall so notify the other Party, which will promptly look into the matter and take measures necessary to remedy any non-compliance. Notwithstanding any other provision in this Agreement, this Agreement is not intended to designate 3M as a delegated entity or First Tier, Downstream, or Related Entity (FDR) under this Agreement or applicable Centers for Medicare & Medicaid Services (CMS) rules. Each Party will observe its own standards of business conduct that are generally consistent with 3M's Code of Conduct and underlying Principles which are located on 3M's website <http://www.3m.com/>.

9.13. **Independent Contractors.** Nothing contained in this Agreement shall be construed to create the relationship of employer and employee, principal and agent, partnership or joint venture, or any other fiduciary relationship.

9.14. **Injunctive Relief.** The Parties agree that a breach of the Agreement may cause immediate and irreparable harm to the damaged party and that monetary damages will not be adequate to fully compensate the damaged Party. Therefore, each Party is entitled to seek injunctive relief for a threatened, anticipated, or actual breach of the Agreement.

9.15. **Severability.** The provisions of this Agreement are severable. If any part of this Agreement is deemed or rendered void, invalid, or unenforceable, in any jurisdiction in which this Agreement is performed, then that part will be severed from the remainder of the Agreement only as to that jurisdiction. Such severance will not affect the validity or enforceability of the remainder of this Agreement unless such severance substantially impairs the value of the whole agreement to any Party.

9.16. **Survival.** Sections 2, 4, 5, 7, 8, and 9 hereof shall survive any termination of any Appendix, and/or 3M Product(s), and/or this Agreement, as applicable.

9.17. **Attachments.** The following are 3M's standard Exhibits and Appendices, which are added only when applicable, based on the 3M Products added by Client on the Agreement:

APPENDICES:

Appendix 1	Annuity Products Additional Terms
Appendix 2	RESERVED
Appendix 3	RESERVED
Appendix 4	RESERVED
Appendix 5	RESERVED
Appendix 6	RESERVED
Appendix 7	RESERVED
Appendix 8	RESERVED
Appendix 9a	RESERVED
Appendix 9b	RESERVED
Appendix 9c	RESERVED
Appendix 10	RESERVED
Appendix 11	RESERVED

EXHIBITS:

- Exhibit A Business Associate Agreement
- Exhibit B Third-Party Content Required Terms
- Exhibit C Network and/or Facility Access and Confidentiality Agreement
- Exhibit D Client Contact Information

* * *

EXHIBIT A BUSINESS ASSOCIATE AGREEMENT

Parties:

Executed as an Exhibit to Software License Agreement #O39699-22

San Geronio Memorial Hospital
600 N Highland Springs Ave
Banning, CA 92220-3046
("Covered Entity")

3M Health Information Systems Inc.
575 West Murray Boulevard
Murray, UT 84123-4611
("Business Associate")

The Parties agree that this Business Associate Agreement ("BAA") is executed with 3M Health Information Systems, Inc.'s authorized agent, by way of the Master Software and Services Agreement above, and shall be incorporated by reference into all contracted relationships between the Parties in which the exchange of Protected Health Information is required.

1. Purpose:

Whereas, Business Associate may provide certain software and services as set forth in the Software License and/or Services Agreement(s) ("Underlying Agreement(s)") to Covered Entity which may require Covered Entity to disclose certain information to Business Associate, some of which may constitute Protected Health Information ("PHI") and/or Electronic Protected Health Information ("EPHI"). As a result, Business Associate may be considered a Business Associate of Covered Entity as defined by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and regulations promulgated thereunder. Furthermore, this BAA applies to all Underlying Agreement(s) between Business Associate and Covered Entity.

Whereas, Business Associate and Covered Entity intend to protect the privacy and provide for the security of PHI disclosed to Business Associate pursuant to the Underlying Agreement(s) in compliance with (i) HIPAA; (ii) Subtitle D of the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), also known as Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009; and (iii) regulations promulgated thereunder by the U.S. Department of Health and Human Services, including the HIPAA Omnibus Final Rule (the "HIPAA Final Rule"), which amended the HIPAA Privacy and Security Rules (as those terms are defined below) pursuant to the HITECH Act, extending certain HIPAA obligations to business associates and their subcontractors,

Whereas, the purpose of this BAA is to satisfy certain standards and requirements of HIPAA, the Privacy Rule and the Security Rule (as those terms are defined below), and the HIPAA Final Rule, including, but not limited to, Title 45, §§ 164.314(a)(2)(i), 164.502(e) and 164.504(e) of the Code of Federal Regulations ("C.F.R.").

NOW, THEREFORE, in consideration of the promises and mutual covenants herein contained, it is hereby agreed as follows:

2. Definitions.

Terms used in this BAA shall have the same meaning as those terms in the Privacy and Security Rules or the HIPAA Final Rule.

"Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

"Security Rule" shall mean the Security Standards at 45 CFR Part 160 and Part 164, Subparts A and C.

