

**Fill in this information to identify the case:**

Debtor Borrego Community Health Foundation

United States Bankruptcy Court for the: Southern District of California  
(State)

Case number 22-02384

**Official Form 410  
Proof of Claim**

**04/22**

**Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.**

**Filers must leave out or redact** information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

**Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.**

**Part 1: Identify the Claim**

|  |  |   |
|--|--|---|
| <p><b>1. Who is the current creditor?</b></p>  | <p><u>BRODWELL BEHAVIORAL HEALTH SERVICES</u><br/>Name of the current creditor (the person or entity to be paid for this claim)</p> <p>Other names the creditor used with the debtor <u>BROADWELL HEALTH</u></p> |   |
| <p><b>2. Has this claim been acquired from someone else?</b></p>   | <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes. From whom? _____</p>  |   |
| <p><b>3. Where should notices and payments to the creditor be sent?</b></p> <p>Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)</p> | <p><b>Where should notices to the creditor be sent?</b></p> <p><u>BRODWELL BEHAVIORAL HEALTH SERVICES</u><br/><u>4080 Centre St Ste 107</u><br/><u>San Diego, CA 92103</u></p>                                   | <p><b>Where should payments to the creditor be sent? (if different)</b></p> |
|  | <p>Contact phone _____</p> <p>Contact email <u>rstellers@broadwellhealth.com</u></p>   | <p>Contact phone _____</p> <p>Contact email _____</p>                       |
|  | <p>Uniform claim identifier for electronic payments in chapter 13 (if you use one):<br/>_____</p>  |   |
| <p><b>4. Does this claim amend one already filed?</b></p>  | <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on _____<br/>MM / DD / YYYY</p>                                      |   |
| <p><b>5. Do you know if anyone else has filed a proof of claim for this claim?</b></p>   | <p><input checked="" type="checkbox"/> No</p> <p><input type="checkbox"/> Yes. Who made the earlier filing? _____</p>  |   |



**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

6. Do you have any number you use to identify the debtor?  No  
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: \_\_\_ \_\_\_ \_\_\_ \_\_\_

7. How much is the claim? \$ 228085. Does this amount include interest or other charges?  
 No  
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.  
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).  
Limit disclosing information that is entitled to privacy, such as health care information.  
SERVICES PERFORMED

9. Is all or part of the claim secured?  No  
 Yes. The claim is secured by a lien on property.  
**Nature or property:**  
 Real estate: If the claim is secured by the debtor's principle residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.  
 Motor vehicle  
 Other. Describe: \_\_\_\_\_  
**Basis for perfection:** \_\_\_\_\_  
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  
**Value of property:** \$ \_\_\_\_\_  
**Amount of the claim that is secured:** \$ \_\_\_\_\_  
**Amount of the claim that is unsecured:** \$ \_\_\_\_\_ (The sum of the secured and unsecured amount should match the amount in line 7.)  
**Amount necessary to cure any default as of the date of the petition:** \$ \_\_\_\_\_  
**Annual Interest Rate** (when case was filed) \_\_\_\_\_ %  
 Fixed  
 Variable

10. Is this claim based on a lease?  No  
 Yes. Amount necessary to cure any default as of the date of the petition. \$ \_\_\_\_\_

11. Is this claim subject to a right of setoff?  No  
 Yes. Identify the property: \_\_\_\_\_



12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

No

Yes. Check all that apply:

|   | Amount entitled to priority |
|---|-----------------------------|
| <input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).  | \$ _____                    |
| <input type="checkbox"/> Up to \$3,350* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).  | \$ _____                    |
| <input type="checkbox"/> Wages, salaries, or commissions (up to \$15,150*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). | \$ _____                    |
| <input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).  | \$ _____                    |
| <input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).  | \$ _____                    |
| <input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)( ) that applies.   | \$ _____                    |

\* Amounts are subject to adjustment on 4/01/25 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

No

Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ \_\_\_\_\_

**Part 3: Sign Below**

**The person completing this proof of claim must sign and date it. FRBP 9011(b).**

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

**A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.**

*Check the appropriate box:*

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 11/18/2022  
MM / DD / YYYY

/s/Roger Stellers  
Signature

**Print the name of the person who is completing and signing this claim:**

Name Roger Stellers  
First name Middle name Last name

Title Chairman of the Board

Company Brodwell Behavioral Health Services  
Identify the corporate servicer as the company if the authorized agent is a servicer.

Address \_\_\_\_\_

Contact phone \_\_\_\_\_ Email \_\_\_\_\_



# KCC ePOC Electronic Claim Filing Summary

For phone assistance: Domestic (866) 967-0670 | International (310) 751-2670

|  |   |                                  |
|--|---|----------------------------------|
| <b>Debtor:</b><br>22-02384 - Borrego Community Health Foundation   |   |                                  |
| <b>District:</b><br>Southern District of California, San Diego Division  |   |                                  |
| <b>Creditor:</b><br>BRODWELL BEHAVIORAL HEALTH SERVICES<br>4080 Centre St Ste 107<br>San Diego, CA, 92103<br><b>Phone:</b><br><b>Phone 2:</b><br><b>Fax:</b><br><b>Email:</b><br>rstellers@broadwellhealth.com | <b>Has Supporting Documentation:</b><br>Yes, supporting documentation successfully uploaded<br><b>Related Document Statement:</b>   |                                  |
|  | <b>Has Related Claim:</b><br>No<br><b>Related Claim Filed By:</b>   |                                  |
|  | <b>Filing Party:</b><br>Creditor  |                                  |
| <b>Other Names Used with Debtor:</b><br>BROADWELL HEALTH   | <b>Amends Claim:</b><br>No<br><b>Acquired Claim:</b><br>No  |                                  |
| <b>Basis of Claim:</b><br>SERVICES PERFORMED   | <b>Last 4 Digits:</b><br>No   | <b>Uniform Claim Identifier:</b> |
| <b>Total Amount of Claim:</b><br>228085  | <b>Includes Interest or Charges:</b><br>No  |                                  |
| <b>Has Priority Claim:</b><br>No   | <b>Priority Under:</b>  |                                  |
| <b>Has Secured Claim:</b><br>No<br><b>Amount of 503(b)(9):</b><br>No<br><b>Based on Lease:</b><br>No<br><b>Subject to Right of Setoff:</b><br>No   | <b>Nature of Secured Amount:</b><br><b>Value of Property:</b><br><b>Annual Interest Rate:</b><br><b>Arrearage Amount:</b><br><b>Basis for Perfection:</b><br><b>Amount Unsecured:</b> |                                  |
| <b>Submitted By:</b><br>Roger Stellers on 18-Nov-2022 8:33:44 p.m. Eastern Time<br><b>Title:</b><br>Chairman of the Board<br><b>Company:</b><br>Brodwell Behavioral Health Services                            |   |                                  |

# BROADWELL HEALTH

San Diego, CA

RE Bankruptcy Case No. 22-02384 for Borrego Community Health Foundation

11/17/2022

To Whom It May Concern:

Broadwell Behavioral Health Services, DBA Broadwell Health ("Broadwell"), performed services for Borrego Community Health Foundation ("Borrego") under a mutually executed service contract, from 2016 through May 2022.

