



Mark Twain Health Care District

768 Mountain Ranch Road
San Andreas, CA 95249
209 754 3521 Telephone

**Regular Meeting of the Board of Directors
Wednesday, March 18, 2015
7:30-10:00a.m. in Classroom 2
San Andreas, CA**

Un-Approved Minutes

Mark Twain Health Care District Mission Statement

Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides competent, professional and compassionate healing.

- 1. Call to order:** The meeting was called to order by President Peter Oliver, MD at 7:31am.
- 2. Roll Call:** Present were Peter Oliver, MD; Ken McInturf, Lin Reed, MBA, OTR/L; and Ann Radford, FNP. Randy Smart, MD arrived at 8:30am.
- 3. Approval of Agenda: **Action:**** Approval of the agenda was moved by Mrs. Reed, seconded by Mrs. Radford and the motion passed 4-0.
- 4. Public Comment on matters not listed on the Agenda:**

Marti Crane recapped the Valley Springs Friends of the Library's 17th Annual Melodrama depicting a hospital scene.

Bill McManus representing Citizens Against Legal Marijuana (CALM) requested the Board's awareness and support of the affects marijuana has on our youth and of the need for education. Firman Brown expressed his concern for property values relating to unregulated marijuana grows. Mr. McManus will provide fact sheets and information at a later date.

Kyle Rootsart, Pharm.D. of Kelly's Drug Store offers free classes for adult and teen diabetes and obesity. George Fry related he had taken the classes with success.

- 5. Consent Agenda: **Action:**** The Board asked to pull items A. and B. then Mrs. Reed moved for approval, seconded by Mrs. Radford and the motion passed 4-0.

A. Minutes of February 25, 2015: Dr. Oliver requested correction to his statement in item 8. MTHCD Reports, Section C. wherein Dr. Oliver requested review of the following: Real Estate consultant, building contractor, architect ~~legal and home owner lease agreements~~. Mrs. Reed moved for approval as corrected. Seconded by Mrs. Radford and the motion passed 4-0.

B. Approval of January 2015 Financial Statements: JR Krieg, Controller, explained the cash flow report as a new item in the financial report. Mr. Doss suggested the cash flow report is helpful but can be tricky to interrupt depending on the time of the year. It was requested projects be listed individually. Dr. Oliver requested CAM (Common Area Maintenance Charges for suites 3 & 4) be added to the Renters and Leases Report. Mrs. Reed moved, seconded by Mr. McInturf for approval and the motion passed 4-0.

C. Correspondence:

- The Volunteer Center: (2-18-2015) Thank you for Golden Health Award.
- Sierra Hope: (3-10-2015) Thank you for Golden Health Award.
- Harmony Ranch, Inc. (3-10-2015) Thank you for Golden Health Award.

6. Unfinished Business:

A. Telehealth MOU Update: Nothing to report because the Mark Twain Medical Center Board has not met yet this month. Referred to the April meeting.

B. Physician Education Forum: Referred to the April meeting with a possible date set for June 3rd.

7. MTHCD Reports:

A. ACHD February Update: Mrs. Reed reminded the Board of the April 13-14 Legislative Day and the Annual meeting in May. Administration will book these events for the Board Members.

B. Golden Health Awards Update – February 6, 2016: The venue has been booked and Mr. Doss will be meeting with past nominees for an evaluation. Mrs. Radford stated Mrs. Campana and family wanted to thank the MTHCD for a wonderful evening. Dr. Oliver suggested the Golden Health Awards be added to the Ad Hoc Public Funds Request (see item 9.B.)

C. ACHD Certification Process Update: Mrs. Reed stated there would be a meeting today on this matter.

D. Executive Director Report by Mr. Doss:

- Liability Insurance Policy: Mr. Doss provided a portion of the MTHCD Insurance Policy pertaining to Executive Liability, Entity Liability and Employment Practices Liability for the Board's information.
- Sierra Lode Star Health and Wellness: The updated add will be rerun this year but will consider plans for a new layout for next year.
- Local Agency Formation Commission (LAFCO): The last LAFCO review

was 2005. The Board will be getting updates

E. Presidents Report by Dr. Oliver:

- MTMC Corp. Board Letter: The March 3, 2015 letter from the MTHCD addressed to Dr. Bill Griffin, Chairman of the Board for the Mark Twain Medical Center Corp. was delivered to start the discussion leading to the renewal of the lease between the two agencies. Nov. 2015 is the target date for the review and revisions of current lease in preparation of lease extension. Mr. Marks suggested the Mark Twain Medical Center Board representative meet with the MTHCD Ad Hoc Committee to review the lease language in preparation for the vote of the people in the general election of 2016.
- Scholarship Project: Mr. Doss expects to receive scholarship applications from the two local high schools in the near future.

F. MTMC Corp. Board: Mr. Marks and Mr. McInturf confirmed there was nothing new to report because the Mark Twain Medical Center Corp Board had not met this month yet.

8. New Business:

A. Discussion led by Attorney, Michael Dean of Meyers/Nave on the Procedures for Property Acquisition Pursuant to Lease: Mr. Dean explained portions of the MTHCD Lease as amended by the Sixth Amendment. He also explained the differences between “other premises” and “additional premises”

- Angels Camp Property: Mr. Dean described the Stanislaus St. property as “other premises” and how the law differs if the District builds and leases the property vs selling the property. Mr. Marks mentioned the Corp. Board may want to consider purchasing the property.
 - Key considerations are market value for sale of property, below market value with future agreement or lease.

- Public ???? process, prevailing wage and bidding process.

9. Ad Hoc Committee Reports:

A. Real Estate:

- USDA loan update: Gary Hicks of G.L. Hicks Financial, LLC explained the pre-application process that has been submitted for the VS Project. While the District should consider other loans the USDA is well suited to the needs of the District because it has the best financial terms with 100% financing, a fixed rate, financing for 30-40 yrs., interest rates currently are 3.78%. The interest rate is fixed based on 2 dates (1) the date of approval; (2) date loan is funded. USDA is a good group to work with because their doc's are clean and he has had good luck working with the representatives. A question was asked about the concern of this funding year ending Sept. 30th. If the loan is not in position by Sept 30th then it would be in consideration for “possible” funding the following

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year. Mr. Hicks expects to hear about the pre-app in about 2 weeks. Mr. Hicks and Mr. Dean discussed what would be the best lease option and the pledge of revenue for the life of the loan. Mr. Dean has 4 weeks to consider contract language. The MTMC Corp. Board meets next week. The MTHCD admin will draft a letter to the MTMC Corp. Board asking for consideration regarding leasing of the proposed Valley Springs Medical Center Project.

- Mr. Doss will be meeting with the USDA representative tomorrow for a site walk. He will also be meeting with Greg Thompson, owner, of the shopping center across Hwy 26 to include him in the process. Mr. Doss also expects to get Calaveras County Planning Department feedback next week.
- Valley Springs Project update: **Action**: Construction in Progress. Mr. Doss requested authorization to create a construction in progress fund for the Valley Springs Project with a cap of \$50,000.00. This fund would include expenditures for, but not limited to, traffic and engineering studies, permit applications and site surveys as needed. Mrs. Reed moved for approval. The motion was seconded by Dr. Smart and passed 5-0.

B. Public Funds Request:

- Mrs. Reed and Mrs. Radford are meeting today to discuss the Public Funds Request taking into consideration the sample policy of Sequoia Health Care District, The Golden Health Awards and language for 501 (c) 3:

10. Study Session Topics:

11. Board Comment and Request for Future Agenda Items:

Mrs. Reed asked about the Strategic Plan which is usually done in Feb or Mar. This item was referred to the April meeting.

Dr. Smart asked Mr. Dean about the (FPPC) California Fair Political Practices Commission Conflict of Interest Training. Mr. Dean stated it is due every two years and can be done through his office or on-line.

Mr. McInturf thanked Mr. Hicks for attending the meeting.

Mrs. Redford requested the letter addressed to the MTMC Corp Board be cc: to each MTHCD Board member.

12. Closed Session: (none)

13. Reconvene to Open Session:

A. Report of Action (if any) taken in Closed Session: (none)

14. Next Meeting: Wednesday, April 22, 2015

15. **Adjournment:** Moved by Mr. McInturf and seconded by Mrs. Radford the meeting was adjourned at 10:07am by a 5-0 vote.

Un-Approved Minutes 2015-03-18

**MARK TWAIN HEALTH CARE DISTRICT
FEBRUARY 2015**



Mark Twain Health Care District

768 Mountain Ranch Road
San Andreas, CA 95249
209 754 3521 Telephone

To: Board of Directors
Finance Committee

From: J.R. Krieg, Controller

Subject: February 2015 Financial Results

Date: April 15, 2015

memorandum

MARK TWAIN HEALTH CARE DISTRICT:

The Statement of Revenues and Expenses for the District reported an operating profit **before** Programs and Events of \$25,497 as compared to the budgeted operating income of \$16,176.

Total revenues were slightly over budget due to an adjustment of the district tax accrual based on the first tax apportionment.

Total expenses **before** Programs & Events were slightly under budget for the month of February.

Programs and Events totaled \$43,694 versus a budget of \$39,042 bringing the year to date amount spent to \$56,516 compared to a budget of \$159,334.

Operating income **after** Programs & Events was <\$18,197> versus a budget of <\$22,866>. Year to date total operating income is \$509 versus a budget of <\$21,006>.

The Minority Interest in Mark Twain Medical Center **decreased** by <\$71,319> in February versus a budgeted loss of <\$174,852>, due to losses from the operation of the Medical Center.

The District's cash and investments balance as of February 28, 2015 is \$2,391,051 as compared to beginning of the year balance of \$2,434,039.

"Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides competent, professional and compassionate healing".

**MARK TWAIN HEALTH CARE DISTRICT
STATEMENT OF REVENUES AND EXPENSES
FEBRUARY 2015**

| FEBRUARY | | | | | Year-to-date | | | | | |
|-----------------|---------------|--------------|----------------|--------------|---------------------|---|---------------|--------------|----------------|--------------|
| Actual | Budget | Var % | Last Yr | Var % | Line # | Actual | Budget | Var % | Last Yr | Var % |
| | | | | | | Revenue | | | | |
| \$25,837 | \$25,837 | 0% | \$25,837 | 0% | 1 | \$206,693 | \$206,696 | 0% | \$206,693 | 0% |
| 481 | 481 | 0% | 481 | 0% | 2 | 3,851 | 3,851 | 0% | 3,851 | 0% |
| 17,837 | 17,587 | 1% | 13,370 | 33% | 3 | 142,542 | 140,694 | 1% | 107,719 | 32% |
| 78,260 | 67,667 | 16% | 63,994 | 22% | 4 | 551,929 | 541,333 | 2% | 512,884 | 8% |
| 63 | 917 | -93% | 125 | -49% | 5 | 3,078 | 7,333 | -58% | 1,016 | 203% |
| (1,158) | 104 | -1214% | 0 | 0% | 6 | 4,103 | 8,333 | -51% | 6,156 | -33% |
| \$121,319 | \$112,593 | 7.75% | \$103,807 | 17% | | \$912,195 | \$908,240 | 0% | \$838,319 | 9% |
| | | | | | | Expenses | | | | |
| 2,032 | 0 | 0% | 0 | 0% | 6 | 2,913 | 0 | 0% | 0 | 0% |
| 1,131 | 1,075 | 5% | 1,131 | 0% | 7 | 9,050 | 8,600 | 5% | 8,652 | 5% |
| 5,829 | 1,250 | 366% | 1,601 | 264% | 8 | 15,319 | 10,000 | 53% | 4,812 | 218% |
| 93 | 1,000 | -91% | 0 | 0% | 9 | 10,883 | 8,000 | 36% | 11,250 | -3% |
| 6,160 | 6,160 | 0% | 6,332 | -3% | 10 | 49,280 | 49,280 | 0% | 45,252 | 9% |
| 0 | 1,667 | -100% | 0 | 0% | 11 | 46,142 | 13,333 | 246% | 425 | 10757% |
| 6,055 | 6,743 | -10% | 5,277 | 15% | 12 | 53,255 | 53,942 | -1% | 42,220 | 26% |
| 42,444 | 47,367 | -10% | 56,491 | -25% | 13 | 429,443 | 378,933 | 13% | 395,357 | 9% |
| 17,499 | 17,499 | 0% | 17,073 | 2% | 14 | 139,990 | 139,990 | 0% | 136,587 | 2% |
| 8,973 | 9,948 | -10% | 8,296 | 8% | 15 | 74,194 | 78,167 | -5% | 76,076 | -2% |
| 1,280 | 1,250 | 2% | 1,280 | 0% | 16 | 10,238 | 10,000 | 2% | 7,678 | 33% |
| 1,298 | 625 | 108% | 1,374 | -5% | 17 | 3,138 | 5,000 | -37% | 3,193 | -2% |
| 1,000 | 1,250 | -20% | 0 | 0% | 18 | 1,417 | 10,000 | -86% | 2,016 | -30% |
| 2,027 | 583 | 248% | 1,235 | 64% | 19 | 9,911 | 4,667 | 112% | 10,493 | -6% |
| \$95,822 | \$96,417 | -1% | \$100,092 | -4% | | \$855,171 | \$769,912 | 11% | \$744,011 | 15% |
| | | | | | | Operating Income (Loss) Before Programs & Events | | | | |
| \$25,497 | \$16,176 | 58% | \$3,715 | 586% | | \$57,025 | \$138,328 | -59% | \$94,308 | -40% |
| | | | | | | Programs & Events | | | | |
| \$0 | \$625 | -100% | \$766 | -100% | 20 | \$4,923 | \$5,000 | -2% | \$7,762 | -37% |
| 0 | 3,333 | -100% | 0 | 0% | 21 | 0 | 26,667 | -100% | 8,798 | -100% |
| 0 | 0 | 0% | 0 | 0% | 22 | 2,456 | 3,000 | -18% | 0 | 0% |
| 0 | 0 | 0% | 0 | 0% | 23 | 0 | 20,000 | -100% | 20,000 | -100% |
| 0 | 0 | 0% | 0 | 0% | 24 | 4,134 | 4,000 | 3% | 4,011 | 3% |
| 41,694 | 30,000 | 39% | 16,270 | 156% | 25 | 42,752 | 40,000 | 7% | 27,320 | 56% |
| 0 | 333 | -100% | 0 | 0% | 26 | 0 | 2,667 | -100% | 1,500 | -100% |
| 2,000 | 417 | 380% | 0 | 0% | 27 | 2,250 | 3,333 | -32% | 1,750 | 29% |
| 0 | 2,500 | -100% | 0 | 0% | 28 | 0 | 20,000 | -100% | 0 | 0% |
| 0 | 0 | 0% | 0 | 0% | 29 | 0 | 20,000 | -100% | 0 | 0% |
| 0 | 1,833 | -100% | 1,500 | -100% | 30 | 0 | 14,667 | -100% | 6,659 | -100% |
| \$43,694 | \$39,042 | 12% | \$18,535 | 136% | | \$56,516 | \$159,334 | -65% | \$77,799 | -27% |
| | | | | | | Operating Income (Loss) After Programs & Events | | | | |
| (\$18,197) | (\$22,866) | -20% | (\$14,820) | 23% | | \$509 | (\$21,006) | -102% | \$16,509 | -97% |
| | | | | | | Other Income/Expense | | | | |
| (\$250,938) | (\$213,523) | 18% | (\$339,878) | -26% | 31 | (\$190,814) | (\$937,178) | -80% | (\$1,330,002) | -86% |
| 179,620 | 38,671 | 364% | 151,262 | 19% | 32 | 268,068 | 309,364 | -13% | 900,219 | -70% |
| (\$71,319) | (\$174,852) | -59% | (\$188,616) | -62% | | \$77,254 | (\$627,814) | -112% | (\$429,783) | -118% |
| (\$89,515) | (\$197,718) | -55% | (\$203,436) | -56% | | \$77,763 | (\$648,820) | -112% | (\$413,274) | -119% |