The terms "Protected Health Information" or "PHI" and "Electronic Protected Health Information" or "EPHI" when used in this BAA shall have the same meanings given to such terms in the Privacy and Security Rules, limited to the information that Business Associate creates, receives, maintains or transmits from or on behalf of Covered Entity. Wherever the term PHI is used in this BAA, it shall mean, include and be applicable to EPHI. Wherever the term EPHI is used, it shall mean and be applicable to EPHI only.

3. Obligations and Activities of Business Associate: Business Associate agrees, that with respect to PHI, it will:

- a. not use or further disclose PHI other than as permitted or required by this BAA or as Required By Law;
- b. use appropriate safeguards and comply with the Security Rule with respect to Electronic PHI, to prevent use or disclosure of such information other than as provided for by the Underlying Agreement(s) and this BAA;
- c. in accordance with 45 CFR § 164.502(e)(1)(ii) and 45 CFR § 164.308(b)(2), as applicable, enter into a written agreement with any agent or subcontractor that creates, receives, maintains or transmits PHI on behalf of Business Associate for services provided to Covered Entity, providing that the agent agrees to restrictions and conditions that are substantially similar to those that apply through this BAA to Business Associate with respect to such PHI;
- d. report to Covered Entity any use or disclosure of PHI not permitted under this BAA, Breach of Unsecured PHI or Security Incident, without unreasonable delay, and in any event no more than Thirty (30) Days following discovery; provided, however, that the Parties acknowledge and agree that this Section constitutes notice by Business Associate to Covered Entity of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which notice to Covered Entity by Business Associate shall be required only upon request. "Unsuccessful Security Incidents" shall include, but not be limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, so long as no such incident results in unauthorized access, use or disclosure of PHI. Business Associate's notification to Covered Entity of a Breach shall include, to the extent such information is available to Business Associate: (i) the identification of each individual whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired or disclosed during the Breach; and (ii) any particulars regarding the Breach that Covered Entity would need to include in its notification, as such particulars are identified in 45 CFR § 164.404;
- e. to the extent Business Associate maintains PHI in a Designated Record Set, make such information available pursuant to 45 CFR § 164.524 upon receipt of a written request of Covered Entity; provided, however, that Business Associate is not required to provide such access where the PHI contained in a Designated Record Set is duplicative of the PHI contained in a Designated Record Set possessed by Covered Entity. If an Individual makes a request for access pursuant to 45 CFR § 164.524 directly to Business Associate, or inquires about his or her right to access, Business Associate shall direct the Individual to his or her healthcare provider;
- f. to the extent Business Associate maintains PHI in a Designated Record Set, make such information available to Covered Entity for amendment pursuant to 45 CFR § 164.526 upon receipt of a written request of Covered Entity. If an Individual submits a written request for amendment pursuant to 45 CFR § 164.526 directly to Business Associate, or inquires about his or her right to amendment, Business Associate shall direct the Individual to his or her healthcare provider. Any amendments to PHI made by Business Associate at the direction of Covered Entity shall be the responsibility of the Covered Entity;
- g. document disclosures of PHI made pursuant to applicable law and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528;
- h. make available to Covered Entity the information collected in accordance with Section 3(g) of this BAA as is in the possession of Business Associate to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. If an Individual submits a written request for an accounting of disclosures pursuant to 45 CFR § 164.528 directly to Business Associate, or inquires about his or her right to an accounting of disclosures of PHI, Business Associate shall direct the Individual to his or her healthcare provider;
- i. make internal practices, books, and records, relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity available to the Secretary of the United States Department of Health and Human Services (the "Secretary"), in a reasonable time and manner or as designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule; and
- j. mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this BAA.

4. Permitted Uses and Disclosures by Business Associate:

Except as otherwise limited in this BAA, Business Associate may use or disclose PHI:

- a. on behalf of, or to provide services to, Covered Entity, as provided for in the Underlying Agreement(s) and in accordance with the Privacy Rule, provided that such disclosure would not violate the Privacy Rule. To the extent Business Associate is carrying out any of Covered Entity's obligations under the Privacy Rule pursuant to the terms of the Underlying Agreement(s) or this BAA, Business Associate shall comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of such obligation(s). Business Associate shall request, use and disclose the minimum amount of PHI necessary to accomplish the intended purpose of such request, use or disclosure, in accordance with 45 CFR § 164.514(d), and any amendments thereto;
- b. for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that, in the case of disclosure to third parties, Business Associate shall obtain reasonable assurances from the person or entity to whom the

PHI is disclosed that it will remain confidential, be used or further disclosed only as Required by Law or for the purpose for which it was disclosed (which purpose must be consistent with the limitations imposed upon Business Associate pursuant to this BAA), and the person or entity will notify Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached;

- c. to provide Data Aggregation services to Covered Entity as permitted by 45 CFR § 164.504(e)(2)(i)(B); and
- d. to de-identify PHI in accordance with the standards set forth in 45 CFR § 164.514(b), and to use de-identified data solely and exclusively as permitted by applicable law.