In May of 2021, Broadwell hired an accounting firm, Barsa & Company, CPAs (the "Firm"), to clean up its own accounting records, and to determine the amount of Broadwell's receivable from Borrego.

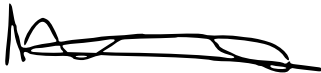
Please find the Firm's findings, and, attached, **all accounting activity to date since that findings email.**

The Firm summarizes on 5/26/21 a number of invoices outstanding, summing to \$241,715. **At the time, these invoices were not materially overdue.** Broadwell subsequently collected on, and received partial payments, on most of these invoices.

However, the **accuracy and consistency of payments received from Borrego changed dramatically after March of 2021.** Borrego consistently paid only partial amounts due on invoices issued by Broadwell; Borrego was liable, however, and continues to be liable, for the full amount Broadwell invoiced, that is, the full amount due for services rendered pursuant to the service contract.

Broadwell reserves the right to, but is not at this time pursuing any fees, interest or costs associated with these outstanding and materially overdue balances.

**Please find details attached regarding our claim for \$228,085.**



Broadwell Behavioral Health Services  
dba Broadwell Health  
*by Roger Stellers,*  
*its Chariman of the Board*

enclosed:

findings email from Barsa & Company, CPAs  
spreadsheet detailing accounting activity  
invoices listed on **accounting activity** spreadsheet  
service contract

*(note RE service contract, there were numerous amendments not attached, but available upon request)*



Roya Barhaghi &lt;rbarhaghi@fidarehealth.com&gt;

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## Outstanding AR

3 messages

**Doug Drennan** <doug.drennan@barsaco.com>

Wed, May 26, 2021 at 7:26 PM

To: Bryan Hendry &lt;bhendry@borregohealth.org&gt;, Roger Stellers &lt;rstellers@broadwellhealth.com&gt;, Roya Barhaghi &lt;rbarhaghi@broadwellhealth.com&gt;

Cc: Michael Raum &lt;mraum@borregohealth.org&gt;, Tami Bereki &lt;tbereki@borregohealth.org&gt;

All payments are now applied correctly to the invoices. Attached is the correct AR aging report. Up until March of 2021 the majority of the invoices were paid minus some small balances, probably denials or no shows. There is about \$9k that was not allow during this period.

Starting 3/1/21 payments stopped being consistent.

Desert Hot Springs was not paid for invoice dates 3/1, 3/16, 4/16, 4/30 for a total of about \$140k. El Cajon was not paid for 4/16 for \$31k. Bringing the total due to approximately 182K. This does not count May balances of approximately \$67K which do not appear to be recorded as a payable in the Borrego's ERP (NetSuite) yet.

Please let us know if you agree and when payment is expected.

Thank you,

## Doug Drennan

Barsa & Company, CPAs

12625 High Bluff Drive, Suite 213 | San Diego, CA 92130

Direct: 858.947.1184 | Main Office: 858.345.5720 | eFax: 858.408.4454

[doug.drennan@barsaco.com](mailto:doug.drennan@barsaco.com) | [www.barsaco.com](http://www.barsaco.com)

*Referrals are the greatest compliment you can give us!*

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 **ARAggingDetail.pdf**  
30K

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**Roger Stellers** <rstellers@broadwellhealth.com>

Wed, May 26, 2021 at 7:28 PM

To: Bill Wells &lt;bwells@broadwellhealth.com&gt;, Roy Rodriguez &lt;rrodriguez@broadwellhealth.com&gt;

Cc: Mark Connelly &lt;MConnelly@borregohealth.org&gt;

Bcc: rbarhaghi@broadwellhealth.com

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Roger Stellers

619.251.3131

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 **ARAgingDetail.pdf**  
30K

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**Bryan Hendry** <bhendry@borregohealth.org>

Wed, May 26, 2021 at 7:47 PM

To: Doug Drennan &lt;doug.drennan@barsaco.com&gt;, Roger Stellers &lt;rstellers@broadwellhealth.com&gt;, Roya Barhaghi &lt;rbarhaghi@broadwellhealth.com&gt;

Cc: Michael Raum &lt;mraum@borregohealth.org&gt;, Tami Bereki &lt;tbereki@borregohealth.org&gt;

Thank you, Doug. We will review this and get back to you shortly.

***Bryan Hendry, CPA***

***Accounting Manager***

***Borrego Community Health Foundation***

***PO Box 2369, Borrego Springs, CA 92004***

***Email: [bhendry@borregohealth.org](mailto:bhendry@borregohealth.org)***

***Phone: 760-767-6638 Ext: 4638***

***Fax: 858-634-6909***



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**From:** Doug Drennan <[doug.drennan@barsaco.com](mailto:doug.drennan@barsaco.com)>

**Sent:** Wednesday, May 26, 2021 7:26 PM

**To:** Bryan Hendry <[bhendry@borregohealth.org](mailto:bhendry@borregohealth.org)>; Roger Stellers <[rstellers@broadwellhealth.com](mailto:rstellers@broadwellhealth.com)>;  
Roya Barhaghi <[rbarhaghi@broadwellhealth.com](mailto:rbarhaghi@broadwellhealth.com)>

**Cc:** Michael Raum <[mraum@borregohealth.org](mailto:mraum@borregohealth.org)>; Tami Bereki <[tbereki@borregohealth.org](mailto:tbereki@borregohealth.org)>

**Subject:** [EXTERNAL]Outstanding AR

[Quoted text hidden]

Borrego Community Health Foundation CONFIDENTIALITY NOTICE: This email communication and/or attachments may contain privileged, confidential, or protected health information intended for the sole use of the authorized recipient(s). If you are not the intended recipient or have received this email in error, please notify the sender immediately by email and permanently delete all copies of this email including all attachments without reading them. If you are the intended recipient, secure the contents in a manner that conforms to all applicable state and/or federal requirements related to privacy and confidentiality of such information.

