NOTICE AND AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS
THURSDAY, JULY 23, 2026, 6:00 P.M.

El Centro Regional Medical Center | MOB Conference Room 1&2
1271 Ross Avenue, El Centro, CA. 92243

Join Microsoft Teams
Meeting ID: 224 758 921 122 19
Passcode: ib9ZJ2hJ

1. **Call to Order**

2. **Public Comments**
   Public comments for Special Meetings are limited to items on the agenda only, and IVHD's standard public comment policy shall apply.

3. **Items for Discussion and/or Board Action:**
   a. Approval of First Amendment to Asset Transfer Agreement (Staff reference: Legal Counsel, Adriana Ochoa)
   b. Approval of Preliminary Summary of Terms with PHCC LLC (d/b/a Preston Hollow Community Capital) Relating to the Acquisition and Assumption and Amendment of ECRMC 2018 Bonds (Staff reference: Legal Counsel, Adriana Ochoa)

4. **Adjournment**

POSTING STATEMENT

A copy of the agenda was posted July 22, 2026, at 1271 Ross Avenue, El Centro, CA. 92243 at 5:00 p.m. and other locations throughout the IVHD pursuant to CA Government code 54957.5. Disclosable public records and writings related to an agenda item distributed to all or a majority of the Board, including such records and written distributed less than 24 hours prior to this meeting are available for public inspection at the District Administrative Office where the IVHD meeting will take place. The agenda package and material related to an agenda item submitted after the packets distribution to the Board is available for public review in the lobby of the office where the Board meeting will take place.

In compliance with the Americans with Disabilities Act, if any individuals request special accommodations to attend and/or participate in District Board meetings please contact the District at (760)970- 6046. Notification of 48 hours prior to the meeting will enable the District to make reasonable accommodation to ensure accessibility to this meeting [28 CFR 35.102-35.104 ADA title II].

FIRST AMENDMENT TO ASSET TRANSFER AGREEMENT

This First Amendment to Asset Transfer Agreement (this "Amendment") is made and entered into as of July _____, 2026, by and among the **CITY OF EL CENTRO**, a California municipal corporation and charter city (the "City") and **EL CENTRO REGIONAL MEDICAL CENTER**, a separate public agency and enterprise operation of the City of El Centro organized and operated under the provisions of Title 4, Division 3, Part 2, Chapter 5, Article 8 Govt. Code Sections 37650 et seq. ("ECRMC") (the City and ECRMC collectively, the "Sellers"), on the one hand, and **IMPERIAL VALLEY HEALTHCARE DISTRICT**, a California healthcare district ("IVHD"), on the other hand (the City, ECRMC, and IVHD are collectively referred to as the "Parties" and each individually a "Party"). Capitalized terms used but not defined herein shall have the meanings given such terms in the Asset Transfer Agreement (defined below).

RECITALS

A. The Parties entered into that certain Asset Transfer Agreement, dated as of August 1, 2025 (the "**Asset Transfer Agreement**").

B. Subject to the terms and conditions set forth in this Amendment, the Parties desire to amend the Asset Transfer Agreement to extend the Outside Termination Date to December 31, 2026, as further described in this Amendment.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

1. Amendment. Section 8.1(g) of the Asset Transfer Agreement is deleted in its entirety and replaced with the following:

> "(g) by any Party if the Closing has not occurred (other than through the failure of any Party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) by December 31, 2026 (the "Outside Termination Date")."

2. No Further Modification; Ratification. Except as expressly modified herein, the terms, conditions and provisions of the Asset Transfer Agreement shall remain unmodified and in full force and effect and are hereby ratified and affirmed. Any and all references to the Asset Transfer Agreement in any document or instrument executed or delivered in furtherance of the transactions contemplated in the Asset Transfer Agreement shall mean and refer to the Asset Transfer Agreement, as amended by this Amendment, and as hereafter amended, restated, replaced or supplemented from time to time.

3. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Amendment delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Amendment.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed as of the date first written above by their respective officers or managers thereunto duly authorized.

CITY:

CITY OF EL CENTRO

By: ______________________________
Name: ___________________________
Title: _____________________________

ECRMC:

EL CENTRO REGIONAL MEDICAL CENTER

By: ______________________________
Name: ___________________________
Title: _____________________________

IVHD:

IMPERIAL VALLEY HEALTHCARE DISTRICT

By: ______________________________
Name: ___________________________
Title: _____________________________

PRESTON HOLLOW
COMMUNITY CAPITAL

July 22, 2026

Imperial Valley Healthcare District
207 West Legion Road
Brawley, CA 92227
Attn: Katherine Burnworth, Board President

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

Via Email

Re: Acquisition and Assumption and Amendment of ECRMC 2018 Bonds

Ladies and Gentlemen:

El Centro Regional Medical Center (the "**ECRMC**") and Imperial Valley Healthcare District ("**IVHD**") have requested that PHCC LLC (d/b/a Preston Hollow Community Capital) ("**PHCC**") , as "Majority Owner" of the ECRMC 2018 Bonds, consent to (i) the acquisition by IVHD of the ECRMC under the Asset Transfer Agreement dated as of August 1, 2025 (the "**Asset Transfer Agreement**"), between the City of El Centro (the "**City**"), ECRMC and IVHD (referred to as the "**Acquisition**") and (ii) the assumption by IVHD of the obligations of the City and ECRMC related to the El Centro Financing Authority Hospital Revenue Refunding Bonds (El Centro Regional Medical Center Project), Series 2018 (the "**ECRMC 2018 Bonds**") (referred to as the "**Assumption**"), even though the proposed transaction does not satisfy the terms of the 2018 ECRMC Bond documents, including Section 5.01 of the 2018 Installment Purchase Agreement. In addition, the Acquisition and Assumption will necessitate the amendment to the transaction documents related to the ECRMC 2018 Bonds (referred to as the "**Amendment**"), as further described herein.

Following our preliminary due diligence review and consistent with our recent discussions and meetings, we are pleased to provide you with the following summary of general terms and conditions pursuant to which PHCC proposes to provide consent to the Acquisition, Assumption and Amendment.

Preliminary Summary of Terms		
1.	**Overview/ Closing Date:**	PHCC proposes to provide consent, as "Majority Owner" of the ECRMC 2018 Bonds, to the Acquisition, Assumption and Amendment concurrently with the "Closing Date" under the Asset Transfer Agreement on the terms and conditions described herein.
2.	**Assumption by IVHD of Obligations Relating to the ECRMC 2018 Bonds:**	IVHD will comply with the provisions of the Asset Transfer Agreement with respect to the assumption of liabilities of the City and ECRMC related to the ECRMC 2018 Bonds and will enter into an assumption agreement in form and substance mutually acceptable to PHCC and IVHD to assume the obligations of the City and ECRMC under the documents related to the ECRMC 2018 Bonds, including but not limited to the 2018 Trust Agreement (which may require approval of the El Centro Financing Authority as a

party to this agreement), the 2018 Installment Purchase Agreement, the 2018 Security Agreement, the deposit account control agreement, the 2018 Continuing Disclosure Agreement, the 2018 Tax Certificate, etc. IVHD will address PHCC on all opinions required under Section 5.11(b) of the Asset Transfer Agreement and the form of those opinions shall be acceptable to PHCC.

3. Amendment to Transaction Documents for the ECRMC 2018 Bonds:

As a condition to PHCC's consent to the Acquisition, Assumption, and Amendment, IVHD and the parties to the existing ECRMC 2018 bond documents will agree to amend the ECRMC 2018 bond documents, including but not limited to, the following:

a. Amend references to "City," "Medical Center" or "Purchaser" in the ECRMC 2018 Bond documents to reflect that the security and covenants for the ECRMC 2018 Bonds apply to IVHD after the acquisition of ECRMC.

b. Delete references to Medical Center Act and Medical Center Ordinance.

c. Amend the security for the ECRMC 2018 Bonds:

   1. Amend the Gross Revenue pledge to make clear that the ECRMC 2018 Bonds are secured by a first priority pledge of the gross revenues of IVHD (including Pioneers revenues, subject to the lien securing CHFFA under the existing DHLP loan to Pioneers).