5. Obligations of Covered Entity: Covered Entity shall:

- a. not transmit Unsecured PHI to Business Associate. Any Secured PHI, as defined under the HITECH Act and guidance promulgated thereunder, transmitted by Covered Entity to Business Associate shall be secured by a technology standard that is developed or endorsed by a standards developing organization that is accredited by the American National Standards Institute and is consistent with guidance issued by the Secretary specifying the technologies and methodologies that render PHI unusable, unreadable, or indecipherable to unauthorized individuals. Any Electronic PHI disclosed by Covered Entity to Business Associate shall be rendered unusable, unreadable or indecipherable through the use of a technology or methodology specified by the Secretary in guidance issued under the HITECH Act and shall not constitute Unsecured PHI;
- b. notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the limitation;
- c. notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the change. Covered Entity shall obtain any consent or authorization that may be required by the HIPAA Privacy Rule, or applicable state law, prior to furnishing Business Associate with PHI;
- d. notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI. Covered Entity shall provide such notice no later than fifteen (15) days prior to the effective date of the restriction.
- e. not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule, the Security Rule or the HIPAA Final Rule if done by Covered Entity.

6. Term and Termination

- a. Term. The Term of this BAA begins on the Effective Date (above) and ends when all Underlying Agreement(s) have expired and PHI provided by Covered Entity to Business Associate is destroyed or returned to Covered Entity, or if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance with Section 6.c.
- b. Breach. Upon either Party's knowledge of a material breach by the other Party of this BAA, such Party shall provide written notice to the breaching Party stating the nature of the breach and providing an opportunity to cure the breach within thirty (30) business days. Upon the expiration of such 30-day cure period, the non-breaching Party may terminate this BAA and, at its election, the Underlying Agreement(s) (which requires compliance with this BAA), if cure is not possible. However, all rights and obligations arising prior to such termination shall remain in effect. All other Agreements between Covered Entity and Business Associate shall remain in effect in accordance with their terms.
- c. Effect of Termination. Upon termination of this BAA, Business Associate shall, if feasible, return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI except as provided for in this BAA. If return or destruction of PHI is not feasible, Business Associate shall: (i) extend the security protections of this BAA to such PHI; and (ii) limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI.

7. Miscellaneous

- a. Cooperation in Investigations. The Parties acknowledge that certain breaches or violations of this BAA may result in litigation or investigations pursued by federal or state governmental authorities of the United States resulting in civil liability or criminal penalties. Each Party shall cooperate in good faith in all respects with the other Party in connection with any request by a federal or state governmental authority for additional information and documents or any governmental investigation, complaint, action or other inquiry, unless such Party is a named adverse party in such litigation or investigation.
- b. HIPAA Final Rule Applicability. Business Associate acknowledges that enactment of the HITECH Act, as implemented by the HIPAA Final Rule, amended certain provisions of HIPAA in ways that now directly regulate, or will on future dates directly regulate, Business Associate

EXHIBIT B

THIRD-PARTY CONTENT REQUIRED TERMS

AMA TERMS AND CONDITIONS

The following terms and conditions apply to Client's use of Software containing Current Procedural Terminology (CPT®) and/or material published in CPT® Assistant (collectively referred to herein as "AMA Editorial Content") in addition to the terms and conditions set forth in the License Agreement ("Agreement"). In the event of a conflict between the terms and conditions in the Agreement and those set forth in this Exhibit B, with respect to Client's use of the AMA Editorial Content, the terms and conditions of this Exhibit B shall control.

Grant of Rights Restrictions. Client has a nontransferable, nonexclusive license to use the AMA Editorial Content contained within the Software solely for its internal purposes within the United States. Client is prohibited from publishing, distributing via the Internet or other public computer based information system, creating derivative works (including translations), transferring, selling, leasing, licensing or otherwise making the AMA Editorial Content, or a copy or portion thereof, available to any unauthorized party. Client's access to updated AMA Editorial Content depends upon a continuing contractual relationship between 3M and the AMA. Client shall ensure that anyone with authorized access to the AMA Editorial Content will comply with the provisions of the Agreement, including this Exhibit B. Any printing or downloading of CPT® Assistant from the Software must be solely for Client's internal use, without any modification to the content, and in such a way that all references to the AMA are included.

Notices. CPT and CPT Assistant are copyrighted works of the American Medical Association. CPT is a registered trademark of the American Medical Association. The following U.S. Government Rights notice shall apply: U.S. Government Rights. This product includes CPT and/or CPT Assistant which is commercial technical data which was developed exclusively at private expense by the American Medical Association, 515 North State Street, Chicago, Illinois, 60610. The AMA does not agree to license CPT to the Federal Government based on the license in FAR 52.227-14 (Data Rights – General) and DFARS 252.227-7015 (Technical Data – Commercial Items) or any other license provision.

Backup Rights. Client may make backup copies of the Software containing AMA Editorial Content for backup or archival purposes only provided that all notices of proprietary rights, including trademark and copyright notices, appear on all backup or archival copies made.