**BRODWELL BEHAVIORAL HEALTH SERVICES**

Claim for balance due for services rendered to  
BORREGO COMMUNITY HEALTH FOUNDATION  
case no. 22-02384

ACCOUNTING ACTIVITY: MARCH 2021 TO DATE

| <u>Date</u>  | <u>Num</u> | <u>Name</u>   | <u>Memo/Description</u>       | <u>Amount</u>     |
|--|------------|---------------|-------------------------------|-------------------|
| 03/01/2021   | 2178       | Borrego Commu | Desert Hot Springs            | \$ 35,090         |
| 03/16/2021   | 2210       | Borrego Commu | Desert Hot Springs            | \$ 36,105         |
| 04/16/2021   | 2253       | Borrego Commu | Desert Hot Springs            | \$ 43,210         |
| 04/30/2021   | 2274       | Borrego Commu | DSH - Singh                   | \$ 29,145         |
| <b>"DHS not paid for...about \$140k..."</b>                    |            |               |                               | <b>\$ 143,550</b> |
| 04/16/2021   | 2254       | Borrego Commu | El Cajon                      | \$ 31,320         |
| <b>"El Cajon not paid for...\$31k..."</b>                      |            |               |                               | <b>\$ 31,320</b>  |
| 05/15/2021   | 2299       | Borrego Commu | DHS - Singh                   | \$ 33,060         |
| 05/15/2021   | 2300       | Borrego Commu | El Cajon - Schueber           | \$ 9,860          |
| 05/15/2021   | 2301       | Borrego Commu | El Cajon - Huerta             | \$ 23,635         |
| 05/15/2021   | 2302       | Borrego Commu | Barstow - Huerta              | \$ 290            |
| <b>"does not count May balances of approximately \$67k..."</b> |            |               |                               | <b>\$ 66,845</b>  |
| 05/31/2021   | 2327       | Borrego Commu | DHS - Singh                   | \$ 29,580         |
| 05/31/2021   | 2328       | Borrego Commu | El Cajon - Huerta             | \$ 18,560         |
| 05/31/2021   | 2329       | Borrego Commu | El Cajon - Scheuber           | \$ 4,350          |
| 05/31/2021   | 2330       | Borrego Commu | Barstow - Huerta              | \$ 580            |
| 05/31/2021   | 2345       | Borrego Commu | Cat City - Scheuber           | \$ 1,450          |
| 06/02/2021   | 2333       | Borrego Commu | Denials - Rebilled (Scheuber) | \$ 435            |
| 06/02/2021   | 2334       | Borrego Commu | Denials - Rebilled (Singh)    | \$ 1,305          |
| 06/02/2021   | 2335       | Borrego Commu | Denials - Rebilled (Huerta)   | \$ 725            |
| 06/15/2021   | 2353       | Borrego Commu | Desert Hot Springs            | \$ 37,700         |
| 06/15/2021   | 2354       | Borrego Commu | El Cajon - Scheuber           | \$ 7,540          |
| 06/15/2021   | 2355       | Borrego Commu | El Cajon - Huerta             | \$ 21,025         |
| 06/15/2021   | 2356       | Borrego Commu | Barstow                       | \$ 1,015          |
| 06/15/2021   | 2357       | Borrego Commu | Cat City                      | \$ 290            |
| 06/15/2021   | 2358       | Borrego Commu | Escondido                     | \$ 580            |
| 06/15/2021   | 2359       | Borrego Commu | D Street                      | \$ 870            |
| 06/30/2021   | 2375       | Borrego Commu | DHS                           | \$ 28,855         |
| 06/30/2021   | 2376       | Borrego Commu | El Cajon - Huerta             | \$ 11,165         |
| 06/30/2021   | 2377       | Borrego Commu | El Cajon - Scheuber           | \$ 6,960          |
| 06/30/2021   | 2378       | Borrego Commu | Cat City                      | \$ 3,190          |
| 06/30/2021   | 2379       | Borrego Commu | D Street                      | \$ 5,655          |
| 07/15/2021   | 2399       | Borrego Commu | DHS - Singh                   | \$ 22,475         |
| 07/15/2021   | 2400       | Borrego Commu | El Cajon - Huerta             | \$ 5,945          |
| 07/15/2021   | 2401       | Borrego Commu | El Cajon - Scheuber           | \$ 6,090          |
| 07/15/2021   | 2402       | Borrego Commu | Escondido - Huerta            | \$ 7,250          |
| 07/15/2021   | 2403       | Borrego Commu | Escondido - Scheuber          | \$ 2,610          |



## BRODWELL BEHAVIORAL HEALTH SERVICES

Claim for balance due for services rendered to  
BORREGO COMMUNITY HEALTH FOUNDATION  
case no. 22-02384