MARK TWAIN HEALTH CARE DISTRICT
BALANCE SHEET
FEBRUARY 2015

| ASSETS | FEBRUARY 2015 | JUNE 2014 | LIABILITIES AND NET ASSETS | FEBRUARY 2015 | JUNE 2014 |
|---|------------------|--------------|---|------------------|--------------|
| <u>CURRENT ASSETS</u> | | | <u>CURRENT LIABILITIES</u> | | |
| Cash and cash equivalents | \$1,295,880 | \$618,755 | Accounts payable and accrued expenses | \$42,053 | \$41,276 |
| Umpqua Investments | 1,005,163 | 1,000,284 | Prepaid Rent | | 0 |
| Investments - CDARS | 90,000 | 810,000 | Security Deposits | 2,275 | 2,275 |
| Due from Calaveras County | 76,195 | 43,600 | Due to MTMC Corporation - rental clearing | 152,921 | 174,014 |
| Security Deposit | 0 | 5,000 | Payroll Liabilities | 695 | 0 |
| Accrued Interest Receivable | 1,083 | 1,156 | | | |
| Accounts Receivable (net) | 11,130 | 16,045 | | | |
| Prepaid expenses and other | 16,580 | 9,018 | | | |
| | <hr/> | <hr/> | Total current liabilities | <hr/> | <hr/> |
| Total current assets | \$2,496,031 | \$2,503,857 | | \$197,944 | \$217,565 |
| | | | | | |
| <u>LONG TERM INVESTMENTS</u> | | | | | |
| Minority Interest in MTMC | \$19,850,540 | \$19,773,286 | | | |
| | | | | | |
| Total LT Investments | <hr/> | <hr/> | | | |
| | \$19,850,540 | \$19,773,286 | | | |
| | | | | | |
| <u>PROPERTY, PLANT AND EQUIPMENT</u> | | | | | |
| Land and land improvements | \$884,614 | \$884,614 | | | |
| Buildings and improvements | 4,560,258 | 4,478,938 | | | |
| Construction in Progress (Valley Springs) | 256 | 43,180 | | | |
| Equipment | 698,157 | 698,157 | | | |
| | | | | | |
| Total gross PPE | \$6,143,284 | \$6,104,888 | | | |
| Accumulated Depreciation | (5,175,158) | (5,101,716) | | | |
| | | | | | |
| Net property, plant and equipment | <hr/> | <hr/> | | | |
| | \$968,126 | \$1,003,172 | | | |
| | | | | | |
| <u>OTHER ASSETS</u> | | | <u>NET ASSETS (Fund Balances)</u> | | |
| Due from State Prop 1A | \$0 | \$0 | Fund balance - District | \$3,374,049 | \$3,337,789 |
| Capitalized Lease Negotiation | 102,531 | 78,019 | Fund balance - Minority Interest in MTMC | 19,773,283 | 19,104,118 |
| Intangible assets | 5,811 | 6,563 | Fund balance - District CY | 509 | 36,260 |
| | | | Fund balance - Minority Interest CY | 77,254 | 669,165 |
| Total other assets | <hr/> | <hr/> | | | |
| | \$108,342 | \$84,582 | Total net assets | <hr/> | <hr/> |
| | | | | \$23,225,095 | \$23,147,332 |
| | | | | | |
| Total assets | <hr/> | <hr/> | Total Liabilities and net assets | <hr/> | <hr/> |
| | \$23,423,039 | \$23,364,897 | | \$23,423,039 | \$23,364,897 |

Mark Twain Health Care District Budget Overview July 2014 through June 2015

Mark Twain Health Care District
Budget FY 2015

| | 2014-2015 BUDGET | Jul '14 | Aug '14 | Sep '14 | Oct '14 | Nov '14 | Dec '14 | Jan '15 | Feb '15 | Mar '15 | Apr '15 | May '15 | Jun '15 |
|--|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|
| Ordinary Income/Expense | | | | | | | | | | | | | |
| Income | | | | | | | | | | | | | |
| 550.10 · Rental Revenue | 310,044 | 25,837 | 25,837 | 25,837 | 25,837 | 25,837 | 25,837 | 25,837 | 25,837 | 25,837 | 25,837 | 25,837 | 25,837 |
| 550.20 · Land Rental Revenue | 5,777 | 481 | 481 | 481 | 481 | 481 | 481 | 481 | 481 | 481 | 481 | 481 | 481 |
| 550.30 · MOB Lease Rent | 211,041 | 17,587 | 17,587 | 17,587 | 17,587 | 17,587 | 17,587 | 17,587 | 17,587 | 17,587 | 17,587 | 17,587 | 17,587 |
| 560.10 · District Tax Revenue | 812,000 | 67,667 | 67,667 | 67,667 | 67,667 | 67,667 | 67,667 | 67,667 | 67,667 | 67,667 | 67,667 | 67,667 | 67,667 |
| 570.10 · Interest Income | 11,000 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 | 917 |
| 570.20 · Other Miscellaneous Income | 1,250 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 | 104 |
| Total Income | 1,351,112 | 112,593 | 112,593 | 112,593 | 112,593 | 112,593 | 112,593 | 112,593 | 112,593 | 112,593 | 112,593 | 112,593 | 112,593 |
| Expense | | | | | | | | | | | | | |
| 600.00 · Lease Negotiation Costs | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 700.00 · Benefits | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 710.00 · Insurance | 12,900 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 |
| 715.23 · Legal Fees | 15,000 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 2,500 |
| 715.24 · Audit Fees | 12,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| 715.25 · Management Consulting Fees | 73,920 | 6,160 | 6,160 | 6,160 | 6,160 | 6,160 | 6,160 | 6,160 | 6,160 | 6,160 | 6,160 | 6,160 | 6,160 |
| 715.26 · Operational Consulting Fees | 20,000 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 | 1,667 |
| 720.64 · Administrative Services | 80,913 | 6,743 | 6,743 | 6,743 | 6,743 | 6,743 | 6,743 | 6,743 | 6,743 | 6,743 | 6,743 | 6,743 | 6,743 |
| 730.00 · Utilities | 568,400 | 47,367 | 47,367 | 47,367 | 47,367 | 47,367 | 47,367 | 47,367 | 47,367 | 47,367 | 47,367 | 47,367 | 47,367 |
| 731.00 · Community Education & Marketing | 15,000 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 833 |
| 734.00 · MOB Rent | 209,985 | 17,499 | 17,499 | 17,499 | 17,499 | 17,499 | 17,499 | 17,499 | 17,499 | 17,499 | 17,499 | 17,499 | 17,499 |
| 735.00 · Depreciation & Amortization | 117,959 | 8,531 | 9,948 | 9,948 | 9,948 | 9,948 | 9,948 | 9,948 | 9,948 | 9,948 | 9,948 | 9,948 | 9,948 |
| 740.86 · Dues and Subscriptions | 15,000 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| 740.88 · Travel, Meals & Lodging | 7,500 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 837 |
| 740.00 · Miscellaneous | 7,000 | 583 | 583 | 583 | 583 | 583 | 583 | 583 | 583 | 583 | 583 | 583 | 683 |
| Total Operating Expense | 1,155,577 | 95,000 | 96,417 | 96,417 | 96,417 | 96,417 | 96,417 | 96,417 | 96,417 | 96,417 | 96,417 | 96,417 | 97,562 |
| Operating Income Before Programs & Events | 195,535 | 17,593 | 16,176 | 16,176 | 16,176 | 16,176 | 16,176 | 16,176 | 16,176 | 16,176 | 16,176 | 16,176 | 15,031 |
| 716.00 · Programs and Events | | | | | | | | | | | | | |
| 716.01 · Pink in the Night | 7,500 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 |
| 716.02 · Health Fair | 40,000 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 | 3,333 |
| 716.03 · Health Education Forum | 3,000 | 0 | 1,500 | 0 | 0 | 0 | 0 | 1,500 | 0 | 0 | 0 | 0 | 0 |
| 716.07 · Chronic Disease Program | 20,000 | 0 | 10,000 | 0 | 0 | 0 | 0 | 10,000 | 0 | 0 | 0 | 0 | 0 |
| 716.08 · Respite Care Program | 20,000 | 0 | 0 | 0 | 0 | 0 | 0 | 20,000 | 0 | 0 | 0 | 0 | 0 |
| 716.09 · Technology for Students | 4,000 | 0 | 0 | 2,000 | 2,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 716.10 · Miscellaneous | 22,000 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 | 1,833 |
| 716.12 · Golden Health Awards | 40,000 | 0 | 0 | 0 | 0 | 0 | 0 | 10,000 | 30,000 | 0 | 0 | 0 | 0 |
| 716.13 · Foundation Sponsorships | 4,000 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 |
| 716.14 · Community Sponsorships | 5,000 | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 | 417 |
| 716.15 · Outpatient Telehealth | 30,000 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Total Programs & Events | 195,500 | 9,042 | 20,542 | 11,042 | 11,042 | 9,042 | 9,042 | 50,542 | 39,042 | 9,042 | 9,042 | 9,042 | 9,042 |
| Operating Income After Programs & Events | 35 | 8,551 | (4,366) | 5,134 | 5,134 | 7,134 | 7,134 | (34,366) | (22,866) | 7,134 | 7,134 | 7,134 | 5,989 |
| TOTAL OPERATING INCOME | 35 | 8,551 | (4,366) | 5,134 | 5,134 | 7,134 | 7,134 | (34,366) | (22,866) | 7,134 | 7,134 | 7,134 | 5,989 |



Mark Twain Health Care District

768 Mountain Ranch Road
P.O. Box 668
San Andreas, CA 95249
209 754-4468 Telephone

March 18, 2015

Bill Griffin, MD
Chairman of the Board
Mark Twain Medical Center
768 Mountain Ranch Road
San Andreas, CA 95249

Dear Dr. Griffin,

The Mark Twain Health Care District Board of Directors at its regular meeting on March 18, 2015 received an update from our Executive Director, legal counsel and financial planner regarding our Valley Springs Medical Center Project. This update reviewed our current process regarding acquisition of the proposed property and possible funding mechanisms.

Our question to the Mark Twain Medical Center Corp Board relates to the leasing of our proposed Medical Center and the terms of that lease.

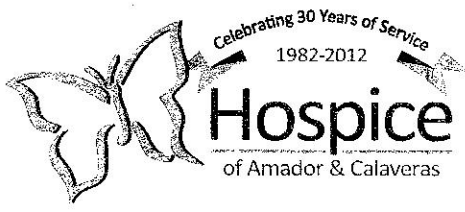
We believe that the best possible position for our loan application is to seek a 30 year fixed rate loan. This might be the only term acceptable thru the USDA process, "deal breaker". We are concurrently working with other lenders and we are reviewing alternative long-term financial models.

We are seeking an expeditious formal response from the Mark Twain Medical Center Corp Board regarding the viability of a long-term lease that would accommodate the full term of our loan.

It would be very helpful if we understood your position prior to our regular meeting of the Mark Twain Health Care District Board on April 22, 2015.

Sincerely,

Peter Oliver, MD
President, MTHCD



March 31, 2015

Board of Directors
Mark Twain Health Care District
P.O. Box 1668
San Andreas, CA 95249

Dear Directors,

Thank you so much for the fourth generous grant of \$20,000 to Hospice of Amador & Calaveras to provide additional respite care to patients and families in Calaveras County. We sincerely appreciate the continued generosity and partnership of the District and we want you to know how much this kind gift means to our organization and the seniors we serve in our community.

In an effort to share this exciting news of the District's continued generosity within our community, we have publicly thanked the Board for their continued support during media interviews and public speaking engagements. Additionally, we will be publishing it in our summer edition of our quarterly newsletter "Hospice Highlights" that reaches over 35,000 households in Calaveras & Amador Counties.

As you are probably aware, our Medicare funding continues to be reduced. We find ourselves continually challenged to meet our mission of providing high-quality, end-of-life care to everyone in our community who needs it, regardless of their ability to pay. Your gift makes a big difference and is greatly appreciated!

Many thanks again to the District for making this gift possible!

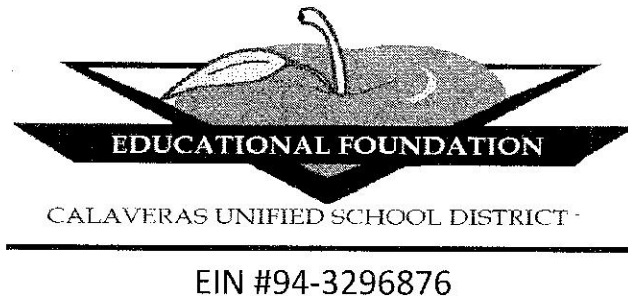
Sincerely,

Dan Riordan
Executive Director, Hospice of Amador & Calaveras

cc: Craig Marks
Joanne Jeffords

(Hospice of Amador & Calaveras is a registered 501 (c) (3) not for profit organization (Federal Tax ID #68-0027333.)
Hospice of Amador & Calaveras did not provide any goods or services in exchange for this donation.)