   2. Amend the DACA(s) to cover all IVHD (Pioneers and ECRMC) operating accounts on or before the Closing Date.

   3. Amend the 2018 Security Agreement securing the ECRMC 2018 Bonds to confirm the existing lien on ECRMC personal property.

   4. Add Deed of Trust on all ECRMC real property. Title insurance to be provided by a title company selected by IVHD. **No Deed of Trust is required on Pioneers real property.**

d. Amend the covenants for the ECRMC 2018 Bonds:

   1. Amend Section 5.05 of the 2018 Installment Purchase Agreement to prohibit the incurrence of additional debt without the consent of the Majority Owners (as defined in the 2018 Trust Agreement), other than (i) debt in a principal amount not to exceed $10 million (the **"Permitted Additional Debt**") for the purpose of obtaining working capital and for any other lawful purpose as long as no event of default exists relating to the ECRMC 2018 Bonds and (ii) bonds or notes of IVHD authorized by its voters or other indebtedness payable solely from parcel taxes levied within the District **("Parcel Tax Secured Debt**"). For any subordinate debt from the California Health Facilities Financing Authority **("CHFFA**") under the Distressed Hospital Loan Program or a similar state program for distressed hospitals, provided that such debt is expressly subordinated in all respects to the ECRMC 2018 Bonds in a manner satisfactory to the Majority Owners **("Permitted State Debt**"), IVHD shall provide bondholders with at least 30 days' prior written notice of the proposed borrowing, together with the material terms thereof, including a copy of the subordination agreement. If the Majority Owners (as defined in the 2018 Trust Agreement) do not deliver to the Trustee a written objection to the proposed borrowing within such 30-day period, consent of the Majority Owners shall be deemed granted. If there is an event of default relating to the ECRMC 2018 Bonds or if additional debt is to be incurred in excess of the aforementioned $10 million of Permitted Additional Debt (other than

Parcel Tax Secured Debt, which shall be permitted without consent), the prior written consent of the Majority Owners (as defined in the 2018 Trust Agreement) is required. The Installment Purchase Agreement will be amended to reflect the existence of the existing liens securing CHFFA related to the existing DHLP loans to IVHD (formerly Pioneers and ECRMC).

2. Amend Section 5.03 of the 2018 Installment Purchase Agreement to (i) require semi-annual testing of Days Cash on Hand, (ii) increase the debt service coverage ratio from 1.15x to 1.25x and (iii) require quarterly testing of the debt service coverage ratio (based on rolling 12 months). Amendments will also be made to require testing of the Days Cash on Hand and debt service coverage ratio covenant as of the effective date of the Acquisition, Assumption and Amendment and if such tests are satisfied and provided no other Events of Default have occurred and are continuing, the Amendments will provide that no Event of Default exists as of such effective date.

3. Add covenant to provide quarterly reporting of the debt service coverage ratio and Days Cash on Hand within 45 days after each calendar quarter.

4. Add covenant to provide audited financial statements and testing of debt service coverage ratio and Days Cash on Hand based on audited financial statements within 150 days after each FYE.

e. Amend the Continuing Disclosure Agreement to require that IVHD will (i) within 15 days of such request, organize and hold a quarterly conference call to discuss IVHD's recent financial and operating results, and related matters with bondholders, (ii) add the debt service coverage ratio and Days Cash on Hand for the prior quarter to the quarterly report, and (iii) change the timing of the Annual Report from 180 days to 150 days after FYE and change the timing of the Quarterly Report from 60 days to 45 days after each calendar quarter. Additional amendments to the contents of the annual and quarterly reports are to be determined to reflect appropriate financial and operating information on IVHD.