### ACCOUNTING ACTIVITY: MARCH 2021 TO DATE

|            |      |                                     |    |        |
|------------|------|-------------------------------------|----|--------|
| 07/15/2021 | 2404 | Borrego Commui Cat City - Singh     | \$ | 2,030  |
| 07/15/2021 | 2405 | Borrego Commui D Street - Huerta    | \$ | 4,785  |
| 07/31/2021 | 2422 | Borrego Commui Desert Hot Springs   | \$ | 7,250  |
| 07/31/2021 | 2423 | Borrego Commui El Cajon - Huerta    | \$ | 6,815  |
| 07/31/2021 | 2424 | Borrego Commui El Cajon - Scheuber  | \$ | 4,495  |
| 07/31/2021 | 2425 | Borrego Commui Escondido - Scheuber | \$ | 1,450  |
| 07/31/2021 | 2426 | Borrego Commui Escondido - Huerta   | \$ | 5,365  |
| 07/31/2021 | 2427 | Borrego Commui Cat City - Huerta    | \$ | 725    |
| 07/31/2021 | 2428 | Borrego Commui Cat City - Singh     | \$ | 10,730 |
| 07/31/2021 | 2429 | Borrego Commui D Street             | \$ | 8,410  |
| 07/31/2021 | 2430 | Borrego Commui Barstow              | \$ | 290    |
| 08/16/2021 | 2452 | Borrego Commui DHS                  | \$ | 19,865 |
| 08/16/2021 | 2453 | Borrego Commui El Cajon - Huerta    | \$ | 5,075  |
| 08/16/2021 | 2454 | Borrego Commui El Cajon - Scheuber  | \$ | 4,350  |
| 08/16/2021 | 2455 | Borrego Commui Escondido - Scheuber | \$ | 2,320  |
| 08/16/2021 | 2456 | Borrego Commui Escondido - Huerta   | \$ | 3,915  |
| 08/16/2021 | 2457 | Borrego Commui D Street             | \$ | 7,685  |
| 08/31/2021 | 2475 | Borrego Commui DHS                  | \$ | 21,750 |
| 08/31/2021 | 2476 | Borrego Commui El Cajon - Huerta    | \$ | 5,510  |
| 08/31/2021 | 2477 | Borrego Commui El Cajon - Scheuber  | \$ | 6,960  |
| 08/31/2021 | 2478 | Borrego Commui Escondido - Huerta   | \$ | 2,320  |
| 08/31/2021 | 2479 | Borrego Commui D Street - Huerta    | \$ | 11,745 |
| 08/31/2021 | 2480 | Borrego Commui Cat City - Singh     | \$ | 290    |
| 09/15/2021 | 2498 | Borrego Commui El Cajon - Scheuber  | \$ | 5,655  |
| 09/15/2021 | 2499 | Borrego Commui El Cajon - Huerta    | \$ | 6,090  |
| 09/15/2021 | 2500 | Borrego Commui D Street - Huerta    | \$ | 12,325 |
| 09/15/2021 | 2501 | Borrego Commui Barstow - Huerta     | \$ | 1,595  |
| 10/01/2021 | 2517 | Borrego Commui El Cajon - Huerta    | \$ | 5,075  |
| 10/01/2021 | 2518 | Borrego Commui El Cajon - Scheuber  | \$ | 6,090  |
| 10/01/2021 | 2519 | Borrego Commui Escondido - Huerta   | \$ | 1,305  |
| 10/01/2021 | 2520 | Borrego Commui D Street - Huerta    | \$ | 14,500 |
| 10/01/2021 | 2521 | Borrego Commui Barstow - Huerta     | \$ | 3,915  |
| 10/17/2021 | 2536 | Borrego Commui El Cajon - Scheuber  | \$ | 5,365  |
| 10/17/2021 | 2537 | Borrego Commui El Cajon - Huerta    | \$ | 5,510  |
| 10/17/2021 | 2538 | Borrego Commui Escondido - Huerta   | \$ | 1,015  |
| 10/17/2021 | 2539 | Borrego Commui D Street - Huerta    | \$ | 13,195 |
| 10/17/2021 | 2540 | Borrego Commui Barstow - Huerta     | \$ | 4,785  |
| 11/01/2021 | 2559 | Borrego Commui El Cajon - Scheuber  | \$ | 8,700  |
| 11/01/2021 | 2560 | Borrego Commui El Cajon - Huerta    | \$ | 3,770  |
| 11/01/2021 | 2561 | Borrego Commui D Street             | \$ | 13,630 |
| 11/01/2021 | 2562 | Borrego Commui Barstow              | \$ | 4,350  |

**BRODWELL BEHAVIORAL HEALTH SERVICES**

Claim for balance due for services rendered to  
BORREGO COMMUNITY HEALTH FOUNDATION  
case no. 22-02384

ACCOUNTING ACTIVITY: MARCH 2021 TO DATE

|            |      |                                     |    |        |
|------------|------|-------------------------------------|----|--------|
| 11/01/2021 | 2563 | Borrego Communi Escondido           | \$ | 290    |
| 11/16/2021 | 2592 | Borrego Communi El Cajon - Scheuber | \$ | 5,945  |
| 11/16/2021 | 2593 | Borrego Communi El Cajon - Huerta   | \$ | 4,785  |
| 11/16/2021 | 2594 | Borrego Communi D Street            | \$ | 16,095 |
| 11/16/2021 | 2595 | Borrego Communi Barstow             | \$ | 4,350  |
| 12/16/2021 | 2645 | Borrego Communi El Cajon            | \$ | 13,630 |
| 12/16/2021 | 2646 | Borrego Communi D Street            | \$ | 14,645 |
| 12/16/2021 | 2647 | Borrego Communi Barstow             | \$ | 2,465  |
| 12/16/2021 | 2648 | Borrego Communi Escondido           | \$ | 725    |
| 12/31/2021 | 2681 | Borrego Communi El Cajon            | \$ | 9,425  |
| 12/31/2021 | 2682 | Borrego Communi D Street            | \$ | 10,440 |
| 12/31/2021 | 2683 | Borrego Communi Barstow             | \$ | 1,885  |
| 12/31/2021 | 2684 | Borrego Communi Escondido           | \$ | 1,740  |
| 01/15/2022 | 2707 | Borrego Communi El Cajon            | \$ | 10,150 |
| 01/15/2022 | 2708 | Borrego Communi Barstow             | \$ | 2,320  |
| 01/15/2022 | 2709 | Borrego Communi D Street            | \$ | 15,660 |
| 01/15/2022 | 2710 | Borrego Communi Escondido           | \$ | 725    |
| 01/31/2022 | 2734 | Borrego Communi El Cajon            | \$ | 8,845  |
| 01/31/2022 | 2735 | Borrego Communi D Street            | \$ | 17,110 |
| 01/31/2022 | 2736 | Borrego Communi Barstow             | \$ | 5,220  |
| 01/31/2022 | 2737 | Borrego Communi Escondido           | \$ | 2,465  |
| 02/16/2022 | 2760 | Borrego Communi El Cajon            | \$ | 11,020 |
| 02/16/2022 | 2761 | Borrego Communi D Street            | \$ | 4,930  |
| 02/16/2022 | 2762 | Borrego Communi Barstow             | \$ | 145    |
| 02/16/2022 | 2763 | Borrego Communi Escondido           | \$ | 3,480  |
| 02/16/2022 | 2764 | Borrego Communi Eastside            | \$ | 3,480  |
| 02/28/2022 | 2786 | Borrego Communi El Cajon            | \$ | 12,760 |
| 02/28/2022 | 2787 | Borrego Communi D Street            | \$ | 725    |
| 02/28/2022 | 2788 | Borrego Communi Escondido           | \$ | 2,320  |
| 03/15/2022 | 2807 | Borrego Communi El Cajon            | \$ | 11,890 |
| 03/15/2022 | 2808 | Borrego Communi D Street            | \$ | 2,320  |
| 03/15/2022 | 2809 | Borrego Communi Eastside            | \$ | 3,190  |
| 03/15/2022 | 2810 | Borrego Communi Escondido           | \$ | 3,190  |
| 03/31/2022 | 2831 | Borrego Communi El Cajon            | \$ | 13,485 |
| 03/31/2022 | 2832 | Borrego Communi D Street            | \$ | 290    |
| 03/31/2022 | 2833 | Borrego Communi Escondido           | \$ | 2,755  |
| 04/15/2022 | 2859 | Borrego Communi El Cajon            | \$ | 17,690 |
| 04/15/2022 | 2860 | Borrego Communi D Street            | \$ | 145    |
| 04/15/2022 | 2861 | Borrego Communi Escondido           | \$ | 4,930  |
| 04/30/2022 | 2882 | Borrego Communi El Cajon            | \$ | 13,920 |
| 04/30/2022 | 2883 | Borrego Communi Escondido           | \$ | 3,480  |