Calaveras High School
Jenny Lind Elementary
Mokelumne Hill Elementary
Rail Road Flat Elementary
San Andreas Elementary
Toyon Middle School



Valley Springs Elementary
West Point Elementary
Gold Strike High School
Sierra Hills Educ. Center
Jenny Lind Alternative HS
West Point Alternative HS

March 15, 2015

Daymon Doss
Mark Twain Health Care District Board
768 Mountain Ranch Road
San Andreas, CA 95249

Dear Board Members:

On behalf of the Board of Directors of the C.U.S.D. Educational Foundation, I would like to thank you for your donation of a \$500 sponsorship to the annual dinner-dance-auction held at the San Andreas Town Hall on March 7, 2015. This event raised funds to be used to provide unique educational opportunities for students in the Calaveras Unified schools. Since our inception in 1998, we have contributed over \$250,000 to C.U.S.D. students through college scholarships; mini-grants to teachers, parents, and students; and special projects.

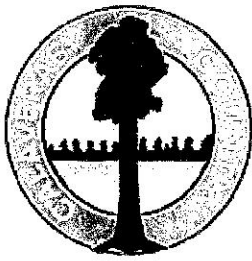
We look forward to next year's Gala and hope that you will support us again as we work to further education for local students. If you have any questions concerning the goals of the Foundation, please feel free to call me at (209) 754-4078 or Patti Poole, Foundation President, at (209) 996-6973.

This letter will serve as your receipt for income tax purposes.

Sincerely,

Jo McInturf, Treasurer
C.U.S.D. Educational Foundation

PO Box 1597, San Andreas, CA 95249



County of Calaveras Planning Department

Peter N. Maurer ~ Planning Director
Phone: (209) 754-6394 Fax: (209) 754-6540
website: www.co.calaveras.ca.us

Initial Routing
March 27, 2015

TO: County Departments

- Agriculture
- Airport
- APCD
- Assessor
- Building Dept.
- Building Dept. (Fire Prevention)
- Code Compliance
- Environmental Management
- Emergency Services
- Public Works
- Public Works - Solid Waste
- Sheriff
- Surveyor
- On-Site Septic
- GIS - Addressing
- Other – County Counsel

Special Interest Organizations

- Fish & Game Commission
- Parks & Rec. Comm. (M. Miller)
- Calaveras Band of Miwok Indians
- California Valley Miwok Tribe
- Ione Band of Miwok Indians
- HOA/POA -
- CSERC
- Other -
- Other -

County Officials

- Commissioners Allured
- Supervisors Edson
- Other -
- Other -

Local Public Agencies

- Fire District – San Andreas
- Elem School-Calaveras USD
- High School-Calaveras USD
- Calaveras Council of Govts.
- CSA/CSD -
- LAFCO
- Tri-Dam
- Oakdale Irrigation District
- S. San Joaquin Irrigation Dist
- PG&E
- Sanitary District – San Andreas
- Telephone – AT&T
- Water District - CPUD
- East Bay MUD
- Stockton East Water District
- Calaveras Child Care Council
- Utica Power of Authority
- Other -
- Other -

Local Jurisdictions

- City of Angels –
 - Planning – Dave Hanham
 - Building
 - Public Works
- County of
 -
- County of
 -
- Other -
- Other -

CA State Departments

- Caltrans District 10
- CalFIRE
- CVRWQCB Region 5S
- Department of Fish & Game (DFG)
- Department of Health Services
- Dept. of Housing & Comm. Develop.
- Department of Parks & Recreation
- Highway Patrol (CHP)
- Native American Heritage Commission
- Office of Emergency Services (OES)
- Office of Historic Preservation
- Other -
- Other -

Federal Agencies

- FERC
- U.S. Army Corps of Engineers
- U.S. Bureau of Land Management
- U.S. Bureau of Reclamation
- U.S. Fish and Wildlife Service
- U.S. Forest Service
- Other -
- Other -

Notification List

- Property owners within 300 feet
- Agent -
- Owner – Gretchen Seagraves
- Applicant – Conrad Bonet
- Other -
- Other -

The following application has been submitted to the Calaveras County Planning Department:

2015-013- Administrative Use Permit for Conrad Bonet

The applicant is applying for an Administrative Use Permit to operate an existing medical cannabis dispensary. The dispensary is currently under the operation of the landowner, Gretchen Seagraves.

Section 4. TERMINATION.

4.1 **Termination.** Either Party may cancel this MOU at any time and without cause upon ninety (90) days' written notification to the other Party.

In the event of termination, Corporation shall be entitled to compensation for services performed to the effective date of termination.

Section 5. MISCELLANEOUS PROVISIONS.

5.1 **Incorporation of Recitals.** The Recitals are hereby incorporated into this MOU as if set forth herein in full.

IN WITNESS WHEREOF, the Parties have executed this MOU as of the day and year first set forth above, which date shall be considered by the Parties to be the effective date of this MOU.

MARK TWAIN HEALTH CARE DISTRICT,
a political subdivision of the State of California

MARK TWAIN MEDICAL CENTER,
a nonprofit public benefit corporation

By: _____
Damon Doss, Executive Director

By: _____

Date: _____

Date: _____

ATTEST:

Peggy Stout, Administrative Assistant

APPROVED AS TO FORM:

Michael F. Dean, General Counsel
2402872.4

Located at 692 Marshall Avenue in San Andreas, APN: 042-034-003 is zoned Professional Office (CP) and has a land use designated of Professional Office/Multi Family Residential in the San Andreas Community Plan. The first Administrative Use Permit was issued for this property on January 31, 2011. The permit has been renewed each year as a requirement of Section 17.91.040C of the Calaveras County Code. The dispensary is currently operating under AUP 2015-001 which expires on February 4th, 2016. Approval of this permit will cease the current permit and allow the dispensary to continue for one year from the date of approval.

Please send any comments you may have regarding the proposed project to the Planning Department no later than **April 17, 2015**.

Additionally, if you are a Responsible or Trustee Agency, please advise this Department on the following:

1. Potential unmitigated adverse environmental impact(s), additional information needed, possible mitigations, and/or conditions of approval.
2. Planning Department's expectation to file a Notice of Exemption in compliance with the California Environmental Quality Act (CEQA).

If we do not receive a response by this date, we will presume that you or your agency has no initial comments, conditions, or objections regarding the proposed project.

This application is an Administrative application; therefore, the proposed project will **not** be scheduled for a public hearing before the Calaveras County Planning Commission. You may contact the Planning Department at any time for the status of this project.

Sincerely,



Amy Iungerich
Planner I

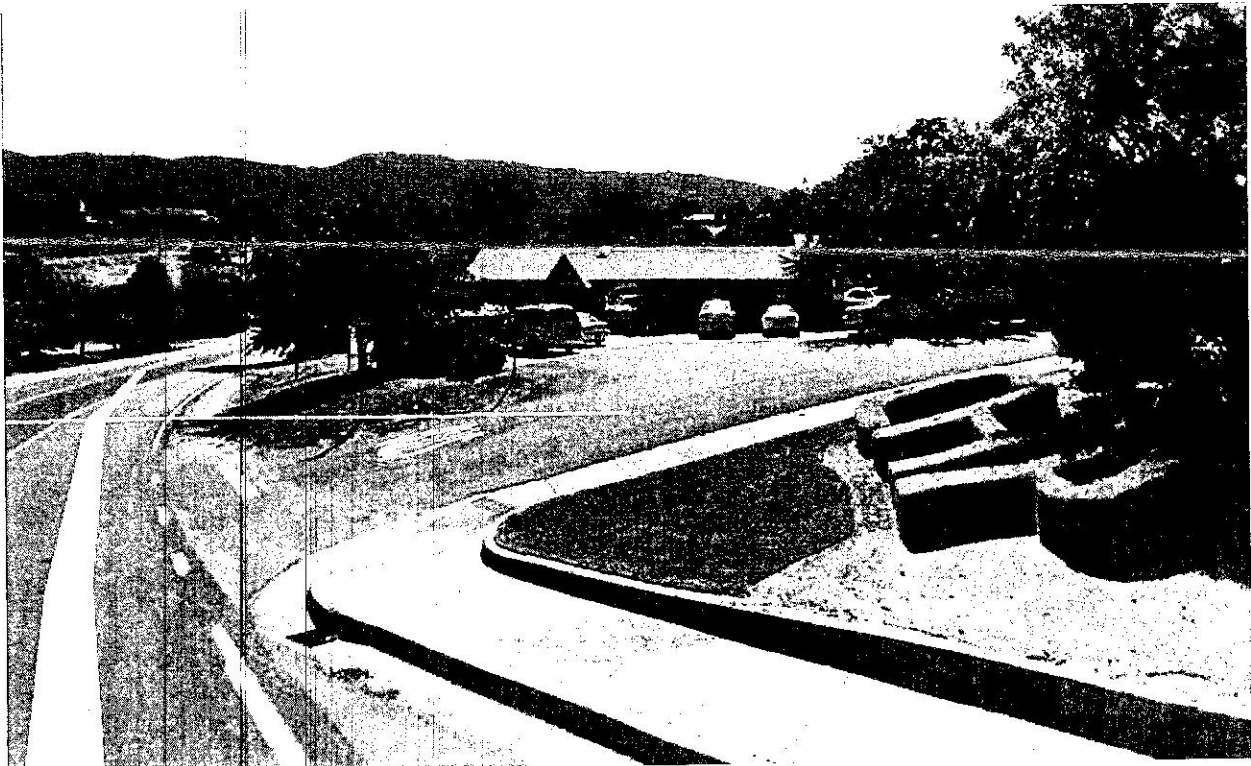
Attachment(s)

1. Location Map
2. Application
3. Assessor's Parcel Map

Attachment 1
Location Map



Street View
Source: Google Earth



Cardmember Service

Cardmember Service
P.O. Box 6353
Fargo, ND 58125-6353

20003 D



UMPQUA
B · A · N · K

March 31, 2015



000062802 1 AB 0.406 106481982976307 P

MTHCD
DAYMOND R DOSS
PO BOX 668
SAN ANDREAS CA 95249-0668

Important information about your Umpqua Bank Visa® Business Bonus Rewards Card
Account number ending in: 8663

Dear Cardmember:

Congratulations! We are pleased to inform you that in recognition of the exceptional way you handle your account, we have increased your credit limit to \$11,000.00.

Your expanded purchasing power begins right now, and your increased credit limit will appear on your next statement. Take advantage of all the benefits you qualify for including worldwide acceptance, Zero Fraud Liability*, cash whenever you need it, and now even more credit.

Thank you for choosing the Umpqua Bank Visa® Business Bonus Rewards Card. If you have any questions concerning your account, please contact us at 1-866-552-8855, fax: 1-866-807-9053. Cardmember Service Representatives are available 24-hours a day, 7 days a week.

Sincerely,

Cardmember Service

*Some exclusions and conditions may apply.



The creditor and issuer of your credit card is Elan Financial Services

**OPENING FOR CITIZEN TO SERVE AS THE PUBLIC MEMBER ON
THE LAFCO COMMISSION**

The Calaveras Local Agency Formation Commission (LAFCO) has an opening for Calaveras County citizen to serve as a Public Member and Public Member Alternate. LAFCO is a distinct agency created by state legislation to ensure that changes in governmental organization occur in a manner, which provides efficient, quality services and preserves open space and agricultural land resources. LAFCO is charged with applying the policies and provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 in its decisions regarding annexations, incorporations, reorganizations, and other changes of local government. LAFCO's webpage is located on the Calaveras County website under the Administration Department at www.calaveraslafco.org

LAFCO meets on the third Monday of every month, as needed at the Board of Supervisor's chambers in San Andreas. LAFCO members receive a \$50.00 monthly meeting stipend.

The appointment is for one public member and public member alternate who resides anywhere within Calaveras County including the territory in the city limits of the City of Angels to sit as a public member or public member alternate on the Commission for a four-year term. A public member must be able and available to regularly attend Commission meetings and (or) hearings. No officer or employee of the county or any city or district within Calaveras County is allowed to sit as a public member or public member alternate on the Commission. All Public Commission members, as are all other Commissioners, are required to file an annual Statement of Economic Interest.

If you are interested, we invite you to send a letter describing your background and reasons for wanting to become the selected Public Member or Public Member Alternate to serve on the Calaveras Local Agency Formation Commission no later than **Friday, May 1, 2015**. If you have any questions, please do not hesitate to call John Benoit, Executive Officer at (209) 754-6303 or (707) 592-7528 or email johnbenoit@surewest.net. Please send your letter of interest describing your background to Calaveras LAFCO, c/o John Benoit, Executive Officer at P.O. Box 2694 Granite Bay, California 95746 or email a letter of interest to johnbenoit@surewest.net. Potential applicants will be invited to the **May 18th 2015** LAFCO meeting for an interview with the Commission.