Warranty Disclaimer. TO THE FULLEST EXTENT POSSIBLE UNDER APPLICABLE LAW, ALL WARRANTIES (EXPRESS AND IMPLIED) INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING FROM TRADE USAGE OR COURSE OF DEALING ARE DISCLAIMED WITH RESPECT TO THE AMA EDITORIAL CONTENT. CLIENT'S USE OF THE AMA EDITORIAL CONTENT AS CONTAINED IN THE SOFTWARE IS "AS IS" WITHOUT ANY LIABILITY TO 3M OR THE AMA INCLUDING, WITHOUT LIMITATION, ANY LIABILITY FOR DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, OR LOST PROFITS FOR SEQUENCE, ACCURACY, OR COMPLETENESS OF DATA, OR THAT THE AMA EDITORIAL CONTENT WILL MEET CLIENT'S REQUIREMENTS. THE SOLE RESPONSIBILITY OF THE AMA IS TO MAKE AVAILABLE TO 3M REPLACEMENT COPIES OF THE AMA EDITORIAL CONTENT IF THE DATA IS NOT INTACT. THE AMA DISCLAIMS ANY LIABILITY FOR ANY CONSEQUENCES DUE TO USE, MISUSE, OR INTERPRETATION OF INFORMATION CONTAINED OR NOT CONTAINED IN THE AMA EDITORIAL CONTENT.

AMA as Third-Party Beneficiary. The AMA is a third-party beneficiary of those terms and conditions of the Agreement, including this Exhibit B, necessary to protect the rights and interests of the AMA with respect to AMA Editorial Content.

* * *

EXHIBIT B - 2

THIRD-PARTY CONTENT REQUIRED TERMS

HEALTH FORUM TERMS AND CONDITIONS

To the extent Client has licensed Software which contains AHA Coding Clinic™ for ICD-9-CM, ICD-9-CM Coding Handbook, Revised Edition, by Faye Brown, and/or AHA Coding Clinic™ for HCPCS, the following terms and conditions apply to Client's use of such Software in addition to the terms and conditions set forth in the Agreement. In the event of a conflict between the terms and conditions in the Agreement and those set forth in this Exhibit B-2, with respect to Client's use of such Software, the terms and conditions of this Exhibit B-2 shall control.

ICD-9-CM Coding Handbook, Revised Edition, by Faye Brown, is copyrighted by Health Forum, LLC, Chicago, Illinois, which licenses its use. No portion of ICD-9-CM Coding Handbook may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior express, written consent of Health Forum, LLC.

ICD-10-CM and ICD-10-PCS Coding handbook (most current year), by Nelly Leon-Chisen, is copyrighted by Health Forum, LLC, Chicago, Illinois, which licenses its use. No portion of ICD-10-CM and ICD-10-PCS Coding Handbook may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior express, written consent of Health Forum, LLC.

It is understood that Health Forum, LLC did not enter the ICD-9-CM Coding Handbook information and data into the computer and therefore Health Forum, LLC is not responsible for the accuracy, completeness or appropriateness of the information.

It is also understood that Health Forum, LLC did not enter the ICD-10-CM and ICD-10-PCS Coding Handbook information and data into the computer and therefore Health Forum, LLC is not responsible for the accuracy, completeness or appropriateness of the information. Health Forum, LLC makes no warranties of merchantability or fitness for a particular purpose.

Health Forum, LLC shall have no liability to anyone including 3M and the Sublicensed Location, for lost profits or indirect or consequential damages. Health Forum, LLC makes no warranties of any kind with respect to 3M, its products or services.

AHA Coding Clinic™ for ICD-9-CM is copyrighted by the American Hospital Association ("AHA"), Chicago, Illinois, which licenses its use. No portion of AHA Coding Clinic™ for ICD-9-CM may be copied without the express, written consent of Health Forum, LLC.

It is understood that AHA did not enter the AHA Coding Clinic™ for ICD-9-CM information and data into the computer and therefore AHA is not responsible for the accuracy, completeness or appropriateness of the information. AHA makes no warranties of merchantability or fitness for a particular purpose. AHA shall have no liability to anyone, including 3M and the Client, for lost profits or indirect or consequential damages. AHA makes no warranties of any kind with respect to 3M, its products or services.

AHA Coding Clinic™ for HCPCS is copyrighted by the American Hospital Association ("AHA"), Chicago, Illinois, which licenses its use. No portion of AHA Coding Clinic™ for HCPCS may be copied without the express, written consent of Health Forum, LLC.

It is understood that AHA did not enter the AHA Coding Clinic™ for HCPCS information and data into the computer and therefore AHA is not responsible for the accuracy, completeness or appropriateness of the information. AHA makes no warranties of merchantability or fitness for a particular purpose. AHA shall have no liability to anyone, including 3M and the Client, for lost profits or indirect or consequential damages. AHA makes no warranties of any kind with respect to 3M, its products or services.

The printing or downloading of ICD-9-CM Coding Handbook, AHA Coding Clinic™ for ICD-9-CM and AHA Coding Clinic™ for HCPCS (collectively, the "HF Documentation") or any portion thereof, is prohibited, other than the printing of an excerpt from HF Documentation on a specific topic without any modification to the excerpt for internal use only by the Authorized Site as long as the source of the excerpt(s) is printed on the printout(s).