**BRODWELL BEHAVIORAL HEALTH SERVICES**

Claim for balance due for services rendered to  
BORREGO COMMUNITY HEALTH FOUNDATION  
case no. 22-02384

ACCOUNTING ACTIVITY: MARCH 2021 TO DATE

|   |      |  |                     |
|---|------|--|---------------------|
| 05/16/2022  | 2903 | Borrego Commu El Cajon   | \$ 17,110           |
| 05/16/2022  | 2904 | Borrego Commu Escondido  | \$ 4,350            |
| 05/31/2022  | 2915 | Borrego Commu El Cajon   | \$ 12,760           |
| 05/31/2022  | 2916 | Borrego Commu Escondido  | \$ 3,335            |
| <b>invoices since first half of May balances of 2021...</b>                 |      |  | <b>\$ 789,815</b>   |
| 05/27/2021  |      | \$1,015 applied to 2255,2256 (invoices not listed here)            | \$ -                |
| 05/27/2021  |      | \$31,610 applied to 2275,2276,2277,2278 (invoices not listed here) | \$ -                |
| 05/27/2021  |      | \$35,960 applied to 2161 (invoice not listed here)                 | \$ -                |
| 06/04/2021  |      |  | \$ (74,530)         |
| 06/04/2021  |      | \$435 applied to 2161 (invoice not listed here)                    | \$ -                |
| 06/17/2021  |      |  | \$ (33,350)         |
| 07/02/2021  |      |  | \$ (62,060)         |
| 07/07/2021  |      |  | \$ (30,015)         |
| 07/16/2021  |      |  | \$ (23,490)         |
| 07/21/2021  |      |  | \$ (35,090)         |
| 07/23/2021  |      |  | \$ (20,010)         |
| 08/04/2021  |      |  | \$ (26,390)         |
| 01/11/2022  |      |  | \$ (27,695)         |
| 02/08/2022  |      |  | \$ (24,940)         |
| 03/01/2022  |      |  | \$ (27,985)         |
| 03/29/2022  |      |  | \$ (36,105)         |
| 04/27/2022  |      |  | \$ (34,510)         |
| 06/02/2022  |      |  | \$ (36,685)         |
| 06/27/2022  |      |  | \$ (34,655)         |
| [applied to Borrego A/R on Broadwell books]                                 |      |  |                     |
| <b>less: payments since Doug's email on 26 May 2021...</b>                  |      |  | <b>\$ (527,510)</b> |
| 07/02/2021  |      |  | \$ (1,305)          |
| 07/02/2021  |      |  | \$ (4,350)          |
| 09/03/2021  |      |  | \$ (149,930)        |
| 09/16/2021  |      |  | \$ (19,865)         |
| 09/24/2021  |      |  | \$ (26,390)         |
| 10/06/2021  |      |  | \$ (34,655)         |
| 10/26/2021  |      |  | \$ (12,180)         |
| 12/06/2021  |      |  | \$ (27,260)         |
| [not applied to A/R on Broadwell books, but confirmed Borrego through bank] |      |  |                     |
| <b>less: payments since Doug's email on 26 May 2021...</b>                  |      |  | <b>\$ (275,935)</b> |
| <b>total due from Borrego as of 17 Nov 2022...</b>                          |      |  | <b>\$ 228,085</b>   |

**BRODWELL BEHAVIORAL HEALTH SERVICES, Inc.**  
**BEHAVIORAL HEALTH PROFESSIONAL MANAGEMENT AGREEMENT**

This Behavioral Health Professional Management Agreement ("Agreement") is made this 28<sup>th</sup> day of December, 2015, by and Brodwell Behavioral Health Services, Inc. ("BBHS") and Borrego Health ("BORREGO").

WHEREAS, BBHS is in the business of conducting recruitment and placement of physicians and other behavioral health providers;

WHEREAS, BORREGO provides behavioral health services and wishes to engage the services of BBHS in the recruitment and placement of behavioral health professionals;

NOW, THEREFORE, the parties agree as follows:

**1.1 SERVICES TO BE PROVIDED**

Subject to the terms and conditions of this Agreement, BBHS agrees to locate and recruit and directly contract with behavioral health providers who fit specific recruiting specifications ("Specifications") that may be, from time-to-time, identified by BORREGO and manage the Behavioral Health program for BORREGO. Specifically, BBHS agrees to:

- a. Equip and staff each BORREGO location with appropriately qualified and licensed clinical staff to perform behavioral health services;
- b. Conduct preliminary reference checking and license verification;
- c. Fully comply with all of BORREGO's credentialing requirements;
- d. Coordinate and manage the provider's schedule at BORREGO in cooperation with BORREGO and consistent BORREGO's instructions;
- e. Provide scheduling staff to schedule patients for behavioral health clinics at BORREGO;
- f. Provide psychiatric evaluation, treatment, intervention, individual psychotherapy and psychopharmacology services at BORREGO;
- g. Maintain proper and appropriate medical records and charting on all patient encounters performed at BORREGO.

**2.1 FEE FOR SERVICES**

BORREGO agrees to compensate BBHS according to the following fee schedule for these services. BBHS agrees to extend 30 day payment terms to BORREGO and BORREGO agrees to pay all invoices within 30 days of issue date:

|          |    |  |
|----------|----|--|
| \$125.00 | -- | Professional Service Fee Per Patient Encounter |
| \$40.00  | -- | Administrative Fee Per Patient Encounter       |

### 3.1 PROVIDER STATUS

It is expressly understood and agreed that the behavioral health providers recruited and placed with BORREGO under this Agreement shall not be employees or contractors of BORREGO and that all compensation due to the Providers, if any, for services provided at BORREGO, shall be borne by BBHS.

Behavioral health providers provided to BORREGO pursuant to this Agreement shall be subject to the exclusive direction and oversight of BORREGO in connection with the delivery of behavioral health services at BORREGO. Each behavioral health provider shall maintain appropriate professional liability insurance for the services provided hereunder.

### 4. TERM, TERMINATION AND WITHDRAWAL

4.1 Term. The term of this Agreement shall be for a period of five (5) years, beginning as of the Effective Date, unless earlier terminated as otherwise provided in this Agreement.

4.2 Termination of Agreement. Notwithstanding any other provisions of this Agreement, this Agreement may be terminated upon any of the following:

4.2.1. Without Cause. Either party may terminate this Agreement, without cause or penalty, sixty (60) days after providing written notice of termination to the other party, provided that any such termination may not be effective until one year or later following the Effective Date.