Dated: March 24, 2015

Calaveras LAFCO
John Benoit
EXECUTIVE OFFICER

**POLICIES AND PROCEDURES
MARK TWAIN HEALTH CARE DISTRICT**

- POLICY NO. 1 MISSION AND VISION**
- POLICY NO. 2 BASIS OF AUTHORITY; ROLE OF THE BOARD OF DIRECTORS**
- POLICY NO. 3 TERM OF OFFICE**
- POLICY NO. 4 OFFICERS OF THE DISTRICT**
- POLICY NO. 5 COMMITTEES OF THE BOARD; PUBLIC INFORMATION LIAISON;
ANNUAL AUDIT**
- POLICY NO. 6 BOARD MEETINGS: LOCATION, TIME, DATE, AND QUORUM**
- POLICY NO. 7 ATTENDANCE AT MEETINGS**
- POLICY NO. 8 AGENDA**
- POLICY NO. 9 TOPICS FOR DISCUSSION AT BOARD MEETINGS**
- POLICY NO. 10 CONDUCT OF MEETINGS**
- POLICY NO. 11 MINUTES; CLOSED SESSION MINUTE BOOK**
- POLICY NO. 12 CONFLICT OF INTEREST AND ETHICS**
- POLICY NO. 13 APPOINTMENTS TO THE DISTRICT BOARD**
- POLICY NO. 14 CONDUCT RELATED TO ELECTIONS**
- POLICY NO. 15 REMUNERATION AND REIMBURSEMENT**
- POLICY NO. 16 MEMBERSHIP IN ASSOCIATIONS; TRAINING AND
EDUCATIONAL CONFERENCES**
- POLICY NO. 17 AUTHORITY AND RESPONSIBILITY OF THE EXECUTIVE
DIRECTOR; CONTRACTS AND BIDDING**
- POLICY NO. 18 COMPENSATION OF THE EXECUTIVE DIRECTOR**
- POLICY NO. 19 PUBLIC RECORD REQUESTS**
- POLICY NO. 20 RESERVED.**
- POLICY NO. 21 AMENDMENTS TO POLICIES AND PROCEDURES**
- POLICY NO. 22 AMORTIZATION OF CAPITAL ASSETS; INVESTMENTS**
- POLICY NO. 23 REQUESTS FOR PUBLIC FUNDS, COMMUNITY GRANTS AND
SPONSORSHIPS**
- POLICY NO. 24 WEBSITE CONTENT AND SOCIAL MEDIA**
- POLICY NO. 25 RESERVES**

POLICY NO. 1 MISSION AND VISION

1.1 MISSION. Through community collaboration, we serve as the stewards of a community health system that ensures our residents have the dignity of access to care that provides competent, professional and compassionate healing.

1.2 VISION. The Mark Twain Health Care District is dedicated to the health and well-being of the individuals and communities of Calaveras County.

Accountability
Communication

Collaboration
Education
Stewardship
Service

The cumulative effect of these values is the focus on ACCESS to health care in Calaveras County.

POLICY NO. 2 BASIS OF AUTHORITY; ROLE OF THE BOARD OF DIRECTORS

2.1 The Board of Directors shall have and exercise all the powers of a health care district as set forth in the Local Health Care District Act. Specifically, the Board of Directors shall be empowered as follows:

A. To control and be responsible for the management of all operations and affairs of the District, including its rights and responsibilities as lessor under the 1989 hospital lease with the Mark Twain St. Joseph's HealthCare Corporation, as amended. The corporation is currently known as Mark Twain Medical Center.

B. To make and enforce all rules and regulations necessary for the administration, government, protection, and maintenance of hospitals and other facilities under District jurisdiction.

C. To retain an Executive Director and to define the powers and duties of such appointee.

D. To delegate certain powers to affiliated or subordinate organizations in accordance with their respective bylaws.

E. To approve or disapprove all constitutions, policies, bylaws, rules and regulations including amendments thereof, of all affiliated or subordinate organizations.

F. To adopt resolutions and ordinances establishing policies or rules for the operation of this District and any of its facilities. Such resolutions and ordinances shall be kept in a separate book or file, and shall be available for inspection at all times. Such resolutions and ordinances shall be considered to be a part of these Policies.

G. To designate by resolution, persons who shall sign checks drawn on the funds of the District.

H. To do any and all other acts and things necessary to provisions of these Policies or of the Local Health Care District Act.

I. To negotiate or enter into agreement with independent contractors, including physicians and paramedical personnel.

J. To appoint members of the Board of Trustees of Mark Twain Medical Center, Inc. and to exercise such other powers as is prescribed in the bylaws of said Corporation.

2.2. BOARD OF DIRECTORS; NUMBERS AND QUALIFICATION. The Board of Directors shall consist of five (5) members, each of whom shall be a registered voter residing in the District.

POLICY NO. 3 TERM OF OFFICE. Each member of the Board of Directors, as elected, shall serve for a term of four (4) years, or until his or her successor is elected and has qualified. Each term shall expire when the successor takes office pursuant to Section 10554 of the California Elections Code.

POLICY NO. 4 OFFICERS OF THE DISTRICT

4.1 OFFICERS. The officers of the Board of Directors shall be a President, Secretary, and a Treasurer. All officers who shall be chosen from among and shall hold office at the pleasure of the Board of Directors. The Board of Directors may create such other offices as the business of the District may require, and the holder of each such office shall hold office for such period, have such authority, and perform such duties as are provided by the Local Health Care District Law, these Policies, or as the Board of Directors may, from time to time, determine. Such additional offices may include, General Counsel and an Executive Director and shall be filled either by members or non-members of the Board of Directors.

4.2 ELECTION OF OFFICERS. The officers of the Board of Directors shall be elected every two (2) years in January, and each officer shall hold office for two (2) years, or until his or her successor shall be elected and qualified, or until he or she is otherwise disqualified. In the event all officers are disqualified or removed from office, the District Board shall elect the Executive Director as President *pro tempore* who shall conduct the first Board of Directors meeting until new officers are elected.

4.3 PRESIDENT. If at any time the President shall be unable to act, the Secretary shall take his or her place and perform the duties of the President. If the Secretary shall also be unable to act, the Treasurer shall take his or her place and perform the duties of the President. If the Treasurer shall also be unable to act, the District Board may appoint some other member of the Board of Directors to do so, and such person shall be vested temporarily with all the functions and duties of the office of President.

The President:

A. Shall preside over all meetings of the Board of Directors.

B. Shall sign, as President, and with the attestation of the Secretary shall execute in the name of the District, all contracts and conveyances, and all other instruments in writing which have been authorized by the Board of Directors, except as otherwise determined by the Board of Directors.

4.4 SECRETARY. The Secretary shall keep, or cause to be kept, accurate and complete minutes of all meetings of the Board of Directors, to be kept at the principal office of the District, showing the time and place, whether regular or special, call meetings on order of the President or any three (3) Directors, attend to all correspondence of the Board, attest the signature of the President on contracts and conveyances and all other instruments as outlined in Policy No. 11, and to perform such other duties as ordinarily pertain to the office.

If at any time the President shall be unable to act, the Secretary shall take his or her place and perform the duties of such office.

4.5 TREASURER. The Treasurer shall be responsible for ascertaining that all receipts are deposited and disbursements made in accordance with these Policies, the directions of the District Board, and good business practice. If, at any time, both the President and Secretary shall be unable to act, the Treasurer shall take the place of the President and perform the duties of such office.

The District Board may appoint an Assistant Treasurer, who may or may not be a member of the Board of Directors, to maintain the financial records of the District, and render a report to the Board of Directors on the financial affairs of the District at least quarterly.

4.6. CORPORATE BOARD REPRESENTATION

A. Appointments to the Mark Twain Medical Center Board of Trustees.

1. The provisions of this section shall be applicable for so long as the bylaws of the Mark Twain Medical Center permit the appointment of two (2) Corporation Board Trustees by the District Board, and the appointment of a third Corporation Board Trustee by the two (2) persons appointed by the District Board to the Corporation Board of Trustees.

2. Subject to the provisions of subsection 3, relating to consecutive terms in office, the President of the District Board shall be elected to the Corporation Board of Trustees by the District Board. A second appointee, chosen from among the members of the District Board, shall be elected by the District Board. If the President chooses not to serve as a Trustee, or has served three (3) consecutive terms as a Trustee, then both of the appointees shall be chosen from among the members of the District Board and shall be elected by the District Board. If a person ceases to be President of the District Board, but remains on the District Board, during a term as a member of the Corporation Board of Trustees, that person shall continue to serve the remainder of his or her term as a Corporation Trustee, unless removed by the District Board. Should either of the two (2) District Board appointees to the Corporation Board of Trustees cease to be a member of the District Board, that person shall continue to serve the remainder of his or her term as a Corporation Trustee, unless removed by the District Board.

3. The term of the appointment to the Corporation Board shall be three (3) years, or whatever other term of office for a Corporation Trustee may then be provided by the Corporation's bylaws. No person, whether or not then serving as President of the District Board, shall be appointed for more than three (3) consecutive terms on the Corporation Board.

Provided, however, that persons who have served for three (3) consecutive terms on the Corporation Board may be reappointed for three (3) further consecutive terms following a break in service as a Corporation Trustee for not less than three (3) years.

4. The two (2) District Board members elected to the Corporation Board as provided above shall appoint a third member of the Corporation Board of Trustees meeting the criteria for such appointments as may be set forth in the Corporation Bylaws. Such appointment is subject to the advice and consent of the District Board, and shall not take effect unless the appointment is confirmed by the District Board. Persons appointed in this manner to the Corporation Board of Trustees shall have the term of office and be subject to the term limits provided in subsection 3. The person appointed in this manner shall not be a member of the District Board.

B. Duties of the Appointees to the Mark Twain Medical Center Corporation Board of Trustees.

The two (2) persons appointed by the District Board to the Corporation Board of Trustees shall serve as an official avenue of communication between the District Board and the Corporation Board of Trustees. Such duty of communication shall not be delegated and is not optional. The appointees shall communicate to the Corporation Board of Trustees and facilitate the District's business interests, commitment to public health and public policy as such are adopted by the District Board, and will advocate the District Board's opinion and decisions. The appointees shall relay the District Board's questions and comments to the Corporation Board, as well as the responses or comments of the Corporation Board to the District Board. The appointees shall provide regular written and verbal reports to the District Board with respect to the activity of the Corporation Board of Trustees to the extent lawful to do so.

C. Removal of District Appointees.

1. Persons appointed to the Corporation Board of Trustees by the District Board serve at the pleasure of the District Board, and may be removed at any time with or without cause by vote of the District Board.

2. Persons appointed to the Corporation Board of Trustees by the District Board who cease to be members of the District Board shall continue to serve as Corporation Trustees for the remainder of their term as trustees, unless and until removed by the District Board.

POLICY NO. 5 COMMITTEES OF THE BOARD; PUBLIC INFORMATION OFFICER; AUDITORS

5.1 SPECIAL COMMITTEES. The President, with the concurrence of the District Board, may, from time to time, appoint one (1) or more members of the District Board and other persons as necessary or appropriate, to constitute special committees for the investigation, study, or review of, specific matters. No committee so appointed shall have any power or authority to commit the District Board or the District in any manner.

5.2 STANDING COMMITTEES. The standing committees of the Board of Directors shall consist of a Finance Committee and such other committees as a majority of the members of the Board of Directors may authorize. The President of the District Board shall appoint the members and chairs of all standing committees. Standing committees shall be included in these Policies.

5.3 FINANCE COMMITTEE. The Finance Committee should consist of and be chaired by the Treasurer and one (1) additional District Board member appointed by the President because of his or her background, interest and knowledge of business-related finance.

A. Responsibilities and Authority.

1. The Chair of the Finance Committee shall be the Treasurer who shall report to the full District Board on a monthly basis. The Finance Committee shall meet on at least a quarterly basis to review the District's financial activities.

2. The Finance Committee shall be responsible for the management of all investments of the District and endowment and trust funds and to see that proceeds are paid into proper funds of the District and used in accordance with the terms of the trust and/or investment objectives of the District.

3. The Finance Committee shall see that a budget is prepared and submitted to the Board with specific recommendations prior to the end of the fiscal year.

4. The Finance Committee shall examine monthly financial reports and require explanations from the Executive Director or his or her delegate of variations from the budget.

5. The Finance Committee shall supervise and review the results of all external audits and make specific recommendations to the full District Board for action.

5.4 PUBLIC INFORMATION OFFICER. The Executive Director, or his or her designee, shall serve as the Public Information Officer for the District. The duties associated with this role include, but are not limited to, ensuring effective communication with local residents and stakeholders in accordance with the District's priorities and the District Board's direction.

5.5. ANNUAL AUDITS. The District Board shall contract with an outside auditor to conduct an annual audit. The District Board shall issue a request for proposals for auditing services not less than every three (3) years, and shall not contract with the same auditor more than twice without an intervening contract with a separate auditor. The annual audit shall be completed by October 31st of each year. Following the Finance Committee's review and recommendation, the District Board must approve the annual audit by December 31st of each year.

POLICY NO. 6 BOARD MEETINGS: LOCATION, TIME, DATE, AND QUORUM

6.1 PUBLIC MEETINGS. Meetings of the Board of Directors, whether regular, special, or adjourned, shall be open to the public, except as otherwise permitted by law. All District Board

meetings will be held in accordance with the Brown Act (Government Code Section 54950 *et seq.*), Health and Safety Code Section 32106, and Health and Safety Code Section 32155.

The regular meetings of the District Board shall be held on the fourth Wednesday of each calendar month at 7:30 a.m. at the District's offices, located within the Mark Twain Medical Center located at 768 Mountain Ranch Road, San Andreas, California. The Board of Directors may, from time to time, change the time or day of the month of such regular meetings as required by holiday schedules or changing circumstances.

6.2 SPECIAL MEETINGS. Special meetings of the Board of Directors may be called as provided by law by the President of the Board, or by three (3) members of the District Board, as the occasion demands. Notice of the holding of any special meeting shall be delivered to each member of the Board of Directors not less than twenty-four (24) hours before the meeting.

The call and notice of a special meeting shall specify the time and place of the special meeting, and the business to be transacted. No other business shall be considered at such meetings by the District Board. Written notice may be dispensed to any member who at or prior to the time the meeting convenes files a written waiver of notice, with the Secretary of the Board.

6.3 QUORUM. A majority of the members of the Board of Directors shall constitute a quorum for the transaction of business.

6.4 ADJOURNMENT. The Board may adjourn any regular, adjourned regular, special, or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. If all members are absent from any regular or adjourned regular meeting, the Executive Director may declare the meeting adjourned to a stated time and place and he or she shall cause a written notice of the adjournment to be given in the same manner as provided in these Policies for special meetings, unless such notice, is waived as provided for special meetings. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within twenty-four (24) hours after the time of adjournment.

When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes. When an order of adjournment of any meeting fails to state the hour at which the adjourned meeting is to be held, it shall be held at the hour specified by these Policies for regular meetings.

POLICY NO. 7 ATTENDANCE AT MEETINGS. The term of any member of the Board of Directors shall expire if he or she is absent without reasonable cause from three (3) consecutive regular meetings, or from three (3) of any five (5) consecutive meetings of the District Board and if, in such event, the District Board by resolution declares that a vacancy exists on the District Board.

Reasonable cause for absence, includes, but is not necessarily limited to, illness, accident, vacation or unavoidable business or family commitments.