Pursuant to Section 5.13(f) of the 2018 Installment Purchase Agreement, the Majority Owner hereby requests IVHD to update the Appendix A to the 2018 Offering Document. The first draft of the updated Appendix A to the 2018 Offering Document, which shall reflect an update of a substantial majority of the disclosures contained in such Appendix A, shall be provided by IVHD to PHCC within **60 days** after the effective date of the Acquisition, Assumption and Amendment; the second draft of the Appendix A shall be provided by IVHD to PHCC within **90 days** after the effective date of the Acquisition, Assumption and Amendment and the final draft of the complete Appendix A shall be provided by IVHD to PHCC by no later than **120 days** after the effective date of the Acquisition, Assumption and Amendment, after which date an event of default shall exist under the 2018 Installment Purchase Agreement if an acceptable Appendix A is not completed by IVHD by such date. The updated Appendix A shall be in acceptable form to PHCC and IVHD agrees to deliver to PHCC a 10b5 opinion[1*] from a firm representing IVHD with federal securities law expertise, such as Snell & Wilmer, as to the Appendix A, and supporting certificates in customary form from IVHD in connection

[1*] This refers to a typical municipal disclosure counsel opinion (i.e., "no facts came to the attention of the attorneys in the firm rendering legal services to IVHD that the Appendix A contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading").

with the delivery of the Appendix A to PHCC. IVHD will post the updated Appendix A on EMMA within 10 days after completion and cooperate with PHCC in connection with the update of the other parts of the 2018 Offering Document.

Any claims for default interest accruing before the date of this Summary of Terms on the ECRMC 2018 Bonds are subject to the following terms: the Majority Owner agrees to release claims for default interest accruing before the date of this Summary of Terms on the ECRMC 2018 Bonds that are directly or indirectly owned by the Majority Owner if the ECRMC 2018 Bonds are fully redeemed or defeased within 5 years of the effective date of the Acquisition, Assumption and Amendment.[1] [2]

An EMMA notice will also be needed to notify holders of the Acquisition, Assumption and Amendment and change in obligor under the 2018 CDA.

4. Closing Conditions:

a. PHCC Credit Committee approval

b. Completion of due diligence

c. No modifications to, or waivers of, provisions of the Asset Transfer Agreement that impact the Acquisition or the Assumption (for example, among others, Sections 1.2(a), 5.9, 5.10, 5.11, 6.4(c), 7.6, 7.8, 7.13 and 7.14 and provisions relating to the (i) general structure of the transaction and liabilities assumed and (ii) required third party consents).

d. A certification of IVHD to evidence satisfaction of closing condition c. above

e. Satisfaction of such other customary closing conditions (including payment of fees and expenses of PHCC and its attorneys as set forth under "Out-of-Pocket Costs" below).

5. Legal Opinions: Appropriate legal opinions in a form acceptable, and addressed, to PHCC will be required from IVHD's counsel. Such opinions to address, collectively, due authority, validity, enforceability, collateral, and no adverse tax effect, as it relates to the Acquisition, the Assumption and the Amendment.

6. Document Drafting: The Assumption Agreement used in the Assumption and the Amendments of the legal documents for the ECRMC 2018 Bonds will be drafted by Orrick, Herrington & Sutcliffe, counsel to PHCC unless otherwise agreed to by PHCC. IVHD is not represented by Orrick and is represented by Snell & Wilmer.

OTHER MATTERS

7. Terms Non-exhaustive; Due Diligence: The terms and conditions described in this Summary of Terms are not intended to be an inclusive or exhaustive list of the conditions that may be attached to any approvals of the proposed transaction.

The terms of the Assumption and Amendments will be memorialized in mutually acceptable definitive written agreements and documents. The transactions described in this Summary of Terms are contingent upon the Closing Conditions described herein.