4.2.2. Breach. Either party may terminate this Agreement effective thirty (30) days after the date that a written notice of termination is given to the other party if the party to whom such notice is given is in breach of any material covenant or other provision of this Agreement. The party giving such notice of termination shall set forth in the notice the facts underlying its claim that the other party is in breach of this Agreement. Notwithstanding the foregoing, this Agreement shall not terminate in the event that the breaching party cures the breach, to the reasonable satisfaction of the non-breaching party, prior to the effective date of the termination. However, if the nature of the breach is such that it can be corrected, but not within such thirty (30) day period, then termination shall not ensue so long as the non-breaching party promptly commences, and diligently proceeds, to cure such breach.

4.2.3. BBHS Right to Terminate. BBHS may terminate this Agreement effective immediately upon the date that a written notice of termination is given to BORREGO, upon the occurrence of any one or more of the following events:

4.2.3.1 BORREGO is convicted, adjudicated, or pleads guilty or nolo contendere to any health care-related crime or any other crime punishable as a felony.

4.2.3.2 If either party reasonably determines that any service under this Agreement endangers patient safety;

4.2.3.3 Change in Law. In the event a change of the law renders any material term of this Agreement illegal or unenforceable, both BBHS and BORREGO shall have the right to terminate this Agreement effective thirty (30) days after giving written notice of termination to the other party in the event the parties are unable to develop a revised Agreement in accordance with Section 5.5.

#### 4.3 Effect of Termination

4.3.1. Continuing Obligations. Upon expiration or earlier termination of this Agreement, neither party shall have any further obligation hereunder except for (a) obligations due and owing that arose prior to the effective date of termination, and (b) obligations, promises, and covenants contained herein which expressly extend beyond the term of this Agreement.

4.3.2. No Interference. BORREGO shall not do anything or cause any other person to do anything that might interfere with any BBHS efforts to contract with any other individual or entity for the provision of services or professional medical services for BBHS or to interfere in any way with any relationship between BBHS and behavioral health providers.

### 5. GENERAL PROVISIONS

#### 5.1 Confidentiality.

5.1.1. Agreement Confidential. This Agreement is personal and confidential between the parties, and the parties hereto shall not release information concerning this Agreement to any person without the prior written consent of the other party. This prohibition against release of information shall not apply to (a) a party's spouse, attorneys and/or accountants, (b) taxing authorities, (c) any information required to be released by contracts existing as of the date of this Agreement, or to fiscal intermediaries, public agencies or commissions with governmental powers and duties related to disclosure of information having the right to compel disclosure of such information, or (d) any information otherwise compelled to be released by subpoena or legal process.

5.1.2. Records. All records, files, proceedings and related information of BORREGO, BBHS and its operations and its clients shall be kept strictly confidential by the parties. The parties shall not voluntarily disclose such confidential information, either orally or in writing, except as expressly required by law or pursuant to written authorization by BBHS, which may be given or withheld in BBHS's sole discretion. This provision shall survive the termination of this Agreement.

5.1.3. Patient Records. Any and all patient records produced as a result of either party's performance under this Agreement shall be and remain the property of BORREGO. BBHS shall ensure that its behavioral health providers comport to BORREGO's medical records and documentation policies and procedures and use BORREGO's medical records keeping system. BORREGO shall maintain patient records for a period of seven (7) years.

5.1.4. Trade Secrets. BORREGO acknowledges that in connection with its performance under this Agreement, BORREGO may or will have access to and the use of confidential information and trade secrets (the "Confidential Information") of BBHS related to BBHS

and its operations which include, but are not limited to, financial statements, internal memoranda, reports, patient lists, and other materials or records of a proprietary nature. In order to protect the Confidential Information, BORREGO shall not use such Confidential Information (except in connection with the performance of his duties hereunder) or divulge the Confidential Information to any third party, without obtaining the prior written consent of BBHS, which may be given or withheld in BBHS's sole discretion. All Confidential Information shall constitute "trade secrets" within the meaning of the Uniform Trade Secrets Act (contained in California Civil Code Sections 3426 et seq., as amended), and, in addition to the covenants, rights and remedies contained herein, BBHS shall receive all of the protections and be afforded all of the remedies available under such Act with respect to the Confidential Information.

## 5.2 Compliance with Laws.

5.2.1. Laws and Regulations. BORREGO shall comply with federal, state and local laws, rules and regulations applicable to this Agreement, including professional licensure and reimbursement laws, rules, regulations and policies, and all standards and recommendations of other certifying or regulating entities; as any of the above may be in effect from time to time.

5.2.2. No Required Referrals. Nothing in this Agreement or in any other written or oral agreement between BBHS and BORREGO, nor any consideration offered or paid in connection with this Agreement, contemplates or requires the admission or referral of any patient. This Agreement is not intended to influence BORREGO in choosing the medical BORREGO or treatment appropriate for the proper care and treatment of patients.

5.2.3. Anti-Referral Laws. BORREGO acknowledges that BORREGO is subject to and must comply with certain federal and state laws governing referral of patients, as may be in effect or amended from time to time, including:

5.2.3.1 Payments for referral or to induce the referral of patients (Cal. Business and Professions Code Section 650; Cal. Labor Code Section 3215; and the Medicare/Medicaid Fraud and Abuse Law, Section 1128B of the Social Security Act); and

5.2.3.2 The referral of patients by a physician for certain designated health care services to an entity with which the physician (or his immediate family) has a financial relationship (Cal. Labor Code Sections 139.3 and 139.31, applicable to referrals for workers' compensation services; Cal. Business and Professions Code Section 650.01 and 650.02 applicable to all other patient referrals within the State; and Section 1877 of the Social Security Act, applicable to referrals of Medicare and Medi-Cal patients).

5.2.4. Agreement Represents All Provider Services. BBHS and BORREGO acknowledge that this Agreement covers all of the duties and obligations of BORREGO to BBHS or of BBHS to BORREGO with respect to BBHS.

5.3 Changes in Laws. In the event there are any material changes in (a) federal, state or local laws, rules or regulations or the interpretation or application thereof, including the laws, rules or regulations applicable to (i) the Medicare, Medi-Cal or other governmental health care programs, (ii) fraud and abuse or payment for patient referrals, including the anti-referral laws specified in Section 5.4.4, 6, or (b) private health or medical care insurance programs or policies; which BBHS believes may have a material impact on the

operations of BBHS and/or its clients or the performance of this Agreement, BBHS may elect to renegotiate this Agreement by giving written notice thereof to BORREGO. Such notice shall indicate the basis upon which BBHS has determined that such a material impact on its operations may result. In any case where such notice is provided, both parties shall negotiate in good faith during the thirty (30) day period after the date the written notice is given to BORREGO in an effort to develop a revised Agreement, which, to the extent reasonably practicable, will adequately protect the interests of both parties in light of the changes which constituted the basis for the exercise of this provision. If the parties cannot reasonably reach an agreement, then this Agreement may be terminated as otherwise provided herein.