POLICY NO. 8 AGENDA. At least seventy-two (72) hours before a regular meeting, and at least twenty-four (24) hours before a special meeting, the Executive Director shall cause an agenda to be posted containing a brief general description of each item of business to be transacted or discussed at the meeting in accordance with the Brown Act. The agenda shall specify the time and location of the regular meeting and shall be posted at the Mark Twain Medical Center and the Calaveras Public Library in locations that are freely accessible to members of the public. The agendas and all supporting staff reports and documentation included in the agenda package shall be posted to the District's internet website at the same times.

POLICY NO. 9 TOPICS FOR DISCUSSION AT BOARD MEETINGS. Pursuant to the Brown Act, no action or discussion shall be taken on any item not appearing on the posted agenda, except as provided by law.

POLICY NO. 10 CONDUCT OF MEETINGS. The President of the Board of Directors shall preside at all Board meetings at which he or she is present. The President shall have the same rights as other Board members in voting, introducing or seconding motions and resolutions, and participating in discussions. The Board's meetings shall be conducted in accordance with *Robert's Rules of Order*, to the extent consistent with the Brown Act and these Policies.

POLICY NO. 11 MINUTES AND CLOSED SESSION MINUTE BOOK. The Secretary shall cause to be kept, at the principal office of the District, a book of minutes of all meetings of the Board of Directors, showing the time and place, whether regular or special, and if special, how authorized, the notice given, the names of the Directors present, and a statement of the vote of the Directors on all motions and resolutions.

Pursuant to the Brown Act, the District Board may, by resolution, designate a clerk or other officer or employee of the District who shall attend each closed session of the District Board and keep and enter in a minute book, a record of topics discussed and decisions made at the meeting. Any minute book made pursuant to this Policy is not a public record subject to inspection and shall be kept confidential. The minute book shall be available only to members of the District Board, the Executive Director and General Counsel, or to a court of general jurisdiction wherein the District is located, if a violation of the Brown Act is alleged to have occurred at a closed session. Such a minute book may, but need not, consist of a written record of the closed session.

POLICY NO. 12 CONFLICT OF INTEREST CODE AND ETHICS

12.1 CONFLICT OF INTEREST CODE

The Board approved Resolution No. 14-XXX on December 10, 2104 which adopted the terms of Section 18730 of Title 2 of the California Code of Regulations and any amendments to said provision approved by the Fair Political Practices Commission, as the District's Conflict of Interest Code.

12.2 DISCLOSURE OF ECONOMIC INTERESTS. Individuals required to file statements of economic interests under the District's Conflict of Interest Code must submit those statements to the

Executive Director, as the District's filing officer. The Executive Director shall retain the statements and make them available for public inspection and reproduction, as required by the Political Reform Act, or forward them to the County of Calaveras or the Fair Political Practices Commission as required by law.

12.3 AB 1234 ETHICS TRAININGS

The Executive Director shall be responsible for scheduling ethics training for all members of the Board of Directors on a biennial basis as required by Assembly Bill 1234 ("AB 1234"). The AB 1234 trainings shall also be held within three (3) months of a newly elected member of the Board of Directors assuming office. The trainings shall conform to the content and length requirements of AB 1234.

POLICY 13. APPOINTMENTS TO THE DISTRICT BOARD. Any vacancy upon the Board of Directors may be filled by appointment by the remaining members of the Board of Directors or by special election, for such term and under such conditions as may be specified by law.

POLICY NO. 11 CONDUCT RELATED TO ELECTIONS. Public elections shall be held to fill all seats on the Board of Directors, except seats becoming vacant prior to the expiration of a Director's elected term, or as otherwise provided by law. Elections shall be conducted as provided in the Local Health Care District Law and the California Elections Code.

Elections shall be held in even-numbered years and consolidated with general elections, when feasible. The person receiving the highest number of votes for each office to be filled shall be elected. The election of the Directors shall be staggered in alternatively even-numbered years so that three (3) Directors will be elected in a given even-numbered year and the remaining Directors will be elected in the following even-numbered year.

POLICY NO. 15 REMUNERATION AND REIMBURSEMENT. The members of the Board of Directors shall serve without compensation, except that each shall be allowed his or her actual and necessary traveling and incidental expenses incurred in the performance of official business of the District as approved by the Board of Directors. The Executive Director shall process and distribute reimbursements as requested on not less than a quarterly basis.

Notwithstanding the foregoing, the Board of Directors, by resolution adopted by a majority vote of the members of the District Board, may authorize payment for attending meetings in the amount permitted by the Local Health Care District Law of California (Health and Safety Code § 32103).

POLICY NO. 16 MEMBERSHIP IN ASSOCIATIONS; TRAINING AND EDUCATIONAL CONFERENCES

16.1 MEMBERSHIP IN ASSOCIATIONS. The Board may authorize the payment of fees and dues to obtain membership in any local, state or national group or association organized and

operated for the promotion of the public health and welfare or the advancement of the efficiency of hospital administration.

16.2 TRAINING AND EDUCATIONAL CONFERENCES. Members of the Board of Directors may receive reimbursement for registration fees, travel expenses including mileage reimbursement, for attendance at training and educational conferences promoting public health and welfare or the advancement of the efficiency of hospital administration.

POLICY NO. 17 AUTHORITY AND RESPONSIBILITY OF THE EXECUTIVE DIRECTOR; CONTRACTS AND BIDDING

17.1 AUTHORITY AND RESPONSIBILITY OF THE EXECUTIVE DIRECTOR. The Board of Directors shall employ or contract for the services of an Executive Director who, subject to such policies as may be adopted, and such orders as may be issued by the Board of Directors, or by any of its committees to which it has delegated power for such action, shall have the responsibility, as well as the authority, to function as the chief executive officer of the District, translating the Board of Directors' policies into actual operation. The Executive Director shall report to the Board, and serve at its pleasure.

The Executive Director shall have the authority to approve non-capital expenditures of up to \$X without prior Board approval, in conformance with the District Board's approved budget allocations.

17.2 CONTRACTS AND BIDDING. The District's procurement of goods and services shall comply with the bidding requirements under Health and Safety Code Section 32132.

POLICY NO. 18 COMPENSATION OF THE EXECUTIVE DIRECTOR. The Executive Director's compensation shall be set by contract. The District Board shall review the Executive Director's performance and compensation at least annually, or as otherwise provided in the Executive Director's employment contract.

A. The following information or data should be considered in the Board's decisions regarding the Executive Director's compensation: A. The following information or data must inform and support the Board's decisions regarding the Executive Director's compensation:

1. The salaries of executive directors/chief executive officers of comparable health care districts throughout California;

2. The salaries of comparable positions at similar for-profit and non-profit organizations.

POLICY NO. 19 PUBLIC RECORD REQUESTS. Requests for public records will be responded to in accordance with the California Public Records Act (Government Code Section 6250, *et seq.*). The Executive Director is responsible for handling public records requests and may consult with legal counsel, as needed.

POLICY NO. 20 RESERVED.

POLICY NO. 21 AMENDMENTS TO POLICIES AND PROCEDURES

These Policies and Procedures may amended by resolution of the Board of Directors following the noticing of the proposed amendment, including language to be changed, at one regular meeting of the Board of Directors, and a vote by the majority of the District Board on the proposed amendments at a regular meeting occurring not less than thirty (30) days following the first meeting.

POLICY NO. 22 AMORTIZATION OF CAPITAL ASSETS; INVESTMENTS

22.1 TITLE TO PROPERTY. The title to all property of the District shall be vested in the District and the signature of the President of the Board of Directors authorized by resolution of the Board of Directors shall constitute the proper authority for the purchase or sale of property, or for the investment or other disposal of trust funds which are subject to the control of the District.

22.2 AMORTIZATION OF CAPITAL ASSETS.

Capital assets of the District shall be depreciated as required by Generally Accepted Accounting Principles (“GAAP”) and the Governmental Accounting Standards Board (“GASB”).

22.3 INVESTMENT POLICY.

The District’s Investment Policy is set forth for the following purposes:

- A. To establish a clear understanding for the governing board, management, employees, public, and third parties of the objectives, policies and guidelines for the investment of public funds.
- B. To offer guidance to staff on the investment of District funds; and
- C. To establish a basis for evaluating investment results.
- D. The District establishes investment policies that meet its current investment goals.

The District shall review this policy annually, and may change its policies as its investment objectives change.

- E. Objectives of the Investment Policy are, in order of priority:
 - 1. To ensure safety of invested funds;

2. To maintain sufficient liquidity to meet cash flow needs;
3. To attain a "market average rate of return" consistent with the primary objectives of safety and liquidity.
4. To assure ongoing compliance with all Federal, State and local laws governing the investment of monies under the control of the District.
5. To invest funds for future health care purposes, (i.e., capital investment to purchase land) for community benefit.

F. Prudence. When investing public funds, the District shall act with care, skill, prudence, and due diligence, considering the circumstances then prevailing, remaining cognizant of the need to safeguard the principal and maintain the liquidity needs.

G. Ethics and Conflicts of Interest. The District Board and employees of the District shall comply with the District's Conflict of Interest Code, Political Reform Act and applicable law related to ethics, including those regulations set forth by the Fair Political Practices Commission.

H. Operational and Procedural matters

1. Scope. This investment policy applies to all financial assets and investment activities of the District.
2. Oversight. The Finance committee of the District shall annually review the investment policy and submit it to the Board for approval each year; and shall annually review the investments and rate of return.

I. Permitted Investments

1. Authorized Investments. All investments shall be made in accordance with the Government Code of California as applicable to hospital districts. Permitted investments under this policy shall include:
 - (a) Securities issued by the US Treasury, provided that there shall be no maximum allowable investment in US Treasury securities;
 - (b) Securities issued and fully guaranteed as to payment by an agency of the US Government, provided that there shall be no maximum allowable investment in such securities;
 - (c) Federally insured time deposits (non-negotiable certificates of deposit) in California banks.

(d) Time deposits (non-negotiable certificates of deposit) in California banks in excess of insured amounts which are fully collateralized with securities in accordance with California law.

(e) Capital Investments (i.e., land) for future health care purposes.

2. Prohibited Investment Vehicles and Practices

(a) State law notwithstanding, any investments not specifically described herein are prohibited, including, but not limited to, mutual funds, unregulated and/or unrated investment pools or trusts, collateralized mortgage obligations and futures and options.

(b) Investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.

(c) Investment in any security that could result in a zero interest accrual if held to maturity is prohibited.

(d) Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.

(e) Purchasing or selling securities on margin is prohibited.

(f) The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.

POLICY NO. 23 REQUESTS FOR PUBLIC FUNDS, COMMUNITY GRANTS AND SPONSORSHIPS

A. Under the law, the District may provide assistance to health care programs, services, and activities at any location within the District for the benefit of the District and the people served by the District and to non-profit provider groups and clinics functioning in Calaveras County in order to provide for adequate health services to communities served by the District. (California Health and Safety Code Sections 32121(j) and 32126.5)

B. The community's health needs are served not only by traditional acute care hospitals, but also by a broad array of other health-related programs and initiatives. These include local health and wellness programs, community-based clinics, health provider educational programs, and other programs and organizations that promote physical, emotional, and psychological well-being.

C. As allowed by the District's financial condition, the District shall have a Golden Health Grants program to address identified community healthcare needs as envisioned by the Mission Statement and the Strategic Plan. In conjunction with setting the District's annual budget each year, the District shall determine whether to fund the Community Grants program

for that budget year and, if so, in what amount. District staff shall administer the program with the District Board making the final decision regarding grant recipients.

1. Requests for emergency or interim funding that fall outside the normal Community Grants application cycle may be presented to the Board after review by the Board President and Executive Director.

2. The Mark Twain Healthcare District will not sponsor fundraising events but may sponsor health education events.

D. Process for Approving Community Grants and Eligibility Requirements:

1. The Board President shall appoint an ad hoc Golden Health Community Grants Committee to review grant applications and make recommendations to the Board. The Grants Committee shall include two Board members, District staff, and community members who shall serve without compensation. Information regarding the availability of the Community Grants and the application process shall be posted on the District's website and publicized appropriately so that eligible programs may make timely applications. Previous recipients of the Golden Health Award are not eligible for nomination in the year following their receipt of the award. Nominees for the Golden Health Award may be nominated three consecutive years. They are not eligible for nomination in the fourth year.

POLICY NO. 24 WEBSITE CONTENT AND SOCIAL MEDIA

24.1 WEBSITE CONTENT. In order to increase public awareness of the District's role and promote transparency, the District's website must include the following information: District's contact information; the District's governance including biographies and contact information for the Board of Directors; a map of the District's boundaries; agendas and notices of upcoming District Board meetings; ; staff reports or other backup material for upcoming Board of Directors meetings; the District's annual report, audit, and operating budget; the lease of the hospital to the Mark Twain Medical Center; as well as other information deemed appropriate by the District Board.

24.2 SOCIAL MEDIA. Any and all social media accounts maintained on behalf of the District by the District's staff, and/or Directors shall promote the District's Mission Statement, Vision, and Strategic Plan.

POLICY NO. 25 RESERVES

25.1 RESERVES. Should the operation of the District result in a surplus of revenue over expenses during any particular period, such surplus may be used by the District Board in accordance with the District's Mission Statement, Vision, and Strategic Plan, or for other purposes not inconsistent with the Local Health Care District Act, or these Policies.

April 15, 2015

Mr. Daymon Doss
Executive Director
Mark Twain Health Care District
P.O. Box 668
San Andreas, CA 95249

Dear Mr. Doss:

HFS Consultants (HFS) is pleased to submit this proposed scope of services to assistance Mark Twain Health Care District (the "District") evaluate and advance various strategic and fiscal planning initiatives.

We understand that you wish to prepare a presentation that will be suitable for the District Board meeting scheduled for April 22nd. Accordingly, this letter serves as a discussion tool for us to reach an understanding about the content and context of HFS assistance. Upon such time as we all are comfortable with the description of services, we can easily convert this content into a PowerPoint or other appropriate presentation document in preparation for that meeting.

The District leases ("Facility Lease") a 25-bed licensed critical access hospital and other hospital based healthcare facilities (see Table below) to Mark Twain Medical Center ("MTMC") a non-profit public benefit corporation. MTMC has an executed management services agreement ("Current Management Agreement") with Dignity Health ("Dignity") to manage and operate the healthcare services on behalf of MTMC's seven member board of trustees (the "MTMC Board"). The District and Dignity leadership have the ability to appoint a select number of individuals to the Board respectively.