[1] PHCC asserts that, as of the date of this Summary of Terms, the period of default for which default interest has accrued and is due and owing on all of the ECRMC 2018 Bonds is August 7, 2023 – June 30, 2024, and the amount is $5,499,747.92, which ECRMC disputes.

[2] With respect to default interest on the ECRMC 2018 Bonds, ECRMC or IVHD as its successor in interest, each reserves the right to dispute the applicability of any such default interest.

8.	**No Amendment or Waiver; Reservation of Rights:**	PHCC reserves the right to exercise any of its rights, powers, and remedies under the ECRMC 2018 Bonds and related documents. This Summary of Terms (i) does not constitute an agreement by PHCC to enter into any amendment, waiver, or other modification of the ECRMC 2018 Bonds or related documents, (ii) does not waive any default or event of default with respect to, or otherwise amend, the ECRMC 2018 Bonds or related documents, (iii) does not establish a course of dealing, and (iv) does not waive, limit, condition, or prejudice any of PHCC's rights or remedies under the ECRMC 2018 Bonds or related documents or applicable law, all of which rights and remedies are expressly reserved.
9.	**Out-of-Pocket Costs:**	IVHD shall pay upon demand all third-party out-of-pocket costs (collectively, "**PHCC Costs**") in an amount not to exceed $200,000 (assuming that the effective date of the Acquisition, Assumption and Amendment occurs not later than September 1, 2026) paid or incurred by PHCC in connection with or arising out of PHCC's review, negotiation, and approval of the transactions contemplated in this Summary of Terms, and its due diligence review, including, without limitation, any and all costs and expenses for services performed by third-party professionals, including accountants, attorneys, appraisers, third-party professionals engaged to perform audits, physical site assessments, site visits, review of third-party reports, and review of insurance policies, upon closing of the Acquisition, Assumption and Amendments.
10.	**Governing Law:**	This Summary of Terms and the documents relating to the Acquisition, the Assumption and the Amendment will be governed by, construed, and enforced in accordance with California law.
11.	**Non-Binding Summary of Terms:**	THIS SUMMARY OF TERMS IS FOR DISCUSSION PURPOSES ONLY AND IS NOT INTENDED TO AND DOES NOT IMPLY OR CONSTITUTE IN ANY WAY A COMMITMENT, OFFER, AGREEMENT, AGREEMENT IN PRINCIPLE, AGREEMENT TO AGREE OR CONTRACT BY PHCC TO LEND, UNDERWRITE OR OTHERWISE CONSUMMATE ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY, BUT RATHER, THE TERMS UPON WHICH PHCC IS WILLING TO PROCEED WITH FURTHER REVIEW OF THIS TRANSACTION, WHICH SUCH REVIEW MAY BE TERMINATED BY PHCC OR IVHD IN THEIR SOLE DISCRETION AT ANY TIME AND FOR ANY OR NO REASON WHATSOEVER. THIS SUMMARY OF TERMS IS NOT INTENDED TO AND DOES NOT CREATE ANY BINDING LEGAL OBLIGATION OR IMPLIED DUTY (OF GOOD FAITH OR OTHERWISE) ON PHCC. Notwithstanding anything of the foregoing to the contrary, IVHD acknowledges and agrees that the terms and provisions set forth in the Sections entitled "Out-of-Pocket Costs" and "Governing Law" are and shall be binding upon IVHD and ECRMC. Each of IVHD and ECRMC agrees that PHCC's issuance of this Summary of Terms and consideration of the transaction contemplated by this Summary of Terms constitutes adequate and sufficient consideration of IVHD's and ECRMC's agreements contained in this Summary of Terms.

[signature page follows]

Thank you for this opportunity. We look forward to discussing this Summary of Terms with you. If you have any questions, please do not hesitate to call.

Sincerely,
PHCC LLC

By: Greg May, Managing Director
Date: July 22, 2026

Accepted and Agreed:

Imperial Valley Healthcare District

By:____
Chief Executive Officer

Date:____

El Centro Regional Medical Center

By:____
Chief Executive Officer

Date:____