The text of HF Documentation is and will remain inaccessible to other programs capable of generating paper printouts of HF Documentation (excluding the print screen functionality of Windows software) by encrypting all files containing source text of HF Documentation.

EXHIBIT B - 3**THIRD-PARTY CONTENT REQUIRED TERMS****NOTICES****LOINC NOTICE**

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EXHIBIT B-4
THIRD-PARTY CONTENT REQUIRED TERMS
INTERSYSTEMS CORPORATION LICENSE AND SUPPORT TERMS

1. These License and Support Terms are part of the License Agreement between InterSystems Corporation ("InterSystems") and the end user customer ("you," the "Customer" or the "End User"), who has signed a Master Software and Services Agreement with 3M Health Information Systems, Inc. (the "Partner"). The License Agreement shall not be binding until an order form (the "Order Form") has been fully executed between Partner and InterSystems.
2. As of the date the Order Form has been fully executed (Partner will execute such Order Form prior to implementation of Customer) (the "Effective Date"), InterSystems hereby grants to you a nontransferable and nonexclusive license (the "License") to use the InterSystems product(s) incorporated into the Partner solution internally within your organization in the conduct of your business, provided that all fees are paid by Partner to InterSystems. You may only use the Licensed Software to run the Partner's solution and to connect the Partner's solution to other applications or systems, but not for any other purpose. No License shall be granted upon the physical delivery of any software to you. For the avoidance of doubt, the "Licensed Software" shall not include any open source or third-party software that may be shipped with, installed with or used in conjunction with InterSystems' proprietary software.
3. You are acquiring the License via the Partner so the Partner will be responsible for paying all fees specified therein to InterSystems.
4. If your use of the Licensed Software is regulated, you agree not to use or implement the Licensed Software in any manner that is outside the scope of intended use or otherwise violates any prohibitions or conditions set forth in a Quality Agreement or otherwise communicated to you by InterSystems.
5. Your License is a subscription License. The term ("License Term") of a subscription License begins on the Effective Date and terminates automatically on the last day of the final period for which InterSystems has received the proper fee.
6. The Licensed Software may only be used on servers operated by you or on your behalf. You may not sublicense the Licensed Software or otherwise make it available to third parties except as explicitly provided herein.
7. Software Update and Technical Assistance ("Product Support") shall be provided in accordance with the standard product terms in effect on the date such Product Support is invoiced. You shall receive all Product Support from the Partner and not from InterSystems directly.
8. InterSystems hereby warrants to you that (i) the Licensed Software will operate substantially in accordance with InterSystems' documentation relating thereto for one year from the Effective Date or the end of the License Term, whichever occurs first, and (ii) all Product Support shall be provided in a manner consistent with industry standards. The foregoing warranties are conditioned upon the use of the Licensed Software strictly in accordance with InterSystems' documentation and instructions, and the absence of any misuse, damage, alteration or modification thereof. INTERSYSTEMS SHALL NOT BE DEEMED TO HAVE MADE ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO THE CONDITION, MERCHANTABILITY, TITLE, NON-INFRINGEMENT, DESIGN, OPERATION OR FITNESS FOR A PARTICULAR PURPOSE OF THE LICENSED SOFTWARE OR PRODUCT SUPPORT. MOREOVER, The Licensed Software is not a substitute for the skill, knowledge and experience of the individuals who may use the Licensed Software. Your exclusive remedy for a breach of the above warranties shall be for InterSystems to use reasonable efforts to repair, replace or re-perform any non-conforming Licensed Software or Product Support, as applicable. The limited warranty provided in (i) above does not include Product Support and are not a substitute for Product Support. You must direct any warranty claim to the Partner and the Partner will send the claim directly to InterSystems.
9. In the event of a valid claim that any Licensed Software that has not been altered, modified, misused or damaged infringes upon the intellectual property rights of a third party when used in accordance with InterSystems' documentation and instructions, InterSystems shall either (a) modify the Licensed Software, (b) procure a license for you to use the Licensed Software or (c) terminate your License, at InterSystems' sole discretion.
10. InterSystems' liability to you shall in no event exceed the portion of the fee received by InterSystems in respect of the specific Licensed Software or Product Support on account of which such liability arose. In no event shall InterSystems be liable to you for any special, incidental, exemplary, indirect or consequential damages or lost profits.
11. Either party may terminate the License Agreement with 30 days advance written notice upon the other party's breach if the breach is not cured during that period. InterSystems will consult the Partner before terminating the License Agreement. The Partner shall be liable for all fees relating to Licensed Software or Product Support provided prior to termination, and Sections 10, 11, 12, 13, and 14 hereof shall survive termination or expiration of the License Agreement. Your rights to use the Licensed Software cease immediately upon termination or expiration of the License Agreement.
12. The Licensed Software and related documentation are and shall remain the sole property of InterSystems. You agree not to (i) decompile, disassemble, or reverse engineer the Licensed Software or (ii) with the exception of the Partner for the purposes of fulfilling your obligations under your agreement with Partner, disclose to others the Licensed Software or any data or information relating to the Licensed Software. You agree to allow InterSystems or its representatives to audit your use of the Licensed Software upon 5 days advance notice by InterSystems. You agree to provide access to your premises and otherwise cooperate with InterSystems in such audit. Any such audit shall be conducted with the assistance from the Partner.
13. The parties are and shall be independent contractors to one another, and the License Agreement shall not create an agency, partnership or joint venture between the parties. Neither party nor its employees, agents or representatives shall be deemed to be an agent or employee of the other party and each party acknowledges that it is not authorized to bind or in any way commit the other party to any legal, financial or any other obligation.
14. This License Agreement shall be governed by and construed in accordance with the laws of, and the parties agree to submit to exclusive jurisdiction of the Commonwealth of Massachusetts, USA. The English version of the License Agreement shall control unless otherwise required by local law.
15. You agree to comply with all applicable laws, including, but not limited to: U.S. export control or similar laws with respect to the distribution of the Licensed Software, Product Support and technical data; the US Foreign Corrupt Practices Act and any other anti-corruption laws; and applicable data protection laws. Without InterSystems' prior written consent, you may not allow the Licensed Software, Product Support or technical data to be exported to or used in a country or region where a license, permit or special permission is required. InterSystems may, but shall not be required to, apply for such license, permit or permission at your expense.
16. This document sets out all the terms (the "License Agreement") between you and InterSystems relating to your use of the Licensed Software and receipt of Product Support and supersedes any prior understandings between us as well as any purchase orders or similar documents that may be submitted to InterSystems. InterSystems shall have the right to transfer or assign the License Agreement without your consent or prior notice to you. You may not assign the License Agreement without InterSystems' prior written consent. The License Agreement may only be modified or amended by a writing signed by both parties.