- 1. Hospital and other Campus Facilities, San Andreas, CA**
- 2. Angels Towne Center, Angels Camp, CA**
- 3. Meadowmont Center, Arnold, CA**
- 4. Lake Tullock Plaza, Copperopolis, CA**
- 5. La Contenta Plaza, Valley Springs, CA**

The District is seeking valuation assistance for the following:

- Develop a range of the fair market value (“FMV”) of the Facility Lease based on the existing “as is” operations and for the projected operations based upon completion of various proposed development project(s). The Facility Lease FMV is expected to form the basis for Lease Agreement re-negotiation in preparation for the anticipated lease renewal in 2016.
- Develop a fair market value estimate of the Management Agreement and compare this to the existing terms and payment rates. This Management Agreement FMV analysis is to be employed as the basis for potential Management Agreement terms and compensation re-negotiation with Dignity.

“Fair Market value” is defined in the International Glossary of Business Valuation Terms as:

The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm’s length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

The valuation conclusion will be on a going-concern premise and will be expressed as of the date of the predominance of the data supporting our analysis.

The District is also seeking capital planning assistance as it considers various relocation and expansion strategies/scenarios including MTMC’s Valley Springs and Angels Camp locations as preliminarily identified in the February 2014 presentation to the MTMC Board. The capital planning assistance will likely include:

- Preparing a financial model of the current and future operations of the MTMC Valley Springs and Angels Camp clinic operations
- Preparing a deb capacity analyses based on projected available cash flows from MTMC Valley Springs and Angels Camp operations
- Evaluating overall MTMC debt capacity as a means to fund the planned Valley Springs and Angels Camp clinic expansions
- Developing and evaluating possible debt structures and key performance metrics with consideration to potential development, ownership and lease arrangements

These scope of work elements comprise our understanding of the primary consulting support as discussed. We understand that the District Board wishes to explore other issues such as the eventual disposition of MTMC restricted cash balances and related topics, however, as currently envisioned, this would be a topic to be approached subsequent to evaluation of the Lease Agreement, Management Agreement and clinic expansion plans.

We would anticipate providing this support and related analysis for a not-to-exceed amount of \$30,000. Should unanticipated circumstances or issues arise that necessitate the expansion of the time expected to complete the tasks associated with this scope of work, we will discuss the need for additional fees with you prior to proceeding. Similarly, should you wish to expand the

Mr. Daymon Doss
Mark Twain Health Care District
April 14, 2015



scope of work beyond that described in this letter, we will reach a mutually agreeable understanding with regard to fees for such additional work prior to proceeding.

Our standard terms and conditions are attached to this letter. Accordingly, subject to District Board approval, we will regard this letter as sufficient to serve as a letter of engagement of HFS to provide the services described herein.

We would like to schedule a conference call to review this letter and to collect your feedback and revise the engagement scope of services accordingly. Please let us know what date(s) would suit your schedule tomorrow, Thursday, or Friday (4/15, 4/16, or 4/17). Thanks for your patience and let us know your thoughts.

Sincerely,

HFS Consultants

A handwritten signature in black ink, appearing to read 'David Robeson', written over a light blue circular stamp.

David Robeson
Managing Director
Feasibility, Valuation and Capital Planning

TERMS AND CONDITIONS

1. Independent Contractor. HFS shall be deemed at all times to be an independent contractor. Nothing in this agreement shall be construed as creating an employment relationship between the client and HFS. Any terms in this agreement referring to direction from the client shall be construed as providing for direction as to policy and the result of HFS' work only, and not to the means by which such a result is obtained.

2. At Will. The client and HFS shall each have the option to terminate this agreement at any time without cause given 30 days advance notice. Either party may exercise this option by giving the other party written notice of termination by US mail, facsimile or overnight delivery service. The notice shall specify the date on which termination shall become effective with a minimum of 30 calendar days after receipt of the notice of termination.

3. Collection Costs. The client shall be responsible for any expenses (including attorneys' fees and court costs) incurred by HFS in collecting its fees or expenses billed pursuant to this contract, whether or not legal action is instituted.

4. Arbitration. The parties agree that any dispute arising in connection with this Agreement shall be resolved by arbitration conducted in Alameda County, California in accordance with the commercial arbitration rules of the American Arbitration Association. The prevailing party in such arbitration shall be entitled to an award of reasonable attorneys' fees and costs of arbitration.

5. Hiring of HFS Personnel. If any personnel provided by HFS becomes an employee of, or an independent contractor to, the client or any affiliated entity from the date of this letter until one year after the termination of the engagement, the client will pay HFS a referral fee of \$35,000 or 40 percent of the first year annual gross salary or professional fees the client pays, whichever is greater.

6. General Provisions. This Agreement constitutes the entire understanding of the parties with regard to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings. This Agreement may only be amended by a written agreement signed by both parties. This Agreement shall be binding on, and inure to the benefit of, the parties and their successors and assignees. This Agreement may be executed in counterparts, by signatures transmitted by telecopy, each of which shall be deemed an original, and which together shall constitute one and the same agreement. California law (without regard to conflicts of law) shall govern the interpretation and enforcement of the Agreement. This Agreement has been approved by the client's governing body, and is signed by a duly authorized officer.

7. Indemnification from Costs of Subpoenas. Any services we perform at the client's request or are compelled to perform relating to any subpoena, summons or other legally-binding demand (e.g., serving as a witness or providing documents in an investigation) will be billed at our standard hourly rates plus expenses including, where applicable, any copying and attorney fees and expenses.

8. Interest. Bills for professional fees and expenses are payable within 30 days of receipt by the client. All amounts unpaid after 90 days shall accrue interest at the rate of 1.5 percent per month (18 percent per year) from the invoice date.

9. HIPAA. HFS shall abide by all laws, regulations and directives of the Health Insurance Portability and Accountability Act of 1996 (HIPAA) as it pertains to services performed by HFS and information received by HFS from client pursuant to this agreement. Since HFS may, in the course of performing services under this agreement, receive protected health information from client, HFS will be deemed a Business Associate of the client. HFS will sign and execute a Business Associate agreement with the client and will conform thereto.

10. Intellectual Property. Any and all forms, reports, designs, training presentations and other materials prepared by HFS Consultants for the client shall be used by the client only for its own internal uses and shall not be divulged to any other party without written consent of HFS. HFS reserves all other rights and interests in these materials.



ACHD Update for March 2015



Trustee and Healthcare District of the Year

A question of clarification of eligibility for Trustee of the Year nominations has been raised; specifically, is it required that a nominee currently be serving as a Healthcare District Trustee?

The answer is 'No;' if a Trustee has served on a District Board at any time since May 2014 that Trustee is eligible to be nominated this year.

Recognizing that this clarification may add to the pool of nominees, the deadline for submitting a nomination has been extended to April 13, 2015. This extension will also apply to nominations for District of the Year.

Access the Trustee of the Year nomination form [here](#) and the Healthcare District of the Year nomination form [here](#). Nominations are evaluated by the ACHD Education Committee with recommendations provided to the Board of Directors. Nominees will be recognized and the winner announced at the Annual Meeting Chair's Dinner on May 7, 2015.



Certified Healthcare District

John C. Fremont Healthcare District has completed the Certified Healthcare District process, joining Palomar Health, Sequoia Healthcare District, Antelope Valley Healthcare District and Beach Cities Health District as Certified Healthcare Districts. Districts achieve Certification by demonstrating compliance with public agency reporting requirements in the following subject areas:

- Transparency
- Website Content
- Executive Compensation and Benefits
- State Agency Reporting
- Financial Reporting

Member Districts interested in applying for Certified Healthcare District status should contact Ken Cohen at Ken.Cohen@achd.org.



Legislative Day

The schedule for Legislative Day may be found [here](#); this event is an opportunity to get caught up on current legislative issues and meet with elected officials and Chairs of key committees. The Association's new Advocacy consultants, [Hurst Brooks Espinosa](#) will be in attendance and I look forward to introducing them to you. [Assemblyman Rocky Chavez](#) (R-Oceanside), the Association's Legislator of the Year will be the dinner Key Note speaker at the Monday evening dinner.



Executive Director Comments

I had the opportunity to visit Salinas Valley Memorial Hospital to meet with CEO Pete Delgado and learn firsthand about the programs and services provided. While Salinas is not currently a Member of the organization, I feel it is important to maintain relationships with all Healthcare Districts with the goal of having them rejoin the Association as members when the opportunity arises.



Annual Meeting

Registration for the Association's Annual Meeting, to be held May 6-8, 2015 at the Monterey Plaza Hotel in Monterey CA, is now open. You may register for the Annual Meeting [here](#). Recent ACHD events have seen room blocks fill up quickly; to ensure that you receive the discounted hotel rate we encourage early registration. The theme of this year's meeting is "Creating the Healthcare District of the Future". We have confirmed Gyre Renwick as our keynote speaker for Thursday, May 7. Mr. Renwick is the Head of Industry, Health Services for Google and he will be addressing Google's perspective of how technology will change the future of health care. The Annual Meeting schedule and confirmed speakers may be found [here](#).



Legislative Update

ACHD's Advocacy Team is in full swing advocating on behalf of California's Healthcare Districts. Having finished their initial review of the 2,476 measures introduced on issues relating to health care, labor relations, Medi-cal, community health, workers' compensation, Advocates are now actively lobbying the Legislature and State Departments. The Legislative Reports detail measures ACHD has a recommended position on. The Hot Watch Report details measures ACHD is watching closely. You may access our Legislative Reports and Hot Watch reports on the public ACHD website [here](#).

Members of [My ACHD](#) can find even more information relating to measures. Simply navigate to the Advocacy Center and then select 'legislation' to find links to all of the measures ACHD is following. Once you find a measure of interest, you may click on the bill number to access letters of support or opposition written by ACHD.

Both the Legislative and Hot Watch reports are live reports, meaning, anytime they are accessed, the information is current. These reports will remain posted on the public ACHD website (www.achd.org) and on the "Members Only" page [here](#), while the Legislature is in session.

I encourage you to frequently check these reports as legislation is constantly evolving and utilizing these reports are the most accurate way to stay informed of legislative news.

Legislation to address the Distinct Part –Skilled Nursing Facility reductions associated with AB 97 (2011) has been introduced in both Houses by the Senate and Assembly Health Committee Chairs: [SB 243 \(Hernandez\)](#) and [AB 366 \(Bonta\)](#).



CALIFORNIA
ASSOCIATION
OF REALTORS®

**COMMERCIAL PROPERTY PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS**
(NON-RESIDENTIAL)

(C.A.R. Form CPA, Revised 4/13)

1. OFFER:

A. THIS IS AN OFFER FROM Mark Twain Health Care District Date: November 6, 2014
 Individual(s), A Corporation, A Partnership, An LLC, An LLP, or Other _____ ("Buyer").

B. THE REAL PROPERTY TO BE ACQUIRED is described as La Contenta Plaza APN # 073-049-002
003, 004, 005, 006 & 073-047-001, Assessor's Parcel No.
Valley Springs, County of Calaveras, situated in _____, California, ("Property").

C. THE PURCHASE PRICE offered is Eight Hundred Ninety Thousand

D. CLOSE OF ESCROW shall occur on _____ (Dollars \$ 890,000.00)
 _____ (date) (or 30 Days After Acceptance).

2. AGENCY:

A. POTENTIALLY COMPETING BUYERS AND SELLERS: Buyer and Seller each acknowledge receipt of a disclosure of the possibility of multiple representation by the Broker representing that principal. This disclosure may be part of a listing agreement, buyer-representation agreement or separate document (C.A.R. Form DA). Buyer understands that Broker representing Buyer may also represent other potential buyers, who may consider, make offers on or ultimately acquire the Property. Seller understands that Broker representing Seller may also represent other sellers with competing properties of interest to this Buyer.

B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
 Listing Agent _____ (Print Firm Name) is the agent of (check one): the Seller exclusively; or both the Buyer and Seller.
 Selling Agent _____ (Print Firm Name) (if not same as Listing Agent) is the agent of (check one): the Buyer exclusively; or the Seller exclusively; or both the Buyer and Seller.

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Deposit shall be in the amount of _____ \$ 44,500.00
 Buyer shall deliver deposit directly to Escrow Holder by personal check, electronic funds transfer, Other _____ within 3 business days after acceptance
 Other _____

OR (2) (If checked) Buyer has given the deposit by personal check (or _____) to the agent submitting the offer (or to _____) made payable to _____ The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder (or into Broker's trust account) within 3 business days after Acceptance (or Other _____).

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of _____ \$ _____ within _____ Days After Acceptance, or _____.

C. LOAN(S):

(1) FIRST LOAN in the amount of _____ \$ _____
 This loan will be conventional financing or, if checked, Seller (C.A.R. Form SFA), assumed (C.A.R. Form PAA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ % of the loan amount. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.

(2) SECOND LOAN in the amount of _____ \$ _____
 This loan will be conventional financing or, if checked, Seller (C.A.R. Form SFA), assumed (C.A.R. Form PAA), subject to financing, Other _____. This loan shall be at a fixed rate not to exceed _____ % or, an adjustable rate loan with initial rate not to exceed _____ % of the loan amount. Regardless of the type of loan, Buyer shall pay points not to exceed _____ % of the loan amount.

D. ADDITIONAL FINANCING TERMS: _____

E. BALANCE OF PURCHASE PRICE OR DOWN PAYMENT in the amount of _____ \$ _____ to be deposited with Escrow Holder within sufficient time to close escrow.

F. PURCHASE PRICE (TOTAL): _____ \$ 845,500.00

G. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to 3H(1)) shall, within 7 (or _____) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (If checked, verification attached.) _____ \$ 890,000.00

H. LOAN TERMS:

(1) LOAN APPLICATIONS: Within 7 (or _____) Days After Acceptance, Buyer shall Deliver to Seller a letter from lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in 3C above. (If checked, letter attached.)

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Obtaining the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. Buyer's contractual obligations to obtain _____

Buyer's Initials (X) (_____)
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Seller's Initials (X) (_____)
 Reviewed by _____ Date _____



CPA REVISED 4/13 (PAGE 1 OF 10)

Property Address: Valley Springs, Ca. 95252

Date: November 6, 2014

and provide deposit, balance of down payment and closing costs are not contingencies of this Agreement.