#### 5.4 Dispute Resolution.

- 5.4.1. Special Meeting. Except as set forth in Section 5.7.6 below, prior to commencing any action arising out of or relating to any dispute or disagreement between the parties with respect to this Agreement, a party must request in writing a special meeting for the resolution of the dispute (a "Special Meeting"). The Special Meeting shall be held at a mutually agreeable location within ten (10) business days of a written request for the meeting, which request shall specify the nature of the dispute to be resolved. The Special Meeting shall be attended by representatives of BBHS and BORREGO (who may or may not be accompanied by legal counsel, in their respective sole discretion), who shall attempt in good faith to resolve the dispute and shall have reasonable authority to do so.
- 5.4.2. Mediation. If a dispute has not been resolved within thirty (30) days after the date of the Special Meeting, either party may initiate mediation by giving written notice thereof to the other party hereto. Both parties shall attend and participate in the mediation, which shall be binding upon the parties if a mutually agreeable resolution is achieved. The mediation proceeding shall commence not more than thirty (30) days after the written notice initiating the mediation process is given by one party to the other party hereto and shall be conducted in the County of San Diego, State of California, by an impartial third party mediator who shall be a retired judge in accordance with the procedures of JAMS/Endispute, Inc. The mediator may be given written statements of the parties and may inspect any applicable documents or instruments as the parties may provide to the mediator. All mediation proceedings shall be attended by representatives of BBHS and BORREGO (who may or may not be accompanied by counsel, in their respective sole discretion) with reasonable authority to resolve the dispute. The costs and expenses associated with the mediator and the mediation shall be paid equally by BBHS and BORREGO regardless of the result of the mediation proceeding. Further, each party shall bear its own attorneys' fees and costs in connection with the mediation process.
- 5.4.3. Settlement through Mediation. If as a result of the mediation, a settlement is reached and the parties agree that such settlement shall be reduced to writing, then (i) the mediator shall be appointed an arbitrator for the sole purpose of signing the settlement agreement reached through the mediation process, (ii) the settlement agreement shall have the same force and effect as an arbitration award, and (iii) judgment may be entered upon the settlement agreement in any court of competent jurisdiction in accordance with applicable law.
- 5.4.4. Inadmissibility. The Special Meeting and the mediation proceeding shall be subject to California Evidence Code Sections 1152 and 1115 through 1128, inclusive.



- 5.4.5. Arbitration. Any and all disputes arising out of or related to this Agreement, which are not resolved through the mediation process described in Section 5.4.2. above, shall be submitted to binding arbitration pursuant to the JAMS/Endispute, Inc. commercial rules of arbitration then in effect. Either party may commence arbitration by giving a written notice to the other party demanding arbitration. There shall be one (1) impartial third party arbitrator who shall be a retired judge. If the parties are unable to agree upon a mutually acceptable arbitrator within thirty (30) days after the demand for arbitration is given, then the parties stipulate to the arbitration before a single impartial third party arbitrator who is a retired judge on the San Diego panel of JAMS/Endispute, Inc. and who is selected by the then serving chief administrative officer of JAMS/Endispute, Inc.
- 5.4.5.1 The substantive internal law (and not the conflict of laws) of the State of California shall be applied by the arbitrator to the resolution of the dispute. Subject to the approval of the arbitrator and the right of the arbitrator to limit the number of requests propounded by both parties, the parties shall have the rights of discovery as provided for in Part 4 of the California Code of Civil Procedure and the provisions of Section 1283.05 of the California Code of Civil Procedure are hereby incorporated by reference into this Agreement pursuant to the provisions of Section 1283.1(b) of the California Code of Civil Procedure. In the event that either of said Sections is amended in a manner which limits or reduces the discovery rights contained in said Sections as of the date hereof, said amendment shall not be deemed to apply to this Agreement unless the parties agree in writing that the same shall apply. In the event that either Section 1283.05 or 1283.1(b) is repealed, the provisions of Section 1283.05 shall nevertheless continue to apply and the parties shall have the discovery rights as provided therein as of the date of this Agreement. The California Evidence Code shall apply to all testimony and documents submitted to the arbitrator.
- 5.4.5.2 The arbitration shall take place in the County of San Diego, State of California, unless the parties otherwise agree in writing. As soon as reasonably practicable, a hearing with respect to the dispute or matter to be resolved shall be conducted by the arbitrator. As soon as reasonably practicable, but not later than thirty (30) days after the hearing is completed, the arbitrator shall arrive at a final decision, which shall be reduced to writing, signed by the arbitrator and mailed to each of the parties and their respective legal counsel.
- 5.4.5.3 All decisions of the arbitrator shall be final, binding and conclusive on all parties subject to appeal or being set aside only on the grounds set forth in the California Code of Civil Procedure, and, except as otherwise set forth in Section 5.7.6 below, shall be the only method of resolving disputes or matters subject to arbitration pursuant to this Agreement. Judgment may be entered upon such decision and enforced in accordance with applicable law in any court having competent jurisdiction thereof.
- 5.4.6. Injunctive Relief. Notwithstanding the contrary provisions of this Section 5.7 and except as provided in Section 4.4 above, each of the parties hereto shall have the right to apply for and obtain a temporary restraining order or other temporary, interim or permanent injunctive or equitable relief from a court of competent jurisdiction in order to enforce the provisions of any part of this Agreement as may be necessary to protect its rights under those Sections.
- 5.4.7. Statute of Limitations. This dispute resolution procedure shall not in any manner affect any statutes of limitation relating to any claim, dispute or other matter arising out of this

Agreement, except that the statute of limitations shall be stayed during any period that the mediation or arbitration process is continuing pursuant to this Section 5.4.