EXHIBIT C

NETWORK AND/OR FACILITY ACCESS AND CONFIDENTIALITY AGREEMENT

This ACCESS AND CONFIDENTIALITY AGREEMENT (the "Access Agreement") is made by and between 3M Health Information Systems, Inc. ("3M") and San Geronio Memorial Hospital ("Customer"). The parties have contemporaneously entered into a Software License and/or Services Agreement, as amended (Agreement), pursuant to which, inter alia, Customer and 3M have agreed to terms and conditions setting forth the complete rights and obligations of the parties including, but not limited to, the use and confidentiality of the parties' systems and information, and provisions relating to the use of Protected Health Information (as set forth in the Exhibit to the Agreement entitled Business Associate Agreement or as an independent Business Associate Agreement ("BAA")). All of the terms and conditions of the Agreement shall continue in full force and effect and shall apply to this Access Agreement. In the event a conflict arises between the terms of this Access Agreement and the terms of the Agreement and BAA, the conflict shall be resolved in the following order of priority unless specifically stated otherwise (governing provision stated first): the Agreement, as amended (including all Attachments and Exhibits thereto, and the BAA), this Access Agreement.

As set forth in the Agreement, 3M understands that Customer must assure the confidentiality of its human resources, payroll, financials, research, internal reporting, strategic planning, communications, computer systems and management information (collectively, "Operational Information"). Therefore, in connection with this Agreement and the Agreement, including the BAA, 3M shall instruct its employees, agents and contractors ("3M Personnel") as follows:

1. Not to disclose or discuss any Operational Information with others who do not have a need to know such information.
2. Not to divulge, copy, release, sell, loan, alter, or destroy any Operational Information except as properly authorized.
3. Not to discuss Operational Information where others can overhear the conversation. It is not acceptable to discuss Operational Information even if the patient's name is not used.
4. Not to make any unauthorized transmissions, inquiries, modifications, or purging of Operational Information.
5. To immediately return to Customer any documents or media containing Operational Information upon termination of access.
6. That 3M and 3M Personnel have no rights to any ownership interest in any information accessed or created by the same during the relationship with Customer.
7. To abide by 3M's Compliance and Ethical Business Conduct Guidelines, found at https://www.3m.com/3Men_US/ethics-compliance/codeof.
8. That a violation of this Agreement may result in disciplinary action, up to and including termination of access or suspension/loss of privileges within Customer systems.
9. To only access or use systems or devices 3M Personnel are officially authorized to access and not to demonstrate the operation or function of systems or devices to unauthorized individuals.
10. That Customer may log, access, review, and otherwise utilize information stored on or passing through its systems, including e-mail, in order to manage systems and enforce security.
11. To practice good workstation security measures such as locking up diskettes when not in use, using screen savers with activated passwords appropriately, and positioning screens away from public view.
12. To practice secure electronic communications by transmitting Operational Information only to authorized entities, in accordance with approved security standards.
13. To use only 3M Personnel's officially assigned User-ID and password and use only approved licensed software.
14. To never share/disclose user-IDs, passwords or tokens, use tools or techniques to break/exploit security measures or connect to unauthorized networks through the systems or devices.
15. To notify the appropriate Information Services person, as directed by Customer, if any 3M personnel password has been seen, disclosed, or otherwise compromised, and will report activity that violates this agreement, privacy and security policies, or any other incident that could have any adverse impact on Operational Information.
16. This Agreement will terminate upon the expiration or termination of the Services Agreement; provided, however the confidentiality obligations hereunder will continue after termination or expiration of this Agreement, subject to the limitations on such obligations as defined in the Services Agreement, or if not defined, for four (4) years after the termination or expiration of the Services Agreement, unless such information becomes publicly available through no fault of 3M.