(3) LOAN CONTINGENCY REMOVAL:

(i) Within 17 (or []) Days After Acceptance, Buyer shall, as specified in Paragraph 17, in writing remove the loan contingency or cancel this Agreement;

OR (ii) (If checked) [] the loan contingency shall remain in effect until the designated loans are funded.

(4) [] NO LOAN CONTINGENCY (If checked): Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or, if checked, [] is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the specified purchase price. If there is a loan contingency, Buyer's removal of the loan contingency shall be deemed removal of this appraisal contingency (or, [] if checked, Buyer shall, as specified in paragraph 17B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or []) Days After Acceptance). If there is no loan contingency, Buyer shall, as specified in paragraph 17B(3), in writing remove the appraisal contingency or cancel this Agreement within 17 (or []) Days After Acceptance.

J. [] ALL CASH OFFER (If checked): Buyer shall, within 7 (or []) Days After Acceptance, Deliver to Seller written verification of sufficient funds to close this transaction. (If checked, [] verification attached.)

K. BUYER STATED FINANCING: Seller has relied on Buyer's representation of the type of financing specified (including but not limited to, as applicable, amount of down payment, contingent or non contingent loan, or all cash). If Buyer seeks alternate financing, (i) Seller has no obligation to cooperate with Buyer's efforts to obtain such financing, and (ii) Buyer shall also pursue the financing method specified in this Agreement. Buyer's failure to secure alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

4. ALLOCATION OF COSTS (if checked): Unless otherwise specified in writing, this paragraph only determines who is to pay for the inspection, test or service ("Report") mentioned; it does not determine in the report who is to pay for any work recommended or identified in the Report.

A. INSPECTIONS AND REPORTS:

- (1) [] Buyer [] Seller shall pay for sewer connection, if required by Law prior to Close Of Escrow
(2) [] Buyer [] Seller shall pay to have septic or private sewage disposal system inspected
(3) [] Buyer [] Seller shall pay to have domestic wells tested for water potability and productivity
(4) [] Buyer [X] Seller shall pay for a natural hazard zone disclosure report prepared by
(5) [] Buyer [] Seller shall pay for the following inspection or report
(6) [] Buyer [] Seller shall pay for the following inspection or report

B. GOVERNMENT REQUIREMENTS AND RETROFIT:

- (1) [] Buyer [X] Seller shall pay for smoke detector installation and/or water heater bracing, if required by Law. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance in accordance with state and local Law, unless exempt.
(2) [] Buyer [] Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards, inspections and reports if required as a condition of closing escrow under any Law.
(3) [] Buyer [] Seller shall pay for installation of approved fire extinguisher(s), sprinkler(s), and hose(s), if required by Law, which shall be installed prior to Close Of Escrow. Prior to Close Of Escrow Seller shall provide Buyer a written statement of compliance, if required by Law.

C. ESCROW AND TITLE:

- (1) [X] Buyer [X] Seller shall pay escrow fee
Escrow Holder shall be
(2) [X] Buyer [X] Seller shall pay for owner's title insurance policy specified in paragraph 16E
Owner's title policy to be issued by
(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

D. OTHER COSTS:

- (1) [X] Buyer [X] Seller shall pay County transfer tax or transfer fee
(2) [X] Buyer [X] Seller shall pay City transfer tax or transfer fee
(3) [] Buyer [] Seller shall pay Owners' Association (OA) transfer fee
(4) [] Buyer [] Seller shall pay OA document preparation fees
(5) [] Buyer [] Seller shall pay for
(6) [] Buyer [] Seller shall pay for

5. CLOSING AND POSSESSION:

A. Seller-Occupied or Vacant Units: Possession shall be delivered to Buyer at 5pm or [] AM [] PM, [] on the date of Close Of Escrow; [] on [] ; or [] no later than [] Days After Close Of Escrow. If transfer of title and occupancy do not occur at the same time, Buyer and Seller are advised to: (i) enter into a written occupancy agreement (C.A.R. Form PAA, paragraph 2); and (ii) consult with their insurance and legal advisors.

B. Tenant Occupied Units: Possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on Close Of Escrow.

C. At Close Of Escrow, (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale and (ii) seller shall deliver to buyer available Copies of warranties. Brokers cannot and will not determine the assignability of any warranties.

D. At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys and/or means to operate all locks, mailboxes, security systems, alarms and garage door openers. If the Property is a unit in a condominium or located in a common-interest subdivision, Buyer may be required to pay a deposit to the Owners' Association ("OA") to obtain keys to accessible OA facilities.

6. SECURITY DEPOSITS: Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be transferred to Buyer on Close Of Escrow. Seller shall notify each tenant, in compliance with the Civil Code.

Buyer's Initials (X) ()

Seller's Initials (X) ()

Reviewed by Date



7. SELLER DISCLOSURES:

A. ENERGY DISCLOSURE: Seller shall provide Buyer, at least 24 hours prior to execution of this Agreement, the Disclosure Summary Sheet, Statement of Energy Performance, Data Checklist, and the Facility Summary for the building as required by Public Resources Code Section 25402.10 and California Code of Regulations, Title 20, Sections 1680 through 1685. This requirement is effective for a building with total gross floor area square footage as follows: more than 50,000 square feet, July 1, 2013; more than 10,000 square feet and up to 50,000 square feet, January 1, 2014; and at least 5,000 square feet up to 10,000 square feet, July 1, 2014. For more information, see http://www.energy.ca.gov/ab1103/index.html

B. NATURAL AND ENVIRONMENTAL DISCLOSURES: Seller shall, within the time specified in paragraph 17, if required by Law: (i) Deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; (ii) even if exempt from the obligation to provide an NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

C. ADDITIONAL DISCLOSURES: Within the time specified in paragraph 17, Seller shall Deliver to Buyer, in writing, the following disclosures, documentation and information:

(1) RENTAL SERVICE AGREEMENTS: (i) All current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; and (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates, or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any concession, rebate, or other benefit, except as set forth in these documents.

(2) INCOME AND EXPENSE STATEMENTS: The books and records, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.

(3) TENANT ESTOPPEL CERTIFICATES: (If checked) Tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

(4) SURVEYS, PLANS AND ENGINEERING DOCUMENTS: Copies of surveys, plans, specifications and engineering documents, if any, in Seller's possession or control.

(5) PERMITS: If in Seller's possession, Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.

(6) STRUCTURAL MODIFICATIONS: Any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.

(7) GOVERNMENTAL COMPLIANCE: Any improvements, additions, alterations or repairs made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.

(8) VIOLATION NOTICES: Any notice of violations of any Law filed or issued against the Property and actually known to Seller.

(9) MISCELLANEOUS ITEMS: Any of the following, if actually known to Seller: (i) any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property, or the right to use and occupy it; (ii) any unsatisfied mechanic's or materialman's lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy.

C. WITHHOLDING TAXES: Within the time specified in paragraph 17A, to avoid required withholding Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law, (C.A.R. Form AS or QS).

8. ENVIRONMENTAL SURVEY (If checked): Within _____ Days After Acceptance, Buyer shall be provided a phase one environmental survey report paid for and obtained by Buyer Seller. Buyer shall then, as specified in paragraph 17, remove this contingency or cancel this Agreement.

9. SUBSEQUENT DISCLOSURES: In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly Deliver a subsequent or amended disclosure or notice in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

10. CHANGES DURING ESCROW:

A. Prior to Close Of Escrow, Seller may only engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 17: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify, or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.

B. At least 7 (or _____) Days prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of any Proposed Changes.

11. CONDOMINIUM/PLANNED UNIT DEVELOPMENT DISCLOSURES:

A. SELLER HAS: 7 (or _____) Days After Acceptance to disclose to Buyer whether the Property is a condominium, or located in a planned unit development or other common interest subdivision.

Buyer's Initials (X _____) (_____)

Seller's Initials (X [Signature]) (_____)



Property Address: Valley Springs, Ca. 95252

Date: November 6, 2014

B. If Property is a condominium, or located in a planned unit development or other common interest subdivision, Seller has 3 (or _____) Days After Acceptance to request from the OA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the OA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of OA minutes for regular and special meetings; and (v) the names and contact information of all OA's governing the Property. (Collectively, "CI Disclosures.") Seller shall itemize and deliver to Buyer all CI Disclosures received from the OA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 17.

12. **ITEMS INCLUDED AND EXCLUDED:**

A. **NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 12B or C.

B. **ITEMS INCLUDED IN SALE:**

- (1) All EXISTING fixtures and fittings that are attached to the Property.
- (2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, private integrated telephone systems, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water softeners, water purifiers, security systems/alarms.
- (3) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in paragraph 17.
- (4) Seller represents that all items included in the purchase price are, unless otherwise specified, owned by Seller. Within the time specified in paragraph 17, Seller shall give Buyer a list of fixtures not owned by Seller.
- (5) Seller shall deliver title to the personal property by Bill of Sale, free of all liens and encumbrances, and without warranty of condition.
- (6) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.

C. **ITEMS EXCLUDED FROM SALE:**

13. **CONDITION OF PROPERTY:** Unless otherwise agreed: (i) Property is sold (a) in its PRESENT physical ("as-is") condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) The Property including pool, spa, landscaping and grounds, is to be maintained in substantially, the same condition as of the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Seller by Close Of Escrow.

A. Seller warrants that the Property is legally approved as _____ units.

B. Seller shall, within the time specified in paragraph 17, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, AND MAKE ANY AND ALL OTHER DISCLOSURES REQUIRED BY LAW.

C. Buyer has the right to inspect the Property and, as specified in paragraph 17, based upon information discovered in those inspections: (i) cancel this Agreement; or (ii) request that seller make Repairs or take other action.

14. **BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 17B. Within the time specified in paragraph 17B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 17B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.

D. **Buyer indemnity and Seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.

15. **SELLER DISCLOSURES: ADDENDA; ADVISORIES; OTHER TERMS:**

A. **Seller Disclosures (if checked):** Seller shall, within the time specified in paragraph 17A, complete and provide Buyer with a: Seller Property Questionnaire (C.A.R. Form SPQ) OR Supplemental Contractual and Statutory Disclosure (C.A.R. Form SSD)

B. **Addenda (if checked):** Addendum # _____ (C.A.R. Form ADM)

Buyer's Initials (_____) (_____)

Seller's Initials (_____) (_____)

Reviewed by _____ Date _____



La Contenta

La Contenta Plaza APN # 073-049-002
Property Address: Valley Springs, Ca. 95252

Date: November 5, 2014

- Wood Destroying Pest Inspection and Allocation of Cost Addendum (C.A.R. Form WPA)
 - Purchase Agreement Addendum (C.A.R. Form PAA)
 - Short Sale Addendum (C.A.R. Form SSA)
 - Buyer Intent to Exchange Supplement (C.A.R. Form BES)
 - Septic, Well and Property Monument Addendum (C.A.R. Form SWPT)
 - Other
 - Seller Intent to Exchange Supplement (C.A.R. Form SES)
- C. **Advisories (if checked):**
- Probate Advisory (C.A.R. Form PAK)
 - Trust Advisory (C.A.R. Form TA)
 - Buyer's Inspection Advisory (C.A.R. Form BIA)
 - Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
 - REO Advisory (C.A.R. Form REO)
- D. **Other Terms:** _____

16. TITLE AND VESTING:

- A. Within the time specified in paragraph 17, Buyer shall be provided a current preliminary title report, which shall include a search of the General Index, Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information. The preliminary report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the preliminary report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 17B.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except: (i) monetary liens of record unless Buyer is assuming those obligations or taking the property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.
- C. Within the time specified in paragraph 17, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
- D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
- E. Buyer shall receive a standard coverage owner's CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, survey requirements, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and pay any increase in cost.

17. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

- A. SELLER HAS: 7 (or _____) Days After Acceptance to deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 4, 7A, B and C, 11A, 12B(3) and (4), 13B, 15A and B and 16. Buyer may give Seller a Notice to Seller to Perform (C.A.R. Form NSP) if Seller has not Delivered the items within the time specified.
- B. (1) BUYER HAS: 17 (or _____) Days After Acceptance, unless otherwise agreed in writing, to:
 - (i) complete all Buyer Investigations; approve all disclosures, reports and other applicable information, which Buyer receives from Seller; and (ii) approve all other matters affecting the Property (including information specified in paragraph 7 and insurability of Buyer and the Property).
 - (2) Within the time specified in 17B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to Buyer's requests.
 - (3) Within the time specified in 17B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller either (i) a removal of the applicable contingency (C.A.R. Form CR), or (ii) a cancellation (C.A.R. Form CC) of this Agreement based upon a remaining contingency or Seller's failure to Deliver the specified items. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in 17A, then Buyer has 5 (or _____) Days After Delivery of any such items, or the time specified in 17B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
 - (4) Continuation of Contingency: Even after the end of the time specified in 17B(1) and before Seller cancels this Agreement, if at all, pursuant to 17C, Buyer retains the right to either (i) in writing remove remaining contingencies, or (ii) cancel this Agreement based upon a remaining contingency or Seller's failure to Deliver the specified items. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to 17C(1).

C. SELLER RIGHT TO CANCEL:

- (1) Seller right to Cancel; Buyer Contingencies: If, within the time specified in this Agreement, Buyer does not, in writing, Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP) may cancel this Agreement. In such event, Seller shall authorize return of Buyer's deposit.
- (2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first Delivering to Buyer a NBP may cancel this Agreement for any of the following reasons: (i) if Buyer fails to deposit funds as required by 3A or 3B; (ii) if the funds deposited pursuant to 3A or 3B are not good when deposited; (iii) if Buyer fails to provide a letter as required by 3H; (iv) if Buyer fails to provide verification as required by 3G or 3J; or (v) if Seller reasonably disapproves of the verification provided by 3G or 3J. In such event, Seller shall authorize return of Buyer's deposit.
- (3) Notice To Buyer To Perform: The NBP shall: (i) be in writing; (ii) be signed by Seller; and (iii) give Buyer at least 2 (or _____) Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for Buyer to remove a contingency or cancel this Agreement or meet an obligation specified in 17C(2).