- 5.4.8. **Right Reserved by Parties.** The provisions of this Section 5.4 shall not limit, require the postponement of, or in any other way preclude the exercise of any right or remedies otherwise enjoyed by any party hereto under the provisions of this Agreement including, without limitation, the right of either party to terminate this Agreement as provided in this Agreement.
- 5.5 **Assignment and Delegation.** Neither this Agreement nor any of the rights or duties under this Agreement may be assigned or delegated by BORREGO without the prior written consent of BBHS, which consent may be given or withheld in BBHS's sole discretion. Further, neither this Agreement nor any rights or duties under this Agreement may be assigned or delegated by BBHS without the prior written consent of BORREGO, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, BBHS may assign or delegate this Agreement in its entirety at any time without the prior written consent of BORREGO (a) to an affiliate of BBHS (i.e., an entity controlled by, in control of, or commonly controlled with, BBHS), or (b) to an entity designated by BBHS in connection with the transfer of substantially all of BBHS's assets, contracts and other rights to such entity; provided, however, that in connection with any such assignment or delegation, (i) BBHS shall provide written notice to BORREGO as soon as reasonably possible prior to or following such assignment or delegation, and (ii) the assignee or delegee shall assume the obligations of BBHS under this Agreement by written instrument delivered by BBHS to BORREGO. Any attempted or purported assignment by BORREGO or BBHS in violation of this provision shall be void.
- 5.6 **Binding on Successors in Interest.** The provision of this Agreement and obligations arising hereunder shall be binding upon and inure to the benefit of the assigns, delegates (subject to Section 5.5 above) and successors of each of the parties, including without limitation, the assigns and delegees of BBHS permitted under subparagraphs (a) and (b) of Section 5.5 above.
- 5.7 **Notice.** All notices, requests, demands or other communications required or permitted to be given under this Agreement shall be in writing and shall be delivered to the party to whom notice is to be given either (i) by personal delivery (in which case such notice shall be deemed given on the date of delivery), (ii) by next business day courier service (e.g., Federal Express, UPS or other similar service) (in which case such notice shall be deemed given on the first business day following the date of deposit with the courier service), or (iii) by United States mail, first class, postage prepaid, registered or certified, return receipt requested (in which case such notice shall be deemed given on the third (3 rd ) day following the date of deposit with the United States Postal Service), and properly addressed as follows:

If to BBHS:

With a copy to: Matthew D. Rifat, Esq.  
Law Offices of Matthew D. Rifat, LLP  
3703 Camino del Rio South, Suite 200  
San Diego, California 92108

If to BORREGO:

Bruce Hebets, CEO  
Borrego Health  
P.O. Box 2369  
Borrego Springs, CA 92004

Any party or person entitled to notice under this Agreement may change its address for purposes of this Section by giving written notice to the other in the manner specified within this Section.

- 5.8 **Governing Law.** This Agreement shall be governed by, construed and enforced in accordance with, the internal laws, and not the law of conflicts, of the State of California applicable to agreements made and to be performed in the State.
- 5.9 **Severability.** If for any reason any clause or provision of this Agreement, or the application of any such clause or provision in a particular context or to a particular situation, circumstance or person, should be held unenforceable, invalid or in violation of law by any court or other tribunal, then the application of such clause or provision in contexts or to situations, circumstances or persons other than that in or to which it is held unenforceable, invalid or in violation of law shall not be affected thereby, and the remaining clauses and provisions hereof shall nevertheless remain in full force and effect.
- 5.10 **Captions.** Any captions to or headings of the articles, sections, subsections, paragraphs, or subparagraphs of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used for interpretation or determination of the validity of this Agreement or any provision hereof.
- 5.11 **Entire Agreement.** The making, execution and delivery of this Agreement by the parties have not been induced by any representations, statements, warranties or agreements other than those herein expressed. This Agreement embodies the entire understanding of the parties with respect to the subject matter of this Agreement, and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof, unless expressly referred to by reference herein. This Agreement supersedes and terminates any previous oral or written agreements between the parties hereto with respect to the subject matter of this Agreement, and any such prior agreement is null and void. This Agreement may be amended or modified only by an instrument in writing signed by both parties to this Agreement.
- 5.12 **Waiver of Provisions.** Any waiver of any terms, covenants and/or conditions hereof must be in writing, and signed by the parties hereto. A waiver of any of the terms, covenants and/or conditions hereof shall not be construed as a waiver of any other terms and conditions hereof, nor shall any waiver constitute a continuing waiver.
- 5.13 **Attorneys' Fees.** In the event of any arbitration proceeding or any action at law or in equity between the parties hereto with respect to this Agreement, the non-prevailing party or parties to such action or proceeding shall pay to the prevailing party or parties all costs and expenses, including actual attorneys' fees (including the allocated fees of in-house counsel), incurred therein by such prevailing party or parties; and if such prevailing party or parties shall recover a judgment or an award in any such action or proceeding, such costs, expenses and attorneys' fees may be included in and as part of such judgment or award. The prevailing party shall be the party who is entitled to recover its costs of suit

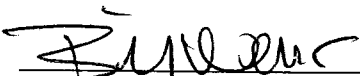
(as determined by the court of competent jurisdiction or the arbitrator), whether or not the action or proceeding proceeds to final judgment or award. A party not entitled to recover its costs shall not recover attorneys' fees.

- 5.14 Force Majeure. Neither party shall be liable nor deemed to be in default for any delay, interruption or failure in performance under this Agreement deemed resulting, directly or indirectly, from Acts of God, civil or military authority, war, acts of terrorism, accidents, fires, explosions, earthquakes, floods, failure of transportation, machinery or supplies, vandalism, riots, civil disturbances, strike or other work interruptions by either party's employees, or any similar or dissimilar cause beyond the reasonable control of either party. However, both parties shall make good faith efforts to perform under this Agreement in the event of any such circumstances.
- 5.15 Gender and Number. Whenever the context hereof requires, the gender of all words shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and plural.
- 5.16 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.
- 5.17 Incorporation of Exhibits. All schedules, exhibits, addenda, and recitals referred to in this Agreement, if any, are an integral part of this Agreement and are incorporated in full in this Agreement by this reference.
- 5.18 Indemnity.
- (a) BBHS agrees to indemnify and hold harmless BORREGO and its directors, officers, employees, agents and contractors from and against any and all claims, liabilities, losses, expenses, costs and damages which any of them may suffer or incur and which arises out of or results from any claim or any alleged obligation, liability or duty on the part of BBHS and its employees.
- (b) BORREGO agrees to indemnify and hold harmless BBHS and its directors, officers, employees, agents and contractors from and against any and all claims, liabilities, losses, expenses, costs and damages which any of them may suffer or incur and which arises out of or results from any claim or any alleged obligation, liability or duty on the part of BORREGO.
- (c) The person providing indemnity shall reimburse each person indemnified within ten (10) days after demand by the indemnitee or such other indemnified person for the full amount of any indemnity to which such person may be entitled hereunder, which shall include all of such person's reasonable out of pocket costs and expenses with respect thereto (including, without limitation, court costs and reasonable attorneys' fees and related expenses as and when incurred). The indemnity set forth in this section shall survive the termination of this Agreement.

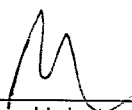
[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

“BBHS”  
Brodwell Behavioral Health Services, Inc.

BY:   
NAME: Bill Wells  
TITLE: CEO

“BORREGO”  
Borrego Health

BY:   
NAME: Bruce Hebets  
TITLE: CEO