The Parties have agreed to this Access and Confidentiality Agreement, which has been signed by way of the MSSA Agreement and will be terminated by way of the MSSA Agreement. Please see MSSA Agreement Signature Page for the authorized signatures.

SECTION BELOW TO BE FILLED OUT BY 3M PERSONNEL REQUIRING ACCESS TO CUSTOMER FACILITY (AS AND WHEN REQUIRED)

CUSTOMER WILL PROMPTLY PROVIDE ACCESS TO ALL REQUESTS BY 3M PERSONNEL

NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER	NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER
NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER	NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER
NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER	NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER
NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER	NAME	3M EMPLOYEE ID #	EMAIL ADDRESS	PHONE NUMBER

EXHIBIT D
CLIENT CONTACT INFORMATION

Client shall provide the following information:

Send Invoices to:

Name: _____

Title: _____

Address: _____

Phone number: _____

Email Address: _____

Email Address for Invoices: _____

Accounts Payable Contact:

Name: _____

Title: _____

Phone number: _____

Email Address: _____

Contact for installation:

Name: _____

Title: _____

Phone number: _____

Email Address: _____

Renewal contact:

Name: _____

Title: _____

Phone number: _____

Email Address: _____

APPENDIX 1

ANNUITY PRODUCTS ADDITIONAL TERMS

IN ADDITION TO THE TERMS AND CONDITIONS SET FORTH IN THE AGREEMENT, THE PROVISIONS OF THIS APPENDIX SHALL ONLY APPLY TO 3M PRODUCTS ADDED UNDER THIS APPENDIX AND IDENTIFIED ON ANY SCHEDULE 1.

- A. **Definitions.** Capitalized terms used herein but not otherwise defined hereunder shall have the meaning ascribed to them in the Agreement.
- A.1. “Annual Billing Cycle” means each one-year period, beginning on the first License Start Date unless otherwise set forth on the applicable Schedule.
- A.2. “Annuity Software” means Software licensed to Client on an annual or multi-year annual basis, but less than a perpetual basis, which may be installed on Client’s systems, 3M’s systems (SaaS), or a combination of the two.
- A.3. “Renewal Proposal” means a 3M-prepared document that sets forth the fees for the first year of any subsequent Renewal Term hereunder invoiced by 3M and due by Client for such Renewal Term.
- B. **Use Rights.** Subject to the Client’s compliance with this Agreement, 3M grants to Client, a non-exclusive, non-transferable and non-sublicensable license during the License Term of each Schedule 1 to (a) install the non-SaaS Annuity Software at the Client’s designated Install Site(s) listed on the applicable Schedule 1 and located within the Territory, and (b) permit Authorized Users to access and use the Annuity Software and Documents solely for processing transactions and using the Results for Client’s healthcare business reimbursement purposes of the Authorized Sites, and (c) permit Client to create an Interface between the Software and Client developed systems (“License”). Third party developed Interfaces and/or interfaces to third party software shall be in accordance with Section 2.5.
- C. **Term of Use Right.** The term of Client’s License to the Annuity Software shall be as set forth on the applicable Schedule 1 (“License Term”). Once the License Start Date for any 3M Product on the applicable Schedule 1 has been established, all other 3M Products listed or added on the same Schedule 1 will share the same License Term, and any 3M Products added will be pro-rated to the next Annual Billing Cycle of the applicable Schedule 1.
- D. **Renewal Term.** Unless otherwise set forth on a Schedule, the License Term for any Schedule 1 shall automatically renew, for a successive License Term of the same duration as the then-current License Term (each a “Renewal Term”), subject to either Parties right to choose not to renew any 3M Product(s) with at least sixty (60) days written Notice prior to the end of the then-current term of the applicable Schedule 1. If timely Notice is not provided, the fees for all the 3M Product(s) listed on the most current version of the Renewal Proposal, will automatically renew for the additional Renewal Term.
- E. **Annuity Software Fees, Invoicing and Payments.** License and I&T fees for each Authorized Site are set forth on the applicable Schedule 1 hereto, and unless otherwise set forth on such Schedule 1, shall be invoiced to Client as set forth below.
- E.1. **Fees; Invoicing.**
- E.1.1. **License Fees.** Annuity Software license fees, set forth on any Schedule 1, will be invoiced to Client on the earlier of: (a) shortly after their License Start Date, or (b) 30 days before the Annual Billing Cycle of each Schedule 1. 3M shall communicate Client’s next Annual Billing Cycle fees for each Schedule 1 by e-mail, U.S. mail, or courier approximately ninety (90) days prior to the end of the Annual Billing Cycle of each Schedule 1. The annual License fee increases during any then-current License Term on any Schedule 1 shall not exceed five percent (5%) of the License fees for the immediately preceding year, unless otherwise set forth on the applicable Schedule 1. The fees for the first year of any Renewal Term will be provided to Client within a Renewal Proposal for any Schedule 1, delivered to Client’s Notice address or the Renewal Contact in Exhibit D. The Renewal Proposal will: (i) reflect 3M’s then-current list fee, less Client’s applicable discounts, and (ii) be superseded by the most recent version of the Renewal Proposal for any Schedule 1 provided to Client.
- E.1.2. **Additional Annuity Software and/or Authorized Sites.** During the License Term, the Parties upon mutual consent, may add new items of Annuity Software and additional Authorized Sites to any Schedule 1. 3M will prorate the first year’s License fees for any additional items of Annuity Software and new Authorized Sites from their License Start Date to the end of the current Annual Billing Cycle of the applicable Schedule 1.