Buyer's Initials (X) (_____)

Seller's Initials (X) (_____)

Reviewed by _____ Date _____



- D. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in a separate written agreement between Buyer and Seller, Buyer shall with regard to that contingency or cancellation right conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections, or for inability to obtain financing.
- E. **CLOSE OF ESCROW:** Before Seller or Buyer may cancel this Agreement for failure of the other party to close escrow pursuant to this Agreement, Seller or Buyer must first Deliver to the other a demand to close escrow (C.A.R. Form DCE).
- F. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, Buyer and Seller agree to Sign mutual instructions to cancel the safe and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. **Release of funds will require mutual Signed release instructions from Buyer and Seller, judicial decision or arbitration award. A Buyer or Seller may be subject to a civil penalty of up to \$1,000 for refusal to sign such instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**
- 18. **REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of receipts and statements to Buyer prior to final verification of condition.
- 19. **ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.
- 20. **AMERICANS WITH DISABILITIES ACT:** The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer's or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.
- 21. **FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final inspection of the Property within 5 (or _____) Days Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 13; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).
- 22. **PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are a current lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are a current lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller. **TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER.** Prorations shall be made based on a 30-day month.
- 23. **SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.
- 24. **MULTIPLE LISTING SERVICE/PROPERTY DATA SYSTEM:** If Broker is a participant of a Multiple Listing Service ("MLS") or Property Data System ("PDS"), Broker is authorized to report to the MLS or PDS a pending sale and, upon Close Of Escrow, the terms of this transaction to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS or PDS.
- 25. **EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.
- 26. **ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorney fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 34A.
- 27. **DEFINITIONS:** As used in this Agreement:
 - A. **"Acceptance"** means the time the offer or final counter offer is accepted in writing by a party and is delivered to and personally received by the other party or that party's authorized agent in accordance with the terms of this offer or a final counter offer.

Buyer's Initials (X) (_____)

Seller's Initials (X WA) (_____)

Reviewed by _____ Date _____



Property Address: Valley Springs, Ca. 95252

Date: November 6, 2014

- B. "C.A.R. Form" means the specific form referenced or another comparable form agreed to by the parties.
 - C. "Close Of Escrow" means the date the grant deed, or other evidence of transfer of title, is recorded.
 - D. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
 - E. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
 - F. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
 - G. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
 - H. "Deliver", "Delivered" or "Delivery", regardless of the method used (i.e. messenger, mail, email, fax, other), means and shall be effective upon (i) personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in paragraph D of the section titled Real Estate Brokers on page 10;
 - OR (ii) if checked, per the attached addendum (C.A.R. Form RDN).
 - I. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other.
 - J. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
 - K. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
 - L. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.
28. **ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interests in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld, unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement.
29. **SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.
30. **COPIES:** Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.
31. **BROKERS:**
- A. **BROKER COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.
 - B. **BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultation and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify, defend, and hold the other, the Brokers specified herein and their agents, harmless from and against any costs, expenses or liability for compensation claimed inconsistent with the warranty and representations in this paragraph.
 - C. **SCOPE OF BROKER DUTY:** Buyer and Seller acknowledge and agree that: Brokers: (i) do not decide what price Buyer should pay or Seller should accept; (ii) do not guarantee the condition of the Property (iii) do not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) shall not be responsible for identifying defects that are not known to Brokers(s); (v) shall not be responsible for inspecting public records or permits concerning the title or use of the Property; (vi) shall not be responsible for identifying location of boundary lines or other items affecting title; (vii) shall not be responsible for verifying square footage, representations of others or information contained in inspection reports, MLS or PDS, advertisements, flyers or other promotional material, unless otherwise agreed in writing; (viii) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller in the course of this representation; and (ix) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.
32. **JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER**
- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any relating counter offers and addenda, and any additional mutual instructions to close the escrow: 1, 3, 4, 6, 7C, 15B and D, 16, 17F, 22, 27, 31A, 32, 37, 40 and paragraph D of the section titled Real Estate Brokers on page 10. If a Copy of the separate compensation agreement(s) provided for in paragraph 31A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out of Buyer's or Seller's funds, or both, as applicable, the respective Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not specifically referenced above in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions directly from Escrow Holder and will execute such provisions upon Escrow Holder's request. To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow.
 - B. A Copy of this Agreement shall be delivered to Escrow Holder within 3 business days after Acceptance (or _____). Escrow holder shall provide Seller's Statement of Information to Title company when received from Seller. Buyer and Seller

Buyer's Initials (X) (_____)

Seller's Initials (X) (_____)

Reviewed by _____ Date _____



authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs the Agreement.

- C. Brokers are a party to the Escrow for the sole purpose of compensation pursuant to paragraph 31A and paragraph D of the section titled Real Estate Brokers on page 10. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 31A, respectively, and irrevocably instructs Escrow Holder to disburse those funds to Brokers at Close Of Escrow, or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement. Escrow Holder shall immediately notify Brokers: (i) if Buyer's initial or any additional deposit is not made pursuant to this Agreement or is not good at time of deposit with Escrow Holder; or (ii) if either Buyer or Seller instruct Escrow Holder to cancel escrow.
- D. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 2 business days after mutual execution of the amendment.

33. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award.

Buyer's Initials _____ / _____ Seller's Initials WJ _____

34. DISPUTE RESOLUTION:

A. MEDIATION: Buyer and Seller agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action. Buyer and Seller also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the parties involved. If, for any dispute or claim to which this paragraph applies, any party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that party shall not be entitled to recover attorney fees, even if they would otherwise be available to that party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. Exclusions from this mediation agreement are specified in paragraph 34C.

B. ARBITRATION OF DISPUTES:

Buyer and Seller agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. Buyer and Seller also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 34C.

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials _____ / _____ Seller's Initials WJ _____

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

- (1) EXCLUSIONS: The following matters shall be excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; (iii) the filing or enforcement of a mechanic's lien; and (iv) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court. The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies, shall not constitute a waiver or violation of the mediation and arbitration provisions.
- (2) BROKERS: Brokers shall not be obligated or compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

Buyer's Initials (X) (_____)

Seller's Initials (WJ) (_____)

Reviewed by _____ Date _____



La Contenta

Property Address: Valley Springs, Ca. 95252

Date: November 6, 2014

35. **GOVERNING LAW:** This Agreement shall be governed by the Laws of the state of California.

36. **TERMS AND CONDITIONS OF OFFER:** This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initiated by all parties or if incorporated by mutual agreement in a counter offer on addendum. If at least one but not all parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

37. **TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the parties are incorporated in this Agreement. Its terms are intended by the parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**

38. **AUTHORITY:** Any person or persons signing this Agreement represent(s) that such person has full power and authority to bind that person's principal, and that the designated Buyer and Seller has full authority to enter into and perform this Agreement. Entering into this Agreement, and the completion of the obligations pursuant to this contract, does not violate any Articles of Incorporation, Articles of Organization, By Laws, Operating Agreement, Partnership Agreement or other document governing the activity of either Buyer or Seller.

39. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit shall be returned, unless the offer is Signed by Seller, and a Copy of the Signed offer is personally received by Buyer, or by _____ who is authorized to receive it by 5:00 PM on the third Day after this offer is signed by Buyer (OR, if checked by _____ (date), at _____ AM PM).

Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the above confirmation of agency relationships.

Buyer Mark Twain Health Care District

By X _____ Date _____
Print name _____
Address 768 Mountain Ranch Rd. City San Andreas State Ca. Zip 95249
Telephone _____ Fax (209) 754 2626 E-mail _____

Buyer _____
By _____ Date _____
Print name _____
Address _____ City _____ State _____ Zip _____
Telephone _____ Fax _____ E-mail _____

Notice Address, If Different _____

Additional Signature Addendum attached (C.A.R. Form ASA).

40. **ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer, agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to deliver a Signed Copy to Buyer.

(If checked) **SUBJECT TO ATTACHED COUNTER OFFER, DATED** _____

Seller Marvin W. Stark
By X Marvin W. Stark Date 11/6/14
Print name MARVIN W. STARK
Address P.O. Box 1853 City POISON State Ca. Zip 95763
Telephone (209) 754-4333 Fax (209) 754-4333 E-mail marvin@toucansail.com

Seller Marvin W. Stark
By _____ Date _____
Print name _____
Address _____ City _____ State Ca. Zip _____
Telephone _____ Fax _____ E-mail _____

Notice Address, If Different _____

Additional Signature Addendum attached (C.A.R. Form ASA).

(_____ / _____) Confirmation of Acceptance: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) _____ at _____ AM PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

Buyer's Initials (X) (_____)

Seller's Initials (MS) (_____)

Reviewed by _____ Date _____



REAL ESTATE BROKERS:

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.
- B. Agency relationships are confirmed as stated in paragraph 2 above.
- C. If specified in paragraph 3A(2), Agent who submitted offer for Buyer acknowledges receipt of deposit.
- D. **COOPERATING BROKER COMPENSATION:** Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow: (i) the amount specified in the MLS or PDS, provided Cooperating Broker is a Participant of the MLS or PDS in which the property is offered for sale or a reciprocal MLS or PDS; or (ii) (if checked) the amount specified in a separate written agreement (C.A.R. Form CBC) between Listing Broker and Cooperating Broker. Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) NONE BRE Lic. # _____

By _____ BRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Real Estate Broker (Listing Firm) NONE BRE Lic. # _____

By _____ BRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked, a deposit in the amount of \$ _____), counter offer(s) numbered _____ and Other _____,

_____ , and agrees to act as Escrow Holder subject to paragraph 32 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions, if any.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is _____

Escrow Holder _____ Escrow # _____

By _____ Date _____

Address _____

Phone/Fax/E-mail _____

Escrow Holder is licensed by the California Department of Corporations, Insurance, Real Estate. License # _____

PRESENTATION OF OFFER: (_____) Listing Broker presented this offer to Seller on _____ (date).
Broker or Designee Initials _____

REJECTION OF OFFER: (_____) (_____) No counter offer is being made. This offer was rejected by Seller on _____ (date).
Seller's Initials _____

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Reviewed by _____ Date _____





CALIFORNIA
ASSOCIATION
OF REALTORS®

ADDENDUM
(C.A.R. Form ADM, Revised 4/12)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: Residential Purchase Agreement, Manufactured Home Purchase Agreement, Business Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, Vacant Land Purchase Agreement, Residential Income Property Purchase Agreement, Commercial Property Purchase Agreement, Other APN # 073-049-002, 003, 004, 005, 006, and 073-047-001 total 14.55 acres

dated November 6, 2014, on property known as La Contenza Plaza

in which Mark Twain Health Care District Valley Springs, Ca. 95225 is referred to as ("Buyer/Tenant")

and Marvin W. Stark is referred to as ("Seller/Landlord")

Subject property consists of 14.55 acres of commercial zoned land.

Parcel #073-049-005 includes a 4 bedroom 3 Bath home built in 1962.

This house is presently rented for \$1000/mo. on a month to month contract. Tenant pays all utilities. This house is being sold on an as is basis with no warranties.

The seller has never lived on this property and is a licensed Realtor acting on his own behalf.

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date _____ Date _____

Buyer/Tenant Mark Twain Health Care District Seller/Landlord Marvin W. Stark
Marvin W. Stark

Buyer/Tenant _____ Seller/Landlord _____

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ADM REVISED 4/12 (PAGE 1 OF 1)

Reviewed by _____ Date _____



ADDENDUM (ADM PAGE 1 OF 1)

Agent: Marvin Stark Phone: 916 768 4882 Fax: 916 987 4882 Prepared using zipForm® software
Broker: Connect Realty, 11244S Gold Country Blvd, Gold River, CA 95670

**Addendum to Commercial Property Purchase Agreement and
Joint Escrow Instructions**

40. Due Diligence Review

- A. Buyer shall have the right, at its sole cost and expense and within sixty (60) days after Acceptance, (such period being hereinafter referred to as the "Due Diligence Period"), to conduct or cause to be conducted any and all tests, inspections, reviews, assessments or evaluations of the Property, including without limitation engineering, topographic, soils, zoning, wetlands and environmental inspections (including Phase I and/or Phase II environmental site assessments to be performed by an environmental consultant selected by Buyer), and economic feasibility and financial availability analyses (collectively, the "Inspections"), as Buyer deems necessary, desirable or appropriate in order to determine whether the Property is suitable for purchase by Buyer. As used herein, the term "Phase I and/or Phase II environmental site assessments" includes Buyer's right to perform intrusive soil sampling/investigation to the land and improvements constituting the Property.
- B. If Buyer has been proceeding with its Inspections in a diligent manner, and notwithstanding the foregoing, has not completed its Inspections by the expiration of the Due Diligence Period, then Buyer shall have the right, in its sole and absolute discretion, to extend the Due Diligence period for an additional thirty (30) days, (the "Extended Due Diligence Period"), upon written notice to Buyer. The Extended Due Diligence Period and the Due Diligence Period are hereinafter referred to as the "Due Diligence Period."
- C. Seller shall allow Buyer, and its authorized agents, representatives, consultants and engineers, unlimited access to the Property and to other information pertaining thereto in the possession or within the control of Seller for the purpose of the Inspections. Seller shall cooperate with Buyer in facilitating the Inspections and shall use its best reasonable efforts to obtain any consents that may be necessary in order for Buyer to perform the Investigations and shall use its best efforts to secure such cooperation from existing tenants of the Property.
- D. In the event such Inspections reveal any condition(s) which renders the Property unsuitable for purchase by Buyer, Buyer may, in its sole and absolute discretion, terminate this Agreement upon written notice to Seller, delivered within five (5) days after the expiration of the Due Diligence Period. In the event Buyer shall so terminate this Agreement pursuant to this paragraph 40, Buyer shall restore the Property to its condition immediately prior to the Inspections (which obligation shall survive the termination of this Agreement) and upon such restoration of the Property, and neither party shall have any further rights or obligations hereunder except as otherwise expressly provided herein. In the event this Agreement is terminated, Buyer will return to Seller any and all documents and analysis obtained during the Due Diligence Period and Buyer agrees that it will not utilize the results of such due diligence for any other purpose.

E. To the extent any terms or conditions of the Agreement, including but not limited to paragraphs 13, 14 and 17, conflict with any terms or conditions of this paragraph 40, such terms and conditions of this paragraph 40 shall control.

F. Contingent upon approved and issue of permit by the County of Calaveras.