E.1.3. Invoicing and Payment for Software Installation and Training fees. Software I&T fees, set forth on any Schedule 1, will be invoiced to Client on or shortly after the License Start Date for the associated item(s) of Annuity Software, unless otherwise set forth on the applicable Schedule 1 or SOW attached to any Schedule 1.

PROPRIETARY 3M CONFIDENTIAL TRADE SECRET, COMMERCIAL OR FINANCIAL INFORMATION.

Do not release or disclose any information in this document under any Open Records Act, Freedom of Information Act, or equivalent law. Release or disclosure is prohibited without 3M consent. Immediately report any request to 3M.

SCHEDULE 1-1

ANNUITY PRODUCTS FEE SCHEDULE

THE ITEMS LISTED HEREUNDER SHALL BE GOVERNED BY THE TERMS AND CONDITIONS OF THE AGREEMENT AND APPENDIX 1.

1. **Term of Schedule 1-1.** The License Term of this Schedule begins on the earlier of (i) the first License Start Date or (ii) January 6, 2023 ('Annual Billing Cycle Date') and continues for three (3) years from the Annual Billing Cycle date.
2. **Itemized Schedule of 3M Products below:**

S/O ITEM	CPU ACTION	SKU	AUTHORIZED SITE(S) PRODUCT DESCRIPTION	SITE TYPE LIST FEE	TOTAL 1 ST YR ANNUAL & ONE TIME FEE
337498	-----	--	SAN GORGONIO MEM HOSP--600 N HIGHLAND SPRINGS AVE, BANNING, CA , HI2930109	Install/Access Site	
1.	Delete		CPU Type: Single PC (2-4 Users)		
2.	Add		CPU Type: Web		
3.	Existing	APC	APCfinder Software	\$9,158.00	\$5,115.88
4.	Existing	APRDRGCAS	Advanced Analyzer	\$19,825.00	\$12,854.77
5.	Existing	C&RSNOAA	Coding, Classification, and Reimbursement System without Advanced Analyzer	\$43,913.00	\$27,428.99
6.	Existing	CGS-APC	CGS CMS Medicare APC Groupers with Medicare HOPD & FQHC Reimbursement	\$14,874.00	\$8,180.70
7.	Existing	CONNSFT	Connections Software	\$3,037.00	\$3,037.00
8.	Existing	FINANCECHARGE QUARTER	Finance Charge - Quarterly Billing Cycle ¹	\$2,769.11	\$2,769.11
9.	Existing	RCS APR CAMED	Reimbursement Calculation Software APR Med-Cali	\$2,678.00	\$1,818.50
10.	Existing	S-APR-DRG	S-All Patient Refined DRG Software	\$14,495.00	\$10,792.02
SCHEDULE TOTAL:					\$71,996.97

The Annual Billing Cycle for the above products begins on January 6, 2023

FEE SUMMARY:

ANNUAL SOFTWARE LICENSE & SUPPORT FEES:	\$71,996.97
*TOTAL ONE TIME, IMPLEMENTATION & TRAINING FEES:	\$0.00
**CONSULTING SERVICE FEES:	\$0.00
TOTAL THIS SCHEDULE:	\$71,996.97

The fees stated above are guaranteed for a period of sixty (60) days from the Issue Date of this Schedule or December 31, 2023, whichever occurs first, unless this Schedule is fully executed prior to such date. Client acknowledges and agrees the fees shown above include discounts for Client's commitment to a term. 3M reserves the right to rescind the multi-year discount and re-price the 3M Product(s) on this Schedule in the event Client elects a term less than stated above.

In the event Client delays implementation of any module of Software or scheduling of Services, at no fault of 3M, for more than one hundred fifty (150) days from the execution date of being added to this Schedule, 3M may, at its option, increase the price of such 3M Product(s) to the then-current list price or 3M may terminate any such 3M Product(s) from this Schedule.

I&T = Implementation and Training PI = Phone Installed CI = Customer Installed

¹ Quarterly payment are subject to a four percent (4%) finance charge.

3. Notwithstanding the terms and conditions of the above referenced Agreement providing for annual payments by Client, 3M is permitting the Client to make quarterly payments. Client acknowledges that quarterly payments are subject to a finance charge
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